

Front Yard and On-Street Permit Parking Fees (All Wards) Late Invoicing of Residents in York (York Humber and York Eglinton)

(City Council on August 1, 2, 3 and 4, 2000, adopted this Clause, without amendment.)

The Policy and Finance Committee recommends the adoption of the Recommendation of the Planning and Transportation Committee embodied in the following communication (July 10, 2000) from the City Clerk:

Recommendation:

The Planning and Transportation Committee recommends that the following Option 3 contained in the report (June 30, 2000) from the Commissioner, Works and Emergency Services respecting the post-billing of 1999 front yard parking fees in the York community be adopted, and forwards this matter to the Policy and Finance Committee for consideration of the financial implications inherent therein:

“Option 3: Forgive a portion of the 1999 fee for York licence holders (i.e. 50 percent or \$24.00 refund – Revenue Loss \$79,608”

The Planning and Transportation Committee reports, for the information of the Policy and Finance Committee and City Council, having requested the Commissioner of Works and Emergency Services, in consultation with appropriate City staff, to report further on the feasibility of having the collection of all fees related to front yard parking, boulevard parking and driveway widening included in municipal taxes.

Background:

At its meeting on July 10, 2000, the Planning and Transportation Committee gave consideration to a report ((June 8, 2000) from Councillor Nunziata advising that the new City-wide fees for on-street, front yard and commercial boulevard parking have resulted in an increase in excess of 50 percent in some cases for the residents of the former City of York, and requesting that she be permitted to give a deputation to the Committee respecting her concerns over these increases which were approved by City Council in April, 1999.

The Committee also had before it a report (June 30, 2000) from the Commissioner, Works and Emergency Services reporting to the Works Committee on the front yard parking and on-street parking fee revisions and the billing procedures in the York Community, and recommending:

- (1) this report be received for information; or
- (2) the Works Committee, in consideration of concerns raised with the post-billing of 1999 front yard parking fees in the York community, decide whether redress is appropriate, and if so recommend to City Council one of Options 2 or 3 set out in this report; and

- (3) the appropriate City officials be requested to take the necessary action to give effect thereto, including the introduction of all the necessary bills.

(A copy of the report dated June 8, 2000 from Councillor Nunziata referred to in the foregoing communication was forwarded to all Members of Council with the July 20, 2000, agenda of the Policy and Finance Committee and a copy thereof is also on file in the office of the City Clerk)

(Report dated June 30, 2000, addressed to the
Works Committee from
Commissioner of Works and Emergency Services)

Purpose:

To report in response to requests of the Works Committee on the front yard parking and on-street parking fee revisions and the billing procedures in the York community.

Financial Implications and Impact Statement :

We have, in this report, set out options for the consideration of Committee and Council with respect to the post-billing of the 1999 front yard parking fees for York residents. If the status quo is maintained (i.e., the \$48 licence fee as billed) there would be no financial impact. If one of the other options provided in this report is adopted, a loss of revenue to the City would ensue, ranging from \$16,585.00 (a \$5.00 rebate for each of the 3,317 licensees) to \$79,608.00 if half of the 1999 fee is refunded.

Recommendations :

It is recommended that:

- (1) this report be received for information; or
- (2) the Works Committee, in consideration of concerns raised with the post-billing of 1999 front yard parking fees in the York community, decide whether redress is appropriate, and if so recommend to City Council one of Options 2 or 3 set out in this report; and
- (3) the appropriate City officials be requested to take the necessary action to give effect thereto, including the introduction of all necessary bills.

Background:

The Works Committee, at its meeting of March 22, 2000, in reviewing the 2000 Operating Budget, had before it a communication (March 16, 2000) from Councillor Michael Walker, North Toronto, expressing concern with respect to the January 2000 fee increases to front-pad parking, driveway widening and permit parking. The Committee referred the communication to the Commissioner of Works and Emergency Services for a report. (Clause No. 40(a) of Report No. 6 of the Works Committee).

In addition, the Works Committee, at its meeting of May 17, 2000, had before it communications from Councillor Rob Davis (May 1, 2000) and Councillor Joe Mihevc (April 26, 2000), concerning the increases in fees in the former City of York for front yard and on-street parking, and the late invoicing of residents for 1999 fees. The Committee requested the Commissioner of Works and Emergency Services and the City Solicitor to report on the implementation of increases in parking fees in the former City of York for front yard parking and on-street parking, such report to also address the length of time for invoicing residents. (Clause No. 17(e) of Report No. 12 of the Works Committee).

