Agenda - Council – July 21, 2010

Report – Alternate Service Delivery Committee – July 12, 2010

Item No. 4 Winnipeg Parking Authority SOA - 2010 Business Plan (Selection Report) eFile GL-5.6.1

STANDING COMMITTEE RECOMMENDATION:

On July 14, 2010, the Executive Policy Committee concurred in the recommendation of the Alternate Service Delivery Committee and submits the following to Council:

1. That the 2010 Business Plan for the Winnipeg Parking Authority Special Operating Agency including the 2010 budget be approved, and the Financial Projections for 2011 and 2012 as outlined in Appendix A to the report of the Winnipeg Public Service dated July 7, 2010, be received as information.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Alternate Service Delivery Committee – July 12, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 14, 2010, the Executive Policy Committee concurred in the recommendation of the Alternate Service Delivery Committee and submitted the matter to Council.

COMMITTEE RECOMMENDATION:

On July 12, 2010, the Alternate Service Delivery Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

Further on July 12, 2010, the Alternate Service Delivery Committee received a presentation dated July 2010 from Mr. D. Hill, Chief Operating Officer, Winnipeg Parking Authority SOA, in support of Winnipeg Parking Authority SOA - 2010 Business Plan.

ADMINISTRATIVE REPORT

ISSUE: Winnipeg Parking Authority (WPA) Special Operating Agency 2010 Business Plan;
By-law Amendments; and Operating Charter

Critical Path: ASD Committee
EPC
Council

AUTHORIZATION

Author	Department Head	CFO	CAO
K. Boutilier, WPA	D. Hill COO WPA	M Ruta	A Robinson, Deputy CAO

RECOMMENDATIONS

1. That the 2010 Business Plan for the Winnipeg Parking Authority Special Operating Agency including the 2010 budget be approved, and the Financial Projections for 2011 and 2012 as outlined in Appendix A, be received as information;
2. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

IMPLICATIONS OF THE RECOMMENDATIONS

- The Winnipeg Parking Authority (WPA) reduced its accumulated deficit by $2,858,000. During this time the WPA has completed significant improvements to its operating facilities and services.
- The Agency will work with the Corporate Performance Measures Coordinator to propose new Annual performance measures similar to those contained in Appendix F.
- That the Voluntary Payment of Fines By-Law remain at 2009 amounts as there are no indications that fine amounts need to be amended at this time.
- The Agency will continue to work with the Province of Manitoba to determine appropriate form and text to allow for designation of offences under the new Summary Convictions Act as a first step in the Screening Officer Process.
- The Agency will work with the Province of Manitoba to determine appropriate procedures to make use of the amended provisions of the Summary Convictions Act that allow for the Registrar of Motor Vehicles to refuse renewal of licenses as a result of unpaid fines.
- The Agency will recertify facilities with an existing CFPSA certificate.
- The Agency will promote better information flow from the Public Works Department – Plowing Information System to improve its ability to provide assistance in slow clearing operations.
- The financial statements for 2008 and 2009 are attached for information in Appendix G.

HISTORY

The WPA was designated as a special operating agency effective January 1, 2005. The WPA was created to manage City owned on-and-off-street parking resources and parking compliance, to advocate, encourage and develop growth in supply and service delivery standards of daily/hourly parking in Downtown Winnipeg, and to participate in municipal transportation management wherever possible, on a self supporting basis.

2009

2009 was the fifth year of operation for the Winnipeg Parking Authority.

Winnipeg Square Parkade was sold to private interests in 2010. The net proceeds of sale will be held by the agency pending recommendations in the upcoming Downtown Parking Strategy scheduled for completion in Fall 2010. At that time an additional report proposing recommendations for the disposition of such net proceeds will be presented for consideration.

The initial purchase of new pay station technology has been completed, resulting in improving and growing services to customers, creating the equivalent of 1,400 additional parking locations and increasing meter revenue by an estimated 50% over pre conversion values. These new units replaced the deteriorating and obsolete mechanical single space parking meters which are no longer manufactured or reparable, as parts are no longer available. The new units make more efficient use of curbside space and provide easier payment for users. The units produce a receipt and display parking time periods and conditions of use more effectively than single space meters.

In accordance with the 2009 business plan, a group of additional Pay Station units was installed in the West Exchange District and in the Centennial neighbourhood around the Winnipeg Health Science Centre to better manage on-street parking demand. This action has resulted in a reduction of customer complaints that there is no parking availability, and in the number of parking tickets in these areas by 25%, and an increase in revenue and customer satisfaction. A pre-purchase coupon booklet program was initiated to make parking receipts more readily available to the public.

Parkade permit sales were strong in 2009. The Winnipeg Square parkade was full during the winter period and during inclement weather. Other parkades were also full during peak periods.

In response to requests from stakeholders, the parking meter activation period was extended to an opening time of 7:00 am during the week to permit early morning parking. In the area around the Winnipeg Health Science Centre, the parking period was extended to 4 hours. This assisted stakeholders and resulted in fewer parking tickets.

Structural work to stabilize concrete deck supports at the Civic Centre Parkade was conducted; $500,000 was committed towards replacing concrete and re-pinning the Tee supports, and this repair will be sufficient to hold the tees into 2020.

A pilot program to use License Plate recognition to increase efficiency of compliance patrols was implemented. The pilot was successful in increasing efficiency by 250 % in the areas where it was sampled.

In 2009, WPA reduced its accumulated deficit by $2,858,000. The financial highlights for 2009 are as follows:

- Gross revenues were $16,408,000.
- Parkade revenues were $4,880,000.
- Surface lot revenues were $944,000.
- Meter revenues were $3,999,000 due to the addition of additional pay stations.
- Parking enforcement revenues were $6,223,000.

2010

In 2010, the Agency will continue to manage and continuously improve its facilities and services in accordance with its mandate.

Operation of City Owned Parkades

- Monthly and daily rates will be adjusted annually to coincide with inflation and changes in market rates, and to support maintenance and operations costs.
- The WPA will continue to provide services and maintenance according to the best practices schedule established by accreditation under the Canadian Parking Association.
- The WPA will update the structural and fitted systems status of the Millennium Library and Civic Centre parkades. A 10 year infrastructure renewal plan is being proposed to improve these facilities. The structural repairs commenced in 2008.
- The WPA will continue to provide enhanced physical security upgrades to the parkades replacing lighting units as the old systems fail.

Operation of City Owned Surface Lots

- The WPA will continue to improve signage and maintenance conditions in city-owned surface lots, concentrating on downtown public parking locations.
- The WPA will continue to partner with the Downtown, West End and Exchange BIZ organizations to utilize BIZ clean up crews to improve litter pickup, beautification and simple day to day maintenance activities. This will ensure that the lots and boulevards remain tidy and project a good image for the City.
- The WPA will continue to improve snow removal standards especially for surface lots and in support of emergency operations.
- The WPA will continue deploying security cameras and emergency telephone units to downtown lots where there have been documented safety and vehicle security

incidents. This is expected to reduce such incidents and to assist in police investigation.
- For municipal employees parking in city owned garages and surface lots, the Agency will continue to enforce the Employee Parking Policy that has been in place for many years. A copy of the policy is attached at Appendix D
- The Agency will continue to seek out higher and better uses for surface parking lots.

Compliance
- The WPA will continue to expand its direct services to citizens through response to calls for service in reported problem areas (Selective Enforcement Requests).
- As a result of its successful 2009 trial of Autovu brand Mobile LPR technology, which increased patrol efficiency by 250% in the times and areas trialed, the Agency will equip three of its mobile patrol vehicles with this technology. The device is a means of measuring the length of stay of parked vehicles in timed parking or loading areas, managing permitted vehicle inventories in surface lots, and identifying vehicles with outstanding fine amounts.

Meters, On-Street Facilities
Parking meter fees are charged to encourage sharing of curbside space through management of stall turnover, and to recover some of the cost of operating that space for the public.

In accordance with municipal best practices, the WPA will consider pay station pilot programs in areas where:

a. Parking time restrictions have been requested by stakeholders and duly approved and where the restriction has been unsuccessful in creating the 15% availability of space; or
b. Control of parking in a public space is deemed appropriate to the function or character of neighbouring roadways or properties.

Pay Station time and rate structures will be established at a level sufficient to produce 15% availability of parking at the curbside.

Where pay station pilots are proposed, the agency will consult directly with the area councillors and key stakeholders. Where pay stations are planned for implementation, the agency will conduct a door to door communication campaign to educate area residents and businesses. No pay station installations are contemplated in 2010, and the agency will engage with its stakeholders to undertake a comprehensive review of rates, times, and turnover of parking stalls in support of Off Street commercial and residential activity.

The pre-purchase scratch coupon style sales format will be extended to convenience stores, such as 7-11, and any other outlets who wish to distribute these materials, similar to services offered by Transit for sale of bus tickets, or other best practices.

Alternative Transportation

As a supporter of alternative transportation initiatives, the WPA will:

- Continue providing appropriate 2-wheeled vehicle (bicycle, scooter and motorcycle) parking in appropriate public space, and work closely with Public Works and Planning Property and Development Departments to implement seasonal on- street parking facilities as well as appropriate off-street storage facilities.
- Work closely with Winnipeg Transit to establish and operate Park and Ride Services for commuters where requested.

Development and Redevelopment of Parkades

- The WPA will continue with its parkade infrastructure reinvestment plan focusing on the Civic Centre and Millennium Library parkades.
- A general schedule of planned capital repairs to facilities, contingent on review of the Downtown Parking Strategy report, is attached at Appendix B

Finances

In 2010, WPA is expected to earn $15,263,000 in total revenue, with operating expenses of $12,114,000. This is significantly lower than in recent years due to the sale of Winnipeg Square parkade.

