



City of Ottawa Governance Review – Final Report

September 20, 2019

MNP

Contents

- 1. Executive Summary.....1
- 2. Background3
- 3. Criteria for the Governance Model for the Parking Program4
- 5. Governance Model Options.....6
- 6. Assessment of the Governance Model Options Against the Design Criteria7
- 7. Prioritized Governance Options.....8
- 8. Integration of Parking Related Services9
- 9. Conclusion and Recommendation20
- 10. Appendices21

1. Executive Summary

On December 5, 2018, Council directed staff to “evaluate options for potential governance models for the paid parking program and other related matters (i.e. by-law enforcement for parking, public non-paid parking), including the establishment of a ‘parking authority’”. The City engaged MNP, to provide independent expertise and in conducting governance review of parking operations, and to summarize that review in a business case that presents the governance options and their assessment. As the proposal for the update to the MPMS was being conducted concurrently with the governance review, information was shared across both groups to ensure that the proposed changes are accounted for.

Eleven criteria were developed with input from key stakeholders to specify requirements that the future governance model should incorporate and were used to create and evaluate the future state governance model options. The criteria are:

- | | | |
|---------------------|---------------------|----------------------------------|
| 1. MPMS Alignment | 5. Service | 9. Engagement |
| 2. Transparency | 6. Independence | 10. Organizational Effectiveness |
| 3. Control | 7. Integration | 11. Ease of Implementation |
| 4. Self Sufficiency | 8. Surplus Revenues | |

Three potential governance model options were developed, they are summarized in the table below.

Option 1 Modified Municipal Delivery	Option 2 Municipal Service Board	Option 3 Municipal Service Corporation
Parking Services are delivered by the City, offering direct control over all operational and capital decisions.	Parking Services are delivered by the City, but operations are governed by an independent Board of Directors appointed by the City.	Parking Services are delivered by a separate legal entity with its own staff, governed by an independent Board of Directors appointed by the City.

The governance model options were then assessed against the criteria. Based on the analysis, Options 1 and 2 are similarly ranked, however Option 1 is the highest ranked and recommended governance model option. While both are strongly aligned with the MPMS, benefit from remaining an integrated part of the City’s transportation system services, and would take relatively little effort to implement, Option 1 would be less disruptive to achieve similar advantages. Option 3 ranked well below the other two options and would require the greatest amount of disruption to achieve the fewest benefits; it is therefore not recommended for the City. It is of note that throughout this report it is assumed that the recommendations in the updates to the MPMS which address the current challenges with the “concurrence” model and thereby the issue of the need for independence are adopted.

The scope of the new governance model also was examined through this review, specifically whether the governance model should include the full spectrum of parking-related services that fall within the MPMS, not only Parking Service. As Governance Model Options 1 and 2 were ranked similarly, the scope of the governance model was assessed for both. Albeit the majority of MPMS-related functions reside in Parking Services, parking-related functions also reside in Enforcement, Traffic, Transportation Planning, and City Wide Programs Aquatics and Special Services, and there is alignment in seven functional areas. However, within these the strongest alignment was across Parking Services and Enforcement Services and those are the two areas other jurisdictions also integrate, thereby only those two areas were considered for integration.

For consideration of the integration from the functional and organizational structure perspective, two integration scenarios were developed and listed below.

- **Scenario A – The organizational structure and functions remain as they are, with two reporting centres.** This scenario would work best with Governance Option 1, but could be applied with Governance Option 2.
- **Scenario B – Parking Services and Enforcement Services are incorporated under a single department.** Scenario B is best suited for Governance Option 2

Financial analysis was conducted to determine financial implications of integration. Neither the governance options nor the functional and/or structural integration in and of themselves directly trigger financial gains or losses, but rather they re-map the flow of funding from source to application and alter the approval authorities required to disperse funding.

Given the low degree of transition required to move to Governance Option 1 and the advantages that it demonstrates in its rating against the design criteria, it is the highest ranked and recommended option. As such, integration Scenario A is the associated recommended integration option. It is recommended that the City adopt Option 1 and Scenario A.

2. Background

The Municipal Parking Management Program (“MPMP”) is the program through which the City of Ottawa (“City”) provides paid public parking. It is mandated to provide services in alignment with the goals and objectives of the Municipal Parking Management Strategy (“MPMS”). The MPMP is delivered by a number of City Departments, each responsible for different parking-related functions, of which the majority of these are delivered by Parking Services.

In 2018 and 2019, the City undertook a comprehensive review of its MPMS to respond to new development, align with corporate policies, and address strengths and challenges of the MPMS. A core component of the MPMS review is a recommended model for the governance of the City’s parking operations to support and align with the refreshed MPMS. Accordingly, Council directed staff to review the oversight of the MPMS and explore alternative governance models for the MPMP. On December 5, 2018, Council directed staff to “evaluate options for potential governance models for the paid parking program and other related matters (i.e. by-law enforcement for parking, public non-paid parking), including the establishment of a ‘parking authority’”. Some of the key issues that identified to be examined in the governance review were:

- What governance structure is best aligned with the City’s new MPMS?
- Should the City should move parking operations to some form of Board-governed authority?
- Would the City’s parking enforcement operations be better integrated or merged with the City’s paid parking program?
- How should parking revenues from both enforcement and paid parking be managed, including the use of parking reserve funds that have been accumulated over time?
- What are the implications of potential reallocation/redistribution of parking revenues on the City and its departments?
- To what extent should parking rate and meter location decisions include input from stakeholders such as local Business Improvement Areas (“BIAs”) and community groups?
- If the City were to consider some form of Board-governed parking authority, what would this mean, how would it work and what issues/risks would need to be addressed?

To answer these and other questions, the City engaged MNP, to provide independent expertise and in conducting a governance review of parking operations, and to summarize that review in a business case that presents the governance options and their assessment. This report outlines the governance model options developed, provides a business case analysis of the different governance models in alignment with the Municipal Act and other criteria including the proposed revised MPMS. As the update to the MPMS was being conducted concurrently with the governance review, information was shared across both groups to ensure that the proposed changes are aligned.

3. Criteria for the Governance Model for the Parking Program

Through a review of historical and current information and based on the City’s MPMS and parking program, the desired outcomes for the governance model were developed. These outcomes provided the basis for the criteria by which the developed governance model options were evaluated. The governance outcomes developed are:

1. Alignment with updated (proposed) mandate within MPMS
2. Operate under a fully transparent system of policies, guidelines, structures, operational procedures and strategies that will enable parking operations to be fully accountable and responsive to the City
3. Establish an appropriate balance between revenue generation and service provision
4. Flexibility to use parking revenues to address demonstrated areas of need, including a broader scope of parking and/or economic development initiatives
5. Align parking operations with other dimensions of the City’s transportation system such as transit, transportation planning and management, goods movement, bicycle use, accessibility, and streetscapes
6. Foster appropriate working relationships with other organizations and stakeholders that are affected by the City’s parking operations
7. Solidify and/or reduce the City’s financial investment (contribution) by allowing parking operations to maximize its own-source revenue generation to encourage self-sufficiency and a long term sustainable financial model
8. Enable a business-oriented context of flexible, entrepreneurial, customer-centric service delivery excellence; that also de-politicizes operating and parking rate decisions

Eleven criteria were developed in total, these are listed in the table below. Design criteria specify requirements that the future governance model should incorporate and are used to create and evaluate the future state governance model options. Although there are eight outcomes, there were nine criteria that were derived directly from them. This was due to the need identified through consultation with key stakeholders for delineation of the second outcome into its two sub-components of transparency and accountability for the purpose of evaluating the governance model. Further, an additional two criteria were added to address operations under the proposed governance model options as well as the degree of change that would be required to implement them. These additional two criteria are organizational effectiveness and ease of implementation.

Design Criteria	Definition
1. MPMS Alignment	Strong alignment with the updated (draft) mandate within Municipal Parking Management Strategy
2. Transparency	Policies, guidelines, structures, and procedures that support openness, traceability of decisions, and accountability
3. Control	Enable the City to exercise control over planning and operational decisions related to the City’s parking program.
4. Self Sufficiency	Revenue generation to cover all parking costs, encourage self-sufficiency and long-term sustainability of program
5. Service	Establish an appropriate balance between revenue generation and service provision that optimizes social return on City’s parking assets
6. Independence	Enable a business-oriented context of flexible, entrepreneurial, customer-centric service delivery excellence; that also de-politicizes operating and parking rate decisions
7. Integration	Align parking operations with other dimensions of the City’s transportation system.

8. Revenues After Expenses	Flexibility to generate and use parking revenues after expenses have been subtracted to address demonstrated areas of need, including a broader scope of parking and/or economic development initiatives
9. Engagement	Foster appropriate working relationships with other organizations and stakeholders that are affected by the City's parking operations
10. Organizational Effectiveness	Provide and/or enable role clarity, appropriate authorities, and relationships amongst units to achieve target outcomes.
11. Ease of Implementation	Can be implemented in a timely manner, without significant cost or work effort.

5. Governance Model Options

The governance model options outlined in this section were generated through inputs from the City based on initial investigation following Council’s motion to undertake this work. Through the current state assessment that was conducted, key factors that might impact the governance model were identified and addressed in the development of the three options. A key input into the development of the options was a review of parking governance models in other Canadian jurisdictions completed by BA Group. In addition, the options were developed with consideration of the Municipal Act. Based on these inputs and leading practices, three governance model options were developed; they are: a modified municipal delivery model; a municipal services Board, and a municipal service corporation.

The three options were defined in terms of a number of governance dimensions:

- Mandate
- Rationale
- Accountability relationship with the City
- Board composition and governance (if applicable)
- Reporting and performance management
- Financial operating model, including use of operating surpluses and parking reserves
- Employment regime and/or labour relations
- Scope of service options (e.g. parking enforcement, bike sharing, etc.)

A synopsis of the three options is provided in the table below. A full description of each of the models is provided in Appendix A.

Within these three model options there is one dimension, scope, that required further examination following the assessment and identification of prioritized options. The possible integration of parking-related programs and services within the governance model options is discussed later in the report.

