Minutes - Executive Policy Committee - October 20, 2004

Minute No. 589
Report - Alternate Service Delivery Committee - October 19, 2004

Item No. 1 Selection Report - Winnipeg Parking Authority Special Operating Agency
File ST-8.1

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Alternate Service Delivery Committee and pursuant to the authority of The City of Winnipeg Charter to create special service units, submits the following to Council:

1. That Council establish a Special Operating Agency (herein referred to as the "the Agency" or "SOA" within the report) under the name Winnipeg Parking Authority effective January 1, 2005.

2. That Council approve the budget for 2005 and approve in principle the financial projections for 2006 to 2009, as outlined on Appendix "C".

3. That specifically identified aspects of fee-based on-street and off-street parking operations and enforcement currently administered and enforced by the Planning, Property and Development Department, Public Works Department and Winnipeg Police Service be consolidated and hereafter administered and enforced by the new Winnipeg Parking Authority SOA.

4. That the organization of the same name (Winnipeg Parking Authority), created by By-law No. 2054/78 and amendments thereto, be dissolved and the By-law repealed.

5. That the powers and authorities previously delegated by Council to administrative officials be delegated to the Chief Operating Officer (COO) of the Winnipeg Parking Authority to the extent that those powers and authorities relate to the parking operations and enforcement being assumed by the Agency.

6. That Council amend the Parking Meter By-law No. 6547/95, to give the Chief Operating Officer (COO) of the Winnipeg Parking Authority the delegated authority (previously held by the Director of Public Works) to place and maintain parking meters in areas and streets approved by Council.

7. That Council approve:
   a) an operating line of credit of up to $500,000 as required to support the Agency in accordance with the Financial Projections (as outlined on Appendix "C") at the City's

borrowing rate. Funds will be accessed through the inter-company balance with the General Revenue Fund to meet ongoing cash flow requirements of the SOA; and,

b) a loan of up to $500,000 from the Idea Bank Reserve to finance the replacement of the parking enforcement system as outlined in the Financial Projections (see Appendix "C").

8. That Council approve the Winnipeg Parking Authority's Operating Charter as provided for in Section 215 of *The City of Winnipeg Charter* and outlined on Appendix "A", including:

a) the delegations and exemptions required by the Agency to exercise business-like practices, as outlined on Appendix "A-I" of the Operating Charter.

b) Agency's Advisory Board membership and terms of appointment as outlined in Section 3.10 of the Operating Charter (Appendix "A").

c) percentage of Council votes necessary to dissolve the Agency or change the Agency's Operating Charter as a 2/3 majority of the total number of members of Council.

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

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DECISION MAKING HISTORY:

Moved by Councillor Eadie,

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, be considered by Committee.

Carried

Moved by Councillor Eadie,

That the recommendation of the Alternate Service Delivery Committee be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On October 19, 2004, the Alternate Service Delivery Committee concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

COUNCIL:

On July 23, 2003, Council concurred in the recommendation of the Alternate Service Delivery Committee with respect to the City Hall District Parking Report, as amended by the Executive Policy Committee, and adopted the following:

1. That the final report by ND LEA, Planners and Engineers, titled the "City Hall District Parking Study Implementation Plan" (Attachment 1) be received as information and be referred to the Parking Services Special Operating Agency (SOA) for consideration and/or incorporation into their Business Plan;

2. That authorization be granted to develop additional parking spaces at the City's Ross and Paulins parking lot as an interim measure pending a long term proposal for the development of this site;

3. That authorization be given to undertake discussions with the Province of Manitoba to seek a public-public or private-public partnership with the aim of constructing additional parking capacity in the area as a longer-term solution.

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DECISION MAKING HISTORY (continued):

4. That the Chief Administrative Officer seek opportunities to promote underutilized parking lots in the area east and west of Main Street for use by students of the Red River Community College Downtown Campus.

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

On December 11, 2002, Council concurred in the recommendation of the Alternate Service Delivery Committee with respect to the Selection Report: Parking Services Feasibility Study and adopted the following:

1. That on-street meter and enforcement operations and off-street parking become a Special Operating Agency (SOA) aligned under the Planning, Property and Development Department.
2. The Director of Planning, Property and Development begin a recruitment process to hire a Chief Operating Officer (COO) for the proposed Special Operating Agency.

3. The Planning, Property and Development Department be assigned the continued interim coordinating role for the parking services Alternate Service Delivery initiative (on-street meters, enforcement, off-street parking) until the Special Operating Agency is fully functional.

4. Following the recruitment process, the newly appointed Chief Operating Officer of the Special Operating Agency be directed to prepare a Business Plan and Operating Charter, in consultation with appropriate stakeholders, for the provision of parking services as an Special Operating Agency, to be completed within 180 days of his/her hiring date.

   The Business Plan is to consider significant parking policy direction established by *Plan Winnipeg*, *CentrePlan*, *Downtown Parking Strategy Report* and the *Parking Policy for Downtown Winnipeg* and to include an analysis of 'best practices' within the industry. Specific items to be addressed in the Business Plan include:

   a) Policy and Reporting Structure
      - Proposed policy direction set out in the *Parking Policy for Downtown Winnipeg*
      - Governance and reporting through the Chief Administrative Officer, Alternative Service Delivery Committee, Executive Policy Committee to Council
      - Composition of the Special Operating Agency Advisory Board

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DECISION MAKING HISTORY (continued):

b) Operations and Finance
- Agency staffing
- Technology options
- Options for asset mix and proposals for asset ownership
- Retained earnings
- Pay-back period
- Marketing and communication strategy

c) Financial Relationship with City
- Requirements for long-term loans
- Operating lines of credit
- Return on investment

d) Impact on Other Departments
- Staffing levels

5. The Proper Officers of the City be authorized to do all things necessary to implement the foregoing including the execution of any documents related thereto.

On September 25, 2002, Council concurred in the recommendation of the Alternate Service Delivery Committee with respect to the Downtown Parking Policy, and adopted the following:

1. That the final report by Coriolis Consulting Corporation, entitled "Parking Policy for Downtown Winnipeg" as outlined in Appendix "A" and the "Decision Making Framework" as outlined in Appendix "B" prepared by the Planning Property and Development Department be received as information.

2. That the following be endorsed as Council policy:

a. Downtown Parking Policy Goals as outlined in Schedule "A", with the following amendment:

ii. That Policy Goal No. 4 of Schedule "A" be deleted in its entirety and replaced with the following:

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DECISION MAKING HISTORY (continued):

"4. While allowing parking to expand as needed, improve the transit system and implement incentives and transportation demand management programs to decrease the share of total trips to and from downtown taken in single occupant private vehicles and increase the share of trips taken on transit."

b. Policy Statements on City Investment in New Off-Street Parking Supply as outlined in Schedule "B";

c. Policy Statements regarding Operating City parking facilities as outlined in Schedule "C";

d. Policy Statements regarding the Supply and Management of On-Street Parking as outlined in Schedule "D".

3. That the report entitled "Parking Policy for Downtown Winnipeg" be referred to the administration for review and report back on the implementation of specific recommendations and/or their incorporation into departmental operations.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing including the execution of any documents related thereto.

Re: Selection Report – Winnipeg Parking Authority Special Operating Agency

For submission to: **Alternate Service Delivery Committee**

Original report signed by: **Director of Planning, Property and Development**

Report date: September 13, 2004

Recommendation(s):

Pursuant to the authority of the City of Winnipeg to create special service units, it is recommended that:

1. Council establish a Special Operating Agency (herein referred to as the "the Agency" or "SOA" within this report) under the name Winnipeg Parking Authority effective January 1, 2005.

2. Council approve the budget for 2005 and approve in principle the financial projections for 2006 to 2009 attached in Appendix C.

3. Specifically identified aspects of fee-based on-street and off-street parking operations and enforcement currently administered and enforced by the Planning, Property and Development Department, Public Works Department and Winnipeg Police be consolidated and hereafter administered and enforced by the new Winnipeg Parking Authority SOA.

4. The organization of the same name (Winnipeg Parking Authority), created by By-law No. 2054/78 and amendments thereto, be dissolved and the By-law repealed.

5. The powers and authorities previously delegated by Council to administrative officials be attributed to the Chief Operating Officer (COO) of the Winnipeg Parking Authority to the extent that those powers and authorities relate to the parking operations and enforcement being assumed by the Agency.

6. Council amend the Parking Meter By-law No. 6547/95 to give to the COO of the Agency the powers previously held by the Director of Public Works to place and maintain parking meters in areas and streets approved by Council.

7. Council approve:
   c) an operating line of credit of up to $500,000 as required to support the Agency in accordance with the Financial Projections (see Appendix C) at the City's borrowing rate. Funds will be accessed through the inter-company balance with the General Revenue Fund to meet ongoing cash flow requirements of the SOA; and,
   d) a loan of up to $500,000 from the Idea Bank to finance the replacement of the parking enforcement system as outlined in the Financial Projections (see Appendix C).

8. Council approve the Winnipeg Parking Authority's Operating Charter as provided for in Section 215 of *The City of Winnipeg Charter* and outlined in Appendix A, including:
    a. the delegations and exemptions required by the Agency to exercise business-like practices, as outlined in Appendix I of the Operating Charter.
    b. the Agency's Advisory Board membership and terms of appointment as outlined in Section 3.10 of the Operating Charter (Appendix A).
    c. the percentage of Council votes necessary to dissolve the Agency or change the Agency's Operating Charter as a 2/3 majority of the total number of members of Council.

9. The proper officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

REPORT SUMMARY

KEY ISSUES:

- The SOA will function as a public agency on a proactive business basis and actively manage all current and future municipally owned, fee-based, on- and off-street parking facilities, including municipal parkades, surface lots, metered areas and permit areas, citywide.
- The Agency will manage parking regulatory enforcement and enforcement tags on all public and, where agreements exist, private properties, as well as coordinate the use of on- and off-street space with enforcement regulations and practices.
- The SOA will consult with City departments and divisions, involved in the downtown area, to facilitate the optimum utilization of available on- and off-street spaces, as well as efficient traffic flow, maintenance activity, commercial activity, special event activity, and stakeholder support.
- The Agency will develop a center of knowledge related to on- and off-street parking for use as a City resource, and provide advice and expertise to the planning, development, transportation and business communities as required.
- The Agency will investigate and introduce new facilities, technologies, and techniques to municipal parking facilities, and will provide centralized customer service and operational management to the parking public.
- An Advisory Board representing stakeholder interests will provide guidance to the Parking Authority.
- The multi-year budget (attached in Appendix C) will provide a distribution of $5,300,000 from the Agency to the City for the 2005 budget year and annually for 2006 to 2009 financial projections being approved in principle.
- Those fees, regulations and rates that are not specifically established by Council will be established by the Agency and reviewed by Council through the annual business plan selection report.

- The preparation of the business plan and operating charter selection report for the creation of the Agency took longer than the 180 days that Council adopted on December 11, 2002, and following the hiring of the Chief Operating Officer. The delay was due to a lengthy compilation and review process followed by the mid-term civic elections in June and Council proroguing in August.