Comments:

Establishment of Fees:

City Council, at its meeting of April 26, 27 and 28, 1999, in considering the 1999 Operating Budget, established fee schedules for numerous road allowance activities, including front yard parking and on-street permit parking (Clause No. 1 of Report No. 8 of the Strategic Policies and Priorities Committee).

Front yard parking, front yard parking for the disabled, driveway widening and residential boulevard parking are all forms of boulevard parking that at the present time operate in the communities of East York, York and Toronto. Etobicoke and North York also have a very minor number of such parking spaces, but in these areas, they are considered as encroachments. Approximately 12,000 permits have been issued to residents for parking their vehicles partially or totally within the City's right-of-way under these programmes.

In the three former municipal areas where this type of parking is permitted the annual fees exhibited a wide range: Toronto, at \$3.07 per square metre (this equates to \$47.09 for a full space); York, at \$48.00 and East York at \$120.00 per space. It is noted that from 1971 (when the programme was initiated) to 1992, a span of 21 years, the former Toronto fee did not increase. Since that time, the increase in the consumer price index has been applied annually. Past proposals to change fees have been very contentious. In fact, in 1991 the former City of Toronto Council approved a change from the then applicable \$2.70 per square metre to a flat rate of \$60.00. This was rolled back in early 1992. Again, in 1996 a recommendation to apply the \$60.00 flat rate was approved by Council but again, this was rolled back in early 1997.

For comparison purposes, the new fee would translate into a rate of \$5.48 per square metre for a standard parking space. A further factor contributing to the increase in the Toronto Community Council area is that the new rate is charged on a per space basis, as was done previously in the other municipalities. Where a resident in the past may have paid for only a portion of a parking space, under the new structure, if only part of the space is on the City property, there is no discount.

With respect to on-street permit parking, the former inner municipalities had such programmes, as did the former Etobicoke. The remaining municipalities North York and Scarborough did not authorize on-street permit parking. In the order of 61,500 permits are issued, with the majority

in the former Toronto. Again, pre-amalgamation rates varied widely and there was a need to introduce a consistent rate structure. The fees ranged from \$120.00 annually in Etobicoke, \$100.00 in East York and \$60.00 in Toronto and York. As with the front yard permits, some residents actually received reductions in their fees, although it is true that the majority saw their fees increase.

One of the issues leading to the current situation is that the fees were historically not adjusted on an incremental basis. Had the consumers price index been applied consistently over the past 30 years, reflecting incremental inflation, the front yard fees in Toronto would be \$189.00 per space. Permit parking fees remained at \$2.00/month from 1973 to 1988, when the fees were increased to \$5.00/month. There has been no change since that time. Had the consumers price index been applied consistently since 1973, reflecting incremental inflation, the permit parking fees in Toronto would be \$8.49/month, or \$102.00 annually. Therefore, in relative current dollar terms, both front yard and on-street permit parking fees, even with the increases, are less than they were 30 years ago.

The on-street parking programme is a necessity in many neighbourhoods where properties were developed prior to mass use of automobiles and on-site parking is not possible. This street parking, however, hampers general maintenance, street cleaning and winter operations and leads to significantly higher costs to the City than would otherwise be incurred. Even at the new rates these incremental costs are still not fully recovered. As well the provision of front yard parking which, through the use of the City property, allows a resident an exclusive guaranteed space, adds value to the property. At the time Council adopted the fee structure, staff were requested to initiate a study of the impact of front yard parking from a real estate value perspective and recommend adjustments to the fee established (if warranted).

Invoicing of Permit Holders in York:

In early 1999, with the municipal amalgamation underway and the formation of Transportation Services District 1 (comprising York, East York and Toronto), staff were in the midst of attempting to bring a degree of order to the wide range of practices and procedures associated with the administration and billing of front yard, boulevard and permit parking. The former City of Toronto had an automated billing system which processed approximately 10,000 invoices for boulevard parking annually with the capability of automatically identifying accounts in arrears. In East York, there were approximately 1,000 boulevard parking locations which were both billed and followed up manually.