	Option 1 Modified Municipal Delivery	Option 2 Municipal Service Board	Option 3 Municipal Service Corporation
Description	<p>City program to deliver Parking Services under a non-profit, self-sustaining model that directs surplus revenue to fund transportation related activities in alignment with the MPMS and the Parking Reserve Fund</p> <p>This option is close to the status quo with one important exception. The current “concurrence” model for rate setting is eliminated. Currently external organizations (e.g. local BIAs) can effectively veto City rate setting decisions. From a governance perspective this scenario is not optimal because it can lead to stalemated decisions, and in some cases, it can place the vested interests of localized stakeholders ahead of needs of the broader City’s transportation system.</p>	<p>Municipal Services Board established to deliver Parking Services under a non-profit, self-sustaining model that directs surplus revenue to fund transportation related activities in alignment with the MPMS and the Parking Reserve Fund</p> <p>Services Board relies on City infrastructure (HR, IT, Finance, Procurement).</p>	<p>Municipal Corporation established with mandate to deliver Parking Services independently from the City.</p> <p>This option operates under a model that promotes revenue generation to fund Parking Services and generate a “dividend” for the City based on operating surpluses.</p> <p>Corporation maintains its own infrastructure (HR, IT, Finance, Procurement) to operate independently.</p>

	Option 1 Modified Municipal Delivery	Option 2 Municipal Service Board	Option 3 Municipal Service Corporation
Summary	Parking Services are delivered by the City, offering direct control over all operational and capital decisions.	Parking Services are delivered by the City, but operations are governed by an independent Board of Directors appointed by the City.	Parking Services are delivered by a separate legal entity with its own staff, governed by an independent Board of Directors appointed by the City.

6. Assessment of the Governance Model Options Against the Design Criteria

In order to assess the governance model options against the design criteria, a two stage process was used. The Harvey Ball methodology was applied. Harvey Balls are a tool used to determine the degree to which the governance model options are aligned to the criteria. As can be seen in the legend below, a full dark ball represents that the option is strongly aligned with the criteria and an empty ball represents the least alignment. As these can also be translated to a scale of one through five, a quantitative measure can be determined for the alignment of each option. The second stage bolsters the first by doing a full examination of the strengths and weakness of each of the options against the criteria. Due to the importance of the first design criteria, alignment to the MPMS, a more fulsome examination of that criteria was completed as well. The Harvey Balls summary is provided below, and the detailed analysis is provided in Appendices B and C.

	Option 1 Modified Municipal Delivery	Option 2 Municipal Services Board	Option 3 Municipal Corporation	Observations
1. MPMS Alignment				• Corporation less accountable
2. Transparency				• All options can be transparent • Corporation more private
3. City Control				• Municipal delivery provides greatest direct control, but not sufficiently to rank above services board
4. Self-Sufficiency				• All options can be self-sufficient and sustainable over long term
5. Service				• Board independence helps to balance services with revenues
6. Independence				• Corporation most independent • City decisions more political
7. Integration				• Municipal delivery provides greatest integration
8. Revenues After Expenses				• Corporation maximizes revenues, but as distinct entity increased expenses • Dividend is highly flexible
9. Engagement				• Municipal delivery and services board provide greatest stakeholder input
10. Effectiveness				• Corporation creates additional organization in pkg program
11. Implementation				• Corporation challenging to implement due to labour issues and required infrastructure.

Total Scores

Unweighted	40	38	29
Weighted	25.6	25.6	18.2
Legend	=5	=4	=3
		=2	=1

Total “scores” were calculated for each option, based on the point rating legend above.

- ✓ “Unweighted” show the relative ranking of options assuming that all criteria are weighted equally
- ✓ “Weighted” scores show the relative ranking of options assuming that some criteria are more important than others. Based on City staff and Councilor interviews, respondents were asked to rank the importance of different outcome-based criteria. This indicated that criteria 1, 2, 3, and 5 were the most important success factors.

The results of the “unweighted” and “weighted” scores slightly changes the relative ranking of Options. In the unweighted score Options 1 is the highest ranked followed closely by Option 2. When the weighting is considered, Options 1 and 2 have the same ranking.

The key points of differentiation between Options 1 and 2 are evident in their alignment with the MPMS, the balance of service to revenue generation, and integration with other dimensions of the transportation system. It is of note that throughout this report the challenges in rate setting due to the “concurrence” process are assumed to be removed under all governance options as this is in alignment with the recommendations in the update to the MPMS.

7. Prioritized Governance Options

Overall Options 1 and 2 are very similar in their ranking, with unweighted scores slightly favouring Option 1, and weighted scores ranking both Options 1 and 2 equally.

- Option 1 – Modified Municipal Delivery is ranked very similarly to Option 2 in almost all categories. Parking Services benefit from remaining an integrated part of the City’s transportation system services. It is strongly aligned with the MPMS, has the highest degree of integration, and there is very little effort required to implement this option. However, the independence and service criteria of Parking Services were the areas in which it did not rank as high.
- Option 2 – Municipal Services Board. A separate Board has the effect of increasing the independence of Parking Services by de-politicizing decisions, but also benefits from remaining an integrated part of the City’s transportation system services. This option is strongly aligned with the MPMS and relatively easy to implement as it is similar to the current state with the exception of the distinct Board structure.
- Finally, while Option 3, Municipal Services Corporation, ranks most highly on independence and its ability to generate surplus revenues, it ranks well below the others in the alignment to the MPMS and balance of service to revenue generation. Option 3 would also be quite challenging to implement. Given the alignment of this assessment with the MPMS, it is worthy of note that the proposed updates to the MPMS decrease the need for independence in the governance options and thereby the value of the independence provided in Option 3.

Based on the analysis, Options 1 and 2 are similarly ranked and could be adopted, however Option 1 is the prioritized governance model option. While both are strongly aligned with the MPMS, benefit from remaining an integrated part of the City’s transportation system services, and would take relatively little effort to implement, Option 1 would be less disruptive to achieve similar advantages. Option 3 ranked well below the other two options and would require the greatest amount of disruption to achieve the fewest benefits; it is therefore not recommended for the City.

8. Integration of Parking Related Services

The second objective of this review was to examine the scope of the potential governance models, specifically the paid parking program and other related matters. In the current state, although Parking Services provides the majority of the services under MPMS, there are a number of parking-related services that fall in other departments. Thus, when considering a governance structure that has accountability for MPMS, one must consider the reporting structure for the full spectrum of parking-related services and the advantages and challenges of the parking-related services reporting to different governance structures.

Within the top ranked Governance Options, 1 and 2 identified in the previous section, the issue of parking-related services reporting to separate governance models is present in Option 2 where there is a greater degree of independence from the City provided by the Municipal Services Board.

As observed in the jurisdictional review, where municipalities have governance structures that consist of separate Boards or Authorities, such as Governance Options 2 and 3 presented here, many have integrated their paid parking and parking enforcement services under the accountability of one governance structure. Examples of Canadian jurisdictions that apply this model are: Winnipeg, Saint John, Calgary, Vancouver, and Thunder Bay. In addition to streamlining accountability, integration in these models decreases fragmentation of functions and responsibilities and thereby increases efficiency and effectiveness.

In order to evaluate the scope of the governance model and whether additional parking-related services should be integrated within that structure, a functional review of the MPMS parking-related services was conducted, and financial and change management implications identified and examined.

Functional Alignment Exists Across Five Parking-related Services

Albeit the majority of MPMS-related functions reside in Parking Services, parking-related functions also reside in Enforcement Services, Traffic Services, Transportation Planning, and City Wide Programs Aquatics and Special Services. The functional analysis identified two service areas that have strong intersections and interdependencies with Parking Services, these are Parking Enforcement Services and Traffic Services. The parking-related functions of each of these services and the organizational structure responsible for delivering these services are presented below, those of Transportation Planning and City Wide Programs Aquatics and Special Services are presented in Appendix D.

Public Works and Environmental Services Department – Parking Services

Functions				
Manage all on-street paid parking	Rate setting for on-street parking and City-managed paid parking lots and facilities	Operate and maintain City-managed paid parking lots and facilities	Manage third party contracts for supply and maintenance of parking equipment, including parks	Coordinate with client services for the provision of and payment for on-street parking permits
Install and maintain ring-and-post bike racks	Conduct parking studies and assessments on supply and demand of paid parking	Develop and oversee the parking management policy	Develop and update the Municipal Parking Management Strategy (MPMS)	Support Park and Ride program
Provide parking services in alignment with the MPMS goals and objectives	Identify and install parking equipment	Implement changes to parking spaces based on studies and assessments	Develop and manage Parking Services budget and transfers	
Consult with Parking Stakeholder Consultation Group (PSCG) on municipal parking and services	Collaborate with organizers/groups and Traffic Management to plan event related parking services	Develop strategies based on Local Area Parking Studies and present to Transportation Committee	Monitor and report on performance measures	
Build and maintain positive relationships with local communities	Review applications and award grants under the Annual BIA Parking Initiatives Grant Program	Collaborate with Traffic Services on curbside regulations and on-street parking	Collaborate with Transportation Planning Services on parking demand and sustainable transportation planning	

Considerations

- The MPMP is mandated to provide services that are in alignment with the goals and objectives of the MPMS, and Parking Services is central to providing the MPMP along with other parking related-service providers.
- The MPMP is required to be financially self-sustaining as a whole. This means parking revenues must be sufficient to entirely recover all related operating and capital lifecycle maintenance expenditures, including contributions to the Parking Reserve Fund to finance parking system development, operation, and promotion. Similarly, the paid parking program under Parking Services is required to be self-sustaining.
- Infrastructure Services monitors, plans, and executes capital lifecycle requirements and new facility construction.

Parking-Related Functions			
Issue tickets to enforce Traffic, Parking, and other parking-related By-laws	Respond to requests for service	Dispatch services to support Parking By-law enforcement	Pro-active patrolling to enforce Traffic and Parking By-laws
Report issues with parking equipment, paid parking through dispatch	Support special events through patrolling	Support Parking enforcement in suburban and rural areas with By-law officers	Liaise and work with tow truck drivers to enforce Traffic and Parking By-laws
Manage third party contracts for supply and maintenance of ticketing equipment (City and PPEAs)	Develop and manage Enforcement Services budget	Set parking fines and submit to the Ontario Attorney General for approval	Supervise and monitor Parking Enforcement Officers
Schedule and allocate Enforcement Officers	Train City Parking Enforcement Officers	Train and Deputize PPEA Officers	License Private Parking Enforcement Agencies (PPEAs)
Ticketing support, including court documentation and attendance (for both City and PPEAs)	Collaborate with Parking and Traffic Services for planning	Support traffic regulation through enforcement	Supports Roads Services through enforcement

Considerations

- Non-parking By-law enforcement services are not cost recovery services.
- Revenue from parking infraction fines collected offsets operating costs of enforcement overall, with the net contributing to general City revenues.
- In response to recommendations made in the 2017 By-law Enforcement, Administration and Policy Development Review, Enforcement is currently planning its migration to a service model wherein the Enforcement Officers would be cross-trained to perform all by-law enforcement (e.g. Property Standards) and vice versa.

