UTM Parking – Issues and Executive Summary – Operating Plan 2003-4 to 2008-9

Issues:

1. Building – completion of CCIT underground garage to open September 2004, above ground structure #1 to open September 2005 and above ground structure #2 to open September 2007.
2. Significant increases in parking rates to finance building.
3. Loss of parking spaces due to building new structures and Library.
4. Efficient operation of web based purchase of parking and other improvements to reduce September line ups.

Forecast for 2003-4

Revenues are expected to exceed budget due to increased sales volume of unreserved permits, daily cash and metered parking.

Salaries, wages and benefits expense is higher than budget due to the need for overtime hours and the related payments. Supplies expense is higher than budget due to the need to install a large amount of signage related to the new carpooling program. Capital renewal – annual maintenance will exceed budget due to extensive lighting additions and repairs to one lot used for Residence parking. Capital renewal - major maintenance exceeds budget by $555,459, mainly due to the need to increase the expansion of lot 8. This expansion was budgeted assuming an increase of 94 spots. Due to the pressure to accommodate more students, the lot was actually expanded by 286 spaces.

The operating result for 2003-4 is expected to be $5,630. This is much lower than budget due to the increase in the expansion of lot 8.

2004-5 Budget

The budget for 2004-5 reflects rate increases of 30% for reserved and 25% for unreserved permits. Meter prices will increase from $4 to $5 per hour. The CCIT underground garage is expected to begin operation in September 2004 with 95% of available spaces sold as annual reserved permits at a price of $823.

Generally, expenses increase by 3% annually. Capital renewal – major maintenance will be reduced to a minimal amount of $50,000 to reflect repairs only. No expansion paving is planned. CCIT expenses include no depreciation or equipment repairs as none are expected for this new facility. The large mortgage and interest expense reflects 8 months of operations.

An operating reserve is introduced in 2004-5 and calculated as 10% of total expenses net of capital renewal expenses. The overall negative operating result reflects the high mortgage expense related to the underground garage.

1. Long range plan

The long range plan includes two above ground structures – the first opening in September 2005 and the second in September 2007. Prices are planned to increase at a rate of 30% for reserved permits and 25% for unreserved permits and cash payments until a positive accumulated surplus is achieved. An annual breakeven position is achieved three years after the underground garage opens – in 2007-8 and an accumulated surplus is achieved in 2009-10. As well, a capital reserve of 1.5% of the capital cost of the garages is established five years after the underground garage opens – in 2009-10.