The York community accounted for the second highest number of boulevard parking (front yard parking) with approximately 3,317 licensed locations. Unlike the other two former municipalities, York provided the residents with two payment options as follows:

- the applicant could have their annual billing included on their final property tax instalment (due in November) and receive a \$5.00 discount. As far as we can ascertain, about 75 percent of licence holders paid by this method; or

- the applicant expected to pay by mail or in person at the York Civic Centre by the end of March of each year. If payment was not received, a manual notice of payment addressed to owner/occupant was mailed requesting payment at some point thereafter.

Furthermore, in the York community, front yard parking licences were also available to tenants as well as property owners. As a result, it was found that many permits issued to tenants were in arrears and over the years, many of these licensed locations had been occupied by a number of unauthorized users who in most cases never paid.

The dual methods of payment with differing rates and inconsistent payment time tables coupled with the lack of an automated system made it very difficult to track accounts and determine which ones were in arrears. Under the circumstances, it made practical sense to introduce a consistent automated billing system for the York accounts that was compatible across the entire district. However, processing an accurate billing run meant that there was a considerable amount of house cleaning required in order to assure that all front yard parking locations in the York community were updated including the numerous accounts that were in arrears. The decision about process had to be made very early in 1999, but unfortunately, it took until much later in the year than anticipated to fully update and transfer the records, as well as complete the enhancements necessary to expand the automated system.

The end result of the above-noted activities was that front yard parking billings in the York community for 1999 were not sent until April 2000, with the 2000 billings. Accordingly, most licence holders in the system received the two years billings at the same time, raising a number of concerns. In consultation with the City Solicitor, we are advised that the invoicing for 1999 constitutes late billing rather than retroactive billing, since it was always intended that licensees should pay a fee for their licence. Since licensees had full use of and were able to enjoy front yard parking for the year 1999, and would have paid the applicable fees in previous years, they would of course have expected to pay for the licence fee for 1999. No suggestion was ever made that the fee would be waived for 1999 and the late billing does not exempt licensees from paying the 1999 fee.

A notice was also included with the invoice for the 1999 and 2000 fees, notifying licensees among other things of Council's approval of the increased fees (a copy of the Notice is attached to this report). No notice of the change in fees was sent out at the time of Council approval, that is in April of 1999 when the 1999 Operating Budget was approved as no notice was required, since at law residents are deemed to have knowledge of the municipal by-laws that affect him or her, and in this case the confirmatory by-law would be sufficient to validly enact the fee approval. Accordingly, the new fee structure was validly enacted by Council, and no specific notice to licensees of the new fee structure was required.

From a customer perspective, however, it can be questioned whether the post billing for the previous year is a proper thing to do. It has been argued that if the resident knew early in the year, they may have decided not to take the service, although with front yard parking, it is debatable whether many residents would have discontinued. Also, the majority would not have paid until November 1999 in any event, as this would have been the payment schedule with the tax bill. Although billing for a good or service after it has been consumed is common, it is certainly a departure from what licensees in York would have been used to, and to the current

process of pre-billing.

In view of the Works Committee directive, we have established options for the consideration of the Committee, in the event it is felt that some redress to York front yard parking licence holders is necessary. It is noted that the selection of options 2 or 3 outlined in the table below would have revenue implications to the City. Invoices have been sent to 3,317 licensees in York for 1999, of which 2,215 have paid.

Option No.	Description	City Revenue Loss
1	Require payment of the 1999 amount as billed (\$48). If this results in hardship to some parties, staff could provide for payment in instalments or by post-dated cheque.	-
2	Recognizing that the majority of licence holders paid on their tax bill and their fee would have been (\$43), credit all licence holders \$5.00 on their next payment. (Although this could be rebated, the administrative cost of processing \$5.00 payments would not be cost-effective).	\$16,585
3	Forgive a portion of the 1999 fee for York licence holders (i.e., 50 percent or \$24 refund).	\$79,608

The question has also been raised regarding continuation of applying parking fees to the tax bill. From the customers' perspective, along with the automated system we have introduced several payment options that add a great level of convenience. First, the overall billing is more concise and accurate. The licence holder is invoiced and has a number of payment options, including by mail, at most financial institutions including ATM machines or in person at any District 1 office by cash, cheque, credit or debit card. Administratively the dual system would be more costly, less efficient and result in more complex inventory control. Therefore, under the new automated system there is very little advantage, and in fact more drawbacks, both for customers and administratively, to have parallel billing methods.