Parking-Related Functions			
Plan, develop, and manage curbside regulations (both paid and unpaid)	Conduct investigations in response to issues/inquiries related to curbside regulations	Consult with stakeholders regarding changing regulations	Create work orders to change parking signs in response to investigations
Set policy for on-street permit parking	Oversee process for establishing new on-street parking zones and permits	Set number of on-street parking permits and allocation	Allocate on-street parking permits
Collaborate with Parking Services on studies/assessments, particularly for changes to paid parking	Manage requirements related to special events, including parking	Manage requirements related to other government agencies, such as diplomatic loading	Execute work order for temporary parking restrictions
Collaborate with Parking Services on planning and management of curbside regulations	Work with By-law Services on traffic flow initiatives		

Considerations

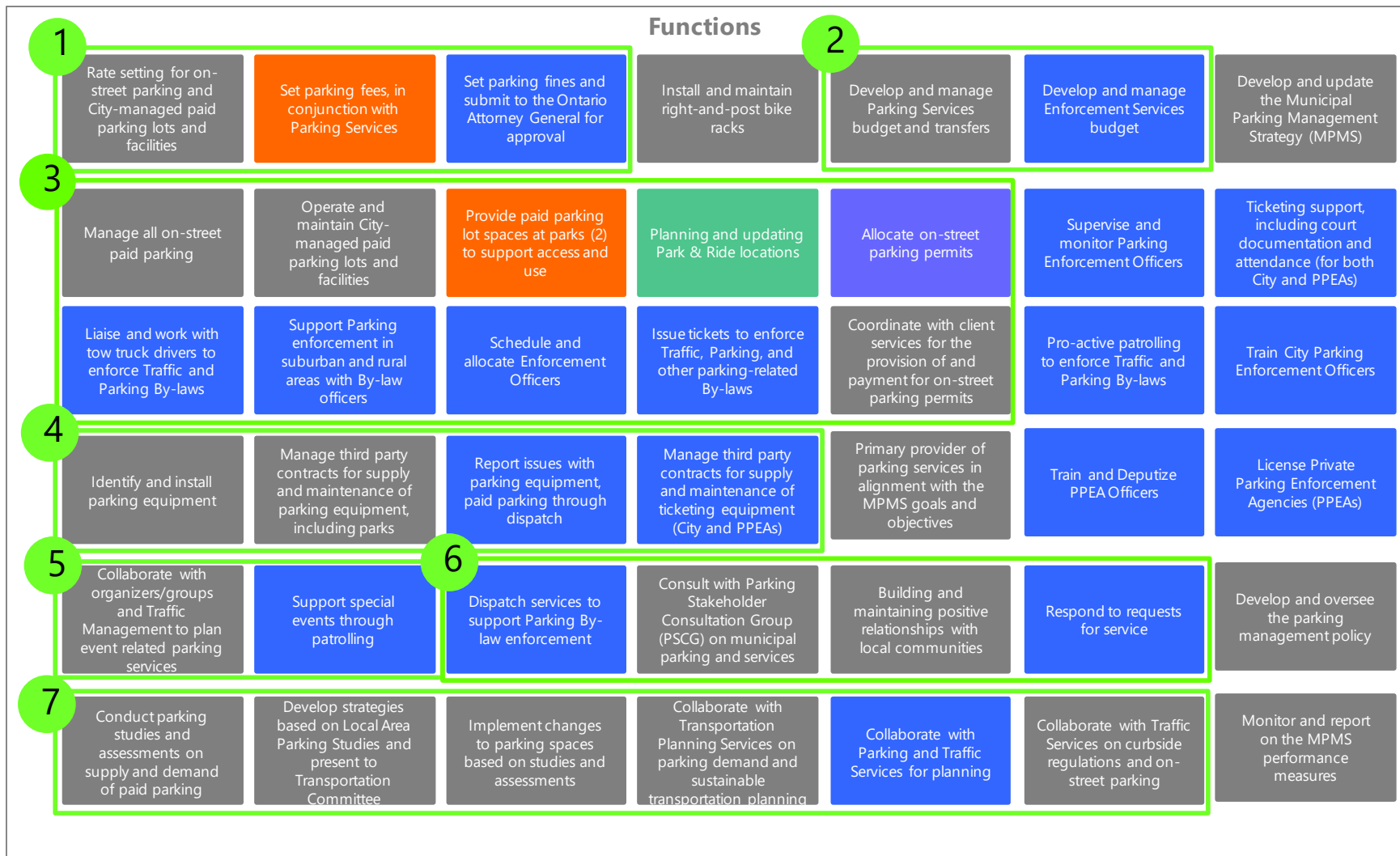
- Revenues from on-street parking permits go to Parking Services.
- Payment for on-street parking permits is collected through City client service centres.

Functional Areas of Alignment Identified Through the Analysis

Within the parking-related services functions, there are seven areas of alignment that are worthy of consideration for integration within the governance model, these are listed below and depicted in the diagram on the following page. Although there is alignment in the functions of all five services, only Parking Services and Enforcement Services are aligned in all of the seven functional categories listed below.

1. Parking capacity management via setting fees and rates
2. Development and management of budgets
3. Provision, operation, management, and maintenance of parking lots and facilities
4. Equipment procurement, installation, and management
5. Support of special events
6. Client and/or stakeholder facing services, such as dispatch, issues identification
7. Parking studies and/or assessments and related planning work

Stakeholders in Parking Services and Traffic Services noted that the integration and collaboration between the two departments is strong, particularly in absence of formal organizational or functional structure. The majority of the collaboration is focused on monitoring of and planning for curbside use. Parking Enforcement also has strong collaboration with Parking Services, and it was recognized that that collaboration is continuing to grow through more frequent reporting and involvement in planning.



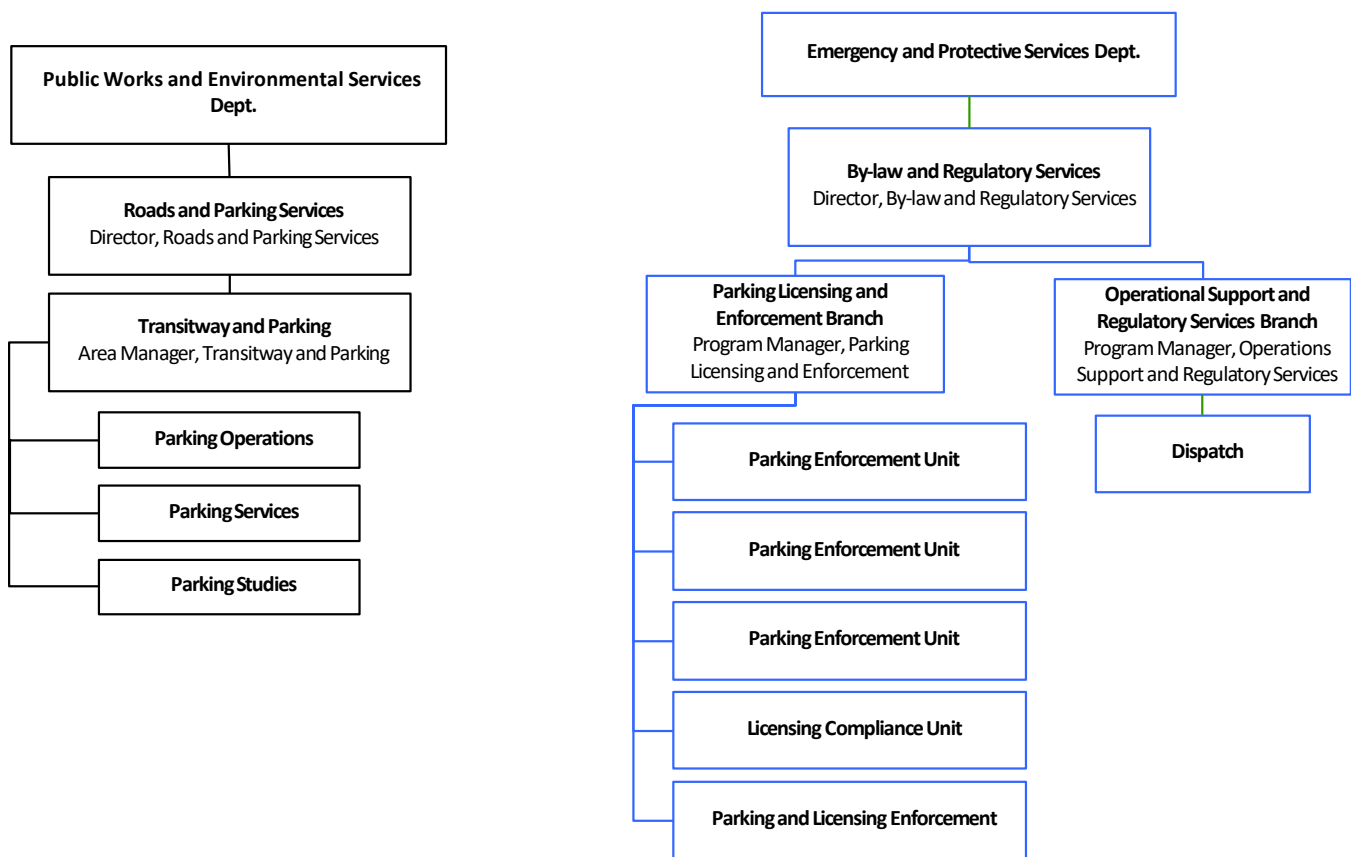
Legend

- Parking Services
- Enforcement Services
- Traffic Services
- Transportation Planning Service
- City Wide Programs Aquatics and Special Services

Implications of Functional Integration

It is important to recognize that functional integration is distinct from integration of the organizational structure. Therefore, the analysis examines both whether the functions should be integrated with the new governance structure and, if they should be integrated, whether the organizational structure should be integrated. Given the degree of alignment in the functions performed by Parking Services and Parking Enforcement as demonstrated in the previous section along with the finding from the jurisdictional review that many jurisdictions structurally align these service areas under a municipal services board governance option, the structural and functional integration of these two service areas was explored.

The diagrams below depict the components of the organizational structure at the conceptual level that are responsible for the provision of the parking-related functions within Parking Services and Parking Enforcement Services.



Based on the functional analysis conducted there are two key findings that are described below. It is of not that a detailed organizational review of the departments would be required to consider the adjustments required for re-design of the departments.