IMPLICATIONS

General Implications

	None
X	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:
- The Agency is being granted flexibility to operate parking services in a more business-like manner.

Policy Implications

X	No
	Yes

Comment:
- None

Human Resource Implications

X	No
	Yes

Comment:
- The Agency will transition personnel from departments to positions within the Agency as required and in accordance with established collective agreements.

Environmental Implications

X	No
	Yes

Comment:
- None

Financial Implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment:
- A budget for 2005 and financial projections for 2006 to 2009 are contained in Appendix C attached hereto.

REPORT

REASON FOR THE REPORT:

On December 11, 2002, Council directed that an Operating Charter and Business Plan for a Special Operating Agency with a mandate to optimise, manage and be accountable for the better organization and integration of municipal parking resources, be prepared for consideration by Council. This Report is the result of that Council direction and seeks approval of the recommendations to create the Winnipeg Parking Authority SOA in accordance with Council's authority to create Special Service Units and amend By-laws.

HISTORY:

Winnipeg established a Parking Authority in 1956 to oversee municipal parking resources and dissolved this organization in 1973. Five years later, Council re-created the Parking Authority as a Council committee with no operational staff (enabled by By-law No. 2054/78 and subsequently amended through By-law No.'s 2277/79, 2914/81, 5318/89, and 5952/92) to oversee municipally owned parking facilities. This body was active in land negotiations throughout the 1980's but appears to have exercised little leadership since that time. In 2004, it continues to exist, but has not met since 1998.

On March 20, 1997, Council adopted the *Reshaping Our Civic Government* document identifying the development of Special Operating Agencies as one of five strategic initiatives needed to create a more affordable City government. On Feb. 24, 1999, Council adopted the *1999 Alternative Services Delivery Review Agenda* which identified the municipal parking operation as an ASD candidate. A Feasibility Study was subsequently prepared for Alternate Service Delivery Committee and approved by Council on December 11, 2002.

DISCUSSION:

Historically, on- and off-street municipal parking resources in Winnipeg have been regarded as utility service assets and managed by three individual departments (Public Works, Winnipeg Police Service, Planning, Property and Development) that reported to several Standing Policy Committees under the direction of Council. Each managing entity viewed their contribution to the provision of parking services in isolation, and as a low priority. This arrangement did not result in improved parking facilities and operations.

On December 11, 2002, Council adopted the Parking Services Feasibility Study that recommended parking resources would deliver better service, longevity, performance, and value if managed on a business basis as a Special Operating Agency. Council had previously adopted the *Downtown Parking Policy* (September 25, 2002) as a means by which to guide the Agency in assembling its role in the downtown.

The day to day tasks of the Agency includes provision, maintenance and optimized use of fee-based on-street parking (parking meters, permits areas, special events) and off-street parking (parkades, surface lots), as well as the monitoring and management of municipally-owned parking space across the city.

The Agency intends to work closely with departments, stakeholder groups, property owners, parking operators, developers, business interests and community services to optimize the use of current and future fee-based municipal parking facilities. The Agency proposes to rationalize, coordinate and integrate current parking services and parking enforcement operations, creating a more efficient, useful and valuable public service.

It is anticipated that due to the complex role of the Agency and the need to maintain revenue streams, a three-year transition period will be required to adjust to the modified operating environment. This transition period will allow the Agency time to make the necessary operational adjustments as it integrates the various parking components into a single, unified organization.

Scope of the Agency

Approval of this Report will result in the Agency incorporating the former fee-based parking-related functions, revenues, expenses, assets and liabilities of the Planning Property and Development Department (off-street public and employee fee-based parking), the Public Works Department (on-street public, residential, and commercial fee-based parking) and Winnipeg Police Service (parking enforcement through the Corps of Commissionaires, enforcement administration and collections). Thereafter, the Agency intends to:

- enact measures to improve operations and customer services at the Civic Centre, Winnipeg Square and Millennium Library parkades, as well as at public and employee surface lots;
- establish a contractual relationship with the Public Works and Winnipeg Police Service departments to continue with the provision of services as they currently exist;
- review parking enforcement-related legislation, policies, and practices before acquiring a permanent parking enforcement system to replace the current mainframe computer program, which is scheduled to be discarded in 2004; and
- review the use of parking resources in the Exchange District and changes to on- and off-street parking permit packages in the near future.

The adoption of a permanent replacement system in 2005 for the existing obsolete computerized enforcement system, will offer an opportunity to rationalize current administrative activities and practices. It is proposed that many of the parking enforcement-related duties currently performed by the Winnipeg Police Service will be integrated into the Agency. In addition, the Agency plans to retain current contractors, but pursue the transfer of responsibility for the parking enforcement by the Corps of Commissionaires and parking enforcement towing elements of existing third party contracts to the SOA. To reduce the cost of current parking enforcement and adjudication processes, the Agency intends to discuss with the Province how processes and procedures may be improved.

At present, there are no plans to alter the current arrangement with respect to parking meter maintenance and on-street permit sales services. These are to be internally contracted through Public Works until such time that funding to replace the current obsolete meter technology can be determined.

The Agency intends to rationalize and improve its facilities and services within the limitations established by annual budgets. Working directly with departments and stakeholder groups, the Agency proposes to improve the management and measurement of its services and to test new techniques and devices which better serve the needs of Winnipeggers. The Agency proposes to source and establish a centralized parking office for its operations to better serve its customers.

Streamlining the current, fragmented reporting relationship that the different parking services operations have with Standing Policy Committees, EPC and Council is an area the Agency intends to improve through becoming an SOA. Appendix B (on page 36) illustrates the current fragmented service delivery and reporting structure and the realignment of parking services under the proposed Winnipeg Parking Authority. The proposed reporting structure (page 33 Appendix A - Section 8 of the Operating Charter) shows the Agency consolidating the parking services and reporting through its host department to the CAO. The accountability and reporting structure for the Agency would be through its host department and the CAO to the Alternate Service Delivery Committee and EPC/Council.

Role of the Agency

The Winnipeg Parking Authority has a complex role. Access to convenient and economical parking services is essential to the prosperity of the City. Guidance for managing this resource in the downtown area is detailed in the *Downtown Parking Policy* approved by Council on September 25, 2002. The financial objectives of the Agency will occasionally run contrary to this policy and have a detrimental effect on commerce in areas supported by fee-based parking. In accordance with this policy, the activities of the Agency will be guided by three principles:

1. To provide a progressive, flexible, and responsible public service.
2. To apply business principles in relating supply to demand, cost to benefit, and value to the shareholder, to the management of parking resources.
3. To balance the competing and conflicting needs of shareholders, stakeholders, clients, and customers, and develop practical and satisfactory solutions on a day-to-day basis.

Inherent in establishing this Agency's requirement to seek compromising solutions, it is understood that the SOA will never completely satisfy any one constituency or area of interest. In many instances, the Agency's desire to deliver public good initiatives (where appropriate) and balance constituent needs will conflict with its business goals. While immediate interests may conflict from time to time, it is also understood that it is in the broad interest of all constituencies to enjoy easily accessible, convenient, affordable, and available parking for all participating groups. The Agency's measure of success will be in the management of a fair and progressive balance of all interests, while managing its business affairs so as to meet, and exceed, best practices and best results, as demonstrated by comparable municipal public parking organizations elsewhere.

Purpose and Operating Principles

The Agency intends to provide a modern, efficient, productive and accountable public service using an integrated and cooperative approach to parking management while delivering a high value service to stakeholder groups and parking customers. The Winnipeg Parking Authority is proposing to:

- Provide a high quality, fairly priced public parking product to Winnipeggers on a fee-for-service basis;
- Cooperate with the City and its constituent groups to provide public good initiatives where the broader public interest diverges from its business goals;
- Earn the trust and respect of Winnipeggers through customer service excellence, innovation, efficiency, and continuous improvement;
- Achieve strong relationships between the City, stakeholders, and clients through commitment, organization, consultation, teamwork, and empowerment;
- Establish best practices in parking planning, administration and operations;
- Assess requirements in terms of cost and benefit, supply and demand, growth and development;
- Ensure objectivity and an entrepreneurial 'business' approach, where costs and performance are measured to benefits and benchmarks; and
- Ensure a consistent level of mill rate support to the City from parking operations.

Highlights

The following highlights key elements of the Agency's proposed operations:

1. **Fees and Pricing:** The Agency will retain on-street meter rates at 2004 levels. Fines will continue to be established through by-law amendments adopted by Council. Over the duration of the business plan, the Agency intends to work with fees, timing and pricing of services, in association with other packages and promotions, as a demand management and supply optimisation tool. Fees, and other charges that are not specifically established by Council, will be established and adjusted by the Agency and reviewed by Council through the annual business plan selection report.

2. **Competition:** The Agency will retain a monopoly in fee- or permit-based on-street parking space within high parking density urban areas. It will improve and expand services where practical while reconfiguring its off-street operations.

3. **Parkade and Property Improvements:** The Agency will address deferred security, maintenance, and equipment obsolescence as part of its annual maintenance budget. Material improvements will be required to grow utilization, value, and performance.

4. **Technology Upgrade:** The Agency will renew enforcement technologies in 2005 with resultant reorganization of business practices in 2005-6. On-street metering requirements will be addressed as new capabilities are identified.

5. **Human Resources:** The Agency will respect employment arrangements in compliance with existing collective agreements. Positions will be transferred to the Agency from departments at such time and in a manner that best suits its business operations. As positions are established, the Agency will deal with incumbents or new employees with care, concern, flexibility, and compassion according to the needs of individuals and established procedures and guidelines.

6. **Distribution to the City:** A distribution of $5,300,000 from the Agency to the City will be made in its first year of operation (2005). Thereafter, an annual distribution of $5,300,000 from the Agency to the City is projected to be made for the years 2006 to 2009 inclusively.

7. **Public Good:** This is defined as a factor which limits the policies and activities designed to benefit the business goals of the Agency in deference to the qualified needs of shareholders, clients, customers, stakeholders, and other interested parties, as determined by the Agency in consultation with its governing authorities. Any potential cost associated with these factors will be outlined in the annual business plan.

Transfer of Operations and Assets

All parking revenues, receivables and assets (facilities, parkades, meters, vehicles, and other physical assets) originating from fee-based parking services and parking fines (on-street operations, off-street operations, enforcement liens and collections), effective January 1, 2005, are to accrue to the Agency.

All parking expenses, payables, and liabilities originating from fee-based parking services and parking fines (on-street operations, off-street operations, enforcement liens and collections), effective January 1, 2005, as declared by Winnipeg Police Service, Public Works and Planning Property and Development departments, are to accrue to the Agency.

