



Office of the Auditor General / Bureau du vérificateur général

**INTERIM FOLLOW-UP OF THE
2008 AUDIT OF THE PARKING FUNCTION
2009**

**SUIVI INTÉRIMAIRE DE LA
VÉRIFICATION DE LA FONCTION STATIONNEMENT DE 2008**

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EXECUTIVE SUMMARY

Introduction

The 2008 Audit of the Parking Function was presented to Council in February 2009. At its meeting of April 8, 2009, a Council motion directed the Auditor General to proceed with an interim follow-up audit of the Parking Function, and report back to Council by the end of 2009.

At that time, management agreed with all 17 proposed recommendations. The original audit raised issues in the following areas:

- Absence of a comprehensive parking policy;
- Costs and collection of revenues;
- Lack of utilisation rates in various parking areas; and,
- Coordination amongst City departments.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as at September 15, 2009.

SUMMARY OF THE LEVEL OF COMPLETION

CATEGORY	PERCENT COMPLETE	RECOMMENDATIONS	# OF RECS.
LITTLE OR NO ACTION	0 – 24	R14	1
ACTION INITIATED	25 – 49	R4, R9, R10, R11,	4
PARTIALLY COMPLETE	50 – 74	R5, R16	2
SUBSTANTIALLY COMPLETE	75 – 99	R8, R13, R15	3
COMPLETE	100	R1, R2, R3, R6, R7, R12, R17	7

Conclusion

It should be noted that phase III of the corporate reorganisation in October 2008 saw the Traffic and Parking Operations Branch dissolved and the establishment of the present Parking Operations, Maintenance and Development (POMD) Branch.

Branch undertakings of note include the April 2009, Council approved Municipal Parking Management Strategy; and, the October 2009 City-Wide Parking Occupancy Study which examined June 2009 utilization rates. Additionally, in a relatively short period of time, the Branch has fully or substantially completed the implementation of 10 of the 17 proposed recommendations, which is a very positive indicator of their commitment.

The primary area of remaining risk rests with costs and collection of revenues. The original audit identified that on-street revenues could be considered lower than might be expected based on past occupancy studies. It also highlighted that the Branch had minimal routine financial reports. Management have strongly indicated that the new Pay and Display (P&D) technology planned to be implemented in Q1 2010 will alleviate many of these concerns. However, until this technology is implemented and tested, some of the recommendations cannot be fully addressed. In addition, although management anticipate starting implementation of Pay and Display technology in Q1 2010, it may take some time for the Branch to fully replace the present meters system with P&D machines. Management indicated that they expect that they would be able to complete the replacements within six months of the start of implementation.

We were unable to substantiate management's representation that extensive work had been undertaken by POMD and Finance Department staff to identify revenue-reporting requirements. Although management indicated in the status of implementation assessment that "templates have been developed and forwarded to SAP staff" only one template could be provided at the end of our fieldwork. While work has been initiated, additional efforts are required.

We observed that additional work is also required to complete the review of the cash-in-lieu of parking process requested by the Planning and Environment Committee in 2007. Management had originally identified that they would report back to the Planning and Environment Committee and Council on results of consultation, including implementation strategy and financial implications, in Q3 2009, however in October 2009, the Planning and Growth Management Department had not identified a preferred option and were found to have only completed the initial consultations with stakeholder phase.

The Municipal Parking Management Strategy makes provisions for local area studies to be performed. Once completed, these studies will provide the Branch with a holistic view of the City's parking supply (on-street, off-street, metered, etc.). At present, two local studies are being carried out, with an additional two planned for 2010. By carrying out two studies each year, it will take a number of years before the Branch is able to review the appropriateness of its current inventory of surface lots and on-street parking, including on-street residential permits.

Overall, sound progress has been made in a relatively short period of time towards developing the tools, frameworks and strategies needed to implement the 2008 Audit of the Parking Function's recommendations. Efforts are still required in various areas, however the OAG is satisfied that the advancements made, have and will continue to, serve to enhance the management of the City's parking function.