WPA is proceeding with the parkade infrastructure reinvestment plan beginning with the urgent repairs required at the Civic Centre parkade. The plan would be stabilize the Civic Centre parkade and also complete a mid-life restoration of the Millennium Library parkade, as recommended in the 2005 structural report.

The pricing of monthly permits in parkades is related to supply and demand for high quality services. Daily rates in the downtown are maintained at a level consistent with market rates to encourage transient traffic and to not unfairly compete with the private sector. Demand for premium space continues to grow.

Human Resources

In 2010, the Agency will complete a review of its staffing levels and positions to consolidate a viable workplace that can be sustained over the long term. An organization chart is attached in Appendix E for reference.

Performance Measurement

Annual performance measures are contained in Appendix F. Additional performance measures are being developed in conjunction with the Corporate Performance Measures Coordinator for future reporting.

As an additional component of its commitment to providing the best service to the citizens of Winnipeg, the WPA is one of the six city services providing data for the City of Winnipeg's trial participation in the Ontario Municipal Benchmarking Initiative.

The agency will also conduct occasional reviews of its best practices by industry experts to ensure practices are modern and effective.

Challenges

The major challenge facing the WPA remains the renewal, replacement, and construction of its major facilities while delivering valuable and progressive operational services to the public.

Conclusion

This annual business plan for 2010 builds on the success of the WPA's first five years of operation and drives toward the dual goals of service improvement and revenue generation that were established in Council's Downtown Parking Policy, the WPA's Operating Charter and the original business plan.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 29, 2009

Project Name: **First Year of Program** **2010**

	2010	2011	2012	2013	2014
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

original signed by
Kevin Boutilier
Manager of Finance & Administration

CONSULTATION

In preparing this Report there was consultation with:

Public Works Department
Planning Property and Development Department
Department of Finance
Department of Human Resources
Legal Services Division.

SUBMITTED BY

Department: Winnipeg Parking Authority
Prepared by: David Hill
Date: July 7, 2010
File No.

APPENDIX A

Unaudited Financial Statements 2009

Financial Projections 2009-2012

Financial Projections

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Winnipeg Parking Authority - Special Operating Agency
Projected Statement of Operations & Deficit
For the Years Ended December 31
(in thousands of dollars)

	Note	Actual 2008	Council Adopted 2009	Projected Year-End 2009	Variance	2010	2011	2012
Revenues:								
Enforcement	1	6,030	6,702	6,223	(479)	6,836	6,973	7,112
Parking Fees								-
Winnipeg Square Parkade	2	2,564	2,627	2,765	138	463	-	-
Millennium Library Parkade		1,317	1,254	1,312	59	1,450	1,501	1,554
Civic Centre Parkade		752	730	803	73	755	782	809
Surface Parking Lots	3	746	1,019	944	(76)	1,101	1,139	1,179
Meters	4	2,989	3,324	3,999	675	4,428	5,393	5,593
Parking Permits		94	99	36	(63)	99	99	99
Winnipeg Square Ground Lease		325	325	326	1	54	-	-
Sundry		18	1		(1)	77	1	1
Total Revenues		14,835	16,081	16,408	327	15,263	15,888	16,347
Expenses:								
Services								
Parking Enforcement	5	2,305	3,088	2,890	(198)	3,099	3,159	3,221
Parkade Management	6	443	483	689	207	273	223	228
Utilities		930	873	1,200	327	861	933	978
Travel		12	15	20	5	17	18	19
Other Services	7	2,083	2,268	2,439	171	2,231	2,159	2,214
Salaries & Employee Benefits		1,280	1,347	1,274	(73)	1,478	1,524	1,572
Materials, parts and supplies		1,153	1,270	1,607	337	1,385	1,410	1,669
Amortization	8	1,010	1,336	1,308	(28)	1,464	1,647	1,856
Recoveries		(2)	0	(19)	(19)	0	0	0
Provision for Bad Debts	9	(82)	442	556	114	600	618	637
Debt and Finance Charges	10	1,222	550	391	(159)	705	616	608
Total Expenses		10,354	11,672	12,355	682	12,114	12,308	13,001
Income before other items and tax equivalency		4,481	4,409	4,053	(356)	3,149	3,581	3,347
Allocated to the City:								-
Municipal tax equivalency charge		658	680	680	(0)	552	526	526
Income tax equivalency charge	10	500	-		-	-	-	-
Allocated departmental charges		544	460	519	58	530	538	547
Overhead charge	10	203	-		-	-	-	-
Total allocated to the City		1,905	1,140	1,199	58	1,081	1,064	1,073
Other:								
Gain on Sale of Assets	11			-	-	(15,902)		
Loss on Disposal of Assets		118		(4)	(4)			
Total Allocation to the City and Other		2,023	1,140	1,195	55	(14,821)	1,064	1,073
Net Income/(Loss)		2,458	3,268	2,858	(410)	17,970	2,517	2,274
Deficit - Beginning		(8,232)	(8,044)	(8,044)	-	(5,186)	12,784	15,301
Distribution to City	10	(2,270)			-		-	-
		(10,502)	(8,044)	(8,044)	-	(5,186)	12,784	15,301
Retained earnings (Deficit) - Ending		(8,044)	(4,776)	(5,186)	(410)	12,784	15,301	17,575

Winnipeg Parking Authority - Special Operating Agency
Projected Statement of Financial Position
For the Years Ended December 31
(in thousands of dollars)

	Actual 2008	Council Adopted 2009	Projected Year-End 2009	Variance	2010	2011	2012
Assets							
Current							
Cash	72	5	33	28	5	5	5
Accounts receivable, net	2,039	1,995	2,369	374	2,300	2,325	2,350
Inventory	133	124	482	358	102	82	82
	2,244	2,124	2,884	760	2,407	2,412	2,437
Property, equipment and leasehold improvements	16,629	17,699	19,461	1,762	12,883	12,536	16,880
	18,873	19,823	22,344	2,521	15,290	14,948	19,317
Liabilities							
Current							
Due to General Revenue Fund	9,286	6,514	7,814	1,300	(15,929)	(18,325)	(14,438)
Accounts payable and accrued liabilities	295	600	573	(27)	550	575	600
Vacation payable	148	188	135	(53)	188	200	215
Unearned revenue and deposits	7	7	28	21	7	7	7
Current portion of long term debt	794	1,643	2,036	393	1,810	1,841	1,924
	10,530	8,952	10,586	1,634	(13,375)	(15,702)	(11,692)
Retirement Allowance	87	113	79	(34)	122	131	140
Long-term debt	16,128	15,362	16,693	1,331	15,534	14,994	13,070
	16,215	15,475	16,772	1,297	15,656	15,125	13,210
	26,745	24,427	27,358	2,931	2,282	(577)	1,518
Capital Deficiency							
Contributed Surplus	172	172	172	-	172	172	172
Surplus (Deficit)	(8,044)	(4,776)	(5,186)	(410)	12,836	15,353	17,627
	(7,872)	(4,604)	(5,014)	(410)	13,008	15,525	17,799
	18,873	19,823	22,344	2,521	15,290	14,948	19,317

Winnipeg Parking Authority - Special Operating Agency
Projected Statement of Cash Flows
For the Years Ended December 31
(in thousands of dollars)

NET INFLOW (OUTFLOW) OF CASH
RELATED TO THE FOLLOWING ACTIVITIES

	Actual 2008	Council Adopted 2009	Projected Year-End 2009	Variance	2010	2011	2012
OPERATING							
Net Income	2,458	3,268	2,858	(410)	17,970	2,517	2,274
Add non-cash items:				-			
Retirement allowance	(8)	26	(9)	(35)	44	9	9
Gain on Sale of Assets					(15,902)		
Loss on disposal of assets	118	-		-	-	-	-
Amortization	1,010	1,336	1,312	(25)	1,464	1,647	1,856
Working Capital from Operations	3,578	4,631	4,161	(470)	3,576	4,173	4,139
Net change in non-cash working capital items	(658)	398	(392)	(790)	509	32	15
Net cash used in operating activities	2,920	5,029	3,768	(1,260)	4,085	4,205	4,154
FINANCING							
Due to the General Revenue fund	457	(2,772)	(1,472)	1,300	(23,743)	(2,396)	3,887
Distribution (to) from City	(2,270)			-			
Increase (decrease) in long-term debt	2,054	83	1,807	1,724	(1,386)	(509)	(1,841)
	241	(2,689)	335	3,025	(25,129)	(2,905)	2,046
INVESTING							
Proceeds on disposition of Assets		-	-	-	23,600	-	-
Purchase of capital assets	(3,096)	(2,406)	(4,143)	(1,737)	(2,584)	(1,301)	(6,200)
	(3,096)	(2,406)	(4,143)	(1,737)	21,016	(1,301)	(6,200)
INCREASE (DECREASE) IN CASH AND	65	(67)	(39)	27	(27)	0	0
CASH AND EQUIVALENTS - BEGINNING	7	72	72	-	33	5	5
CASH AND EQUIVALENTS - ENDING	72	5	33	27	5	5	5

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY – SPECIAL OPERATING AGENCY
NOTES TO THE FINANCIAL PROJECTIONS
For the year ended December 31

These Financial Projections have been prepared on "business as usual" basis. It does not consider the outcomes associated with the parkade infrastructure reinvestment plan.