In the short term, immediately following the creation of the Winnipeg Parking Authority, it is proposed that functional responsibilities will continue to be performed by Winnipeg Police Service and Public Works departments on a contractual basis. As new technologies are sourced and new methods of operating are determined, these responsibilities within existing departments would migrate to the Agency. The proposed operations to be transferred to the Agency by department, including a proposed date, are outlined in the following table.

PARKING RELATED OPERATIONS	POLICE SERVICES	PLANNING PROPERTY & DEVELOPMENT	PUBLIC WORKS	EFFECTIVE DATE
2005				
Assume all parking revenues and expenses, assets and liabilities	X	X	X	01-Jan-05
Assume all on- and off-street parking facilities	X	X	X	
Assume leases for vehicles	X	X	X	
Assume fiscal management of operations	X	X	X	
Assume management and administrative staff		X		

PARKING RELATED OPERATIONS	POLICE SERVICES	PLANNING PROPERTY & DEVELOPMENT	PUBLIC WORKS	EFFECTIVE DATE
Public and municipal staff parking operations		X		
Special event parking		X		
Assume coordination of contract staff (Corps of Commissionaires)	X			
Assume responsibility for contact agencies (parkades)		X		
Consultation in deployment of meter/on-street permits			X	
Service Agreement with Public Works (2005-07)			X	
Service Agreement with Police Services (2005-06)	X			
2006				
Assume Parking Enforcement responsibility				**01-Jan-06**
Assume management and administrative staff (by secondment or conversion to Parking Authority as negotiated)	X			
Assume coordination role with Provincial Court Services (adjudication/collection)	X			
Assume direct management of on-street permits			X	
Service Agreement with Police Service expires	X			
2007				
Assume direct management of parking meter deployment installation, collection and maintenance operations			X	**01-Jan-08**
Assume management and administrative staff			X	
Service Agreement with Public Works expires			X	

Financial Performance and Reporting Framework

Consistent with the City of Winnipeg Charter Special Service Units legislation, this multi-year business plan selection report for the Agency contains a budget for 2005 and financial projections for the years 2006-2009. The financial projections include a projected balance sheet, statement of projected revenues and expenses, and statement of projected changes in financial position (see Appendix C, page 39 onwards).

The Agency intends to continuously improve service delivery, including assessing the cost of support services provided by City departments. It proposes to make future purchases or organizational change decisions based on the best value for the Agency and its constituencies and within annual budgets. If the Agency is directed to contribute to the City's policy objectives through public good initiatives that run counter to pure business principles (e.g. subsidizing or discounting the provision of a service), costs for these initiatives or contributions could be potentially adjusted against the bottom-line targets of the Agency and/or covered by way of tax-supported funding. The Agency proposes to assess these public good allocations annually as part of its business plan review in consultation with the Administration.

Potential financial returns outlined in the Agency's annual year-end report, in excess of those outlined in the financial projections, will be reviewed by the ASD Committee.

Human Resource Framework

Working directly with its staff, as well as with other City departments, the Agency intends to build a team of motivated Public Parking professionals focused on providing the best possible level of service to customers and stakeholders. It intends to work in harmony with the greater interests of the public and the City. As technologies advance and needs grow, the Agency proposes to provide technical training to all staff and to ensure the successful consolidation of new approaches to service delivery.

On approval of the business plan and operating charter, the following existing Planning Property and Development staff are to be reassigned to the SOA:

- Chief Operating Officer 1
- Manager, Off-Street Operations 1
- Administration Clerk 1
- Parkade attendants (Civic Centre) 4

The Agency intends to assume contracts with:

- Imperial Parking Ltd. (Impark) 2 contracts (Winnipeg Square, Centennial Library)
- Corps of Commissioners 1 contract for 40 Commissionaires

Any subsequent staff transfers or secondments from Winnipeg Police Service and Public Works departments are to be carried out in accordance with existing, collective labour agreements and human resource practices. Such transfers may occur as a result of the new technologies adopted by the Agency. The Agency proposes the following staff transfers or secondments: 8 parking ticket administration and clerical staff from Winnipeg Police Services in 2005 and 8 parking meter shop administrative and technical staff from Public Works in 2007.

Prior to initiating any transfers or secondments in accordance with established policies and practices, the Agency will engage in a full dialogue with individuals and their representative organizations to ensure that all staff are treated fairly and equitably.

Information Technology Framework

The primary task of the Agency is to replace the existing mainframe application that is used to manage parking tickets with a more modern, 'off-the-shelf' enforcement system. These 'off-the-shelf'' systems utilize hand held computers at the curb side to provide greater accuracy and accountability, as well as providing better services to the customer in the form of web-based permit sales, prepayments, account-based collections, and on-street real time permit management. They also imply a completely different administrative office structure, on-street organization, permit distribution system and technology base than now exists.

Adoption of new technology also suggests changes to the by-law structure, which now supports the on-street parking program. In its first year of operation, the Agency intends to review all existing by-laws which address an element of parking, and propose amendments to Council.

The Agency is proposing to maintain a service contract with Planning, Property and Development for the support of all computer and information systems and for planning and consulting assistance in the acquisition of the new parking enforcement system technology.

Physical Assets Management

The fee-based on- and off-street asset base, together with operating equipment, vehicles, and administrative systems are assessed at $12,498,568, as determined at January 1, 2004.

The condition of parking structures is in keeping with their age of 20 to 40 years. There is a considerable amount of deferred maintenance and equipment replacement required. Off-street lots vary widely in their relative operating condition. On-street meter stalls are generally in good condition matching the condition of their associated roadway but meters are old, rusting, and will require replacement within 10 years. There is no demand for the current supply of old meters. They are considered to be without resale value.

The Agency proposes to assume the furniture and administrative office assets of the current Planning, Property and Development parking component and consolidate operations with Parking Enforcement following the acquisition of a new enforcement system in 2005. The Agency also assumes responsibility, through internal contracting, for all parking-related assets with the Winnipeg Police Service and Public Works departments. This includes office furniture, communications, computing, 13 Police "Tracker" SUV style vehicles, 2 cube vans, 1 cargo van, and 1 passenger vehicle used for parking enforcement and meter maintenance. Equipment and vehicles are to be replaced as required. Furnishings, computers, and operating equipment, tools and technologies are to be replaced as required through annual budgets over the term of the business plan. With the consolidation of parking operations, the Agency intends to establish a centralized parking office.

Performance Measurement

The performance of the Agency is to be measured through benchmark comparisons with similar North American parking agencies, particularly the Calgary Parking Authority. This parking authority engages in a scope of work similar to the proposed Winnipeg operation. For the Winnipeg Parking Authority, representative benchmarks are considered to be:

- revenue and expense performance per parking stall adjusted for participation and the local economy;
- percentage return to operations; and
- amount of the annual distribution to the City.

The success of the Parking Authority SOA is to be measured by the extent to which its service goals and tasks are achieved or exceeded from year to year. Goals, tasks and measurements will be updated and reported on annually. The performance goals and measures for 2005-9 are outlined in the table on the following page.

SERVICE GOAL	TASK DESCRIPTION	MEASURE OF SUCCESS
Ensure that an accountable, efficient, professional, and responsible parking agency is established	• Create a centralized business operation using elements currently located in 3 departments • Acquire working space and trained personnel • Develop teamwork and cooperation between elements	• Consolidate off-street and enforcement administration into one office by 2006 • Develop a strong operations and administration team by mid 2006 • Maintain and increase financial return
Implement a new parking enforcement system	• Replace the current obsolete parking enforcement application • Provide retraining or replacement for contract staff	• Acquire and implement permanent enforcement system by 2006 • Improved staff performance through selective retraining and new technologies. • Reduced customer complaints by mid-2006
Assist downtown merchants, improve growth opportunities and contribute to cost savings through on-street systems	• Investigate replacement for on-street parking meters • Establish improved on-street permit and rate structure • Modify on-street legislation, fee, fine, and maintenance programs	• Business study for on-street replacement system by 2006 • Revise fee and fine structures with stakeholder support for 2006
Optimize cost, improve operations, improve growth at existing off-street facilities	• Redraft management contracts • Improve value through marketing • Promote public daily and hourly parking	• Improved services and reduced expenses • Improved utilization counts • Improved hourly counts vs. monthly contract counts
Identify a practical plan for serving downtown parking needs in the future	• Identify methods to reduce supply of low value surface parking • Support initiatives to replace with higher value intensified parking facilities	• Parking plan for the Exchange District in 2006 • Produce guidelines for use by other departments by 2006
Ensure that existing off-street facilities are safe, secure, and remain viable for the future	• Annual maintenance program budgeted for all facilities • Occasional structural assessments • Repairs as needed	• Improved signage, graphics, lighting, safety and personal security by 2009 • Annual equipment and facility maintenance • 35% of annual gross revenue allocated to retained earnings for facility reinvestment by 2011
Balance public good initiatives with business goals	• Improve parking resources in the downtown, resolve problems and issues, increase dialogue and understanding of issues, and participate in public good initiatives when appropriate.	• Continuous improvement • Mutual interaction with stakeholders • Improved customer service survey responses and reduced public complaints
Work to improve intensification of downtown parking lots and reduce the numbers of substandard surface facilities in the downtown.	• Work to reduce the amount of street frontage dedicated to parking and encourage other land uses to replace surface stalls • Pursue partnerships or incentives with the private sector as available • Develop facilities where it is advantageous to the community.	• Reduce numbers of surface lots by 2009 • Increase numbers of parkade stalls by 2009

Implementation

Implementation commences with establishment of the Agency and continues throughout 2005-2007. It begins with the consolidation of bookkeeping requirements as well as assets and staff accommodations and arrangements. Due to the complex role of the Agency and the need to consolidate multiple activities and operations from several City departments into a single organization, the Agency intends to spend the first three years of operation in a transitional stage. Within this time, the Agency will implement the staffing re-alignment, information technology changes and monitor the overall performance and future needs of the organization.

Conclusion

This multi-year business plan establishes and empowers the Winnipeg Parking Authority to reform and reconfigure on- and off-street parking resources, improve customer services, improve knowledge and application of parking solutions, improve the function and overall public perception of parking and the downtown, and grow and sustain important municipal assets. Service improvements are to be made at minimum cost to the City. The Agency intends to provide an annual distribution to the City in the amount of $5,300,000.

Time is the essence of this plan and it is critical that the Agency be empowered to move forward as soon as practicable.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Winnipeg Police Service
Public Works Department
Planning, Property and Development Department
Corporate Finance Department – Materials Management
Corporate Services Department – Legal Services

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Parking Services
Prepared by: David Hill

Financial Impact Statement

Date: September 13, 2004

Project Name:

Winnipeg Parking Authority Special Operating Agency

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
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:

Please refer to attached Appendix C for details of financial projections related to the proposed Winnipeg Parking Authority SOA.

"Original signed by"
Mike McGinn, CA
Manager of Finance

APPENDIX 'A'

WINNIPEG PARKING AUTHORITY
OPERATING CHARTER

Winnipeg Parking Authority
Special Operating Agency
Operating Charter

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Section 1: Preamble

1.1 Background

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

On Feb. 24, 1999 Council adopted the *1999 Alternative Services Delivery Review Agenda* which identified municipal parking services as an ASD candidate. A Feasibility Study was subsequently prepared and presented to the ASD Committee.