This interim follow-up was done at Council's request and completed earlier than our Office normally undertakes follow-ups. Notwithstanding, the OAG plans to

conduct a further follow-up once the Branch has had the opportunity to implement new technologies and perform local area parking studies.

ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

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RÉSUMÉ

Introduction

La vérification de la fonction stationnement de 2008 a été présentée au Conseil en février 2009. Lors de la réunion du Conseil du 8 avril 2009, le Conseil a adopté une motion demandant au vérificateur général de procéder à un suivi intérimaire de la vérification de la fonction stationnement, et de faire rapport au Conseil avant la fin de 2009.

À ce moment-là, la direction était d'accord avec chacune des 17 recommandations proposées. La vérification initiale avait soulevé des questions dans les domaines suivants :

- Absence d'une politique globale de stationnement;
- Coûts et collecte des recettes;
- Taux d'utilisation non disponibles dans diverses aires de stationnement; et
- Coordination entre les services municipaux.

Sommaire du degré d'achèvement

Le tableau ci-dessous présente notre évaluation du degré d'achèvement de chaque recommandation au 15 septembre 2009.

SOMMAIRE DU DEGRÉ D'ACHÈVEMENT

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 - 24	R14	1
ACTION AMORCÉE	25 - 49	R4, R9, R10, R11	4
COMPLÉTÉE EN PARTIE	50 - 74	R5, R16	2
PRATIQUEMENT COMPLÉTÉE	75 - 99	R8, R13, R15	3
COMPLÉTÉE	100	R1, R2, R3, R6, R7, R12, R17	7

Conclusion

Fait à noter, la phase III de la réorganisation municipale effectuée en octobre 2008 a eu pour effet d'abolir la Direction de la circulation et du stationnement pour créer l'actuelle Direction de l'exploitation et de l'entretien des stationnements.

Les accomplissements suivants entrepris par la Direction sont à noter : la Stratégie municipale de gestion du stationnement, approuvée par le Conseil en avril 2009, et l'étude panmunicipale d'octobre 2009 de l'utilisation des stationnements qui a fait l'examen des taux d'utilisation de juin 2009. De plus, dans une période relativement courte, la Direction a complété, partiellement ou substantiellement, la mise en

œuvre de 10 des 17 recommandations proposées, ce qui est un indicateur très positif de son engagement.

Le principal secteur de risque restant provient des coûts et de la collecte des recettes. La vérification initiale avait établi que les revenus du stationnement sur rue pourraient être considérés comme inférieurs aux prévisions fondées sur les taux d'utilisation passés. Elle a aussi indiqué que la Direction ne disposait que d'un minimum de rapports financiers systématiques. La direction a insisté sur le fait que la nouvelle technologie Payez et affichez, dont la mise en œuvre est prévue au cours du premier trimestre de 2010, atténueront plusieurs de ces préoccupations. Cependant, tant que la nouvelle technologie n'aura pas été implémentée et mises à l'essai, on ne pourra pas satisfaire entièrement à certaines recommandations. Enfin, bien que la direction prévoie commencer la mise en œuvre de la technologie Payez et affichez au premier trimestre de 2010, le remplacement de tous les parcomètres actuels par des distributrices Payez et affichez peut prendre un certain temps. La direction a précisé qu'elle prévoit achever les remplacements dans les six mois suivant le début de la mise en œuvre.

Nous n'avons pas pu établir la validité de l'affirmation de la direction selon laquelle d'importants travaux avaient été entrepris par le personnel de la Direction de l'exploitation et de l'entretien des stationnements et de Service des finances afin de déterminer les exigences des rapports concernant les recettes. Bien que la direction ait indiqué dans l'évaluation de l'avancement de la mise en œuvre que des « matrices ont été mises au point et acheminées au personnel de SAP », une seule matrice nous a été remise, et ce, qu'à la fin de notre travail sur le terrain. S'il est vrai que le travail est amorcé, des efforts supplémentaires sont requis.