Revenue

1. Enforcement

Enforcement revenue is comprised of three areas, current tickets collected in short order (within the month written), collection of accounts receivable on tickets written since 2006 and collection of accounts on tickets written prior to 2005. The pre-2005 tickets are collected on a cash basis.

2. Winnipeg Square Parkade

Revenue for the Winnipeg Square Parkade was greater than budget by $138,000 and 5.3% as a result of annual rate increases while maintaining the monthly parker client base

3. Surface Parking Lots

Revenue in surface lots was less than budget by $76,000 and 7.4% with the management of Public Works parking lots delayed until September and with Transit, and Fleet Management Agency parking lots delayed until the end of the year.

4. Meters

Meter revenue was greater than budget by $ 675,000 and 20.3% due to expansion of metered parking areas.

5. Parking Enforcement

Expenses were on target for budget.

6. Parkade Management

Parkade Management costs refer only to the operation of Winnipeg Square and the Millennium Library parking facilities.

7. Other Services

Costs increased moderately with increased maintenance relating to pay stations.

8. Amortization

Expenses were on target for budget.

9. Provision for Bad Debts

The Agency is the only Parking Authority accounting for parking offences on a receivable basis. Each year the Parking Authority reviews trends and makes appropriate changes to reflect its experience. There are no other best business practices to refer to in determining an appropriate provision of bad debts. Through increased liens and seizures of progressively more current outstanding fines, the overall allowance of bad debt is expected to decrease.

10. Distribution to City

The distribution to the City has been broken out into its component parts. It consisted of interest charges of 6% on transferred assets (this component is included in the debt & finance charges), the overhead charge, which is 2% of operating expenses, the corporate tax equivalency charge and the net distribution. Commencing in 2009, interest charges on transferred assets, the overhead charge and the corporate tax equivalency charge will no longer be transferred to the City. The breakdown of charges is as follows:

	2007	2008	Projected 2009	Budget 2010	Budget 2011	Budget 2011
Income tax equivalency charge	772	500				
Overhead charge (1)	195	203				
Finance charge (2)	733	733				
Distribution	3,600	2,270	-	-	-	-
Total	5,300	3,706	-	-	-	-

11. Sale of Winnipeg Square Parkade

In 2010, the Winnipeg Square Parkade will be sold for $24M less real estate fees of $0.4M, resulting in Proceeds on Disposition of Assets of $23.6M.

Council has instructed the proceeds of sale to be held in Winnipeg Parking Authority accounts pending further review, details of which will be contained in the Downtown Parking Strategy to be submitted to Council for approval in Fall 2010. The agency has recorded the transaction in the projections as follows:

a. An amount of $7.7M to offset the Net Book Value of the parkade realized by the City on transfer of the asset to agency books in 2005
b. An amount of $15.9M as a Gain on Sale of Assets.

That the sale proceeds be held until such a time as the Winnipeg Parking Authority Special Operating Agency has completed a Downtown Parking Strategy.

APPENDIX B

City-Owned Infrastructure Renewal

The Winnipeg Parking Authority

Parking Infrastructure Renewal

(In thousands of dollars)

			Agency Reinvestment			
Location	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
Millennium Library - Concrete, Waterproofing and Protection Systems	**1,500**				**-**	**1,500**
Civic Centre - Concrete, Waterproofing and Protection Systems			**6,200**			**6,200**
Pay and Display units*	**651**	**1,301**				
Enforcement - replacement handheld citation equipment	**275**					
Enforcement - ALPR cameras	**158**					
Total Parkade	**2,584**	**1,301**	**6,200**	**-**	**-**	**7,700**

* There are no specific plans to add parking pay stations in 2010. Any future additions will occur as a result of consultation with the ward counsellor and the public.

APPENDIX C

Schedule of Fees and Charges

Provided for Information

(Subject to change without notice)

PRODUCT		FEES				
	DESCRIPTION	2009	2010	GST	UNITS	Effective
Parking fee - Millennium Library						
	Monthly 12 hour reserved	$225.00	$240.00	Add	per month	August 1, 2010
	Monthly non reserved	$195.00	$210.00	Add	per month	August 1, 2010
	Monthly non reserved evenings	$50.00	$50.00	Add	per month	August 1, 2010
	Casual daily maximum	$12.00	$12.00	Included	max per day	August 1, 2010
	Casual evening maximum	$7.00	$8.00	Included	max per evening	August 1, 2010
	Casual each half hour	$2.00	$2.00	Included	per 1/2 hour	August 1, 2010
	Casual lost ticket charge	$20.00	$20.00	Included	per occurrence	August 1, 2010
Parking fee - Civic Centre Car Park						
	Monthly 12 hour reserved	$190.00	$205.00	Add	per month	August 1, 2010
	Monthly 12 hour reserved - discounted	$180.00	$195.00	Add	per month	August 1, 2010
	Monthly non reserved	$140.00	$150.00	Add	per month	August 1, 2010
	Monthly non reserved - discounted	$130.00	$140.00	Add	per month	August 1, 2010
	Monthly non reserved evenings	$50.00	$50.00	Add	per month	August 1, 2010
	Casual daily maximum	$12.00	$12.00	Add	max per day	August 1, 2010
	Casual evening maximum	$7.00	$8.00	Included	per evening	August 1, 2010
	Casual each half hour	$2.00	$2.00	Included	per 1/2 hour	August 1, 2010
	Casual lost ticket charge	$20.00	$20.00	Included	per occurrence	August 1, 2010
Parking fee - Surface Lot, Urban						
	Monthly 12 hour reserved	$105.00	$112.00	Add	per month	June 1, 2010
	Monthly 12 hour reserved - discounted	$100.00	$107.00	Add	per month	June 1, 2010
	Monthly non reserved	$85.00	$90.00	Add	per month	June 1, 2010
	Monthly non reserved - discounted	$80.00	$85.00	Add	per month	June 1, 2010
	Casual daily maximum	$8.00	$8.00	Included	per day	June 1, 2010
	Casual evening maximum	$8.00	$8.00	Included	per day	June 1, 2010
	Casual each half hour	$1.00	$1.00	Included	per 1/2 hour	June 1, 2010
	Casual lost ticket charge	$8.00	$10.00	Included	per occurrence	June 1, 2010
Parking fee - surface lot, suburban						
	Monthly non reserved	$36.00	$40.00	Add	per month	June 1, 2010
	Monthly non reserved - discounted	$30.00	$35.00	Add	per month	June 1, 2010
	Monthly reserved	$83.00	$90.00	Add	per month	June 1, 2010
	Monthly reserved - discounted	$79.00	$85.00	Add	per month	June 1, 2010
Meter - on street event reserved						
	Reserved daily maximum	$30.00	$30.00	Add	max per day	March 1, 2010
Meter - on street monthly						
	Monthly meters 3 hr only	$70.00	$85.00	Add	per month	March 1, 2010
Meter - on street daytime						
	Casual each hour, low demand zone	$1.00	$1.00	Included	per hour	TBD
	Casual each hour, high demand zone	$2.00	$2.00	Included	per hour	TBD

APPENDIX C (continued)

Provided for Information

PRODUCT		FEES				
	DESCRIPTION	2009	2010	GST	UNITS	Effective
Residential Permit	Resident non reserved	$25.00	$25.00	Included	annual	
	Residential visitor	$0.00	$0.00			
Lien fee per vehicle		$60.00	$60.00		per occurrence	
Administrative charge		$25.00	$25.00		per occurrence	
Hooding Fees	Per meter per day for less than 72 hours	$28.57	$28.57	Add	per day	March 1, 2010
	Per meter per day for more than 72 hours	$25.00	$25.00	Add	per day	March 1, 2010