On December 11, 2002, Council adopted the recommendation of the Alternate Services Delivery Committee that an Operating Charter and Business Plan for a Special Operating Agency with a mandate to manage and be accountable for city-owned public parking resources, be prepared for consideration by Council.

1.2 Establishment of the Agency

This Operating Charter has been approved by Resolution No. _____ of the Winnipeg City Council and establishes the Winnipeg Parking Authority Special Operating Agency effective January 1, 2005, pursuant to *The City of Winnipeg Charter*.

1.3 Name of the Agency

The Agency will be referred to as the **Winnipeg Parking Authority**.

1.4 Transition Period

Due to the complex role of the Agency and the need to consolidate multiple activities and operations from several City departments into a single agency, a three-year transition period will be required to allow the Agency to make the necessary operational adjustments. Although the Operating Charter is fully effective as of January 1, 2005, some of its aspects may only be fully implemented or operationalized at later points during this transition period.

1.5 Definitions

"*Client*" – an individual business or organization which relies on the availability of convenient and proximate parking access in order to facilitate access to its site, with whom the Agency retains a cooperative accountability to provide services. The Agency may, at its sole discretion recognize individual entities as clients.

"*Customer*" – the individual parker or end user of the parking product or service, whom the Agency serves directly, and to whom the Agency retains a contractual "fee for service" accountability. This customer base includes but is not restricted to City residents, visitors and tourists, as well as City employees and other individuals.

"*Fee-for-service*" – a fee or token of value provided by a customer or client in consideration for a product or service provided by the Agency.

"*Fee-supported*" – products or services for which an hourly, daily, weekly, monthly, annual or other fee is charged in compensation for provision and maintenance of the product or service.

"*On-street*" – parking stalls located on a public street, roadway, or thoroughfare.

"*Off-street*" – parking stalls located in areas other than a public street, roadway, or thoroughfare.

"*Public Good*" – a factor which limits policies and activities designed to benefit the business goals of the Agency in deference to the qualified needs of shareholders, clients, customers, stakeholders, and other interested parties, as determined by the Agency in consultation with its governing authorities.

"*Shareholders*" - the people of the City of Winnipeg, as represented by Council, to whom the Agency is formally and ultimately accountable.

"*Special needs*" – a group of individual customers or clients of the Agency who, by virtue of a distinctive physical or social need, or activity characteristic, require the availability of convenient and proximate parking access in order to facilitate access to a specified area for a specified time and use. The Agency may, at its discretion subject to the direction of Council, or the Province of Manitoba, recognize and provide services to special needs clients, the disbabled, and customers.

"*Stakeholder*" – an organization established to represent the interests of an identified group of clients, to which the Agency retains a cooperative accountability. Stakeholders may change from time to time, but are identified for the purposes of the Charter as the Downtown and Exchange District BIZ organizations, the Forks

North Portage Partnership, Destination Winnipeg, and CentreVenture. The Agency may, at its sole discretion, or on advice from its Advisory Board, or on direction from Council, recognize other organized entities as stakeholders.

1.6 Governing Principles

As created in this Charter, the Winnipeg Parking Authority has a complex role. Access to convenient and economical parking services is essential to the prosperity of the City, and guidance for managing this resource in the downtown area is detailed in the *Downtown Parking Policy* approved by Council on December 11 2002. The Agency's financial objectives would occasionally run contrary to this policy and may potentially have a detrimental effect on commerce in areas supported by fee-based parking.

In accordance with this Policy, the activities of the Agency will be guided by three principles:

1. to provide a progressive, flexible, and responsive public service;
2. to apply business principles in relating supply to demand, cost to benefit, and value to the shareholder, to the management of parking resources; and
3. to balance the competing and conflicting needs of shareholders, stakeholders, clients, and customers, and develop practical and satisfactory solutions on a day-to-day basis.

Inherent in establishing this Agency's requirement to seek compromising solutions, it is understood that the Parking Authority will never have the ability to completely satisfy any one constituency or area of interest. In some instances, the Agency's desire to deliver public good initiatives (when appropriate) and balance constituent needs will conflict with its business goals. While immediate interests may conflict from time to time, it is also understood that it is in the broad interest of all constituencies to enjoy easily accessible, convenient, affordable, and available parking for all participating groups.

The Agency's measure of success is in how it manages to provide a fair and progressive balance of all interests, while managing its business affairs so as to meet, and exceed, best practices and best results, as demonstrated by comparable municipal public parking organizations.

Section 2: Policy Framework

2.1 Mission/Vision

Mission: The Winnipeg Parking Authority is a Special Operating Agency of the City of Winnipeg, dedicated to providing world class public parking solutions to a world class city.

Vision: The Winnipeg Parking Authority facilitates proactive and effective public parking solutions, balanced and progressive client and customer relationships, enlightened and forward-oriented regulation and space management, and the best practical use of municipal parking resources to meet the changing needs of the City of Winnipeg, its constituent shareholders, stakeholders, clients and individual customers, as guided by best practices in the public parking industry.

2.2 Goals

The primary goals of the Agency are to:

- Provide an efficient, responsive and exemplary on- and off-street, short- mid- and long-term public parking resource.
- Provide an efficient and responsible off-street, short- mid- and long-term parking resource for municipal employees and vehicles.
- Provide guidance and advice to City staff, development agencies, and other organizations on parking issues.
- Cooperate with, and use parking resources in support of client organizations, agencies, partners and stakeholder associations.
- Optimise the operational and financial performance of parking facilities so as to deliver service excellence.
- Provide exemplary service standards in all customer and client transactions.

2.3 Values

In achieving its mission and goals, the Agency refers to the following core values and operating guidelines.

Values – The Agency is committed to:

- providing a high quality and fairly priced public parking product on a full cost recovery basis.
- balancing public good initiatives with business goals where appropriate.
- earning the trust and respect of Winnipeggers.
- establishing a reputation for fair and enlightened monitoring and problem resolution.
- maximizing service value to customers and client groups through accountability and efficiency.
- providing service excellence through innovation and continuous improvement.
- serving as a positive example to peers and competitors.
- building client-agency relationships through cooperative problem solving.
- establishing an efficient, responsible, accountable, supportive, and compassionate workplace.
- achieving group goals through personal commitment, organization, consultation, teamwork, and empowerment.

Operating Guidelines – The Agency functions in accordance with:

- best practices in parking business planning and implementation.
- best practices in parking services accountability, auditability and transparency.
- assessed requirements in terms of costs and benefits, supply and demand, and growth and development.

2.4 Products and Services

Primary:

1. **On-Street Public Parking Services** including parking metering, revenue collection, cash control, parking monitoring and enforcement, disabled and fire route, sign placement, maintenance and replacement, all permit and prepayment programs.
2. **Off-Street Public Parking and Special Events Services** including routine daily and monthly public parking at municipal parkades and surface lots permit programs, monthly parking customer service, sign management, daily and special event staffing, film shoot accommodations.
3. **Parking Fines, Adjudication and Collection** actions as required to better manage parking resources.
4. **Special Needs and Emergency Services Parking** (Disabled, Fire Route, etc.) on public and private properties as governed by provincial and municipal legislation.
5. **Public Parking Facilities and Services** including the planning and development of new services and facilities

(public daily and monthly parking lots, parkades, public loading and service areas) in the downtown and other areas of the City.

6. **Customer Service** for all resources administered including contracting, billing and invoicing, collections, and management of service levels.
7. **Serve as a Center of Knowledge** and point of contact for the municipality in managing parking facility development and maintaining high quality urban design standards.

Secondary:

1. Serve as a center of knowledge and point of contact for the public seeking advice in general parking related matters.
2. Serve as a center of knowledge and point of contact for property owners, parking operators and service providers seeking advice in parking design, application, and enforcement related issues.
3. Serve as a center of knowledge and point of contact for municipal services and the media regarding parking policies, practices designs and services.
4. Administer internal municipal, ,(no the province does their own) or other staff accommodation related to parking resources.
5. Provide parking enforcement services to private property owners via contract.
6. Serve as a clearing house for day to day updates of public parking service, special needs, and emergency related signage including positioning of loading and service facilities, emergency routes, disability parking, and other static elements as required.

2.5 Markets	The Agency identifies its primary market as public, daily or hourly casual parking demand, supported by public and employee monthly contract or permit parking demand at all or selected facilities. It optimises the use of current resources and manages publicly owned parking supply and public or employee demand as dictated by market principles. It caters to customer and client agency needs, and seeks to expand its market share through the lease, purchase or development of new facilities as supported by the marketplace or prudent public policy. The Agency sets high service standards as a selling advantage to individual parking customers and an example to competing private operators.
2.6 Marketing and Visual Identity	The Agency undertakes independent marketing, advertising and customer service activities within the broad parameters of the City of Winnipeg's visual identity guidelines.
2.7 Special Operating Agency Status	The Agency operates and conforms to accepted business practices in all financial and business dealings. It proposes to assess any 'public good' allocations annually as part of its business plan review in consultation with the Administration. The Agency is accountable for the results of its business operations on the basis of the performance measures as outlined in this Selection Report. The Agency is required to operate independently and be accountable for its activities as outlined in Section 3 to 8 of this Charter. The Agency comes forward for policy direction not explicitly covered or implied in the Charter document.

Section 3: Accountability Framework

3.1 Reporting Relationships

The Agency operates under the management and program direction of the Chief Administrative Officer through the Director of the Planning, Property and Development Department. Policy direction comes from Council, the Executive Policy Committee (EPC) and the Alternate Service Delivery (ASD) Committee in consultation with the Standing Committee(s). The ASD Committee assures corporate financial direction and accountability.

The Agency's accountability structure aligns political, administrative and community interests, in support of its mandate.

3.2 Council Responsibility

Under The City of Winnipeg Charter, Council has final decision authority relative to the Agency. This includes, but is not restricted to, designation of the Agency and its operating charter, feasibility study and selection report, delegations of authority, and advisory board appointments.

Council receives annual reports as information to assess the Agency's performance and policy outcomes.

3.3 Executive Policy Committee Responsibility

EPC on recommendation of the ASD Committee reviews the Agency's plans, reports, and proposals and recommends appropriate decisions by Council. EPC maintains a strategic oversight role.

3.4 ASD Committee Responsibility

The ASD Committee is responsible for providing corporate leadership of alternative service delivery initiatives, including special operating agencies (SOA).

While its overriding concern is to assess SOA financial needs and implications, it maintains a broader role in evaluating the corporate benefits delivered by the SOA within the strategic context of ASD.

3.5 Standing Policy Committees

Standing Policy Committees review Agency plans, reports, and proposals on referral from or in conjunction with the review process through the ASD Committee. Any comments are factored into analyses and recommendations forwarded to EPC and Council.