Nous avons constaté que des efforts supplémentaires sont aussi nécessaires pour parachever l'examen du processus de règlement financier des exigences de stationnement demandé par le Comité de l'urbanisme et de l'environnement en 2007. Le service avait d'abord précisé qu'il soumettrait un rapport au Comité de l'urbanisme et de l'environnement et au Conseil sur les résultats de la consultation, y compris la stratégie de mise en œuvre et l'incidence financière, pendant le troisième trimestre de 2009. Toutefois, en octobre 2009, le Service d'Urbanisme et gestion de la croissance n'avait pas déterminé l'option privilégiée et on a constaté qu'il n'avait réalisé que la phase des consultations initiales avec les intervenants.

La Stratégie municipale de gestion du stationnement prévoit la réalisation d'études sur le stationnement local. Une fois achevées, ces études fourniront à la Direction une vue holistique de l'inventaire de stationnement municipal (sur rue, hors rue, payant, etc.). À l'heure actuelle, deux études sur le stationnement sont en cours de réalisation, et deux autres sont prévues pour 2010. En effectuant deux études par an, il faudra des années à la Direction pour évaluer l'adéquation de son inventaire actuel de terrains de stationnement en surface et de stationnement sur rue, y compris les permis de stationnement résidentiels.

Dans l'ensemble, on a fait des progrès positifs dans une période relativement courte pour mettre au point les outils, cadres de référence et stratégies nécessaires à la mise en œuvre des recommandations formulées par la vérification de la fonction stationnement de 2008. Des efforts sont toujours nécessaires dans certains domaines; toutefois, le BVG est satisfait que les progrès réalisés ont permis d'améliorer la gestion de la fonction stationnement de la Ville, et continueront de le faire.

Ce suivi intérimaire a été effectué à la demande du Conseil et a été devancé par rapport à la procédure habituelle de suivi de notre bureau. Néanmoins, le BVG prévoit procéder à un autre suivi une fois que la Direction aura eu l'occasion de mettre en œuvre les nouvelles technologies et réalisé les études sur le stationnement local.

REMERCIEMENTS

Nous tenons à remercier la direction pour l'assistance et la coopération dont elle a fait preuve envers l'équipe de vérification.

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1 INTRODUCTION

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At that time, management agreed with all 17 proposed recommendations. The original audit raised issues in the following areas:

- Absence of a comprehensive parking policy;
- Costs and collection of revenues;
- Lack of utilisation rates in various parking areas; and,
- Coordination amongst City departments.

2 KEY FINDINGS OF THE ORIGINAL 2008 AUDIT OF THE PARKING FUNCTION

Mandate, Strategy, Accountability

1. At present, there is no well-defined Council-approved directive that provides clear guidance to the “Parking Function” within the City of Ottawa. Notwithstanding high level policy direction provided in the OP and TMP, there is not a clearly defined documented mandate or strategy specifically for the Parking Function at the City designed to ensure that all City-wide objectives affected by Parking are achieved. More specifically, there is no mandate document that covers all aspects of parking including zoning changes, cash-in-lieu, residential on-street permits, new areas, rate setting, on and off-street operations and ensures support of Official Plan, or Transportation Master Plan, or Traffic and Parking By-law. The lack of such a document leads City Departments, in many cases, to work at cross-purposes to each other. There is a risk that the broader policy items (e.g., zoning changes required, coordination with strategic directions identified in the Official Plan, residential permits), economic/BIA considerations and accountability issues may not be fully addressed.
2. A strategic plan for both the Planning Function and Parking Operations to achieve the strategic objectives does not exist nor is there an implementation plan for parking related initiatives. Goals to be achieved have not been identified, nor have performance measurement indicators been identified.
3. Historically, staff have not been held accountable for attainment of the Parking initiatives in the TMP; although, several initiatives have recently been started to address this oversight.