1. In Parking Enforcement, the functions related to issuance of tickets for parking-related enforcement, including the licensing of Private Parking Enforcement Agencies (PPEAs) and their ticketing, are structurally distinct. This makes alignment to the parking governance model possible through accountabilities and reporting structure. In response to recommendations made in the 2017 By-law Enforcement, Administration and Policy Development Review, Enforcement is migrating to a service model wherein the Enforcement Officers would be cross-trained to perform all by-law enforcement (e.g. Property Standards). This is the only recommendation remaining to be implemented and planning is underway for its implementation. This transition would eliminate the structural distinction of those

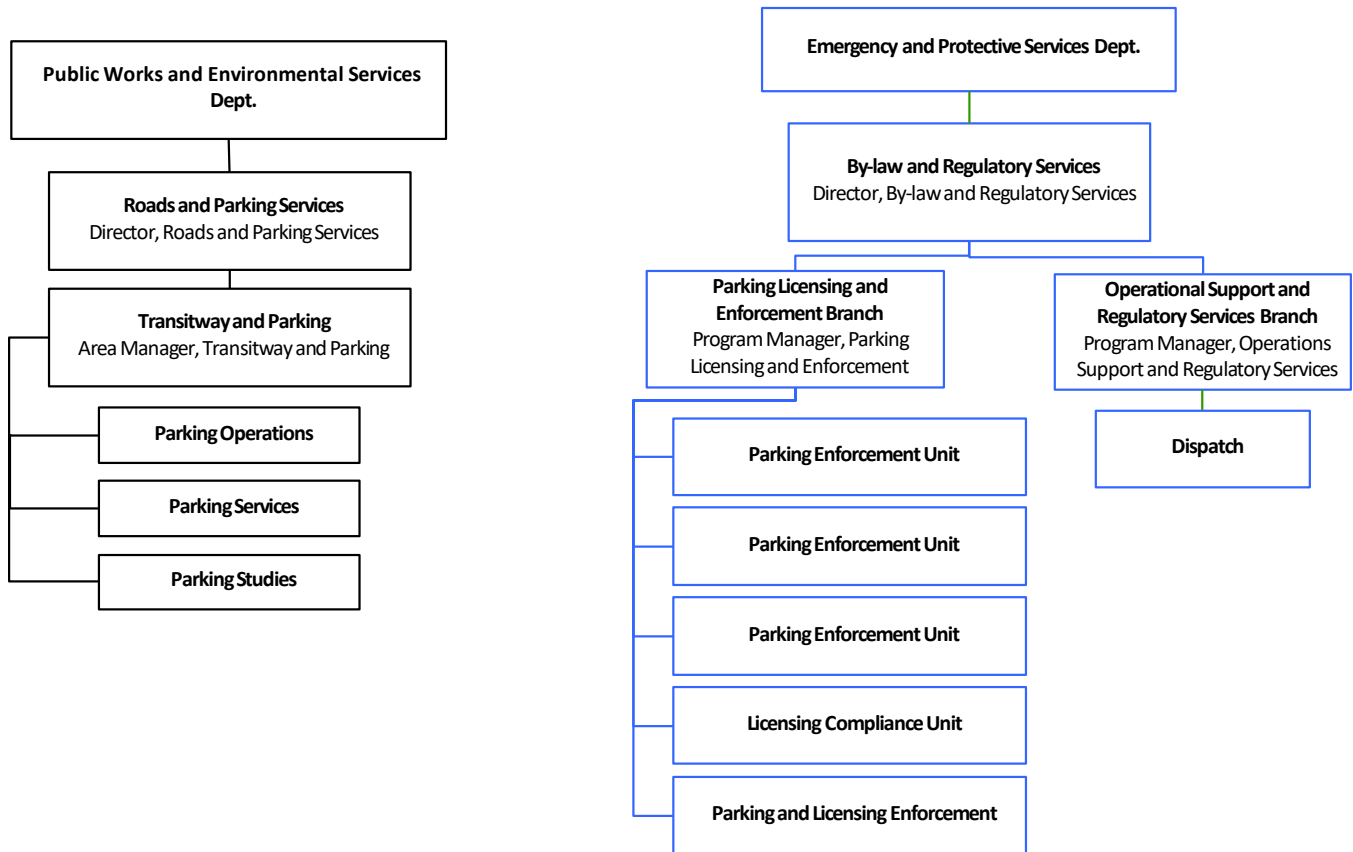
roles within the City organization and, in turn, decrease the ability to easily align the parking enforcement related functions within the new governance model.

- Based on interviews with staff in both of these areas, integration across the service areas is occurring through data sharing and regular and ongoing collaboration without formal structures and accountabilities. The functional evaluation demonstrated the opportunity to reinforce these interactions and collaboration as a component of the MPMP rather than structural integration of the function under the new governance model.

The evaluation of the scope revealed that only Parking Services and Enforcement Services should be considered for integration within the new governance model due to the extent of the alignment of the functions that both perform. Two scenarios were developed to examine the potential of structural integration to support the functional alignment, these are:

Scenario A – The organizational structure and functions remain as they are, with two reporting centres

This scenario would work best with Governance Option 1, but could be applied with Governance Option 2. This scenario has the benefit of having the least work effort required for its implementation. It is of note that based on key stakeholder input there is strong collaboration across the departments, however, there may be areas where efficiencies could be gained through alignment of similar functions and further collaboration across two departments. A detailed organizational review would be required to identify any such areas.



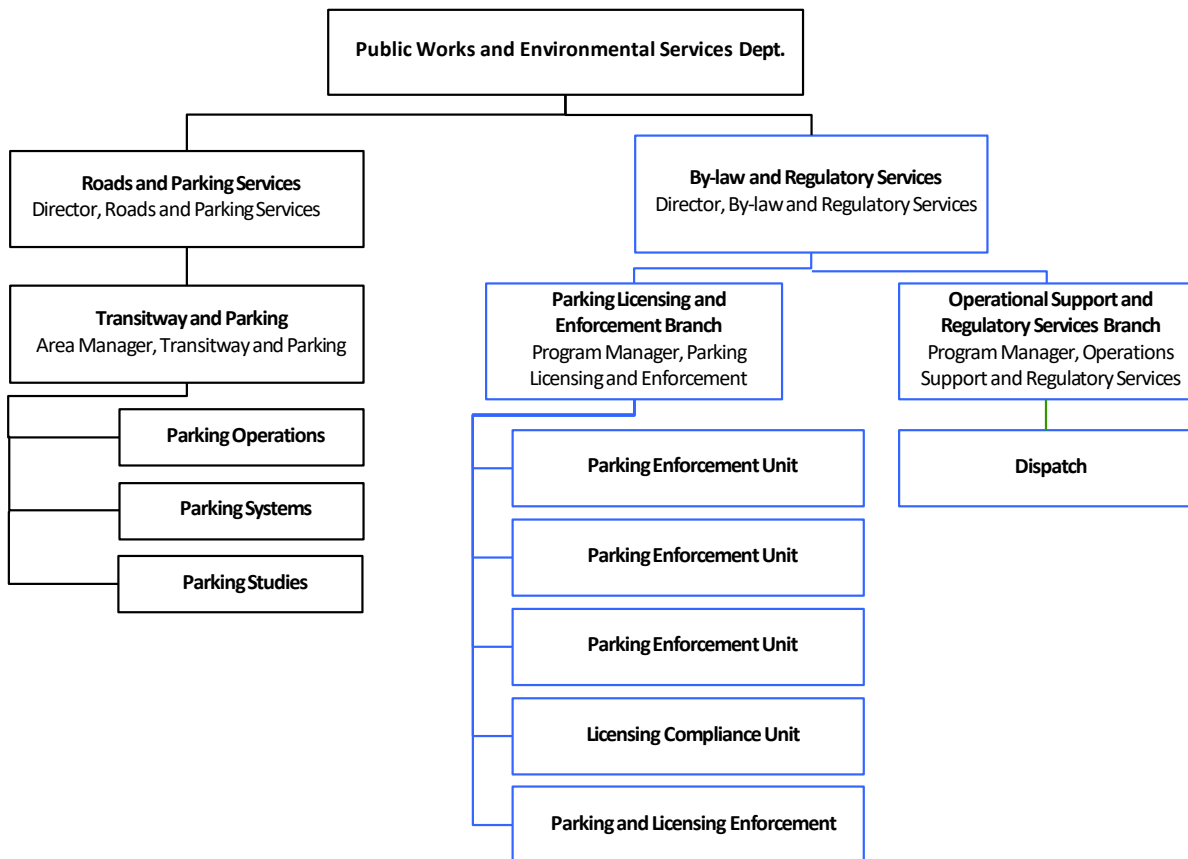
Scenario B – Parking Services and Enforcement Services are incorporated under a single department

In this scenario the organizational structures would be integrated along with all of the parking-related Enforcement Services functions under one department. A potential organizational structure and at the functions within are represented below. The functional areas of alignment that would be integrated in this scenario are:

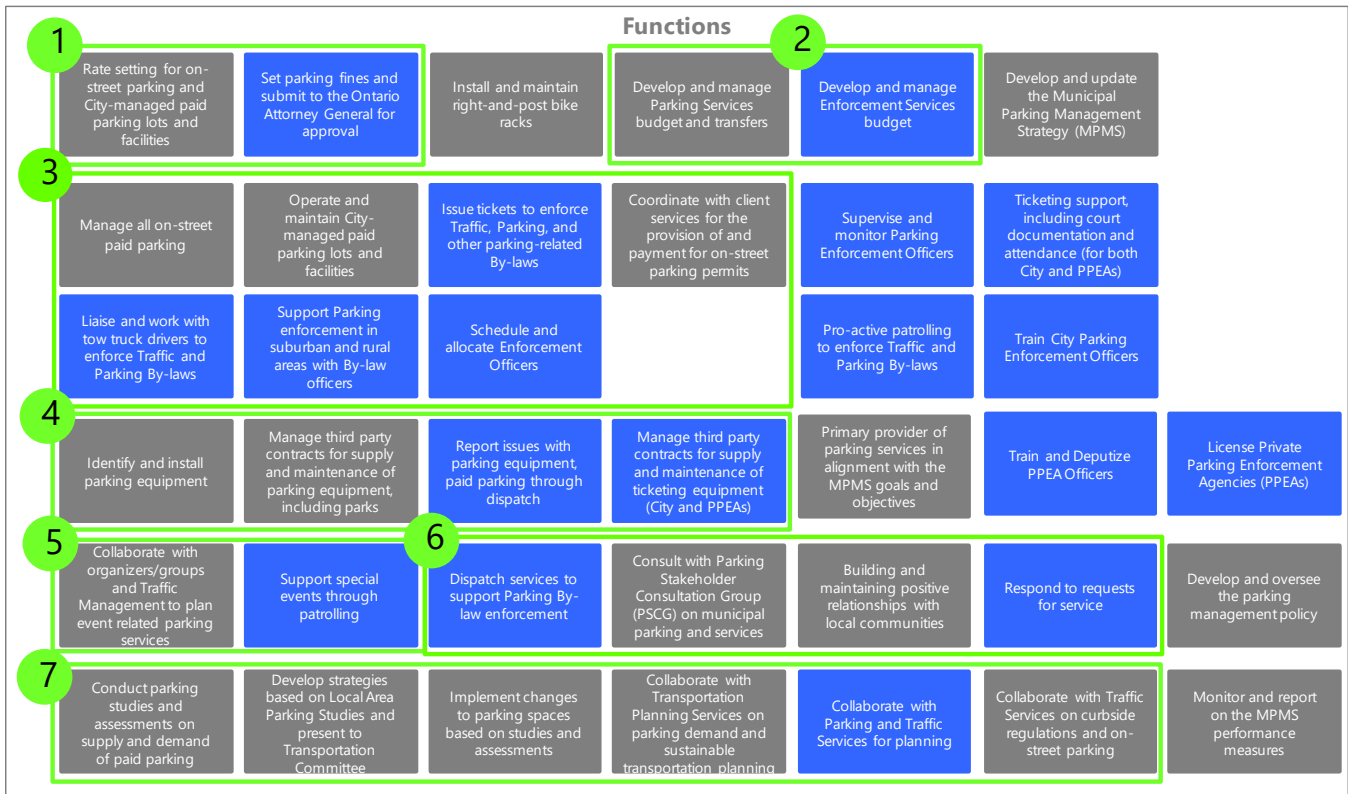
- Parking capacity management via setting fees and rates
- Development and management of budgets
- Provision, operation, management, and maintenance of parking lots and facilities
- Equipment procurement, installation, and management
- Support of special events
- Client and/or stakeholder facing services, issues identification
- Parking studies and/or assessments and related planning work

Scenario B requires significant changes, as the organizational structure would be fully redesigned to integrate the functions. A key challenge with this scenario is that the other by-law enforcement functions, such as noise by-laws are no longer under the same structure as parking enforcement. In the less dense areas of the City, currently the structure allows for enforcement officers to cover different by-law enforcement if necessary. These other by-law enforcement service functions are not cost-recovery services and thus benefit from Parking Enforcement Services being within the same department. Further, as noted previously, there is desire for cross-functional training of enforcement officers that would be lost if this model were adopted. However, the parking operations and parking enforcement functions would report to one entity streamlining accountabilities and responsibilities. In this scenario, parking licensing and its enforcement is incorporated into the department as it is related Parking Services and the provision of licenses to the PPEAs.