3.6 Chief Administrative Officer Responsibility

The Chief Administrative Officer (CAO) has executive management responsibility, in concert with Standing Committees, to provide policy advice, program and service direction concerning the effective management, operation, and performance of the Agency.

The CAO designates the chairperson of the Advisory Board.

3.7 Chief Financial Officer Responsibility

The Chief Financial Officer (CFO) directs Corporate Finance expertise that assists the Agency in its formation and ongoing operations.

3.8 Department Head Responsibility

The Director of Planning, Property and Development monitors the Agency's management, operations, and performance relative to attainment of civic goals and departmental objectives.

As required, the Department Head assists the Agency's Chief Operating Officer (COO) in establishing effective and efficient working relationships within and outside the organization.

The Department Head is an ex-officio member of the Advisory Board.

3.9 Agency Head Responsibility

The COO of the Agency is accountable for sound management of the Agency in accordance with the highest public sector standards and ensures the objectives and targets stated in the business plan are achieved.

The COO is responsible for managing the Agency planning and reporting processes. These plans and reports are provided through the CAO for the information / approval of the ASD Committee in consultation with the Standing Policy Committees, EPC, and Council.

The COO is an ex-officio member of the Advisory Board and provides the board with business plans, activity reports, charter revisions and other proposals and information required for effective management and accountability.

The COO is responsible for all operations of the Agency. Among other things, he or she is the designated contract administrator for all third party contracts and has the power of a "designated employee" for enforcement of parking by-laws and regulations within the authority of the Agency. He or she is responsible for all previous Council delegations and authorities with respect to those aspects of parking now attributed to the Agency.

3.10 Advisory Board

The role of the Advisory Board is to provide advice on the Agency's strategic operations and on changes to its mandate, structure, business practices, and finances. The Advisory Board reviews and comments on the Agency's proposed business plans, annual reports, and charter revisions.

The Advisory Board is chaired by a City representative appointed by the CAO. Other members are appointed for a two-year renewable term. Board members are selected from various stakeholder groups approved by Council. Individual member appointments are delegated by Council to the ASD Committee. Council is advised annually of current Advisory Board members through the annual business plan Selection Report. Subject to approval of the stakeholder group by Council, the Advisory Board consists of:

Members

- Chief Administrative Officer designate (Chair)
- Executive Member of the Canadian Union of Public Employees (CUPE), representing municipal staff parking stakeholders
- Representative of CentreVenture, representing downtown development stakeholders
- Representative of Downtown BIZ, representing downtown business stakeholders
- Representative of Exchange BIZ, representing downtown business stakeholders
- Representative of the Forks North Portage Partnership
- Representative of Destination Winnipeg, representing visitors to the City

Ex Officio

- Chief Operating Officer, Parking Authority
- Department Head or designate (Planning, Property, and Development)
- Department Head or designate (Public Works)
- Department Head or designate (Winnipeg Police Service)
- Corporate ASD representative

The Chair is responsible for calling meetings, setting agendas, directing meetings, seeking advice from members, and ensuring members receive sufficient information about the Agency and its operations to enable them to provide sound advice. Other external resources or Agency staff may be invited to attend meetings at the request of the Chair. The composition of the Board may change over time as needs or circumstances warrant. No person is appointed to the Board who has a conflict of interest or unless an acceptable declaration is filed in accordance with City policy. The Board meets monthly or at the call of the chairperson.

3.11 Customer Relations

The Agency is accountable to its client set in meeting program and service needs in a timely, quality-conscious, and cost-effective manner. The Agency embraces a service excellence and continuous improvement ethic in all customer relations.

3.12 Corporate Relations

The Agency continues to be bound by relevant legislation, bylaws, and Council resolutions. Exemptions and delegations (Appendix I) are conferred through this operating charter by Council to enable the Agency to meet its mandate and business objectives.

3.13 Departmental Relations and Service Agreements

The Agency is delegated the authority to exercise choice in the purchase of services, either internal or external to the City of Winnipeg.

Initially, the Agency will continue to receive its current levels of service, or service levels, from other civic departments as outlined in this Selection Report. During the three year transition period, the Agency, in conjunction with the relevant civic departments, will monitor and review all costs and utilization rates, and upon completion of a business case analysis, the Agency will determine whether or not it will be entering into a service agreement with a City service provider or seek an external service provider based on best business case practices.

3.14 Delegation of Authority

Exemptions from City policies and delegations are listed in Appendix A-I.

Exemptions cover those administrative policies considered to impair business-like operations, not relevant to the Agency, or for which non-compliance has minor consequences.

Delegations allow the Agency to administer the existing policy. They are vested in the Agency COO, who may sub-delegate to facilitate day-to-day operations.

Appropriate policy directives are to be incorporated as amendments to the charter at the earliest opportunity.

Section 4: Planning and Reporting Framework

4.1 Planning and Reporting Schedule

The planning and financial reporting schedule is determined by the CFO in consultation with the Agency COO to synchronize with the general planning, budgeting, and reporting requirements of The City of Winnipeg.

4.2 Operating Charter

The Operating Charter is the formal articulation of the function, mandate, terms, conditions and requirements governing the operation, and defining the function and mandate of the Agency. Any proposed amendments are presented to Council for approval. The Operating Charter is a public document.

4.3 Selection Report

A summary of the annual business plan, the Selection Report, is provided to Council each year. The Selection Report contains a multi-year budget for the Agency. It includes an annual budget and financial forecasts for four years.

The Agency participates in the broader planning process of the City of Winnipeg.

4.4 Annual Report

Within 120 days following the end of the fiscal year, the Agency prepares an annual report for Council detailing its results for the year. The report includes an analysis of operational and financial results compared to business plan targets, as well as the audited financial statements of the Agency for that fiscal year.

The separate and distinct nature of the Agency's report does not preclude consolidation in the City or a departmental annual report and year-end financial statements nor does it preclude any form of public consultation.

Section 5: Financial Framework

5.1 Fiscal Year

The fiscal year of the Agency coincides with the fiscal year of the City of Winnipeg.

5.2 Implementation

At an administrative level, the CAO or designate, the Department Head and the Agency COO discusses and agrees on the following as detailed in the business plan:

- Accounting principles to be applied
- Valuation of assets and liabilities (an opening balance sheet).
- Periodic reporting
- Information systems and technology
- Long and short-term financing,
- Cash management and investing
- Budget requirements (if any), and
- Service level agreements

As part of the management principles inherent in SOAs, the standard budgetary expenditure controls do not apply. Achievement of stated priorities, with reference to bottom-line financial results, is the mechanism for measuring the success of the Agency.

5.3 Regulatory Environment

The Agency is responsible for addressing regulatory issues related to customer service, efficient resource utilization, and management of parking supply on public lands and roadways, and for initiating and facilitating regulatory reform in these areas.

5.4 Continuity of Service

In the event that budget approval for a fiscal year is delayed, the Agency is authorized to continue service and incur expenditures not to exceed 30% of the expenditures estimated in the Agency's budget for the previous fiscal year.

5.5 Costing and Pricing

The Agency costs its services on a full-cost basis including direct costs, support costs and overhead costs. Subject to any fee or charge established by Council, and any direction received from Council, the Agency can establish and adjust its prices, fees, and charges in response to market forces and the need to provide a competitive service.

5.6 "Public Good" Allocation

If the Agency is directed to contribute to City policy objectives that cannot be justified by the Agency on business principles (e.g., subsidizing or discounting the provision of a service), costs of these contributions or lost revenues may be adjusted against the bottom-line targets of the Agency and/or covered by way of tax-supported funding. Any 'public good' allocations are to be assessed annually as part of the Agency's business plan review.

5.7 Audit

The Agency has to have an annual audit in compliance with legislation. Special audits and/or evaluations may also be conducted as the need arises.

Section 6: Human Resources

6.1 Staff Levels	The Agency may adjust its staff complement within established financial parameters as business circumstances dictate. The Agency may utilize term and casual staffing as necessary to meet short-term workload requirements.
6.2 Compensation and Classification	The Agency's staffing and classification activities are governed by collective agreements. The Agency may, in consultation with Human Resource Services, alter existing classifications or develop its own classification categories and/or groups through letter(s) of understanding.
6.3 Training and Development	The Agency provides its employees with training and career development opportunities necessary to serve its customers and respond to changing market forces and civic policies.
6.4 Performance Management	The Agency conducts performance appraisals annually at all levels. Emphasis will be placed on initiative and innovation, customer service, as well as advancement toward the achievement of other identified goals. The performance of the COO is assessed based on achievement of the qualitative and quantitative objectives identified in the annual business plan.
6.5 Recognition and Rewards	The Agency may devise and implement rewards which devolve from the business successes of the organization. Appropriate incentive programs may be explored in consultation with Human Resource Services and presented on a business-case basis in the summary of the annual business plan.
6.6 Labour Relations	All regular employees of the Agency retain their employment status when migrating from City departments. All terms of collective agreements and union representation continue to apply.

Section 7: Implementation and Review

7.1 Effective Date

The effective date of Agency status for Winnipeg Parking Authority is January 1, 2005.

7.2 Evaluation

In support of its mission, the Agency is responsible for achieving performance targets set out in its annual selection report.

The Agency is evaluated against these targets and reports on its performance in the annual report.

A formal evaluation of the Agency's effectiveness is planned three years from start-up.