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4. There is no lead group responsible for the overarching Parking Function and to ensure an appropriate, coordinated and collaborative direction for related initiatives and priorities, budgeting, strategic and operational planning. In addition, there is no unified accountability framework and supporting organizational structure to support responsibilities which overlap existing organizational groups.

Financial Management

1. In general, the financial analysis was found to be a weakness within the Parking Operations Unit. The extent of our analysis was limited due to the nature of the internal Parking Operations Unit information systems. There are many stand-alone documents or information sources but we confirmed that they are not rolled up to a report which is easy to use, explains and facilitates management of the operation. This lack of information reports hinders operations analysis, as it is difficult to isolate various expenses and revenues and the related impact of ongoing changes. While systems and reports required will change significantly if the City replaces all meters with P&D machines in the near future, whether as an in-house operation or outsourced, financial supporting systems and detailed reports will still be required.
2. Based on revenue generated, the City is collecting, on average, fees for two to three hours per weekday per parking space for both on and off-street parking operations. Notwithstanding explanations provided by Parking Operations staff for any discrepancy between revenue collected and available parking [including, reduced localized supply (i.e., hooding due to: special events, construction, vendors, etc.), people not paying at a metered space, disabled parking permits as well as maintenance issues and criminal activity on the part of the public (e.g., meter jammers)] these paid utilization rates¹ may be low, especially given the past occupancy studies and our understanding that there is a general lack of availability of on-street metered spots in commercial areas during regular business hours². Parking staff agree that generated revenues

1 - For purposes of this document “paid utilization rate” is defined as the effective number of hours the space is fully utilized and paid for (utilization can occur without revenue being collected) per day, typically a week day. Of note, some By-ward market spaces and various other spaces across the City that are paid parking six days a week, as well as paid Sunday parking, are in the vicinity of the Civic Hospital. We do recognize that full utilization will never be achieved given the transitional nature of the business and that not everyone parking at a parking meter will provide revenue (either legally as with a Handicapped Permit or illegally by choosing not to pay).

² Refer to 2005 Central Area Parking Study Update – page iii – “West of the Canal parking utilization has continued to increase, with the total public parking utilization in the majority of blocks approaching, or exceeding practical capacity (utilization ratio of 0.90). East of the Canal, parking utilization remains relatively unchanged with the greatest change being a slight decrease in the Friday evening utilization from 0.48 in 1999, to 0.45 in 2005. On-street parking utilization in the Central Area continues to be high, with utilization ratios exceeding practical capacity during all periods studied, reaching as high as 1.04 for Sunday

represent about two to three hours per day of paid parking per spot. Parking Operations should conduct a review of parking occupancy rates against the revenue generated.

3. We note a very positive response to the 29 audit recommendations made in 2006. Staff have invested significant time and effort to making changes; most notably a reorganization of the Cash Collection group of Parking Operations to improve segregation of duties and the development and documentation of detailed written operational processes and procedures. However, processes for analysing, monitoring, exception reporting etc, have not been developed and so the data collected is not sufficiently used to provide direction for improvements, understanding trends and decision making.
4. There is no systematic tracking of meter activity by street, BIA or neighbourhood. There are plans to track this with the expected implementation of a new vault collection and counting system in later 2008. Although there is a record for each on-street P&D machine (located only in the market), it is not monitored. There are no standard reasonableness tests to determine whether cash collected matches norms, expectations, etc.
5. In general, there has not been widespread acceptance of the Parking Card program and revenues are recorded at the time of the card sales rather than as deferred revenue that is drawn down as the cards are used.
6. Some errors were found in the values used and assumptions made in the proposed changes to parking rates and times as well as the Pay and Display analyses presented to Council during the 2008 budget deliberations. These errors were largely due to the same reasons identified in other sections of this report, specifically: issues with the financial accounting structure, weak internal information systems and lack of standard reports. The poor state of good financial structures and reporting required staff to make many broad assumptions in order to offer Council financial projections on parking rate structure and management alternatives.
7. Both the knowledge and use of the financial modules of SAP by Parking Operations staff is very limited. There is a lack of skills sets for the development of information systems and reports within Parking Operations. Existing standard systems within the City do not meet the specific needs of Parking Operations. The information required to effectively and efficiently manage the operation is not readily available.
8. Parking Operations Unit information systems and reports do not provide adequate information for the management of Parking Operations or the Parking Function. While revenues for off-street parking lots are tracked and

afternoons (east of the Canal). Overall, the Central Area is approaching practical capacity for weekday afternoon parking utilization as a result of the increases in parking utilization west of the Canal.”