Scenario B is best suited for Governance Option 2.



The potential functional integration of these is depicted in the diagram below.



Relative to the governance model options, the findings of the evaluation of scope are:

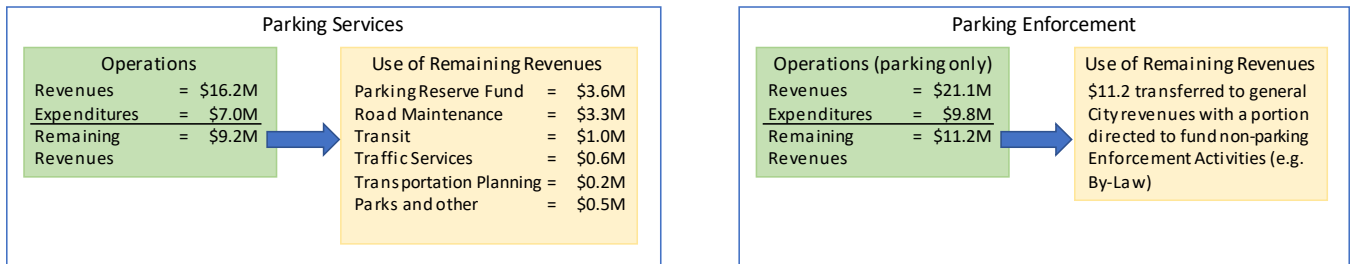
- A. Under Governance Option 1 the governance model is largely the same as the current state. Given the considerations outlined above and the reported informal collaboration and integration across Parking Services and Enforcement Services, there are limited advantages to integrating the two areas. Further, the organizational design changes and change management involved would be significant relative to any advantage gained. These would be further exacerbated should the recommendation of the 2017 report to cross-train Enforcement Officers be implemented. At the time of this report, planning for its implementation was underway.
- B. Under Governance Option 2, the benefits to integration of Parking and Enforcement Services, Scenario B are greater because it not only aligns many of the functions related to MPMP, but also it makes those functions responsible to one accountable entity if they are structurally integrated. Not integrating Parking and Parking Enforcement Services within the Parking Services Board would result in inefficiencies and ineffectiveness due to fragmentation of the functions caused by each of the areas reporting to separate accountability entities.

As outlined above, the recommended structural integration scenario is largely dependent on the governance model option that is selected. If Governance Option 1 is selected, Scenario A is the recommended model due to the decreased effort and change management required for functional and structural integration. If Governance Option 2 is selected, Scenario B is recommended.

Financial Implications of Integrating Parking and Enforcement Services

To further assess the implications of integration, MNP performed a financial analysis of the integration of Parking Services and Enforcement Services; this resulted in a number of financial findings. Considering the governance model options alone, not including the potential integration of parking-related services under Governance Options 1 and 2 (Municipal Delivery, and Municipal Services Board), the total revenues, expenditures and net revenues are not likely to change significantly. As per the MPMS, these options focus on service rather than revenues, so they operate under a cost-recovery regime rather than revenue maximization mandate.

Parking Services and Enforcement Services currently operate on a self-sustaining enterprise model that is not only net neutral (i.e. revenues cover operating costs) but generates a significant net that goes to general revenues and transfer to other service providers. A summary of the current financial position for Parking and Enforcement is illustrated below which shows the operating revenues and expenses, and the planned use of remaining revenues after operational expenditures are applied.¹

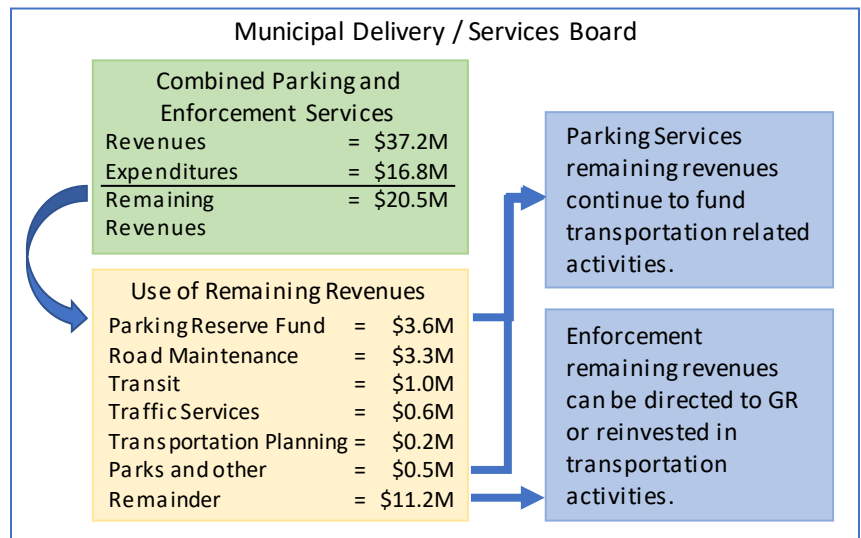


Should Parking Services and Parking Enforcement Services remain separated?:

- There is little that would change from a financial perspective under Governance Options 1 and 2.

Should Parking Services and Enforcement Services be integrated?:

- Under Governance Options 1 and 2, with a consolidation of Parking and Enforcement, there is a question about how remaining revenues could be spent. According to City legal, enforcement revenues are considered to be “fines” under the Municipal Act, and accordingly if Parking Services are combined with Enforcement Services, any “fines” collected by the enforcement staff could be separated and directed to the City’s general revenues. This use of the combined operating surplus is illustrated on the adjacent diagram.



In summary, neither the Governance Options nor the integration in and of themselves directly trigger financial gains or losses, but rather they re-map the flow of funding from source to application and alter the approval authorities required to disperse funding.

¹ Source: City staff, based on 2019 Budget estimates

9. Conclusion and Recommendation

Governance Options

The results of this analysis demonstrated that the greatest alignment with the criteria is provided through the Options 1 and 2. Option 2, Municipal Services Board has the effect of increasing the independence of Parking Services by de-politicizing decisions, but also benefits from remaining an integrated part of the City's transportation system services. However, Option 1, Modified Municipal Delivery ranks similarly and requires little transition from the current state and therefore can be implemented immediately. Option 1 is thereby the recommended governance model option.

Integration of Parking Services and Enforcement Services

Combined Parking and Enforcement is consistent with the approach taken by many other municipalities in Canada. This creates a larger surplus revenue pool that can be leveraged to support MPMS objectives or can continue to support other areas within the City. However, integration Scenario B is most suitable for Governance Option 2 and therefore not recommended.

10. Appendices

APPENDIX A – MUNICIPAL PARKING GOVERNANCE OPTIONS

	Modified Municipal Delivery	Municipal Service Board	Municipal Service Corporation
<p>General Mandate: This section shows what services are under mandate from the different models</p>	See Service Scope for details	See Service Scope for details	See Service Scope for details
<p>Description: This section outlines the different structures of the business model options</p>	<p>City program to deliver Parking Services under a non-profit, self-sustaining model that directs surplus revenue to fund transportation related activities and the Parking Reserve Fund.</p>	<p>Municipal Services Board established to deliver Parking Services under a non-profit, self-sustaining model that directs surplus revenue to fund transportation related activities and the Parking Reserve Fund.</p> <p>Services Board relies on City infrastructure (HR, IT, Finance, Procurement).</p>	<p>Municipal Corporation established with mandate to deliver Parking Services independently from the City, with enforcement remaining with the City. The City sets the Mandate, Articles of Incorporation, and Stakeholder Directions for the Municipal Corporation.</p> <p>This option operates under a model that promotes revenue generation to fund Parking Services and generate a “dividend” for the City based on operating surpluses.</p> <p>Corporation maintains its own infrastructure (HR, IT, Finance, Procurement) to operate independently.</p>
<p>Rationale: This provides the reasoning for why this model would be beneficial to be the preferred option</p>	<p>Parking Services are delivered by the City, offering direct control over all operational and capital decisions.</p> <p>Ability to delegate authority to streamline operations and service delivery. Parking Services integrated with transportation related planning and operations in other City departments.</p>	<p>Parking Services are delivered by the City, but operations are governed by an independent appointed Board of Directors.</p> <p>A Board provides independent management and specialized expertise via experienced Board members.</p>	<p>Parking Services are delivered by a separate legal entity with its own staff, governed by an independent appointed Board of Directors.</p> <p>A Board provides independent management and specialized expertise via experienced Board members.</p>

