

**CPA GOVERNANCE – AMENDMENT TO CALGARY PARKING AUTHORITY BYLAW
28M2002**

EXECUTIVE SUMMARY

The nature and maturity of Calgary Parking Authority's business has evolved since the enactment of the existing Calgary Parking Authority Bylaw 28M2002 resulting in a need for greater clarity and certainty with respect to the following:

1. The mandate of the Committee of Council (referred to herein as the "CPA Board") of the Calgary Parking Authority ("CPA");
2. The CPA's relationship with City Administration;
3. The roles and responsibilities of the CPA Board with respect to the General Manager;
4. How the CPA is financed; and
5. A desire to align the Elector-member term limits to Council Policy CP2016-03 – Governance and Appointments of Boards, Commissions and Committees.

In addition, Calgary Parking Authority Bylaw 28M2002, as it currently exists, does not clearly distinguish between the function of the nine-member CPA Board and that of the CPA as an operating entity being managed by the General Manager. The proposed amending bylaw provides clarity in this regard.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council:

1. Give three readings to the proposed Bylaw to amend Bylaw 28M2002 Calgary Parking Authority Bylaw (Attachment 1).

**RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED
2017 JUNE 06:**

That Council give three readings to the **proposed Bylaw 31M2017** to amend Bylaw 28M2002 Calgary Parking Authority Bylaw.

Opposed: P. Demong

PREVIOUS COUNCIL DIRECTION / POLICY

Council has previously directed the CPA to market its ParkPlus technology beyond the Calgary market (C2013-0666). In addition, pursuant to Council-approved recommendations in confidential Report PFC2013-0642, the CPA Board has been discussing the need for changes to the Calgary Parking Authority Bylaw 28M2002 since April 2015.

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BACKGROUND

In addition to generally providing greater clarity and direction to the CPA Board and General Manager, the proposed amending bylaw addresses the following key areas:

1. Mandate of the Board

Over the last few years, the CPA, in fulfilling its revenue-generating mandate, has broadened its business model to providing parking management and/or enforcement support services to third party parking providers and municipalities, both within and outside of Alberta. Whereas the bylaw, as it currently exists, provides the CPA with the authority to enter into agreements with other public agencies or private entities to operate their parking facilities for a fee, it does not reflect the mandate CPA has received from Council to develop and market its ParkPlus technology outside of Calgary and it does not contemplate the CPA's business arrangements with other service providers to provide a holistic parking management service to third parties. Also, it does not expressly enable CPA to use the real property it manages to derive income – even though this is a long-standing practice of the CPA.

The proposed amendments includes express language confirming the CPA's authority to do all of these things, thereby aligning Bylaw 28M2002 with the reality of CPA's operations and previous Council direction.

2. CPA's Relationship with City Administration

Although the CPA receives effective services and support from several business units within City Administration, some business units are apprehensive given that the CPA does not report to Council through City Administration. The proposed amendments would make it clear that City Administration has the authority to support CPA operations.

3. Roles and Responsibilities of the Board with respect to the General Manager

The proposed amending bylaw makes it clear that the CPA Board may hire, manage and, if necessary, terminate the employment of the General Manager. The proposed amendments also enables the CPA Board to delegate its powers, duties and functions to the GM, who may in turn further delegate to his reports.

4. Financing of the CPA

Section 7(2) of the proposed amending bylaw would do away with the cumbersome (and unclear) formula for determining the "cost of management and operation" of the CPA and replace it with a reference to Council policies that can more easily be updated from time to time as the situation warrants. However, a financial impact of revising Section 7(2) in this regard is an expected loss of funds for CPA operations of approximately \$250,000 per annum as a result of removing the words "*to be funded by a sum, equivalent to the maximum on-street hourly parking rate in the City, from each parking violation voluntary payment made to the City in lieu of*

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prosecution in the year...”. As the proposed amendments removes this statement, the CPA will no longer record the revenue transfer from CPA Enforcement to CPA Parking Operations. In 2016, CPA retained \$258,000 from this revenue transfer. Total Distributions from the CPA to the City will increase as a result of this change. Based on 2016 figures, the City would have received an additional \$258,000 in Distributions.

5. Aligning Elector-member term limits with Council Policy

The proposed amending bylaw would expressly align the term requirement of Elector-members of the CPA Board with the requirement set out in Section 5.10.3 of CP2016-03 Governance and Appointments of Boards, Commissions and Committees (“BCC”), which states:

“A Public Member may serve up to a maximum of six consecutive years on a BCC, unless otherwise outlined in a BCC’s Governance Document”.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Confidential Report PFC2013-0642, which was previously presented to Council, outlined various options (and resulting implications) for the Calgary Parking Authority as an organization. Council direction at that time was to improve the existing structure of the CPA and this proposed amending bylaw continues CPA’s efforts in this regard.

Stakeholder Engagement, Research and Communication

The CPA Board has approved this proposed amending bylaw (CPA2017-10). In addition, the City Clerk’s Office has been consulted with regard to aligning the proposed amending bylaw to the relevant requirements of CP2016-03 Governance and Appointment of Boards, Commissions and Committees.

Strategic Alignment

The proposed amendments would support Council’s previous direction to CPA to market ParkPlus technology beyond the Calgary market and would align with Council-approved recommendations to continue to refine CPA’s structure to clarify governance issues.

Social, Environmental, Economic (External):

Social: None

Environmental: None

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Economic: Revising Section 7(2) of the Bylaw as indicated will result in a loss of cash flow retained by the CPA of approximately \$250,000 per annum. Distributions to the City will increase by the same amount (will be a net change between the 65% Net Revenue Transfer to the City and the 100% Enforcement Net Revenue Transfer to the City).

Financial Capacity

Current and Future Operating Budget:

N/A

Current and Future Capital Budget:

N/A

Risks

None

REASON(S) FOR RECOMMENDATION(S):

Greater clarity in Bylaw 28M2002, the Calgary Parking Authority Bylaw will significantly increase the efficiency and effectiveness of the CPA.

ATTACHMENT(S)

1. Proposed **Bylaw 31M2017** to amend Bylaw 28M2002, the Calgary Parking Authority Bylaw
2. Discussion Document: Proposed changes to Bylaw 28M2002, the Calgary Parking Authority Bylaw