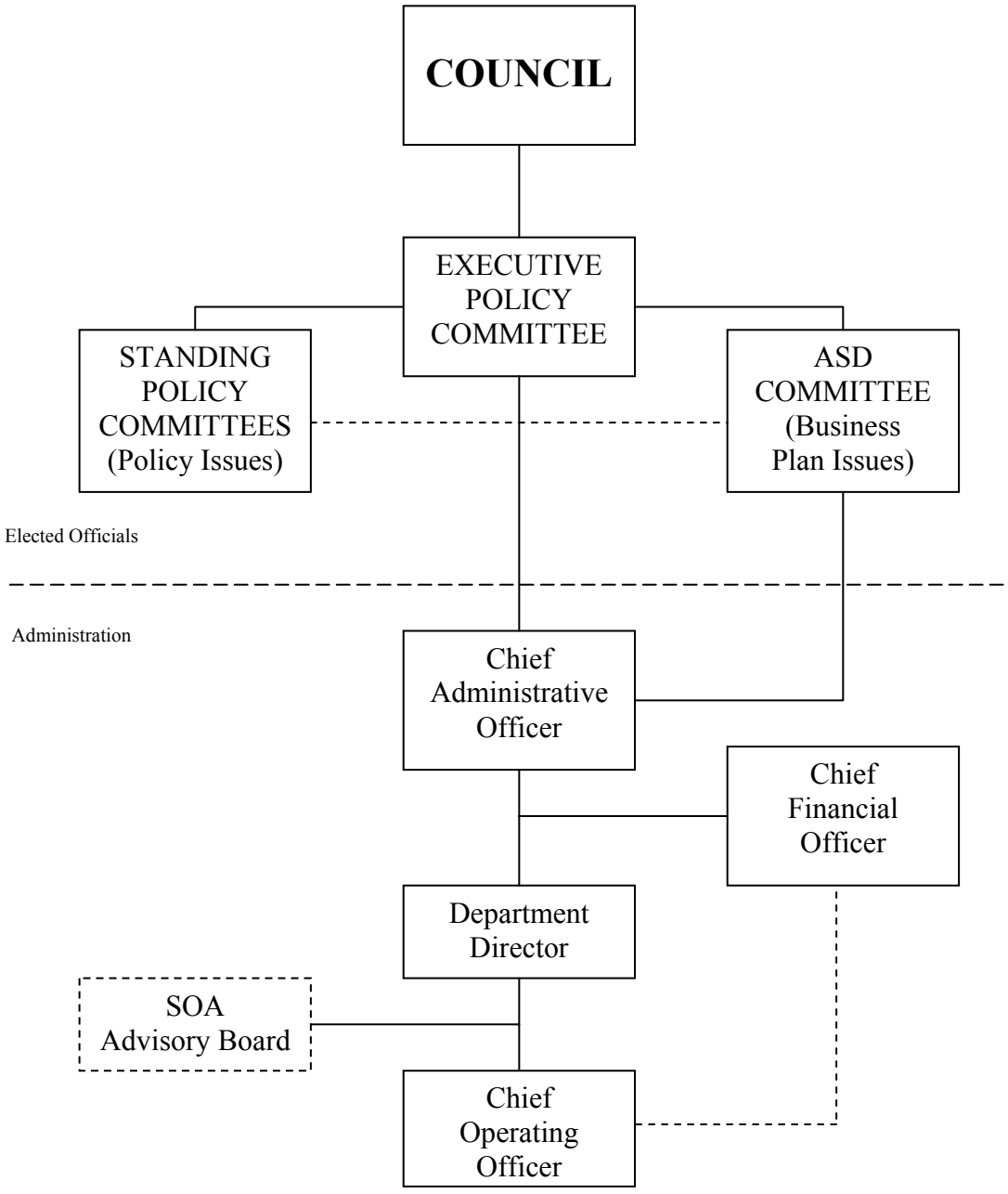
7.3 Review and Revision of Charter

Review of the Agency's operating charter is carried out as required. Proposed revisions to the charter are tabled with the ASD Committee as part of the annual business plan approval process. Any revisions to the charter are subject to Council approval through a 2/3 majority of the total number of members of Council.

7.4 Termination of Charter

Council, by 2/3 majority, may revoke the Agency's charter at any time and reorganize, reassign, or dissolve the Agency as Council deems necessary. If the Agency is dissolved or reorganized such that a substantially different organization is constituted, a final report covering the period from commencement of the fiscal year to the date Agency operations ceased or were reorganized must be submitted to Council within 120 days of reorganization or cessation of operations.

Section 8: Accountability and Reporting Structure



Agreement

This document represents the operating charter of the Winnipeg Parking Authority Special Operating Agency as established by Council under ***The City of Winnipeg Charter***.

The undersigned affirm the terms and conditions of this charter and agree to uphold its aims and objectives in support of a sustainable Agency.

Chairperson, ASD Committee	**Chief Operating Officer**
Chief Administrative Officer	**Department Head**

Dated this _____ day of _____, 2004.

Appendix A-I: Delegations and Exemptions

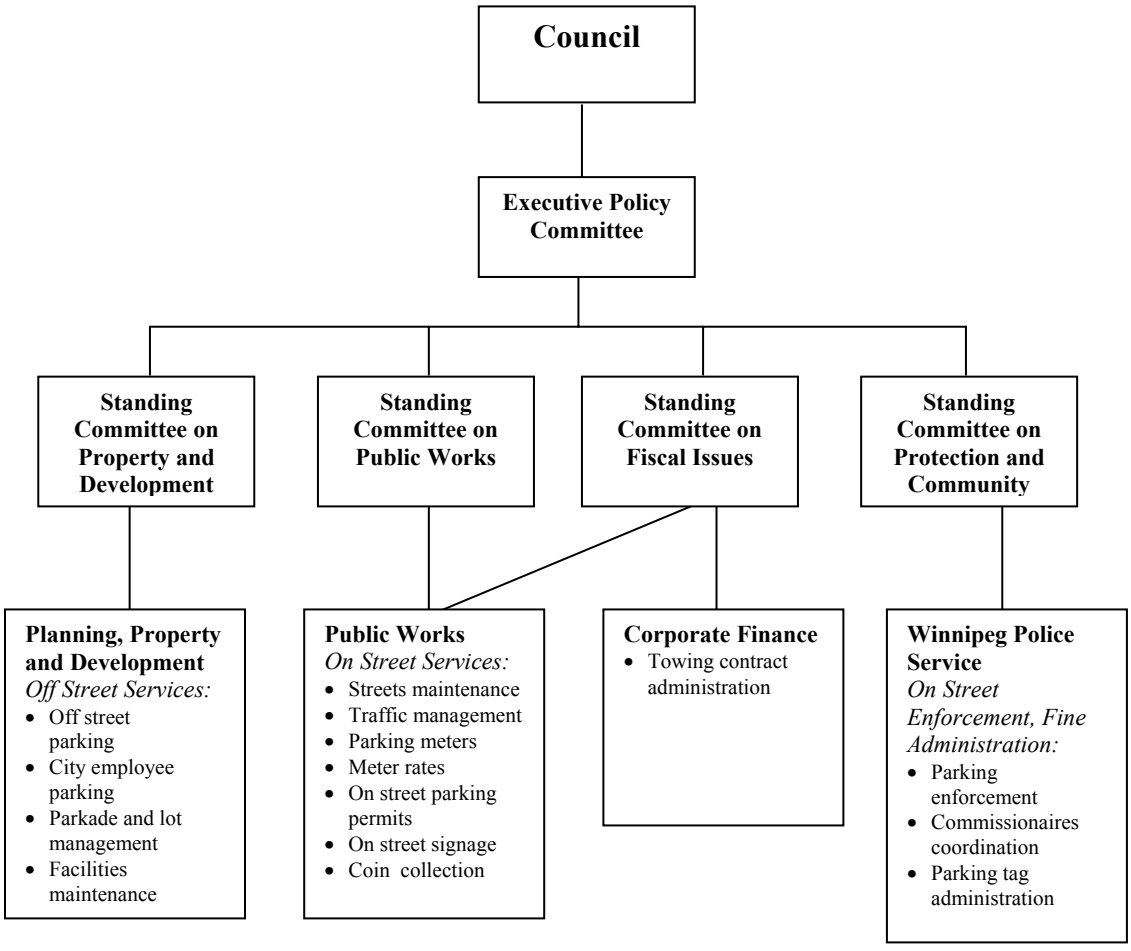
In adhering to business-like practices in pursuit of the public good, the Agency will require certain delegations and exemptions. The following delegations and exemptions are integral in meeting the financial and operational goals of the Agency:

1. The Agency must comply with the City of Winnipeg's Materials Management Policy, with the exceptions that the Chief Operating Officer has the delegated authority to:
    a. approve single source purchases, in accordance with B4 of the Materials Management Policy, not contravening the Agreement on International Trade for goods and services and not to exceed $100,000;
    b. award contracts pursuant to the Materials Management Policy and within the jurisdiction of the Agency consistent with that of the Director, Planning, Property and Development, for contracts with consideration not to exceed $150,000; and
    c. award contracts where the contract does not create an absolute commitment for funds not yet approved by Council, consideration for the contract does not exceed $150,000, and the contract does not exceed five years.
2. The Agency is exempt from City of Winnipeg's standard spending limits for budgetary control purposes. Bottom line financial results and achievement of operational goals are the mechanism for measuring the success of the Agency.
3. The Agency is exempt from vacancy and expenditure management processes and related global budget reductions.
4. The Agency is exempt from the City of Winnipeg's Fees and Charges Policy. Subject to any fee or charge established by Council, and any direction received from Council, the Agency has the authority to establish and adjust its prices, fees, and charges in response to market forces and the need to provide a competitive service. Fees and charges will be set out in the annual selection report.

APPENDIX 'B'

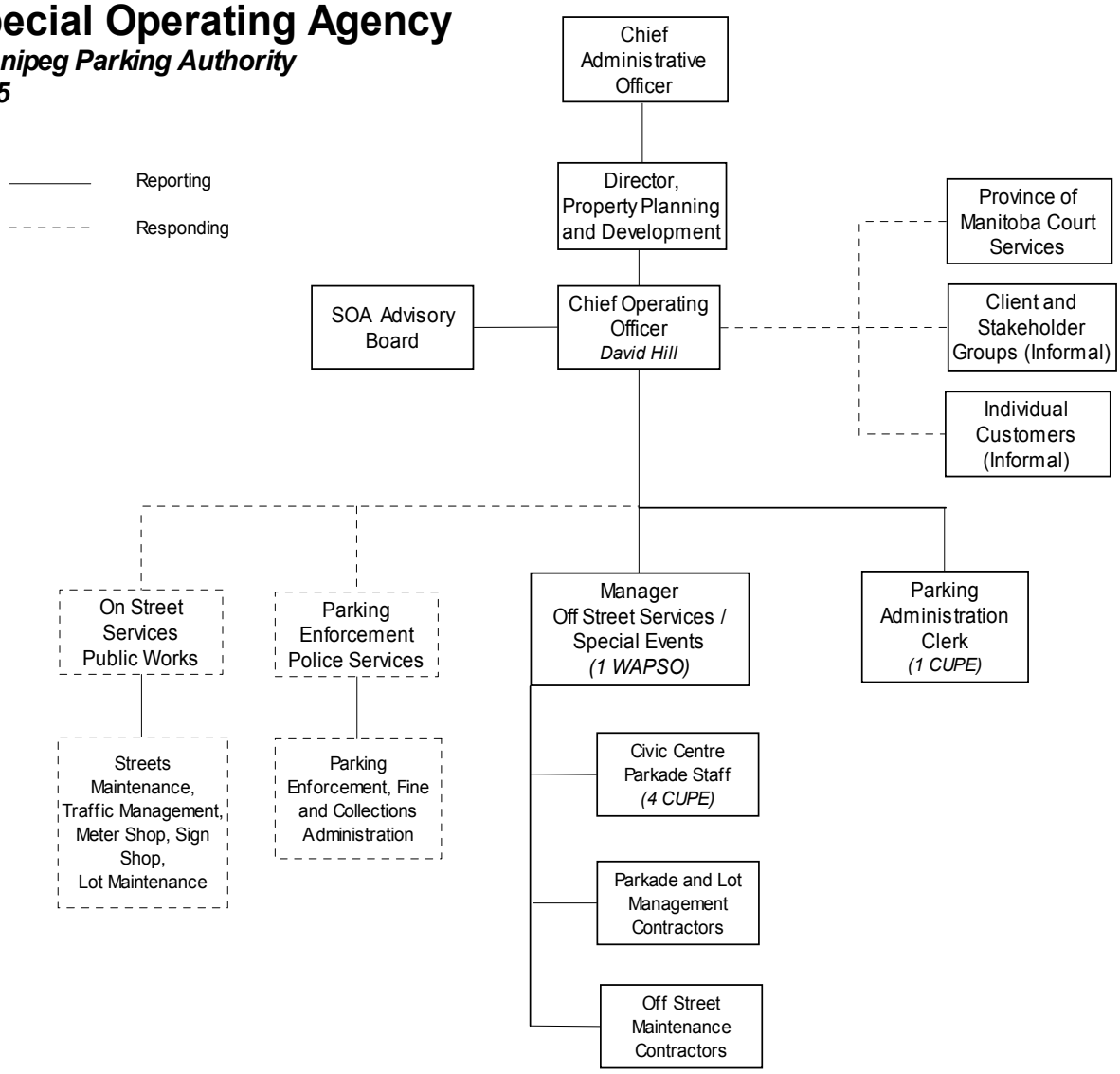
PARKING SERVICES DELIVERY

Parking Services
2004



Special Operating Agency

Winnipeg Parking Authority
2005



APPENDIX 'C'