		Modified Municipal Delivery	Municipal Service Board	Municipal Service Corporation
		<p>There is a focus on providing a service for the community rather than maximizing profits.</p> <p>Some revenues are invested in programs to support sustainable modes of transportation that also reduce parking demand and supply needs.</p>	<p>Some revenues are invested in programs to support sustainable modes of transportation that also reduce parking demand and supply needs.</p>	<p>Generally, this option provides the most independence from the City, and provides the ability to generate a return on investment for the City. This could be undertaken through investments, with real estate as an example.</p> <p>Note that in some cases, municipal corporations are created as independent organizations; however, municipalities highly constrain independence via onerous Articles and mandate limitations. This scenario is NOT ASSUMED under this option.</p> <p>Operating surpluses can be used for non-parking related economic development initiatives, or dividend to the City, so long as it is consistent with Mandate and Article of Incorporation.</p>
<p>Service Scope: This is to determine the scope of services that the parking option will undertake. These elements include departments and subsequent responsibilities</p>		<ul style="list-style-type: none"> • On and Off-Street paid parking. • Bicycle parking. • Could include non-paid parking, parks and recreation parking and park and ride parking. • Could include Bike Sharing Program-offering another avenue of transportation for City members. 	<ul style="list-style-type: none"> • On and Off-Street paid parking. • Bicycle parking. • Could include non-paid parking, parks and recreation parking and park and ride parking. • Supports communities – E.g. Streetscaping, support for BIA, accessibility, and new parking spaces. • Could include Bike Sharing Program-offering another avenue of transportation for City members. 	<ul style="list-style-type: none"> • On and Off-Street paid parking. • Bicycle parking. • Could include non-paid parking, parks and recreation parking and park and ride parking. • Supports communities – E.g. Streetscaping, support for BIA, and new parking spaces. • Bike Sharing Program – offering another avenue of transportation for City members.
<p>Governance Dimensions</p>	<p>Accountability & Reporting Structure</p>	<p>In this scenario, department heads (such as the Parking Department) manages the parking related program elements with complete responsibility. The department is overseen by Council, who have the final say on approval for any proposed</p>	<p>The City creates a Board of Directors to oversee the program. The City appoints Board members, which may include councilors. A parking stakeholder group works closely with the parking.</p>	<p>The City creates a Board of Directors to oversee the corporation. The City appoints Board members, which may include councilors.</p>

		Modified Municipal Delivery	Municipal Service Board	Municipal Service Corporation
		<p>changes. A parking stakeholder group works closely with the parking department for feedback and information gathering.</p> <p>Refer to Role and Accountability Matrix for full details.</p>	<p>department for feedback and information gathering.</p> <p>City Council creates a charter, appoints directors and approves the budget.</p> <p>Some of the Board's independence may be restrained by City directives and requirements.</p> <p>Refer to Role and Accountability Matrix for full details.</p>	<p>City Council creates a charter, mandate, and articles of incorporation that set out boundaries for the Corporation's independence and authority to make decisions.</p> <p>Once formed, the Corporation is arm's length away from the City and operates as its own entity.</p> <p>Refer to Role and Accountability Matrix for full details.</p>
	Legislative Context (Ontario)	Municipal Act	Municipal Act	Municipal Act and Corporations Act
	Independence from the City	Low	Medium	High
	Financial Audit and Records	<p>Included in the City's budget and financial systems.</p> <p>No independent audit required over parking operations, beyond City's normal financial reporting regime.</p>	<p>Included in the City's consolidated budget and financial systems, but typically carved out as a separate reporting unit.</p> <p>Chargeback system used to track financial flows between City and Service Board.</p> <p>No Independent audit required over parking operations, beyond City's normal financial reporting regime.</p>	<p>Separate annual financial statements are required for reporting back to municipality shareholder.</p> <p>Independent audit required over parking operations.</p>
	Employment Regime/Labour Relations	City employees and labour regime	City employees and labour regime	Staff are employed by the Corporation
	Annual Budget Approval	Approval by Council	Typically approved by Board, but then ratified by Council who can modify.	Approved by Board

		Modified Municipal Delivery	Municipal Service Board	Municipal Service Corporation
				In some jurisdictions there is a requirement for the corporation to obtain Council ratification.
	Borrowing/Line of Credit	Part of City's risk and debt management regime. Any borrowing would be via municipal debt.	Part of City's risk and debt management regime. Any borrowing would be via municipal debt.	Subject to terms within Mandate and Articles. Typically allowed some independence to manage operating cashflow, lines of credit. More stringent rules would limit debt financing decisions that could create direct or contingent liabilities for the City.
	Annual Parking Plan	Approval by Council	Typically approved by Board, but then ratified by Council who can modify.	Approved by Board In some jurisdictions there may be a requirement for the Corporation to obtain Council input or ratification.
	Funding Model: This is to determine how the parking option will be financially sustainable (Self-sustaining meaning: revenues from parking must be sufficient to recover entirely, all operating, and capital lifecycle maintenance expenditures related to the program)	Parking rates (revenues) set in accordance with MPMS mandate and policies. Self-sustaining enterprise model with surplus funds going to the Reserve Fund or approved transportation services, parking infrastructure, on- and off-street parking, etc.	Parking rates (revenues) set in accordance with MPMS mandate and policies. Self-sustaining enterprise model with surplus funds going to the Reserve Fund or approved transportation services, parking infrastructure, on- and off-street parking, etc.	Parking rates (revenues) set in accordance with MPMS mandate and policies. This option uses a self-sustaining enterprise model with the surplus funds returned to the City in the form of a shareholder dividend which can be used for any purpose (i.e. not restricted to transportation related expenditures).

		Modified Municipal Delivery	Municipal Service Board	Municipal Service Corporation
Rate Setting / Adding Paid Parking	<p>CURRENT STATE Council approval and full “concurrence” from the area Councilor, BIA(s) and area community association(s) is needed to change on-street parking rates or add additional paid Parking Services.</p> <p>MODIFIED MUNICIPAL DELIVERY Council approves a rate range and the ability to vary rates within the range which the parking director can then proceed with. The parking director then consults with stakeholders but the Community Association(s) and BIA(s) don’t have the power to control the decisions. Unanimous “concurrence” not necessary to change parking rates or add additional paid Parking Services.</p>	Both Board and Council approval is needed to change parking rates or add additional paid parking services.	Board approval is needed to change parking rates or add additional paid parking services- Members of Council sit on the Board.	
<p>Similar Examples: This section shows cities that currently employ a similar model discovered through a jurisdictional review</p>	Kitchener	Winnipeg	Toronto	

Notes:

1. Under the Municipal Act “economic development services” means,

- (a) the promotion of the municipality for any purpose, including by the collection and dissemination of information and the development of economic development strategic plans,
- (b) the acquisition, development and disposal of sites in the municipality for residential, industrial, commercial and institutional uses,
- (c) provision of public transportation systems,
- (d) provision of residential housing,
- (e) provision of general parking facilities,
- (f) providing a counselling service to or encouraging the establishment and initial growth of small businesses operating or proposing to operate in the municipality,
- (g) undertaking community improvement consistent with a community improvement plan approved by the municipality under subsection 28 (4) of the Planning Act,
- (h) improvement, beautification and maintenance of municipally-owned land, buildings and structures in an area designated by the municipality beyond the standard provided at the expense of the municipality generally, and promotion of any area of the municipality as a business or shopping area,
- (i) provision of facilities for amusement or for conventions and visitors’ bureaus,
- (j) provision of culture and heritage systems. O. Reg. 599/06, s. 9 (4).

APPENDIX B - MUNICIPAL PARKING GOVERNANCE EVALUATION MATRIX (PRELIMINARY DRAFT)

Option 1: Modified Municipal Delivery

Overall Ranking: 1 is least favorable, 5 is best

Outcome Based Assessment Criteria:	Option 1: Modified Municipal Delivery		
Advantage or Disadvantage:	✓ Advantage	X Disadvantage	
MPMS Alignment with updated (draft) mandate within Municipal Parking Management Strategy	Please refer to the detailed MPMS Alignment evaluation sheet		4
Transparency: Policies, guidelines, structures, and procedures that support openness, traceability of decisions, and accountability	<ul style="list-style-type: none"> ✓ Clearly defined responsibilities and reporting structures for the City that are developed through the Parking Department and subsequently Council who have final say on proposed changes. ✓ Transparency on rate setting of fees. 	<ul style="list-style-type: none"> X The structure is still transparent, diffused accountability for MPMS. X Enforcement revenues directed to general government revenues rather than being directed to supporting clearly defined transportation system improvements. X Potential for “politicized” decisions that could be less transparent. 	3
Control: Enable the City to exercise control over planning and operational decisions related to the City’s parking program.	<ul style="list-style-type: none"> ✓ Parking services are delivered by the City, offering direct control over all operational and capital decisions including rate setting. ✓ Control over budget and parking policies provides City with extensive control. ✓ Council can direct Enforcement revenues for any purpose (not just transportation system expenditures). 	<ul style="list-style-type: none"> X Potential for “politicized” decisions to satisfy stakeholders that may have vested interests. X Potential loss of Enforcement revenues redirected outside Parking Program, thus less City control to implement MPMS. 	4
Self Sufficiency: Revenue generation to cover all parking costs, encourage self-sufficiency and long-term sustainability of program	<ul style="list-style-type: none"> ✓ Self-sustaining enterprise model that is not only net neutral but generates revenue with surplus funds from Parking Services going to the Reserve Fund, approved transportation services, or other destinations that align with MPMS. 		5
Service: Establish an appropriate balance between revenue generation and service provision	<ul style="list-style-type: none"> ✓ Municipal delivery clearly focuses on service ✓ Revenue decisions are focused on service delivery and cost recovery rather than revenue maximization. 	<ul style="list-style-type: none"> X Politicized decisions in support of vested stakeholder interests could interfere with the achievement of broader MPMS transportation system outcomes. 	3

that optimizes social return on City's parking assets	<ul style="list-style-type: none"> ✓ Council accountability to citizens and businesses for excellent service. 		
Independence: Enable a business-oriented context of flexible, entrepreneurial, customer-centric service delivery excellence; that also de-politicizes operating and parking rate decisions	<ul style="list-style-type: none"> ✓ Elimination of existing "concurrency" model provides greater independence for City's Parking Director to implement decisions. 	<ul style="list-style-type: none"> X Politicized decisions could prioritize local vested stakeholder interests over the achievement of broader transportation system outcomes. 	3
Integration: Align parking operations with other dimensions of the City's transportation system.	<ul style="list-style-type: none"> ✓ Ability to delegate authority to streamline operations and service delivery. ✓ As part of City, Parking Services are integrated with transportation related planning and operations in other City departments. 	<ul style="list-style-type: none"> X Full suite of parking operations will not be maximally integrated if enforcement is not unified in the same department as Parking Services. 	4
Revenues After Expenses: Flexibility to generate and use surplus parking revenues to address demonstrated areas of need, including a broader scope of parking and/or economic development initiatives	<ul style="list-style-type: none"> ✓ Surpluses derived from Parking Services can be used for MPMS and transportation system improvements. ✓ Enforcement revenues are flexible in terms of what they are used to fund as they can be applied to general revenues. 	<ul style="list-style-type: none"> X There is a focus on cost recovery rather than maximizing surplus from parking services. X Parking operating surpluses cannot be used for non-parking related economic development initiatives (outside of the MPMS) nor a dividend to the City and are therefore limited in where spending can be applied X Limited ability to pursue some economic development activities (e.g. JV Development, PPP) 	3
Engagement: Foster appropriate working relationships with other organizations and stakeholders that are affected by the City's parking operations	<ul style="list-style-type: none"> ✓ Parking Department is overseen by Council and works closely with a stakeholder group who provides feedback and information gathering for the department. ✓ Rate setting as currently proposed in the MPMS update. 	<ul style="list-style-type: none"> X Complex relationship with external organizations makes changes difficult to implement, holding back possible benefits to parking operations 	3
Organizational Effectiveness: particularly role clarity, appropriate authorities and relationships amongst units to achieve target outcomes.	<ul style="list-style-type: none"> ✓ Elimination of "concurrency" model provides greater independence for City's Parking Director to implement decisions. ✓ Parking Director consults with stakeholders, BIA(s) and Council in regards to parking decision making. 	<ul style="list-style-type: none"> X Politicized decisions could prioritize local vested stakeholder interests over the achievement of broader transportation system outcomes 	3