Conclusions:

The review of street permit fees, including on-street permit and residential boulevard parking was initially requested by the Budget Committee. In response, a detailed report (March 26, 1999) from the Commissioner of Works and Emergency Services, among other things, outlined 5 scenarios for permit parking fees and 7 scenarios for residential boulevard parking. In considering the various factors, Council opted for and approved the fees as they now exist.

The expansion of the automated billing process to include the York community provides staff with accurate and up-to-date information and the ability to bill accounts that are in arrears more accurately and efficiently. This will enhance inventory control, improve customer service and provide a more cost effective and efficient billing system. In light of concerns expressed regarding post billing of York licence fees for 1999, we have set out options for the consideration of Committee and Council.

The City Solicitor has provided input for the preparation of this report.

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Notice

For your information, City Council, at its meeting of April 26, 27 and 28, 1999, amended various permit fees for the use of the City street allowance for Front Yard Parking, Disabled Front Yard Parking, Driveway Widening, Residential Boulevard Parking and Commercial Boulevard Parking.

Enclosed is your Street Allowance Rental Invoice for the period of January 1 to December 31, 2000 which reflects the new rates.

The Policy and Finance Committee submits the following communication (July 12, 2000) from the City Clerk:

Recommendations:

The Works Committee recommends:

- (1) the adoption of Option 3 contained in the report dated June 30, 2000, from the Commissioner of Works and Emergency Services, subject to deleting the amount of 50 percent or \$24.00 refund (City revenue loss: \$79,608.00) and inserting in lieu thereof the amount of 75 percent or \$36.00 (City revenue loss: \$119,412.00) so that such Option reads as follows:

“Option 3: Forgive a portion of the 1999 fee for York licence holders (i.e., 75 percent or \$36.00 refund) - City revenue loss: \$119,412.00”;

and

- (2) that the appropriate City officials be requested to take the necessary action to give effect thereto, including the introduction of all necessary bills.

The Works Committee reports, for the information of the Policy and Finance Committee and Council, having requested the Commissioner of Works and Emergency Services to submit a report to the Works Committee on:

- (i) a means of providing an incentive for residents to use on-street parking and discourage the use of front yard parking;

- (ii) the results of the implementation of the increase in fees City-wide, including enforcement issues and actual revenues compared to those anticipated; and
- (iii) the harmonization of technical requirements for front yard parking pads, including size, type of paving, ground space required and proximity to trees.

Background:

The Works Committee at its meeting on July 12, 2000, had before it a report (June 30, 2000) from the Commissioner of Works and Emergency Services responding to communications from Councillors Michael Walker, Rob Davis and Joe Mihevc that were considered by the Committee at its meeting of March 22, 2000, with respect to front yard parking and on-street parking fee revisions and the billing procedures in the York community; and recommending that:

- (1) this report be received for information; or
- (2) the Works Committee, in consideration of concerns raised with the post-billing of 1999 front-yard parking fees in the York community, decide whether redress is appropriate, and if so recommend to City Council one of Options 2 or 3 set out in this report; and
- (3) the appropriate City officials be requested to take the necessary action to give effect thereto, including the introduction of all necessary bills.

The Works Committee also had before it a communication (July 10, 2000) from the City Clerk advising that the Planning and Transportation Committee at its meeting on July 10, 2000, gave consideration to a communication (June 8, 2000) from Councillor Nunziata respecting the increase in fees for on-street, front yard and commercial boulevard parking and its impact on residents of the former City of York; that the Planning and Transportation Committee also had before it the aforementioned report dated June 30, 2000, addressed to the Works Committee from the Commissioner of Works and Emergency Services; and that the Planning and Transportation Committee:

- (1) recommended to the Policy and Finance Committee that the following Option 3 contained in the report (June 30, 2000) from the Commissioner, Works and Emergency Services respecting the post-billing of 1999 front yard parking fees in the York community be adopted, and forwarded this matter to the Policy and Finance Committee for consideration of the financial implications inherent therein:

“Option 3: Forgive a portion of the 1999 fee for York licence holders (i.e. 50 percent or \$24.00 refund) – Revenue Loss \$79,608”; and

- (2) requested the Commissioner of Works and Emergency Services, in consultation with appropriate City staff, to report further on the feasibility of having the collection of all fees related to front yard parking, boulevard parking and driveway widening included in municipal taxes.

The following Councillors appeared before the Works Committee in connection with the foregoing matter:

- Councillor Joe Mihevc, York Eglinton; and
- Councillor Frances Nunziata, York Humber.