APPENDIX D

EMPLOYEE PARKING POLICY

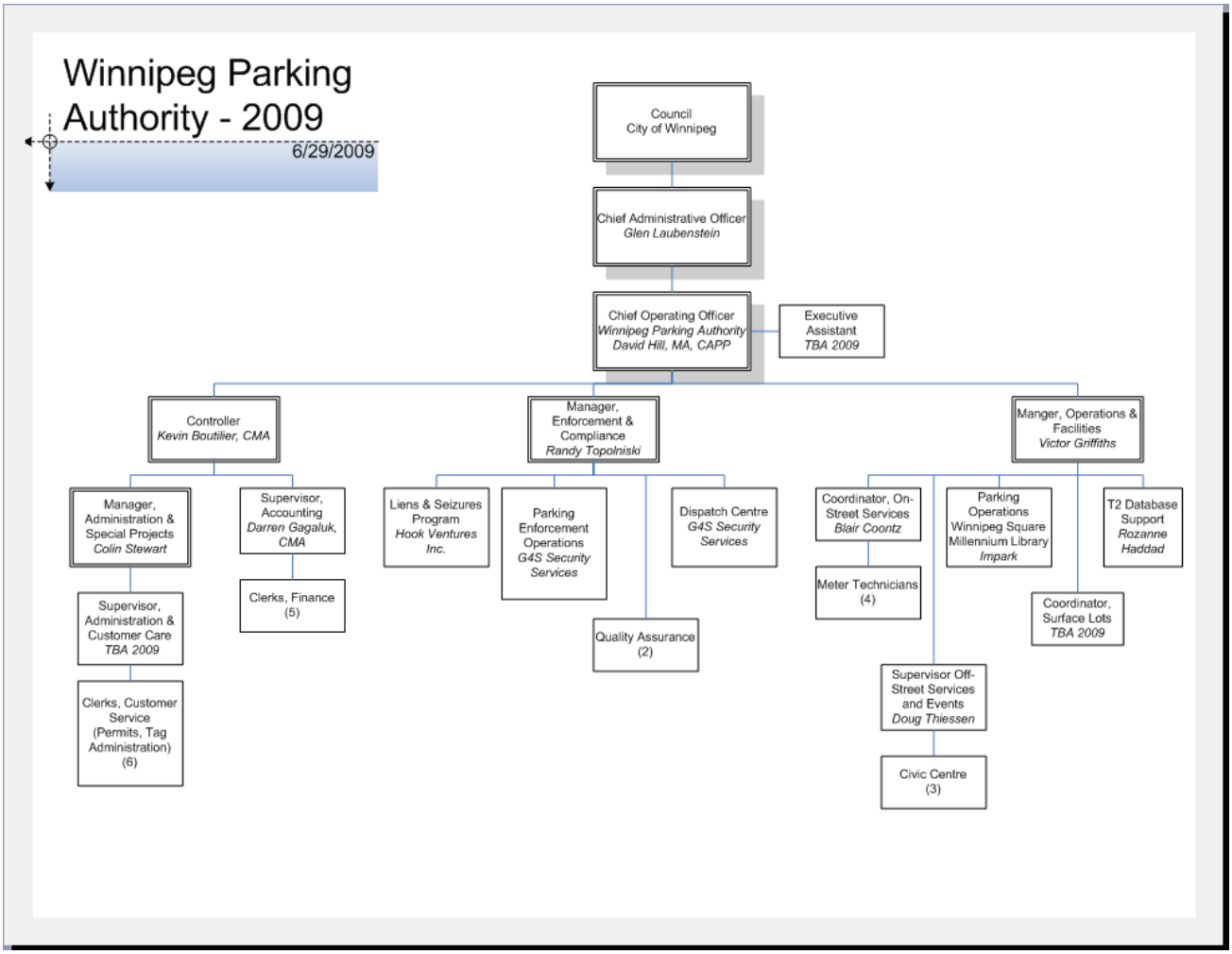
The City of Winnipeg supports sustainable alternatives to transportation by use of single occupant personal motor vehicles; this includes mass transit, carpooling, car sharing and other transportation choices to reduce carbon emissions and roadway congestion.

The City does not provide parking space for the use of its employees for storing their personal vehicles while at work. Where space is available, employees may individually purchase use of available space, in accordance with terms and conditions established by the City. Fees will reflect market rates for similar services and in all cases will recover the full cost of the creating and providing the parking asset.

Owners of vehicles utilizing City parking spaces are subject to all rules and regulations related to the use of the lot in accordance with posted signs. Failure to comply with directions or properly remit permit fees may result in suspension from parking areas, ticketing or removal of vehicles in accordance with City by-laws, or criminal charges (Theft of Services).

APPENDIX E

Organization Chart



APPENDIX F

Performance Measures

1. Service Statistics

Off Street Parkades:	
# of parkades	3
# of stalls	1,882
Off Street Parking Lots:	
# of parking lots	112
# of stalls	7,212
On Street Meter stalls:	3,757

	Winnipeg 2008	Toronto 2007	Calgary 2005[1]
Percentage of Revenue			
On-Street:	20%	38%	21%
Off-Street:	38%	62%	58%
Enforcement:	42%*	N/A**	21%
Total	**100%**	**100%**	**100%**

Summary of Parking Offence Notices

Description	2009		2008		2007		2006	
	Tags	%	Tags	%	Tags	%	Tags	%
Parking Meter Related	38,957	25.9%	41,385	28.4%	38,170	30.1%	33,122	33.6%
Rush Hour	13,493	9.0%	12,764	8.8%	11,975	9.4%	11,479	11.7%
Traffic Control Parking Restrictions	17,523	11.6%	12,395	8.5%	10,104	8.0%	6,972	7.1%
Fire Lane/Disabled/Bus Stop	10,910	7.2%	10,345	7.1%	5,659	4.5%	4,248	4.3%
No Stopping/No Parking	29,321	19.5%	31,694	21.7%	24,367	19.2%	16,378	16.6%
Snow Related	20,413	13.6%	10,709	7.3%	8,870	7.0%	11,007	11.2%
Overtime Parking (residential restriction)	19,911	13.2%	26,513	18.2%	27,602	21.8%	15,292	15.5%
Total Offence Notices Issued	150,528	100.0%	145,805	100.0%	126,747	100.0%	98,498	100.0%

Description	2005	2006	2007	2008
Number of Parking Offence Tickets Issued	121,015	99,468	127,580	145,805
Number of Chronic Offenders for Lien and Seizure	0	50	237	593
Number of Meter Parking Transactions per Annum	1,123,500	1,142,000	1,247,000	1,500,000
Number of Vehicles Ticketed for Snow and Street Maintenance	15,408	13,327	11,982	10,709

Parking meter related, no stopping/no parking and overtime parking (residential restriction) account for approximately 68% of the parking offences.

[1] City of Calgary no longer separates on and off street operations. In 2007 combined on and off street revenue accounted for 80% and Enforcement accounted for 20% (excluding impound lot revenues). By comparison, the City of Winnipeg on and off street revenue was 58% (20% plus 38%).

APPENDIX G

2008 and 2009 Financial Statements



WPA Audited
financial statements 2

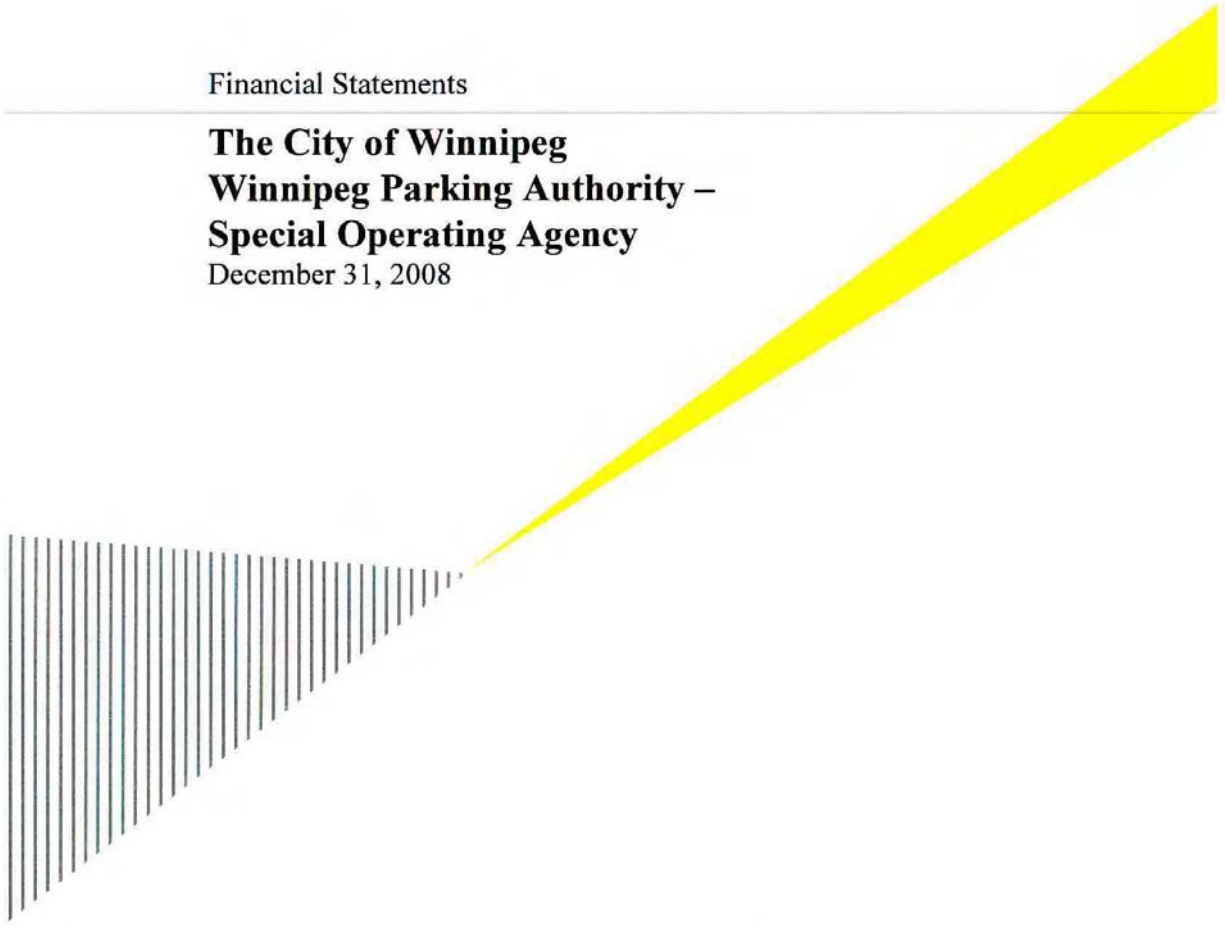


WPA 2009 Audited
Financial Statements.

Financial Statements

The City of Winnipeg
Winnipeg Parking Authority – Special Operating Agency

December 31, 2008



ERNST & YOUNG
Quality In Everything We Do

AUDITORS' REPORT

To the Mayor and Members of City Council of
The City of Winnipeg

We have audited the statement of financial position of **The City of Winnipeg Winnipeg Parking Authority – Special Operating Agency** as at December 31, 2008 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **The City of Winnipeg Winnipeg Parking Authority – Special Operating Agency** as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Winnipeg, Canada,
March 10, 2009.