graphed, reports do not include any narrative or variance analysis to explain unexpected changes in revenue or indicate what action has been taken to investigate discrepancies or changes. On-street revenues are not tracked or graphed and there are no standard management documents that address changes or discrepancies.

9. No formal process exists to ensure reconciliation of revenue to SAP to ensure all revenues are properly recorded.
10. Uncollected routes and/or uncollected monies due to theft and/or defective meters may not be detected as no formal, standard reviews of revenues are in effect to ensure that dollars collected versus the weight of the vault is reasonable based on past experience. In addition, no formal processes to review collection sheets are in place to ensure completeness of revenue received or collected, or to follow up potential problems (e.g., incomplete sheets).

Performance (Value for Money)

1. The cash-in-lieu program is not meeting the original objectives, as defined in the 2003 TMP. Specifically, there is not a correlation between funds collected as “cash-in-lieu” and provision of additional parking nearby by City. Yet, cash-in-lieu, as defined in the 2003 TMP is “a practice permitting developers to pay a charge in lieu of constructing the minimum parking spaces required by zoning regulations, thereby financially enabling the provision of City-owned public parking facilities”. The City’s website states “Cash in Lieu of Parking fees represent the amount of money that it would cost the City if it were to provide and operate each parking space that is exempted. The fees vary, depending on the location of the site and the type of parking associated with the proposed land use.”
2. There are no City and/or municipal objective criteria for determining whether meters should be installed or removed from specific locations. Therefore, it is not possible to determine whether there is compliance.
3. There are no City and/or municipal objective criteria for determining how, when and why parking rates should be adjusted. Therefore, it is not possible to determine whether there is compliance. This issue has been identified for the (ongoing) Parking Management Strategy.
4. City Parking staff have not historically worked closely with BIAs and other community groups; instead City planning staff, have developed closer ties to BIA groups most recently with Neighbourhood Planning Initiatives (NPI) and Community Design Plans (CDP). This is largely due to the nature of repeated interaction and involvement with BIAs on Planning decisions and activities and has resulted in a more developed/mature relationship between Planning staff and BIAs than Parking and BIAs. This is natural and not meant as a

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criticism but reflects the need to build relationships and trust which may be easier achieved through Planning contacts.

5. Again, the lack of a clear Parking Function specific mandate, with supporting policies and procedures, measurable objectives and assigned accountability have resulted in:
 - Inconsistent application of “parking rules and decisions” – zoning, cash-in-lieu, on-street meters, off-street lots, rates, hours, tour buses;
 - Increased time and involvement of Councillors to liaise with BIAs and other interested parties;
 - Council expressed concerns over the accuracy, relevancy, comprehensiveness and completeness of parking related matters presented to them and concerns over the lack of action towards achieving items identified in the 2003 TMP; and,
 - Ineffective, inefficient use of staff and Councillor resources where topics continue to be revisited rather than having a firm direction.