Ease of Implementation: Including Human resource issues, magnitude of change, complexity, cost and timing	✓ Minimal change from Status Quo		5
---	----------------------------------	--	---

Option 2: Municipal Service Board
 Overall Ranking: 1 is least favorable, 5 is best

Outcome Based Assessment Criteria:		Option 2 : Municipal Service Board	
Advantage or Disadvantage:	✓ Advantage	X Disadvantage	
MPMS Alignment with updated (draft) mandate within Municipal Parking Management Strategy	Please refer to the detailed MPMS Alignment evaluation sheet		4
Transparency: Policies, guidelines, structures, and procedures that support openness, traceability of decisions, and accountability	<ul style="list-style-type: none"> ✓ There are clearly defined responsibilities and reporting structures that are overseen by a Board of Directors created by the City. ✓ The Board has the final say on proposed changes. This includes transparency on rate setting of fees ✓ Reduced potential for “politicized” decisions that could be less transparent. 	X Enforcement revenues directed to general government revenues rather than being directed to supporting clearly defined transportation system improvements.	3
Control: Enable the City to exercise control over planning and operational decisions related to the City’s parking program.	<ul style="list-style-type: none"> ✓ Parking Services are delivered by the City with operations governed by an independent Board of Directors. ✓ The Board controls all operational and capital decisions offering a more independent perspective into decision making. 	<ul style="list-style-type: none"> X Having Parking Services run through an independent Board, City Council will not be able to exact direct control over the planning and operational decisions related to parking. X The final decisions will be based on what the Board believes is best for the City. 	4
Self Sufficiency: Revenue generation to cover all parking costs, encourage self-sufficiency and long-term sustainability of program	<ul style="list-style-type: none"> ✓ Self-sustaining enterprise model that is not only net neutral but generates revenue with surplus funds from Parking Services going to the Reserve Fund or approved transportation services. 		5
Service: Establish an appropriate balance between revenue generation and service provision that optimizes social return on City’s parking assets	<ul style="list-style-type: none"> ✓ The Board’s focus (as per mandate) is on service for the community and achievement of MPMS objectives. ✓ Independence from vested stakeholder interests allows Board to focus on achievement of broader MPMS transportation system outcomes 	X Surplus funds from parking Enforcement redirected away from transportation system and MPMS priorities.	4

	<ul style="list-style-type: none"> ✓ Revenue/rate decisions are focused on service delivery and cost recovery rather than revenue maximization. 		
<p>Independence: Enable a business-oriented context of flexible, entrepreneurial, customer-centric service delivery excellence; that also de-politicizes operating and parking rate decisions</p>	<ul style="list-style-type: none"> ✓ Independent Board approvals to change parking rates or add additional parking services increases objectivity. ✓ Elimination of “concurrency” model provides greater independence for Board to implement decisions. 	<ul style="list-style-type: none"> X To the extent that Members of Council sit on the Board there is a risk of politicizing decisions. 	4
<p>Integration: Align parking operations with other dimensions of the City’s transportation system.</p>	<ul style="list-style-type: none"> ✓ Independent Board provides independent and specialized expertise. ✓ Having experienced Board members will increase the likelihood of successful collaboration between departments. 	<ul style="list-style-type: none"> X Parking Services (governed by Board) separated from other parking-related services (Governed by City) reduces integration of parking system operations and assets. 	3
<p>Revenues After Expenses: Flexibility to generate and use surplus parking revenues to address demonstrated areas of need, including a broader scope of parking and/or economic development initiatives</p>	<ul style="list-style-type: none"> ✓ Surpluses derived from paid parking can be used for MPMS and transportation system improvements. ✓ Enforcement revenues are flexible in terms of what they are used to fund as they can be applied to general revenues. 	<ul style="list-style-type: none"> X Focus on cost recovery rather than revenue maximization. X Parking operating surpluses cannot be used for non-parking related economic development initiatives (outside of the MPMS) nor a dividend to the City and are therefore limited in where spending can be applied X Limited ability to pursue some economic development activities (e.g. JV Development, PPP) 	2
<p>Engagement: Foster appropriate working relationships with other organizations and stakeholders that are affected by the City’s parking operations</p>	<ul style="list-style-type: none"> ✓ The Board works closely with the City and Council in regard to a charter, budget and directors that will interact with the other departments relating to transportation. ✓ A parking stakeholder group works closely with the parking department for feedback and information gathering. ✓ Rate setting as currently proposed in the MPMS update. 	<ul style="list-style-type: none"> X Complex relationship with external organizations makes changes difficult to implement, holding back possible benefits to parking operations – however, a Board is somewhat more insulated from localized stakeholder advocacy 	3
<p>Organizational Effectiveness: particularly role clarity, appropriate authorities and</p>	<ul style="list-style-type: none"> ✓ Elimination of “concurrency” model provides greater independence for City’s Parking Director to implement decisions. 	<ul style="list-style-type: none"> X Parking Services (governed by Board) separated from other parking-related services (Governed by City) reduces integration of parking system 	2

relationships amongst units to achieve target outcomes.	<ul style="list-style-type: none"> ✓ Board within City structure provides independence governance while leveraging City infrastructure and integrated service. ✓ Clear accountability for effective and efficient delivery of Parking services. ✓ The services Board relies on City infrastructure for HR, IT, Legal, Finance, etc. This avoids cost of setting up these services independently 	<p>operations and assets and can decrease efficiencies and effectiveness.</p> <ul style="list-style-type: none"> X Separate arm's length Corporation will make it more difficult to integrate Parking services with City's Enforcement and transportation related Departments X Risk of dual/confusing reporting relationships for City staff – to Council and to a Board 	
<p>Ease of Implementation: Including Human resource issues, magnitude of change, complexity, cost and timing</p>	<ul style="list-style-type: none"> ✓ Modest change from Status Quo ✓ City's parking and enforcement services remain largely as is – but reporting lines are shifted from Council to an independent Services Board. 	<ul style="list-style-type: none"> X Cost of recruiting and setting an independent Services Board within the City 	4

Option 3: Municipal Service Corporation

Overall Ranking: 1 is least favorable, 5 is best

Outcome Based Assessment Criteria:	Option 3 : Municipal Service Corporation			
Advantage or Disadvantage:	✓ Advantage	X Disadvantage		
MPMS Alignment with updated (draft) mandate within Municipal Parking Management Strategy	Please refer to the detailed MPMS Alignment evaluation sheet			2
Transparency: Policies, guidelines, structures, and procedures that support openness, traceability of decisions, and accountability	<ul style="list-style-type: none"> ✓ There are clearly defined responsibilities and reporting structures that are overseen by a Board of Directors created by the City. ✓ The Board has the final say on proposed changes. ✓ Reduced potential for “politicized” decisions that could be less transparent. 	<ul style="list-style-type: none"> X Board reports on its operating policies and procedures. X May or may not include transparency on rate setting of fees. X Enforcement revenues directed to the City’s general revenues rather than being directed to supporting clearly defined transportation system improvements. X The City has the least control over planning and operation decisions because of the independence of the Corporation and its Board. 	2	
Control: Enable the City to exercise control over planning and operational decisions related to the City’s parking program.	<ul style="list-style-type: none"> ✓ Parking services are delivered by a separate legal entity with its own staff, governed by an independent appointed Board of Directors. The board controls all operational and capital decisions for the corporation offering a less bureaucratic lens into decision making. 	<ul style="list-style-type: none"> X Having Parking Services run through an independent Board and parking-related services through the City, there will be a disconnect between the two organizations agendas. With one focusing on revenue generation and the other focusing on service, it will be difficult to ensure both operations are always covering the right bases and are aligned. 	2	
Self Sufficiency: Revenue generation to cover all parking costs, encourage self-sufficiency and long-term sustainability of program	<ul style="list-style-type: none"> ✓ Self-sustaining enterprise model that is not only net neutral but generates revenue with surplus funds from Parking Services going to the City in the form of a shareholder dividend which can be used for any purpose (ex. Not restricted to parking related expenditures). 		5	

<p>Service: Establish an appropriate balance between revenue generation and service provision that optimizes social return on City's parking assets</p>	<ul style="list-style-type: none"> ✓ Surplus funds in the form of a dividend provides maximum expenditure flexibility for the City. ✓ Mandate, Articles of Incorporation and Shareholder Directions can direct Corporation to place greater emphasis on Service objectives. 	<ul style="list-style-type: none"> X The Board's primary focus is on providing a return on investment for the City, with the secondary focus being on service for the community. X Risk that dividend payments to the City are not reinvested in MPMS priorities or transportation system. 	2
<p>Independence: Enable a business-oriented context of flexible, entrepreneurial, customer-centric service delivery excellence; that also de-politicizes operating and parking rate decisions</p>	<ul style="list-style-type: none"> ✓ Independent Board approvals, on its own, provides maximum independence over decisions to change parking rates or add additional paid parking services. 	<ul style="list-style-type: none"> X To the extent that Members of Council sit on the Board there is a minor risk of politicizing decisions. This is typically managed by ensuring that Councilors do not have majority voting rights. 	5
<p>Integration: Align parking operations with other dimensions of the City's transportation system.</p>	<ul style="list-style-type: none"> ✓ Independent Board provides independent and specialized expertise. ✓ Having experienced Board members will increase the likelihood of successful collaboration between Corporation and City departments. 	<ul style="list-style-type: none"> X Parking Services (governed by Board) separated from other parking-related services (Governed by City) reduces integration of parking system operations and assets. X Separate arm's length Corporation will make it more difficult to integration Parking services with City's Enforcement and transportation related Departments. 	2
<p>Revenues After Expenses: Flexibility to generate and use surplus parking revenues to address demonstrated areas of need, including a broader scope of parking and/or economic development initiatives</p>	<ul style="list-style-type: none"> ✓ Focus on revenue generation to pursue mandate. ✓ Likely to result in increased net surpluses after reserve contributions. ✓ Surpluses can be used for anything within Mandate of Corporation. ✓ Surpluses not required for Mandated services returned to City in form of a dividend. ✓ Enhanced ability to pursue economic development activities (e.g. JV Development, PPP). 	<ul style="list-style-type: none"> X Risk that Corporation maximizes its expenditures to retain as much of surplus as possible. X Increase in expenses due to cost of setting up and maintaining infrastructure such as HR, legal, facilities, etc. to support arms' length independence of the Corporation. X City would need to find funding to offset loss of surpluses that are currently used to pay for non-parking transportation-related services. Ideally the dividend would be used for this purpose. 	4
<p>Engagement: Foster appropriate working relationships with other organizations and stakeholders that are affected by the City's parking operations</p>	<ul style="list-style-type: none"> ✓ As per Mandate, Articles and Shareholder Direction, the Board will interact with the other departments relating to transportation. BIA(s), and community stakeholders. ✓ Rate setting as currently proposed in the MPMS update. 	<ul style="list-style-type: none"> X The Corporation's independence from the City provides it with more insulation from localized stakeholder advocacy. 	3