Chartered Accountants

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF FINANCIAL POSITION

As at December 31
(in thousands of dollars)

	2008	2007
ASSETS		
Current		
Cash	**$ 72**	$ 7
Accounts receivable, net	**2,039**	1,670
Inventory	**133**	155
	2,244	1,832
Property, equipment and leasehold improvements (Note 6)	**16,629**	14,661
	$ 18,873	$ 16,493
LIABILITIES		
Current		
Due to The City of Winnipeg - General Revenue Fund (Note 7)	**$ 9,286**	$ 8,829
Accounts payable and accrued liabilities	**295**	648
Vacation payable	**148**	106
Customer deposits	**7**	7
Current portion of long-term debt (Note 8)	**13,012**	12,939
	22,748	22,529
Retirement allowance (Note 9b)	**87**	95
Long-term debt (Note 8)	**3,910**	1,929
	3,997	2,024
	26,745	24,553
CAPITAL DEFICIENCY		
Contributed surplus	**172**	172
Deficit	**(8,044)**	(8,232)
	(7,872)	(8,060)
	$ 18,873	$ 16,493

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF OPERATIONS AND DEFICIT

For the years ended December 31
(in thousands of dollars)

	2008	2007
REVENUES		
Enforcement (Note 10)	**$ 6,030**	$ 5,242
Parking fees (Note 12a)		
Winnipeg Square parkade	**2,564**	2,431
Millennium Library parkade	**1,317**	1,157
Civic Centre parkade	**752**	616
Surface parking lots	**746**	790
Meters	**2,989**	2,494
Ground lease	**325**	325
Parking permits	**94**	334
Sundry	**18**	38
Total Revenues	**14,835**	13,427
EXPENSES		
Services (Note 12c, g, and i)		
Enforcement	**2,305**	1,912
Utilities	**930**	834
Parkade management	**443**	471
Other	**2,095**	1,044
Salaries and employee benefits (Note 9)	**1,280**	1,130
Debt and finance charges (Notes 7 and 8b)	**1,222**	1,258
Material, parts and supplies	**1,153**	986
Amortization	**1,010**	911
Recoveries	**(2)**	(11)
Provision for bad debts	**(82)**	1,173
Total Expenses	**10,354**	9,708
Income before other item and The City of Winnipeg charges	**4,481**	3,719
OTHER ITEM		
Loss on disposal of assets	**(118)**	(32)
Income before The City of Winnipeg charges	**4,363**	3,687
THE CITY OF WINNIPEG CHARGES		
Transfer to The City of Winnipeg Land Operating Reserve Fund	**-**	(48)
Overhead charge (Note 12d)	**(203)**	(195)
Income tax equivalency charge (Note 11)	**(500)**	(772)
Allocated departmental charges (Notes 12b, e, and f)	**(544)**	(504)
Municipal tax equivalency charge (Note 12h)	**(658)**	(663)
Net income and comprehensive income for the year	**2,458**	1,505
DEFICIT, BEGINNING OF YEAR	**(8,232)**	(6,137)
Transfer to The City of Winnipeg - General Revenue Fund	**(2,270)**	(3,600)
DEFICIT, END OF YEAR	**$ (8,044)**	$ (8,232)

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF CASH FLOWS

For the years ended December 31
(in thousands of dollars)

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:

	2008	2007
OPERATING		
Net income and comprehensive income for the year	**$ 2,458**	$ 1,505
Non-cash items related to operations		
Loss on disposal of assets	**118**	32
Amortization	**1,010**	911
Retirement allowance	**(8)**	9
Working capital from operations	**3,578**	2,457
Net change in working capital	**(658)**	1
	2,920	2,458
FINANCING		
Increase in due to The City of Winnipeg - General Revenue Fund	**457**	1,072
Proceeds from long-term debt	**2,797**	-
Repayment of long-term debt	**(743)**	(435)
Transfer to The City of Winnipeg - General Revenue Fund	**(2,270)**	(3,600)
	241	(2,963)
INVESTING		
Proceeds from the sale of capital assets	**-**	486
Purchase of capital assets	**(3,096)**	-
	(3,096)	486
INCREASE (DECREASE) IN CASH POSITION	**65**	(19)
CASH POSITION, BEGINNING OF YEAR	**7**	26
CASH POSITION, END OF YEAR	**$ 72**	$ 7

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2008
(all tabular amounts are in thousands of dollars, unless otherwise noted)

1. *Description of Business*

On March 20, 1997, City Council adopted the Reshaping Our Civic Government document identifying the development of Special Operating Agencies ("SOA") as one of five strategic initiatives needed to create a more affordable City government.

On February 24, 1999, City Council adopted the 1999 Alternative Service Delivery Review Agenda which identified the municipal parking services operations as an Alternative Services Delivery ("ASD") candidate. A feasibility study was subsequently prepared and presented to the ASD Committee.

On December 11, 2002, City Council adopted the recommendation of the ASD Committee that an Operating Charter and Business Plan for a SOA with a mandate to manage and be accountable for city-owned parking resources and be prepared for consideration by City Council.

The Winnipeg Parking Authority - Special Operating Agency ("the Agency") was created effective October 27, 2004 and commenced operations on January 1, 2005.

The Agency manages the parking facilities and related assets owned and previously operated by The City of Winnipeg ("the City"). The intent of the Agency is to provide excellent customer service, maximize the annual return of parking operations, and ensure its long-term sustainability.

2. *Significant Accounting Policies*

The financial statements have been prepared on the basis of Canadian generally accepted accounting principles ("GAAP") and include the following significant accounting policies:

a) Revenue recognition

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which it is earned provided it is measurable and collection is reasonably certain. Expenses are recorded in the period in which they are incurred as a result of receipt of goods or services and the creation of a legal obligation to pay.

b) Inventory

Inventory is recorded at the lower of cost and net realizable value.

c) Use of estimates

The preparation of financial statement in conformity with Canadian GAAP requires management to make estimates and assumptions. These estimates and assumptions are based on the City's best information and judgment and may differ significantly from actual results.

2. ***Significant Accounting Policies (continued)***

d) Property, equipment and leasehold improvements

Land and equipment were transferred January 1, 2005 from the City at a fair market value as determined by independent consultants.

Property, equipment and leasehold improvements are amortized on a straight-line basis over the estimated useful life of the asset. In the year of acquisition 50% of the applicable amortization rates are used. The amortization rates are as follows:

Leasehold improvements	15 Years
Surface parking lots	5%
Parkades	2%
Vehicles	20%
Meters and paystations	10%
Equipment	10-20%
Computer and advanced license plate recognition	33%
Office furniture and equipment	20%
Parkade betterments	5%

e) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

3. ***Changes in Accounting Policies***

On January 1, 2008, the Agency retroactively adopted, without restatement of prior periods, the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 3862, Financial Instruments – Disclosures; 3863, Financial Instruments – Presentation; and 1535, Capital Disclosures. The Agency has also adopted CICA Handbook Section 3031, Inventories.

The adoption of Sections 3862, Financial Instruments – Disclosures and 3863, Financial Instruments – Presentation is designed to enable users of financial statements to evaluate the significance of financial instruments to an entity's financial position, performance and cash flows, as well as the nature and extent of risks arising from financial instruments to which an entity is exposed and how those risks are managed.

Section 1535, Capital Disclosures requires entities to disclose qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and procedures for managing its capital.

Section 3031, Inventories provides guidance on measurement and disclosure requirements for inventories.

The adoption of these new recommendations had no impact on the Agency's financial statements.

4. *Financial Instruments*

The Agency's financial assets and liabilities are comprised of cash, accounts receivable, due to The City of Winnipeg - General Revenue Fund, accounts payable and accrued liabilities, vacation payable, customer deposits and long-term debt. The Agency is exposed to financial risks arising from its financial assets and liabilities.

Financial instruments are classified into one of the following five categories: held-for-trading, loans and receivables, held-to-maturity, available-for-sale or other liabilities. Initial measurement of financial instruments is at fair value; subsequent measurement and recognition of changes in fair value of financial instruments depends on their initial classification. The Agency's cash is classified as held-for-trading and the accounts receivable are classified as loans and receivables. Due to The City of Winnipeg - General Revenue Fund, accounts payable and accrued liabilities, vacation payable, customer deposits and long-term debt have been classified as other liabilities. Financial assets classified as held-for-trading are reported at fair value with changes in fair value recognized in the Statement of Operations and Deficit and transaction costs related to this classification of financial instruments are expensed as incurred. Financial assets and liabilities classified as loans and receivables and other liabilities are measured at amortized cost. The Agency will recognize changes in the fair value of loans and receivables only if realized, or impairment in the value of an asset occurs. The Agency has not classified any financial instrument as held-to-maturity or available-for-sale. The book value of the Agency's financial assets and liabilities approximates their fair value.

Credit Risk

Credit risk is the risk a customer will fail to perform an obligation or fail to pay amounts due causing a financial loss to the Agency. Financial instruments affected the most by credit risk are accounts receivable.

As the Agency is in the business of managing all city-owned parking facilities and enforcing parking related bylaws, included in accounts receivable are amounts from various City of Winnipeg departments and other customers, which use the Agency's facilities and have outstanding citations. The Agency does not have significant exposure to credit risk given it does not have a significant concentration of accounts receivable owing from any one party. The Agency does not hold collateral as security for these balances. A reasonable allowance for noncollectible amounts is established, which is netted against accounts receivable on the Statement of Financial Position.