Planning

1. No comprehensive annual operational plans exist for the Parking Function or the Parking Operations group.
2. Parking equipment maintenance is not treated proactively enough. Current Parking meters are vulnerable to malfunctions, vandalism and theft (rigged coin dams) despite an average annual labour cost of \$100 per meter for maintenance and repairs. Management has indicated that the actual cost per meter through SAP was \$59.75 in 2007. Parking meters rely on AA batteries, which are vulnerable especially in cold weather when battery life is reduced. In addition, the City’s P&D and POF equipment is old and outdated with frequent breakdowns and high staff costs associated with frequent maintenance calls. The reactive approach to meter maintenance can leave meters out of order for extended periods of time as the malfunction is not always apparent to the meter collectors. This can result in both a loss of considerable revenue to the City and an increase in parking ticket reversals (at present, a time consuming and expensive process), as well as frustration of the public when meters do not work, and they receive a ticket.
3. Parking meters are not tested regularly to ensure they are working. Meter repairs are driven largely by complaints from the public. Typically complaints are received after citizens receive a ticket while parked at a defective meter. Malfunctioning meters can go undetected for an extended period of time.
4. Annual cost of meter repairs exceeds \$400,000 for labour costs alone (average of \$100/meter). Management has indicated that the actual cost per meter through SAP was \$59.75 in 2007.

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Human Resources

Absenteeism and grievances are low. Overtime is reasonable, and largely due to on-call staff being called in to service the five market POF machines at the two market garages late at night. Staff levels are reasonable. One key position is being kept vacant; staff have managed to compensate and cover the related responsibilities adequately.

Compliance

Procedures for Parking Operations staff are well-documented and communicated to staff. Procedures are in place to facilitate repairs of parking equipment in a timely manner and within the one working day standard for meters and immediately for P&D and POF. However, most procedures are on a reactive, not proactive, basis. Our review of municipal and industry best practices confirmed a well-supported industry supported by public and private interests involved in parking supply and management. No specialized best-practice policies or procedures were evident, although various suppliers and support industries are available to support parking operations generally.

3 STATUS OF IMPLEMENTATION - 2008 OVERALL MANAGEMENT RESPONSE

3.1.1 2008 Overall Management Response

Our proposed parking management strategy and related projects are in strong alignment with the Audit. With respect to parking occupancy rates, we agree that undertaking a comprehensive study on this matter as part of our overall strategy is very beneficial.

3.1.2 Management Representation of Status of Implementation of Overall Management Response

A City-wide study of on-street utilization rates was carried out by iTrans Consulting in June 2009. It is intended that this study will provide baseline data that will be used to compare against revenues on a monthly basis. Since June, the survey data has been consolidated and staff have been in receipt of draft reports. A final report is expected to staff by October 16, 2009.

4 STATUS OF IMPLEMENTATION OF 2008 AUDIT RECOMMENDATIONS

4.1 2008 Audit Recommendation 1

That the City ensure that responsibilities, accountabilities and coordination of all aspects of the Parking Function, including planning related matters (zoning requirements, cash-in-lieu) development matters (new and existing

locations/requirements of on and off-street parking including residential on-street parking) and operational requirements (collections, rate setting, enforcement) be clearly assigned in a manner which ensures a comprehensive and coordinated approach to the Parking Function.

4.1.1 2008 Management Response to Recommendation 1

Management agrees with this recommendation.

Presently, the Planning branch manages the Official Plan, Transportation Master Plan, and Comprehensive Zoning By-law. These documents take into account broad land use issues and serve to set the context and the high-level objectives for the Parking Program.

At its meeting of 13 February 2008, City Council gave the following direction:

“That staff be directed to develop a new city-wide, comprehensive, consolidated parking policy in conjunction with the principles articulated in the Parking Management Strategy and the Transportation Master Plan; and that the policy include parking needs in the zoning by-law, a review of the financial costs to the City of storing cars on city streets versus storing cars on private lots; and

That the study examines on-street parking rates:

- *That vary according to geography; and,*
- *That vary according to time (time of day, day of the week).*

Also, that the terms of reference for this study/review be brought to Transportation Committee for its review and approval prior to being undertaken.”

The Transportation Committee approved the Terms of Reference for the Parking Management Strategy on June 18, 2008 and work is currently underway.

