

Calgary Parking Authority Summary of Top 3 Risks with Impact to The City of Calgary

The Calgary Parking Authority (CPA) has determined the following three areas of risk to be of highest impact to The City of Calgary and/or of concern to the City's audit committee:

1. Downturn in the Calgary Economy

The downturn seen in the Calgary economy has had a direct declining impact to general parking demand. A trend toward lower parking revenues began in July 2015 and continues to date. The CPA has responded to this by preparing a comprehensive list of revenue initiatives and cost containment activities to address the shortfall in revenue.

2. Potential inadequate funding of the Parking Structure Replacement Fund

CPA's requirement to provide stalls under the previous Cash-In-Lieu program results in an obligation to replace existing parkades at the end of their useful life, regardless of demand. With the current contributions to the Parking Structure Replacement Fund, CPA's available funding at that time would not be sufficient to replace all parkades. CPA is addressing this risk by exploring future changes to by-laws and policies and annually reviewing the adequacy of the contribution to the Parking Structure Replacement Fund as well as the assumptions in the calculation of future funding required.

3. Reliance on out-sourced service providers and 3rd party system accuracy

Amalgamation within the parking industry has resulted in a reduction in the number of providers of the equipment and software that CPA needs in order to meet its mandate. This results in less competitive pricing as well as less bargaining power on issues such as updates and improvements to accuracy of data. CPA is addressing this risk by reviewing all service providers at the procurement stage and performing tests to ensure the accuracy of data from these systems.