The age of accounts receivable and the allowance for doubtful accounts as at December 31, 2008 are as follows:

Current	$ 377
Less than one year past due	1,490
Greater than one year past due	2,319
	4,186
Allowance for doubtful accounts	(2,147)
	$ 2,039

4. *Financial Instruments (continued)*

Liquidity Risk

Liquidity risk is the risk the Agency will encounter difficulty in meeting obligations associated with financial liabilities. Due to the Agency's relationship with The City of Winnipeg, it can rely upon sufficient financial resources from that source in the event internally generated cash flows or cash flows accessible through external sources are insufficient. Amounts due to The City of Winnipeg - General Revenue Fund are treated as subordinate to other obligations and have no fixed terms of repayment. The Agency's most recent business plan indicates that cash resources will be sufficient to meet its obligations.

Market Risk

Market risk is the risk the Agency is exposed to concerning the fair value or the future cash flows of a financial instrument fluctuating because of changes in market price. For the Agency, the most significant aspect of market risk would be interest rate risk. Financial instruments affected the most by interest rate risk are long-term debt and due to The City of Winnipeg - General Revenue Fund.

As the Agency's long-term debt is comprised entirely of fixed rate instruments, the Agency is not exposed to this risk. The Agency's due to The City of Winnipeg - General Revenue Fund is subject to floating interest rates and is used for short term financing, which limits the Agency's exposure to this risk.

5. *Capital Management*

On January 1, 2008, the Agency adopted the CICA Handbook Section 1535, Capital Disclosures, which requires entities to disclose qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and procedures for managing its capital. There is no financial impact to previously reported financial statements as a result of the implementation of this new accounting standard.

The Agency does not have any externally imposed capital requirements requiring compliance.

6. *Property, Equipment and Leasehold Improvements*

	Cost	Accumulated Amortization	Net Book Value 2008	2007
Land	$ 73	$ -	$ 73	$ 73
Leasehold improvements	413	92	321	349
Parking surfaces	79	14	65	69
Parkades	10,724	857	9,867	10,058
Vehicles	164	72	92	38
Meters and paystations	6,589	1,118	5,471	3,275
Equipment	962	291	671	645
Computer equipment	355	342	13	63
Office furniture and equipment	176	120	56	91
	$ 19,535	$ 2,906	$ 16,629	$ 14,661

7. *Due to The City of Winnipeg - General Revenue Fund*

The City of Winnipeg operates a centralized treasury function with a single operating bank account in the General Revenue Fund. Consequently, the Agency does not have a bank account. Bank transactions are credited or charged to the "Due (to)/from" account when they are processed through the bank. Interest is charged or credited based on the City's average short-term earnings (cost of funds) on the single bank account. The December 31, 2008 effective interest rate was 1.5% (2007 - 4.2%).

Interest paid to The City of Winnipeg General Revenue Fund on the line of credit was $220 thousand for the year (2007 - $259 thousand).

8. *Long-Term Debt*

	2008	2007
The City of Winnipeg - General Revenue Fund		
Start-up loan, interest at 6%, with no specific terms of repayment	**$ 12,218**	$ 12,218
Equipment financing		
Capital lease loans repayable in annual installments of $7 thousand to $482 thousand, including an imputed interest rate of 6.9% with maturity dates between August 2009 and March 2011	**1,907**	2,650
Capital lease loan repayable at $780 thousand per year including imputed interest at 4.5% with a 12 month deferral on the first payment and maturing December 31, 2012	**2,797**	-
	16,922	14,868
Current portion of long-term debt	**(13,012)**	(12,939)
	$ 3,910	$ 1,929

a) Principal repayments on the equipment financing loans due within the next five years are as follows:

2009	$ 794
2010	1,428
2011	1,022
2012	714
2013	746
	$ 4,704

b) Interest paid to The City of Winnipeg General Revenue Fund on the start-up loan was $733 thousand (2007 - $733 thousand).

9. *Employee Benefits*

a) Pension

The Agency's employees are eligible for pensions under the Winnipeg Civic Employees' Benefits Program. The Plan is a defined benefit plan. The City of Winnipeg allocates its pension costs to various departments. During the year, $68 thousand (2007 - $62 thousand) of pension costs were allocated to the Agency. An actuarial valuation for the Winnipeg Civic Employees' Benefits Program was made as of December 31, 2007 and has an actuarial surplus.

9. *Employee Benefits (continued)*

b) Retirement allowance

Under the retirement allowance plan, qualifying employees become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The costs are actuarially determined using the projected benefit valuation method pro-rated on services and reflects management's best estimate of retirement ages of employees, salary escalation and length of service. In addition, adjustments arising from plan amendment, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 9.7 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses.

The Agency measures its accrued retirement allowance obligation as at December 31 of each year. An actuarial valuation report of the obligation was prepared effective December 31, 2005. The results of this valuation were extrapolated to December 31, 2008.

Information about the Agency's retirement allowance benefit plan is as follows:

	2008	2007
Retirement allowance - accrued obligation:		
Balance, beginning of year	**$ 93**	$ 86
Current service cost	**6**	5
Interest cost	**4**	4
Net actuarial gain	**-**	(2)
Benefit payments	**(18)**	-
Balance, end of year	**85**	93
Unamortized net actuarial gain	**2**	2
Retirement allowance - accrued liability	**$ 87**	$ 95

Retirement allowance expense consists of the following:

	2008	2007
Current service cost	**$ 6**	$ 5
Interest cost	**4**	4
	$ 10	$ 9

The significant actuarial assumptions adopted in measuring the retirement allowance obligation for the year ended December 31 are as follows:

	2008	2007
Valuation interest rate	**4.80%**	4.70%
General increases in pay	**3.00%**	3.00%

10. *Enforcement Revenue*

Prior to 2005, enforcement revenue was accounted for using the cash basis of accounting by the City. At January 1, 2005 a gross enforcement receivable was estimated at $12,182 thousand, which was assumed by the Agency, and a corresponding allowance for doubtful accounts set up. The Agency will recognize revenue as these accounts are recovered. Collections of pre-2005 citations amounted to $712 thousand (2007 - $573 thousand).

11. Income Tax Equivalency

As part of the municipal government, the Agency is not subject to corporate income taxes. However, in order to approximate a business model, the operation of the Agency is assessed with an income tax equivalency charge which is payable to the City based on the following rates:

Small business rate on the first $400 thousand of net income	16.10%
Regular corporate rate on the balance	36.10%

The loss on disposal of assets is excluded from net income for the purposes of the tax calculation.

An amount of $500 thousand (2007 - $772 thousand) has been transferred to The City of Winnipeg General Revenue Fund.

12. Related Party Transactions

The Agency is wholly-owned by the City. Transactions between the Agency and the City are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

a) Revenues include sales of $533 thousand (2007 - $351 thousand) to the City.

b) An amount of $36 thousand (2007 - $36 thousand) for general government charges has been included and paid to The City of Winnipeg General Revenue Fund which represents the estimated share of the City's general expenses applicable to the Agency.

c) In Services, an amount of $114 thousand (2007 - $113 thousand) has been charged by The City of Winnipeg Civic Accommodations Fund for the rental of office space.

d) An amount of $203 thousand (2007 - $195 thousand) has been charged by The City of Winnipeg General Revenue Fund, which represents a transfer to the City as determined by the Corporate Finance Department.

e) An amount of $241 thousand (2007 - $209 thousand) has been transferred to The City of Winnipeg General Revenue Fund for the cost of support services.

f) An amount of $267 thousand (2007 - $259 thousand) has been charged by The City of Winnipeg Building Services Fund for services provided at the various locations.

g) In Services, an amount of $48 thousand (2007 - $48 thousand) has been charged by The City of Winnipeg Transit System Department for coin counting and deposit services.

h) An amount of $658 thousand (2007 - $663 thousand) has been transferred to The City of Winnipeg General Revenue Fund for payments-in-lieu of municipal taxes. These charges are based on estimated assessments and the mill rate that would have been applicable had these facilities been privately owned.