WINNIPEG PARKING AUTHORITY
FINANCIAL PROJECTIONS
5 YEARS ENDING DECEMBER 31, 2009

Winnipeg Parking Authority
Special Operating Agency
Financial Projections

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Parking Services - Special Operating Agency
Projected Balance Sheet
December 31

	2005 $	2006 $	2007 $	2008 $	2009 $
Assets					
Current					
Due from City (Note 8)	526,461	469,876	1,151,787	1,940,656	2,766,850
Inventory (Note 2)	160,000	163,200	166,464	169,793	173,189
	686,461	633,076	1,318,251	2,110,450	2,940,039
Capital Assets, Net (Note 3)	12,568,918	12,224,768	11,808,618	11,320,468	10,832,318
Total Assets	13,255,379	12,857,844	13,126,869	13,430,918	13,772,357
Liabilities					
Current					
Accounts Payable and Accrued Liabilities (Note 8)	346,000	394,520	445,670	499,566	556,326
Long-Term Debt (Note 4)	12,826,200	12,326,200	12,326,200	12,326,200	12,326,200
Equity					
Contributed Surplus (Note 3 and 5)	172,368	172,368	172,368	172,368	172,368
Retained Earnings	-89,189	-35,244	182,631	432,783	717,463
	83,179	137,124	354,999	605,151	889,831
Total Liabilities and Equity	13,255,379	12,857,844	13,126,869	13,430,917	13,772,357

Parking Services - Special Operating Agency
Statement of Projected Revenue and Expenses
For the Year Ended December 31

	2005 $	2006 $	2007 $	2008 $	2009 $
Revenues (Note 9)					
Sales - Public	5,832,110	5,978,933	6,282,174	6,456,728	6,637,439
Sales - Staff	400,000	412,000	424,360	437,091	450,204
Enforcement	4,659,300	4,909,300	4,909,300	4,909,300	4,909,300
Winnipeg Square Ground Lease	326,000	326,000	326,000	326,000	326,000
Total Revenues	11,217,410	11,626,233	11,941,834	12,129,119	12,322,943
Expenses (Note 10)					
Staff Costs	3,004,025	3,094,009	3,186,800	3,282,374	3,380,815
Supplies	120,818	120,975	123,305	125,681	128,104
Maintenance	1,083,623	1,102,949	1,122,662	1,142,770	1,163,279
Services	586,201	660,586	679,114	691,801	704,742
Depreciation (Note 3)	454,150	476,150	488,150	488,150	488,150
Property Taxes (Note 10)	635,343	685,386	703,663	724,398	745,747
Business Taxes (Note 10)	107,441	117,232	120,265	123,793	127,426
Interest and Financing (Note 4)	15,000	15,000	0	0	0
Total Expenses	6,006,600	6,272,288	6,423,959	6,578,966	6,738,263
Net Income before Distribution	5,210,811	5,353,945	5,517,875	5,550,153	5,584,679
Distribution to City (Note 2 and 10)	5,300,000	5,300,000	5,300,000	5,300,000	5,300,000
Net Income (Loss)	(89,189)	53,945	217,875	250,153	284,679
Retained Earnings, Beginning of Year	0	(89,189)	(35,244)	182,631	432,783
Retained Earnings, End of Year	(89,189)	(35,244)	182,631	432,783	717,463

Parking Services - Special Operating Agency
Statement of Projected Changes in Financial Position
For the Year Ended December 31

	2005 $ (Note 3 Opening Balance Sheet)	2006 $	2007 $	2008 $	2009 $
Net inflow (outflow) of cash related to the following activities:					
Operating					
Net income (loss) for the year	(89,189)	53,945	217,875	250,153	284,679
Add Depreciation, not requiring cash	454,150	476,150	488,150	488,150	488,150
	364,961	530,095	706,025	738,303	772,829
Changes in non-cash operating working capital items					
Accounts Payable and Accrued Liabilities	346,000	48,520	51,150	53,896	56,760
Inventory	(160,000)	(3,200)	(3,264)	(3,329)	(3,396)
	550,961	575,415	753,911	788,870	826,193
Financing					
Increase in Long-Term Debt	500,000	(500,000)	0	0	0
	500,000	(500,000)	0	0	0
Investing					
Purchase of New Enforcement System	(500,000)	0	0	0	0
Purchase of Furniture	(17,500)	(110,000)	(60,000)	0	0
Purchase of Computer equipment	(7,000)	(22,000)	(12,000)	0	0
	(524,500)	(132,000)	(72,000)	0	0
Net Cash Inflow (Outflow)	526,461	(56,585)	681,911	788,870	826,193
Due From City, Beginning of Year	0	526,461	469,876	1,151,787	1,940,656
Due From City, End of Year	526,461	469,876	1,151,787	1,940,656	2,766,850

Parking Services – Special Operating Agency
Notes to the Financial Projections
For the Five Years Ending December 2009

1. DESCRIPTION OF BUSINESS

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

On Feb. 24, 1999 Council adopted the *1999 Alternative Services Delivery Review Agenda* which identified the municipal parking services operation as an ASD candidate. A Feasibility Study was subsequently prepared and presented to the ASD Committee.

On December 11, 2003 Council adopted the recommendation of the Alternative Services Delivery Committee that an Operating Charter and Business Plan for a Special Operating Agency with a mandate to manage and be accountable for city-owned parking resources, be prepared for consideration by Council.

The Winnipeg Parking Authority Special Operating Agency (Agency) has been designated effective January 1, 2005 as a Special Operating Agency and this operating charter has been approved by Council resolution [No. XXXXXXXX], pursuant to *The City of Winnipeg Charter.*

The operating name of the Agency is the Winnipeg Parking Authority. This will replace the organization of the same name, still in existence in 2003 but not operating since 1998 (enabled by By-law No. 2054/78 and subsequently amended through By-law No.'s 2277/79, 2914/81, 5318/89, and 5952/92).

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

2. ACCOUNTING POLICIES

Basis of presentation These projected financial statements are prepared by management in accordance with Canadian generally accepted accounting principals established by the Canadian Institute of Chartered Accountants. Since these statements, schedules and related notes are future oriented financial information, they have hypothesis, assumptions and estimates that may not materialize and the reader of these statements are cautioned that actual results may vary materially from that presented. The purpose of these statements, schedules, and notes, is intended for specific individuals within the City associated with the ASD Committee and are not intended for any other purpose.

The Agencies significant accounting policies are as follows:

Revenue recognition Revenue and expenses are reported on the accrual basis of accounting with the exception of Enforcement revenue and the related receivable and associated accounts which is reported on the industry practice of the cash method of accounting. The accrual basis of accounting recognizes revenue as it becomes measurable and expenses when they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Enforcement revenue recognition Enforcement revenue in the industry is recorded when fines are paid, the ability to calculate revenue at the time of issuance is impractical due to the complexity of the transaction. There is approximately a Gross Enforcement Receivable of $10.0 million with a net collection significantly below that amount.

Employee related costs Civic Pension contributions are expensed when contributions are due.

Inventory of Meter Parts is stated at the lower of cost and net realizable value.

Capital assets have been transferred to the Agency at a determined Fair Market value; any assets purchased directly by the Agency from parties outside the City are recorded at their purchase cost. Capital assets are depreciated using the straight–line basis over the estimated useful life of the asset. The rates of depreciation applied are as follows:

- Parking structures 2%
- Lot improvements 5%
- Equipment and other 10% - 33%

Distribution to City is set at a flat amount for the five years of operation and is in lieu of a return on equity and interest for the assets transferred to the Agency, the two percent City Charge on expenses, other City surcharges and corporate income taxes.

3. TRANSFER FROM CITY OF WINNIPEG

The Capital assets listed below are transferred from the City at Fair Market Value (FMV) on January 1, 2005, in the amount of $12,498,568, the City has taken back a 6% interest bearing loan with no specific terms of repayment for the depreciable assets $12,326,200 and an equity position “contributed surplus” for the non-depreciable assets ”Land” $172,368:

Asset	Source of FMV Calculation	Amount
Land [(1)]	Average real estate value Inner City	$ 172,368
Parking surfaces [(1)]	Average stall construction cost less depreciation	57,000
Parkades	Midpoint – January 2002 Report	10,700,000
Vehicles	Replacement value	129,000
Meters	‘50% of replacement cost	1,215,000
Other equipment	Replacement value	100,000
Computers	Replacement value	43,200
Furniture and office equipment	Replacement value	82,000
Total		$ 12,498,568

[(1)] Land and Parking surfaces only include the metered lots located on McDermot and Stradbrook. All other surface lots will remain the ownership of the City; the Parking Agency will perform the management on a number of these lots that generate cash flow.

Other liabilities associated with these transferred assets will begin to accrue to the Agency on the date of transfer; all liabilities and contingencies existing up to the date of transfer, either known or not known, remain the responsibility of the City.

Parking Services – Special Operating Agency
Notes to the Financial Projections
For the Five Years Ending December 2009

Projected Opening Balance Sheet
January 1, 2005

Assets	
Capital Assets	$ 12,498,568
Total Assets	$ 12,498,568
Liabilities	
Long-Term Debt-City	12,326,200
Equity	
Contributed Surplus	172,368
Total Liabilities and Equity	$ 12,498,568

Capital Asset Continuity	**2005**	**2006**	**2007**	**2008**	**2009**
	$	**$**	**$**	**$**	**$**
Cost					
Land	172,368	172,368	172,368	172,368	172,368
Parking Surfaces	57,000	57,000	57,000	57,000	57,000
Parkades	10,700,000	10,700,000	10,700,000	10,700,000	10,700,000
Vehicles	129,000	129,000	129,000	129,000	129,000
Meters	1,215,000	1,215,000	1,215,000	1,215,000	1,215,000
Other Equipment	100,000	100,000	100,000	100,000	100,000
Computers	550,200	572,200	584,200	584,200	584,200
Furniture and Office Equipment	99,500	209,500	269,500	269,500	269,500
	13,023,068	13,155,068	13,227,068	13,227,068	13,227,068
Accumulated Depreciation	454,150	930,300	1,418,450	1,906,600	2,394,750
Net Book Value	12,568,918	12,224,768	11,808,618	11,320,468	10,832,318

4. LONG TERM DEBT

Long-term debt consists of monies loaned from the City. The City has three types of loans with the Agency.