<p>Organizational Effectiveness: particularly role clarity, appropriate authorities and relationships amongst units to achieve target outcomes.</p>	<ul style="list-style-type: none"> ✓ Elimination of “concurrency” model provides greater independence for City’s Parking Director to implement decisions. ✓ Corporation develops its own effective parking services organization. ✓ Clear accountability for effective and efficient delivery of mandated services. 	<ul style="list-style-type: none"> X Parking Services (governed by Board) separated from Enforcement (Governed by City) reduces service integration and could be confusing. X Separate arm’s length Corporation will make it more difficult to integrate Parking services with City’s Enforcement and transportation related Departments. 	2
<p>Ease of Implementation: Including Human resource issues, magnitude of change, complexity, cost and timing</p>		<ul style="list-style-type: none"> X Significant change. X HR issues associated with transfer of Parking services staff to a new Corporation. X Cost of setting up HR, IT, Legal, Finance, etc. infrastructure to support arms’ length independence of Corporation. 	1

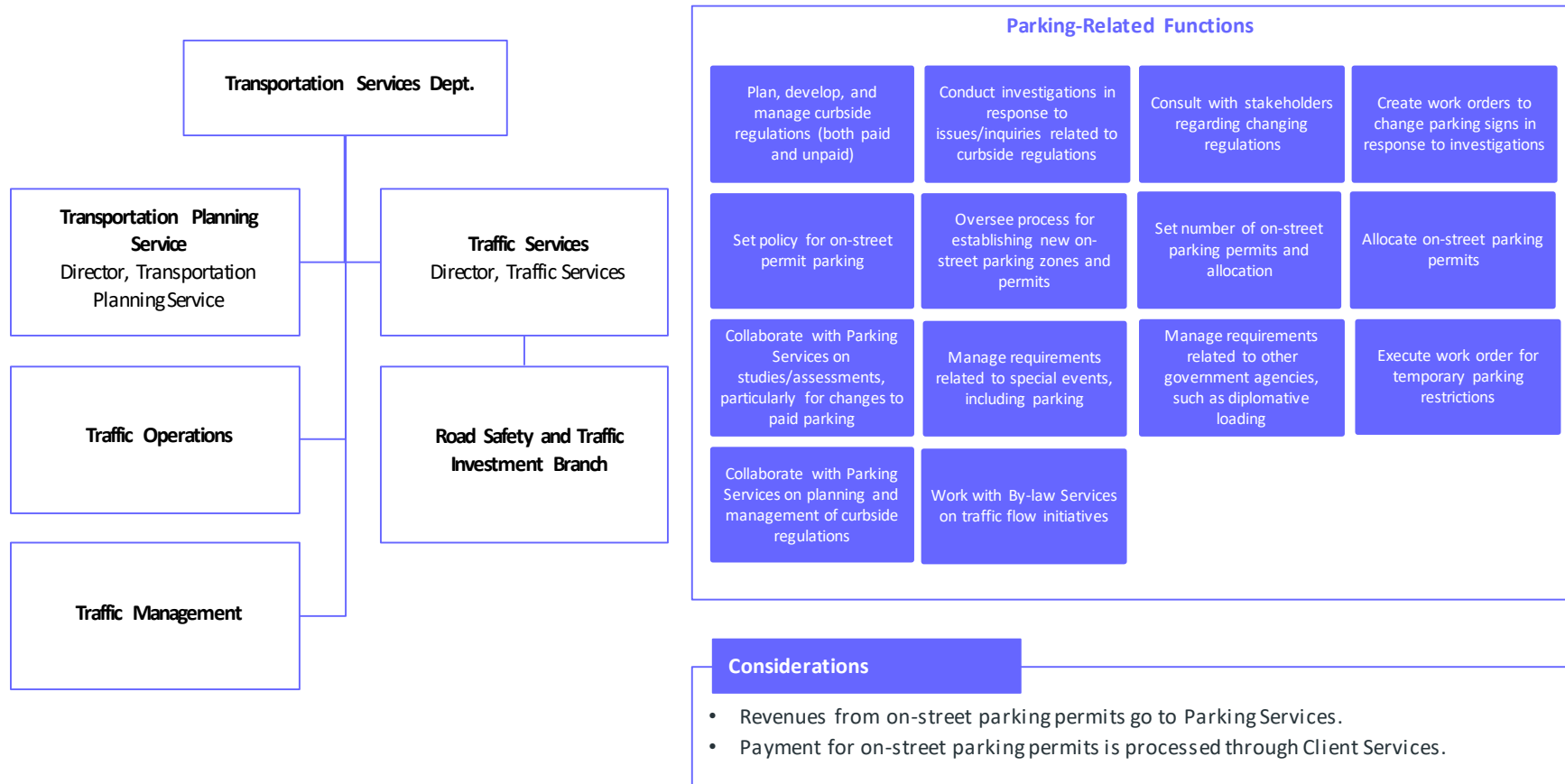
APPENDIX C - MUNICIPAL PARKING GOVERNANCE EVALUATION – MPMS DIMENSION EVALUATION

MPMS Dimension	Option 1 Modified Municipal Delivery	Option 2 Municipal Service Board	Option 3 Municipal Service
	4	4	2
<p>Key Principle</p> <p>Basic Mandate of “concurrency” is that Service delivery continues to be prioritized over revenue</p> <p>The MPMP is committed to providing efficient, transparent, and sustainable parking services in collaboration with stakeholders who will be regularly consulted in a timely manner.</p>	<p>Advantages</p> <ul style="list-style-type: none"> ✓ Service rather than revenue driven. ✓ Political governance is highly responsive to stakeholders. <p>Disadvantages</p> <ul style="list-style-type: none"> X Politicized decisions can erode service optimization mandate. 	<p>Advantages</p> <ul style="list-style-type: none"> ✓ Service rather than revenue driven. ✓ Board independence can support service optimization mandate. ✓ Board governance avoids politically influenced decisions, albeit less responsive to stakeholders. <p>Disadvantages</p> <ul style="list-style-type: none"> X More complex governance as City functions report to a Board, but also ultimately accountable to Council. 	<p>Advantages</p> <ul style="list-style-type: none"> ✓ Revenue rather than service driven. ✓ Board independence can support service optimization mandate. ✓ Board governance avoids politically influenced decisions, albeit less responsive to stakeholders. <p>Disadvantages</p> <ul style="list-style-type: none"> X More complex governance as parking services report to a Board, but other transportation functions, and parking enforcement report to Council.
<p>Objective 1</p> <p>Provide an appropriate and optimized supply of general use public parking that is secure, accessible, convenient, appealing, and fairly and consistently enforced.</p>	<ul style="list-style-type: none"> • Service rather than revenue driven. • Politicized decisions can erode service optimization mandate. 	<ul style="list-style-type: none"> • Service rather than revenue driven. • Board independence can pursue service optimization mandate. 	<ul style="list-style-type: none"> • Revenue rather than service driven. • Board independence can pursue service optimization mandate. • Corporation’s Mandate and Articles can be explicitly linked to MPMS Objectives.
<p>Objective 2</p> <p>Prioritize short-term parking that is responsively priced to support businesses, institutions, and tourism.</p>	<ul style="list-style-type: none"> • Service rather than revenue driven. • Politicized decisions can erode service optimization mandate. 	<ul style="list-style-type: none"> • Service rather than revenue driven. • Board independence can support service optimization mandate. 	<ul style="list-style-type: none"> • Revenue rather than service driven. • Board independence can support service optimization mandate. • Corporation’s Mandate and Articles can be explicitly linked to MPMS Objectives.

MPMS Dimension	Option 1	Option 2	Option 3
	Modified Municipal Delivery	Municipal Service Board	Municipal Service
	4	4	2
<p>Objective 3</p> <p>Promote sustainable modes of transportation by supporting and maintaining programs and facilities that encourage sustainable mobility choices, including public transit, cycling, walking, electric vehicles, car sharing, and new technologies as they emerge.</p>	<ul style="list-style-type: none"> City has more flexibility to spend surplus revenues on parking related services, including those sustainable modes of transportation. 	<ul style="list-style-type: none"> City has more flexibility to spend surplus revenues on parking related services, including those sustainable modes of transportation. 	<ul style="list-style-type: none"> Generally focused on parking rather than overall transportation system. Revenue rather than service driven. More complex governance as Parking Services report to a Board, but other transportation functions, and parking enforcement report to Council.
<p>Objective 4</p> <p>Resolve parking-related issues in residential areas caused by sources of high parking demand.</p>	<ul style="list-style-type: none"> Political governance is highly responsive to stakeholders. 	<ul style="list-style-type: none"> Board governance is less responsive to stakeholders, but it avoids politically-influenced decisions that may not be in the best interests of overall parking program. 	<ul style="list-style-type: none"> Independent corporation is least responsive to stakeholders, but it avoids politically-influenced decisions that may not be in the best interests of corporate mandate. Higher degree of separation because Parking Services and other parking-related services could make resolution of parking-related issues more cumbersome.
<p>Objective 5</p> <p>Ensure financial sustainability by ensuring that revenues are sufficient to support the objectives of the MPMS, recover all Parking Services operating and capital expenditures, and contribute to the Parking Reserve Fund to finance future parking system development.</p>	<ul style="list-style-type: none"> Sufficient revenues to maintain sustainability of program. City has more flexibility with how to spend surplus revenues as they relate to Parking Services and investments. 	<ul style="list-style-type: none"> Sufficient revenues to maintain sustainability of program. City has more flexibility with how to spend surplus revenues as they relate to Parking Services and investments. 	<ul style="list-style-type: none"> Sufficient revenues to maintain sustainability of program.

APPENDIX D – FUNCTIONAL MAPS OF PARKING-RELATED SERVICES

Transportation Services – Traffic Services and Transportation Planning





Parking-Related Functions

- Set parking fees at the two paid parking lots, in conjunction with Parking Services
- Provide and manage paid park parking lot spaces to support access and use

Considerations

- Enforcement of parking by-laws and fees at park parking lots is provided by enforcement.
- Parking equipment (Pay and Display system) is provided, managed, and maintained by Parking Services.
- A portion of the parking fees goes to Parking Services as cost recovery for the equipment and associated services.
- Paid parking lots are not maintained in the winter; fees are collected only seasonally.