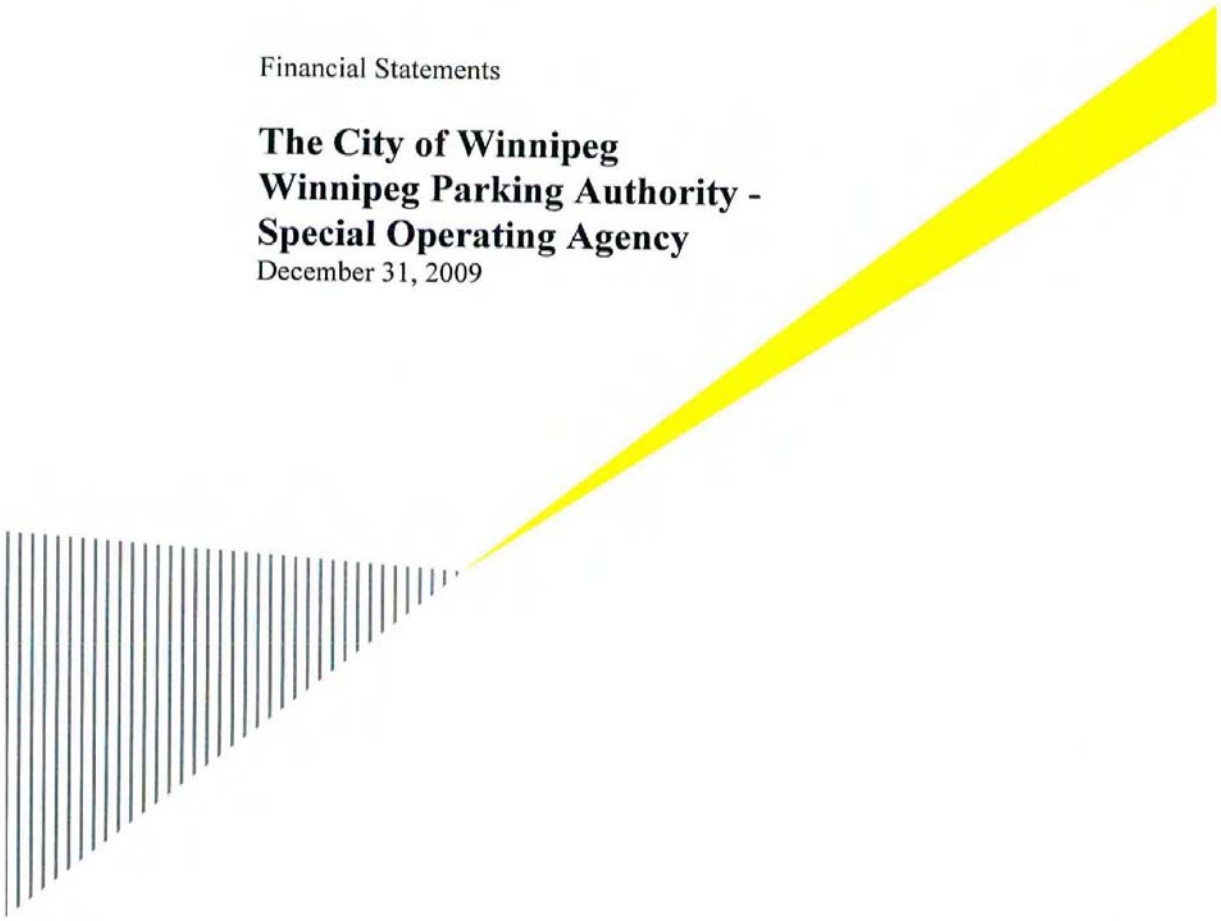
i) In Services, an amount of $315 thousand (2007 - $291 thousand) has been charged by The City of Winnipeg Fleet Management - Special Operating Agency for insurance, fuel, maintenance and rental on vehicles owned/leased by the Agency.

j) In Accounts receivable, an amount of $27 thousand (2007 - $213 thousand) is included for parking charges owing from the City.

Financial Statements

The City of Winnipeg
Winnipeg Parking Authority - Special Operating Agency

December 31, 2009



ERNST & YOUNG

AUDITORS' REPORT

To the Mayor and Members of City Council of
The City of Winnipeg

We have audited the statement of financial position of **The City of Winnipeg - Winnipeg Parking Authority - Special Operating Agency** as at December 31, 2009 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **The City of Winnipeg - Winnipeg Parking Authority - Special Operating Agency** as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Winnipeg, Canada,
March 19, 2010.

Chartered Accountants

ERNST & YOUNG
A member firm of Ernst & Young Global Limited

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF FINANCIAL POSITION

As at December 31
(in thousands of dollars)

	2009	2008
ASSETS		
Current		
Cash	$ 33	$ 72
Accounts receivable, net	2,369	2,039
Inventory	481	133
	2,883	2,244
Property, equipment and leasehold improvements (Note 6)	19,461	16,629
	$ 22,344	$ 18,873
LIABILITIES		
Current		
Due to The City of Winnipeg - General Revenue Fund (Note 7)	$ 7,814	$ 9,286
Accounts payable and accrued liabilities	573	295
Vacation payable	135	148
Customer deposits	28	7
Current portion of long-term debt (Note 8)	14,254	13,012
	22,804	22,748
Retirement allowance (Note 9b)	79	87
Long-term debt (Note 8)	4,475	3,910
	4,554	3,997
	27,358	26,745
CAPITAL DEFICIENCY		
Contributed surplus	172	172
Deficit	(5,186)	(8,044)
	(5,014)	(7,872)
	$ 22,344	$ 18,873

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF OPERATIONS AND DEFICIT

For the years ended December 31
(in thousands of dollars)

	2009	2008
REVENUES		
Enforcement (Note 10)	$ **6,223**	$ 6,030
Parking fees (Note 12a)		
Winnipeg Square parkade	**2,765**	2,564
Millennium Library parkade	**1,312**	1,317
Surface parking lots	**944**	752
Civic Centre parkade	**803**	746
Meters	**3,999**	2,989
Ground lease	**326**	94
Parking permits	**36**	325
Sundry	**-**	18
Total Revenues	**16,408**	14,835
EXPENSES		
Services (Notes 12c, g and i)		
Enforcement	**2,889**	2,305
Utilities	**1,199**	930
Parkade management	**689**	443
Other	**2,459**	2,095
Material, parts and supplies (Note 5)	**1,607**	1,153
Amortization	**1,312**	1,010
Salaries and employee benefits (Note 9)	**1,274**	1,280
Provision for bad debts	**555**	(82)
Debt and finance charges (Notes 7 and 8b)	**390**	1,222
Recoveries	**(19)**	(2)
Total Expenses	**12,355**	10,354
Income before other item and The City of Winnipeg charges	**4,053**	4,481
OTHER ITEM		
Gain (loss) on disposal of assets	**4**	(118)
Income before The City of Winnipeg charges	**4,057**	4,363
THE CITY OF WINNIPEG CHARGES		
Overhead charge (Note 12d)	**-**	(203)
Income tax equivalency charge (Note 11)	**-**	(500)
Allocated departmental charges (Notes 12b, e, f and k)	**(519)**	(544)
Municipal tax equivalency charge (Note 12h)	**(680)**	(658)
Net income and comprehensive income for the year	**2,858**	2,458
DEFICIT, BEGINNING OF YEAR	**(8,044)**	(8,232)
Transfer to The City of Winnipeg - General Revenue Fund	**-**	(2,270)
DEFICIT, END OF YEAR	$ **(5,186)**	$ (8,044)

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

STATEMENT OF CASH FLOWS

For the years ended December 31
(in thousands of dollars)

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:

	2009	2008
OPERATING		
Net income and comprehensive income for the year	$ 2,858	$ 2,458
Non-cash items related to operations		
(Gain) loss on disposal of assets	(4)	118
Amortization	1,312	1,010
Retirement allowance	(8)	(8)
Customer deposits	21	
Working capital from operations	4,179	3,578
Net change in working capital	(413)	(658)
	3,766	2,920
FINANCING		
(Decrease) increase in due to The City of Winnipeg - General Revenue Fund	(1,472)	457
Proceeds from long-term debt	1,807	2,054
Transfer to The City of Winnipeg - General Revenue Fund	-	(2,270)
	335	241
INVESTING		
Proceeds from the sale of capital assets	6	-
Purchase of capital assets	(4,146)	(3,096)
	(4,140)	(3,096)
(DECREASE) INCREASE IN CASH POSITION	(39)	65
CASH POSITION, BEGINNING OF YEAR	72	7
CASH POSITION, END OF YEAR	$ 33	$ 72

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG PARKING AUTHORITY - SPECIAL OPERATING AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009
(all tabular amounts are in thousands of dollars, unless otherwise noted)

1. ***Description of Business***

On March 20, 1997, City Council adopted the Reshaping Our Civic Government document identifying the development of Special Operating Agencies ("SOA") as one of five strategic initiatives needed to create a more affordable City government.

On February 24, 1999, City Council adopted the 1999 Alternative Service Delivery Review Agenda which identified the municipal parking services operations as an Alternative Services Delivery ("ASD") candidate. A feasibility study was subsequently prepared and presented to the ASD Committee.

On December 11, 2002, City Council adopted the recommendation of the ASD Committee that an Operating Charter and Business Plan for a SOA with a mandate to manage and be accountable for city-owned parking resources, be prepared for consideration by City Council.

The Winnipeg Parking Authority - Special Operating Agency ("the Agency") was created effective October 27, 2004 and commenced operations on January 1, 2005.

The Agency manages the parking facilities and related assets owned and previously operated by The City of Winnipeg ("the City"). The intent of the Agency is to provide excellent customer service, maximize the annual return of parking operations, and ensure its long-term sustainability.

2. ***Significant Accounting Policies***

The financial statements have been prepared on the basis of Canadian generally accepted accounting principles ("GAAP") and include the following significant accounting policies:

a) Revenue and expense recognition

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which it is earned provided it is measurable and collection is reasonably certain. Expenses are recorded in the period in which they are incurred as a result of receipt of goods or services and the creation of a legal obligation to pay.

b) Inventory

Inventory is recorded at the lower of cost and replacement cost.

2. *Significant Accounting Policies (continued)*

c) **Property, equipment and leasehold improvements**

Land and equipment were transferred January 1, 2005 from the City at a fair value as determined by independent consultants.

Property, equipment and leasehold improvements are amortized on a straight-line basis over the estimated useful life of the asset. In the year of acquisition 50% of the applicable amortization rates are used, with the exception of assets transferred from the City. The amortization rates are as follows:

Leasehold improvements	15 Years
Surface parking lots	5%
Parkades	2%
Vehicles	20%
Meters and pay stations	10%
Equipment	10-20%
Computer and advanced license plate recognition	33%
Office furniture and equipment	20%
Parkade betterments	5%

d) **Use of estimates**

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates. These estimates and assumptions are based on the City's best information and judgement and may differ significantly from actual results.

e) **Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

3. *Financial Instruments*

The Agency's financial assets and liabilities are comprised of cash, accounts receivable, due to The City of Winnipeg - General Revenue Fund, accounts payable and accrued liabilities, vacation payable, customer deposits and long-term debt. The Agency is exposed to financial risks arising from its financial assets and liabilities.