Consolidated Year End Balances	2005 $	2006 $	2007 $	2008 $	2009 $
Debt Balances					
First Loan on Transferred assets	12,326,200	12,326,200	12,326,200	12,326,200	12,326,200
IDEA Loan for Enforcement system	500,000	0	0	0	0
Operating Loan	0	0	0	0	0
Ending Balance, Long-Term Debt	12,826,200	12,326,200	12,326,200	12,326,200	12,326,200

The First Loan is the mechanism by which the Agency has paid the City for the depreciable assets transferred to the Agency on January 1, 2005 $12,326,200. This loan has no specified terms of repayment and bears interest at 6%, this interest is included in the Distribution to City (see note 10).

	2005 $	2006 $	2007 $	2008 $	2009 $
Debt Continuity					
Beginning Balance, Long-Term Debt	0	12,326,200	12,326,200	12,326,200	12,326,200
Initial Draw for Transferred Assets	12,326,200	0	0	0	0
Ending Balance, Long-Term Debt	12,326,200	12,326,200	12,326,200	12,326,200	12,326,200
Interest Calculation					
Interest Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Interest Expense for the Year	739,572	739,572	739,572	739,572	739,572

The IDEA Loan is the mechanism by which the Agency will fund the Enforcement System Replacement. This loan has no specified terms of repayment and bears interest at 6% per annum.

	2005 $	2006 $	2007 $	2008 $	2009 $
Debt Continuity					
Beginning Balance, Long-Term Debt	0	500,000	0	0	0
Draw / Repayment	500,000	(500,000)			
Ending Balance, Long-Term Debt	500,000	0	0	0	0
Interest Calculation					
Interest Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Interest Expense for the Year (1/2 year)	15,000	15,000	0	0	0

The Operating Loan is the mechanism by which the Agency funds Capital Projects and Operating Shortfalls, the loan is from the City. This loan has no specified terms of repayment and bears interest at 6% per annum.

	2005 $	2006 $	2007 $	2008 $	2009 $
Debt Continuity					
Beginning Balance, Long-Term Debt	0	0	0	0	0
Draw / Repayment	0	0	0	0	0
Ending Balance, Long-Term Debt	0	0	0	0	0

5. CONTRIBUTED SURPLUS

Contributed surplus is comprised of the transfer of non-depreciating assets to the Agency on January 1, 2005, $ 172,368.

6. HYPOTHESIS

The financial projections have been based on the following hypotheses:

(a) That the City will transfer the assets on January 1, 2005 as outlined in the notes above and grant at minimum the loan amounts with the specified terms above for both the transferred assets and monies for current and future Capital Projects and Operating Deficiencies.

(b) That the City departments including but not limited to the Winnipeg Police Service, Public Works, Planning Property and Development will continue to provide services as needed to the Agency and provide such services on a cost basis.

(c) City by-laws and such, if required, will be changed to accommodate the Business Plan on a timely basis.

(d) No legislation at any level of Government whether in place and unapplied or new will cease operational and financial procedures as are in place today.

(e) The City will transfer the power to manage parking related human resources to the Agency on January 1, 2005, this includes but not limited to Commissionaires, Parking Meter Shop, and Customer Services Personal.

(f) The City through Public Works will not charge any fees associated with on-Street Parking with respect to repair, maintenance and snow cleaning and such is assumed to be the cost of providing the road way.

(g) The surface lots excluding the two that are metered and exist on McDermot and Stradbrook remain the ownership of the City until such time as they become metered. The Agency will manage select lots, specifically collect the funds and expend up to the funds collected, for these select lots, any expenses up and beyond that collected for maintenance or like shall be the responsibility of the City.

7. ASSUMPTIONS – GENERAL BUSINESS

Cash deposits for parking tags and such and their amounts owing are considered to be immaterial and self-canceling and for the purpose of this exercise does not have a material impact and thus not reported.

Staff cost and benefits have been included in this budget as provided by the respective departments and adjusted for any increment in staff. Any liabilities and costs related to employees prior to their transfer to the Parking Agency are the costs of those respective departments. These costs have been escalated each year by three percent.

Parking enforcement mainframe will continue to be maintained without any cost to the Agency until a suitable replacement is found in 2005.

Deferred maintenance exists in at least the Parkades and further degradation may occur.

Parkade equipment although at the near its end of useful life will suffice until 2010.

Fees for on street parking and its related enforcement fines are not incremented from their amounts as at December 31, 2004 all other Fees have varying levels of increment.

Inflation of approximately 3% has been factored into staff costs, property and business taxes and 2% for other expenses.

Goods and Services Tax (GST) is charged on services and not included in the revenue accounts. GST on purchases where applicable have been included at a net rate of three percent.

Agency location will be in adjoining City space at 65 Garry and have 3.5 people (2005) working in the Agency and the remaining headcount out in the respective departments, in 2005 and 2006 the headcount of the Agency will respectively increment to 14 and 20. Also in 2005/2006 the Agency will relocate to its own space of approximately 5000 square feet, location undetermined.

8. ASSUMPTIONS – ASSET, LIABILITIES AND EQUITY

Due From City is the equivalent to Cash as the Agency will be utilizing the City's Treasury function and will not have a bank account of its own. The amount increases to $2,766,850 in 2009 which is reserved to replace the depreciating assets of the Agency.

Purchase of New Enforcement System includes the purchase of 50 handheld units, all in implementation costs, back office system and units are $8,000 per unit or $400,000, the additional $100,000 is to convert the existing data from the old system, or like to perpetuate the receivable, modify clothing for environmental sensitivities of the units and integrate any existing POS or like systems with the new system.

Accounts Payable and Accrued Liabilities include in 2005 payables on meter inventory $160,000, sick time and vacation pay accruals $40,000 and other trade payables for $146,000, these balances then increment on inflation in 2006 to 2009 with the exception of accrued sick time and vacation pay that increment $40,000 per year for the staff transferred in over the five years.

9. ASSUMPTIONS – REVENUE

Rate increments for parking in general are in place for all services the Agency provides with the exclusion of Parking Meters and Enforcement fines for the years 2005 to 2009.

Parking Meter Revenue planned for 2005 is the same as the 2003 actual, revenue has been dropping the past few years and 2005 is the year in which degradation will cease and conditions will be put in place to allow for an increment of 1% starting in 2006 and continue to growth through 2009. It is assumed that impact on revenue from road construction will not have any bearing on Parking Meter Revenue.

Permit revenue for 2005 will increment from 2003, in 2005 Permit Revenue will more than double in when City Departments will begin to have to pay for Parking Privilege Cards. Revenue will increment by three percent in 2006 and future years.

Permit rates will increase as follows:

- **Parking Privilege cards** sold to non-City employees will increase from $282 in 2004 to $309 in 2005 and increment at three percent thereafter.
- **City Employee Parking Cards** given to employees will continue to be free to the departments for 2004, starting 2005 their price to the departments will be $300 and increment at three percent thereafter. Currently there are approximately 1800 cards issued and it is expected that this number will drop to 500 once a charged is placed on these cards.
- **Residential Parking Permits** will increase starting in 2006 at three percent per annum.

Enforcement Tag system will be replaced in 2005; this improved technology will assist in collecting additional fines that would otherwise have gone uncollected. This increased collection on revenue is 10% starting in 2005. Starting in 2006, $250,000 of incremental backlogged fines will be collected. Parking Fines will remain the same for 2005 to 2009 as was in 2003.

Parkade fees will increment on an annual basis approximating four percent. With the Millennium Library Parkade experiencing incremental evening revenue when the MTS Centre is open November 2004. (100 events per annum at 70% evening capacity at $4.00 per event equals approximately $140,000 incremental revenue per annum from opening).

Surface lot rates (Staff Lots) will increment each year by three percent.

Winnipeg Square Ground Lease “Air Rights” will be transferred to the ownership of the Agency along with the annual payments that are for the years 2006 to 2009 approximately $326,000.

10. ASSUMPTIONS – EXPENSES

Inflationary impact on the majority of expenses has been included at approximately three percent per annum.

Central Agency administration will be established in 2005; it is anticipated that it will utilize existing space in Planning, Property and Development and consist of a headcount of a Chief Operating Officer (COO), shared Controller and three other individuals to support the COO.

Enforcement Tag system will be replaced no later than 2005 at the cost to the Agency, the existing system is integrated with the Winnipeg Police System, no charges will be passed to the Agency or incurred by the Agency with respect to the use of the old system’s operation or maintenance.

Services includes Direct Purchases From the City for various support functions:

	2005	2006	2007	2008	2009
Finance	$10,300	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Human Resources	3,090	3,000	6,000	6,000	6,000
Legal	10,300	10,000	10,000	10,000	10,000
Technology	5,150	5,000	10,000	10,000	10,000
Total	$ 28,840	$ 28,000	$ 36,000	$ 36,000	$ 36,000

Property and Business Taxes on the associated Parking Assets have been included as charged on assets and their respective amounts in 2003 and incremented at approximately three percent per annum.

Snow removal and road maintenance on public streets (add surface lots) where Parking Meters and intended Pay Stations will continue to be performed by the City with no charge to the Agency. Snow removal of excess build up of snow between parking meters that need to be removed has been included in the amount of $117,300 for 2005 to 2009.

Training and Development costs have been factored into the Agency costs to appropriately integrate enhanced Customer Service and the Enforcement Tag System.

Parkades and Deferred Maintenance on Winnipeg Square, Civic Parkade and the Millennium Library have been reported upon in the PWC Report dated January 2002 to have significant repairs in a deferred state, these financial statements do not reflect the amount required to maintain these assets on a going-concern basis.

Distribution to City of $5,300,000 per annum in lieu of return on equity, two percent general city charge, other city surcharges and corporate income taxes.

Estimated Net Income from all sources within the City for a Representative Year;

Winnipeg Police Service	$	2,340,085
Planning, Property & Development		1,127,931
Public Works		2,032,812
Winnipeg Square Ground Lease		326,000
Other Departmental Expenses		(526,828)
	$	5,300,000

The $5,300,000 is to cover at minimum the following;

2% City Charge on Expenses	$	120,132
Corporate Income Tax equivalent [1]		2,396,973
Interest on transferred assets (note 3 & 4)		739,572
Return on Equity		2,043,323
	$	5,300,000

[1] For basis of this presentation the Corporate Income Tax is calculated simply as 46% of Net Income before Distribution, actual tax calculation can vary this number substantially.