The Parking Management Strategy will be set within the context of the Official Plan and Transportation Master Plan policies and objectives and will outline a framework that will clearly identify responsibilities and accountabilities to ensure a comprehensive and coordinated approach to the parking function. The Parking Management Strategy is scheduled to be presented to Council in Q2 2009.

4.1.2 Management Representation of the Status of Implementation

City Council approved the Municipal Parking Management Strategy on April 22, 2009. Within the strategy, responsibilities and accountabilities have been clearly identified to ensure a comprehensive and coordinated approach to the parking function.

Parking Management: Response % complete as at September 15, 2009 _____ 100%

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4.1.3 Auditor General's Comment on Follow-up

The Municipal Parking Management Strategy outlines at a high level, accountabilities and coordination points. Staff from Parking Operations, Maintenance and Development Branch and Planning and Growth Management have a clear understanding of each other's role and coordination points.

OAG: Response % complete as at September 15, 2009 _____ 100%

4.2 2008 Recommendation 2

- a) That the City ensure that the Parking Management Strategy and related documents currently underway be modified to clearly distinguish between strategic versus operational policies, initiatives and directives.
- b) That Council approve an expanded scope of the PMS to ensure that all aspects of the "Parking Function" are included in the strategy. Accountabilities, objectives, goals, performance indicators and implementation plans for these items should be clearly stated and progress tracked in supporting documents.

4.2.1 2008 Management Response to Recommendation 2

Management agrees with these recommendations.

The Parking Management Strategy will distinguish between strategic versus operational policies, initiatives and directives. It will also address all aspects of the parking function and will identify how parking relates to the different areas that the Planning branch is responsible for such as the Official Plan, Transportation Master Plan, Zoning By-Law, Cash-In-Lieu, etc. Further, it will ensure that there are key accountabilities, objectives and performance indicators that can be tracked and published in regular status reports.

The Parking Management Strategy is scheduled to be presented to Council in Q2 2009. Work will be done in the development of this strategy to ensure that these recommendations are reflected in supporting documents.

4.2.2 Management Representation of Status of Implementation

City Council approved the Municipal Parking Management Strategy on April 22, 2009. The strategy provides direction with respect to which areas within the corporation are responsible for specific roles, and clearly establishes the parking program's overriding principle as well as five key objectives. The strategy also identifies performance measures, which will be put into place and reported on annually, commencing in 2010.

Document 4 of the Municipal Parking Management Strategy differentiates between operational and strategic initiatives and provides timelines for implementation.

Parking Management: Response % complete as at September 15, 2009 _____ **100%**

4.2.3 Auditor General's Comment on Follow-up

The Council approved Municipal Parking Management Strategy addresses these recommendations.

OAG: Response % complete as at September 15, 2009 _____ **100%**

4.3 2008 Recommendation 3

That the City ensure that the Parking Management Strategy and its related implementation be developed with the goal of achieving the strategic objectives identified in the Official Plan and Transportation Master Plan as well as being compatible with the Economic Development initiatives (which reside in the Planning, Transit and Environment Department). These policies and decisions should be considered during Neighbourhood Planning Initiatives (NPI), Community Design Plans (CDP), and in routine consultations with BIAs.

4.3.1 2008 Management Response to Recommendation 3

Management agrees with this recommendation.

The Parking Management Strategy is being developed to ensure that strategic objectives in the Official Plan and the Transportation Master Plan are reflected. These objectives will, in-turn, be reflected in Neighbourhood and Community Design Plans, which are developed using these overriding documents for direction and guidance.

The Parking Management Strategy will be presented to Council for approval in Q2 2009.

4.3.2 Management Representation of Status of Implementation

City Council approved the Municipal Parking Management Strategy on April 22, 2009. Its development coincided with the update of the Transportation Master Plan and both project teams worked together to ensure that the two documents were linked and consistent. On an ongoing basis, the policies identified in the Municipal Parking Management Strategy and updated Transportation Master Plan will be considered during Neighbourhood Planning Initiatives and Community Design Plans, as well as in routine consultations with BIAs related to parking.