Financial instruments are classified into one of the following five categories: held-for-trading, loans and receivables, held-to-maturity, available-for-sale or other liabilities. Initial measurement of financial instruments is at fair value; subsequent measurement and recognition of changes in fair value of financial instruments depends on their initial classification. The Agency's cash is classified as held-for-trading and the accounts receivable are classified as loans and receivables. Due to The City of Winnipeg - General Revenue Fund, accounts payable and accrued liabilities, vacation payable, customer deposits and long-term debt have been classified as other liabilities. Financial assets classified as held-for-trading are reported at fair value with changes in fair value recognized in the Statement of Operations and Deficit and transaction costs related to this classification of financial instruments are expensed as incurred. Financial assets and liabilities classified as loans and receivables and other liabilities are measured at amortized cost. The Agency will recognize changes in the fair value of loans and receivables only if realized, or impairment in the value of an asset occurs. The Agency has not classified any financial instrument as held-to-maturity or available-for-sale. The book value of the Agency's financial assets and liabilities approximates their fair value.

3. *Financial Instruments (continued)*

Credit Risk

Credit risk is the risk a customer will fail to perform an obligation or fail to pay amounts due causing a financial loss to the Agency. Financial instruments affected mostly by credit risk are accounts receivable.

As the Agency is in the business of managing all city-owned parking facilities and enforcing parking related bylaws, included in accounts receivable are amounts from various City of Winnipeg departments and other customers, which use the Agency's facilities and have outstanding citations. The Agency does not have significant exposure to credit risk given it does not have a significant amount of accounts receivable owing from one party. A reasonable allowance for noncollectible amounts is established, which is netted against accounts receivable on the Statement of Financial Position.

The age of accounts receivable and the allowance for doubtful accounts as at December 31, 2009 are as follows:

Current	$ 681
Less than one year past due	1,364
Greater than one year past due	2,655
	4,700
Allowance for doubtful accounts	(2,331)
	$ 2,369

The Agency does not hold collateral as security for these balances.

Liquidity Risk

Liquidity risk is the risk the Agency will encounter difficulty in meeting obligations associated with financial liabilities. Due to the Agency's relationship with The City of Winnipeg, it can rely upon sufficient financial resources from that source in the event internally generated cash flows or cash flows accessible through external sources are insufficient. Amounts due to The City of Winnipeg - General Revenue Fund are treated as subordinate to other obligations and have no fixed terms of repayment. The Agency's most recent business plan indicates that cash resources will be sufficient to meet its obligations.

Market Risk

Market risk is the risk the Agency is exposed to concerning the fair value of future cash flows of a financial instrument fluctuating because of changes in market price. For the Agency, the most significant aspect of market risk would be interest rate risk. Financial instruments affected mostly by interest rate risk are long-term debt and due to The City of Winnipeg - General Revenue Fund.

As the Agency's long-term debt is comprised entirely of fixed rate instruments, the Agency is not exposed to this risk. The Agency's due to The City of Winnipeg - General Revenue Fund is subject to floating interest rates and is used for short-term financing, which limits the Agency's exposure to this risk.

4. *Capital Management*

The Agency does not have any externally imposed capital requirements requiring compliance.

5. *Inventory*

The inventory expensed during the year was $16 thousand.

6. *Property, Equipment and Leasehold Improvements*

	Cost	Accumulated Amortization	Net Book Value 2009	2008
Land	$ 73	$ -	$ 73	$ 73
Leasehold improvements	529	123	406	321
Parking surfaces	408	27	381	65
Parkades	11,067	1,080	9,987	9,867
Vehicles	218	121	97	92
Meters and pay stations	9,419	1,919	7,500	5,471
Equipment	1,336	431	905	671
Computer equipment	377	351	26	13
Office furniture and equipment	232	146	86	56
	$ 23,659	$ 4,198	$ 19,461	$ 16,629

7. *Due to The City of Winnipeg - General Revenue Fund*

The City of Winnipeg operates a centralized treasury function with a single operating bank account in the General Revenue Fund. Consequently, the Agency does not have a bank account. Bank transactions are credited or charged to the "Due to" account when they are processed through the bank. Interest is charged or credited based on the City's average short-term earnings (cost of funds) on the single bank account. The December 31, 2009 effective interest rate was 0.2% (2008 - 1.5%).

Interest paid to The City of Winnipeg General Revenue Fund on the line of credit was $39 thousand for the year (2008 - $220 thousand).

8. *Long-Term Debt*

	2009	2008
The City of Winnipeg - General Revenue Fund		
Start-up loan, interest at 6%, with no specific terms of repayment	$ 12,218	$ 12,218
Equipment financing		
Capital lease loans repayable in annual installments of $7 thousand to $482 thousand, including an imputed interest rate of 6.9% with maturity dates between August 2009 and March 2011	1,113	1,907
Capital lease loans repayable in annual installments of $181 thousand to $780 thousand, including an imputed interest rate of 4.5% with maturity dates between January 2013 and October 2013	5,398	2,797
	18,729	16,922
Current portion of long-term debt	(14,254)	(13,012)
	$ 4,475	$ 3,910

8. *Long-Term Debt (continued)*

a) Principal repayments on the equipment financing loans due within the next four years are as follows:

2010	$ 2,036
2011	1,657
2012	1,378
2013	1,440
	$ 6,511

b) Interest paid to The City of Winnipeg General Revenue Fund on the start-up loan was $nil during 2009 (2008 - $733 thousand).

9. *Employee Benefits*

a) Pension

The Agency's employees are eligible for pensions under the Winnipeg Civic Employees' Benefits Program. The Plan is a defined benefit plan. The City of Winnipeg allocates its pension costs to various departments. During the year, $72 thousand (2008 - $68 thousand) of pension costs were allocated to the Agency. An actuarial valuation for the Winnipeg Civic Employees' Benefits Program was made as of December 31, 2008 and has an actuarial surplus.

b) Retirement allowance

Under the retirement allowance plan, qualifying employees become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). The costs are actuarially determined using the projected benefit valuation method pro-rated on services and reflects management's best estimate of retirement ages of employees, salary escalation and length of service. In addition, adjustments arising from plan amendment, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 9.7 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses.

The Agency measures its accrued retirement allowance obligation as at December 31 of each year. An actuarial valuation report of the obligation was prepared effective December 31, 2008. The results of this valuation were extrapolated to December 31, 2009.

Information about the Agency's retirement allowance benefit plan is as follows:

	2009	2008
Retirement allowance - accrued obligation:		
Balance, beginning of year	**$ 85**	$ 93
Current service cost	**5**	6
Interest cost	**4**	4
Benefit payments	**(19)**	(18)
Net actuarial gain	**23**	-
Balance, end of year	**98**	85
Unamortized net actuarial gain	**(19)**	2
Retirement allowance - accrued liability	**$ 79**	$ 87

9. Employee Benefits (continued)

Retirement allowance expense consists of the following:

	2009	2008
Current service cost	$ 5	$ 6
Interest cost	4	4
Amortization of net actuarial gain	2	-
	$ 11	$ 10

The significant actuarial assumptions adopted in measuring the retirement allowance obligation for the year ended December 31 are as follows:

	2009	2008
Valuation interest rate	4.40%	4.80%
General increases in pay	3.00%	3.00%

10. Enforcement Revenue

Prior to 2005, enforcement revenue was accounted for using the cash basis of accounting by the City. At January 1, 2005 a gross enforcement receivable was estimated at $12,182 thousand, which was assumed by the Agency, and a corresponding allowance for doubtful accounts set up. The Agency will recognize revenue as these accounts are recovered. Collections of pre-2005 citations during the year amounted to $344 thousand (2008 - $712 thousand).

11. Income Tax Equivalency

Commencing 2009, tax equivalency charges are no longer transferred to the City of Winnipeg General Revenue Fund (2008 - $500 thousand).

12. Related Party Transactions

The Agency is wholly-owned by the City. Transactions between the Agency and the City are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

a) Revenues include sales of $664 thousand (2008 - $533 thousand) to the City.

b) An amount of $36 thousand (2008 - $36 thousand) for general government charges has been included and paid to The City of Winnipeg General Revenue Fund which represents the estimated share of the City's general expenses applicable to the Agency.

c) In Services, an amount of $123 thousand (2008 - $114 thousand) has been charged by The City of Winnipeg Civic Accommodations Fund for the rental of office space.

d) Commencing 2009, overhead charges are no longer transferred to the City of Winnipeg General Revenue Fund (2008 - $203 thousand).

e) An amount of $234 thousand (2008 - $241 thousand) has been transferred to The City of Winnipeg General Revenue Fund for the cost of information technology, finance and human resources support services.

f) An amount of $126 thousand (2008 - $267 thousand) has been charged by The City of Winnipeg Building Services Fund for services provided at the various locations.

12. Related Party Transactions (continued)

g) In Services, an amount of $48 thousand (2008 - $48 thousand) has been charged by The City of Winnipeg Transit System Department for coin counting and deposit services.

h) An amount of $680 thousand (2008 - $658 thousand) has been transferred to The City of Winnipeg General Revenue Fund for payments-in-lieu of municipal taxes. These charges are based on estimated assessments and the mill rate that would have been applicable had these facilities been privately owned.

i) In Services, an amount of $367 thousand (2008 - $315 thousand) has been charged by The City of Winnipeg Fleet Management - Special Operating Agency for insurance, fuel, maintenance and rental on vehicles owned/leased by the Agency.

j) In Accounts receivable, an amount of $10 thousand (2008 - $27 thousand) is included for parking charges owing from the City.

k) An amount of $123 thousand (2008 - $nil) has been charged by The City of Winnipeg General Revenue Fund for the cost for 311 services.

13. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

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