Parking Management: Response % complete as at September 15, 2009 _____ **100%**

4.3.3 Auditor General's Comment on Follow-up

The Council approved Municipal Parking Management Strategy references both the Official Plan and Transportation Master Plan as high-level policies, which the

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Municipal Parking Management Strategy must align to. The Municipal Parking Management Strategy further speaks to its principles and objectives being based on the role of the parking program established in the 2008 TMP as well as extensive consultation with BIA, Community Association, church representatives and the general public.

OAG: Response % complete as at September 15, 2009 _____ 100%

4.4 2008 Recommendation 4

That Traffic and Parking Operations Branch develop a monthly Parking Operations Unit standard report which highlights revenue from all sources (off-street facilities by lot, on-street by P&D and meters preferably by major neighbourhood), for month, year-to-date actual, and budget. This must be supported by detailed narrative to address variances, issues, lessons learned, etc., and distributed to the director level for review and approval. The data source should either be SAP or a document, which is reconciled routinely to SAP.

4.4.1 2008 Management Response to Recommendation 4

Management agrees with this recommendation.

Staff are currently preparing a series of reports that reflect revenues from all sources. Once finalized, this information will be provided to senior management on a monthly basis. These reports require coordination between several sources and will be established by Q2 2009.

New reporting will supplement and improve upon the information that is currently being prepared. Staff currently prepare a series of reports that reflect all on-street revenues collected by day and by zone as well as all revenues and expenses for off-street parking facilities. In addition, staff training is underway which will enable staff to undertake financial analysis and reconciliation to the extent that is identified in the Auditor's report.

Further, realty taxes and Lot 6 third party service provider costs have been adjusted for 2008 and future budgets in response to issues identified in the report.

4.4.2 Management Representation of Status of Implementation

Extensive work has been undertaken by staff from Parking Operations, Maintenance and Development (POMD) and the Financial Services Unit to identify reporting requirements. From this process, templates have been developed and forwarded to SAP staff. The resulting reports are expected to be available for senior management use by the end of 2009. The intent is that these reports will represent part of POMD's financial statements and will be included in the forthcoming annual reports commencing in 2010.

Parking Management: Response % complete as at September 15, 2009 _____ 75%

4.4.3 Auditor General's Comment on Follow-up

We undertook to assess the Branch's progress against management's Status of Implementation assessment as at September 15.

At the time of the review, Parking Operations, Maintenance and Development Branch could not provide the auditor with any of the draft templates, which management indicated were to have been reviewed by the FSU, and forwarded to members of the SAP team.

At the end of the audit, management provided only one template. This one template does not represent extensive work. It is an initial attempt at capturing information from various sources (on-street, meter, tour bus, smart card, etc.) that requires further refinement. For example, detailed narrative to address variances, issues, lessons learned, etc., have not been built into the template. The template reports revenues as a whole and not by major neighbourhood. No other documentation was provided.

OAG: Response % complete as at September 15, 2009 _____ 25%

4.4.4 Management Response on the OAG Assessment

With respect to recommendation 4, staff agree with the Auditor's assessment of the level of completeness following further consideration.

4.5 2008 Recommendation 5

That Traffic and Parking Operations Branch ensure that Parking Operations Unit begin tracking paid utilization rates and explain variances in a monthly report.

4.5.1 2008 Management Response to Recommendation 5

Management agrees with this recommendation.

Currently, staff selectively track utilization rates as part of the ongoing management and monitoring of our parking systems. With the implementation of Pay and Display machines, tracking of revenue and utilization rates will be carried out on a regular basis and monthly reports will be generated.

The Pay and Display procurement process will require Council approval in order to proceed. A report seeking this approval will be presented to Council in Q2 2009 with expected implementation in Q1 2010 if approved.

4.5.2 Management Representation of Status of Implementation

The implementation of Pay and Display technology in 2010 will result in improved regular reporting of revenue and tracking of paid utilization rates. Paid and unpaid utilization rates will continue to be monitored on an ongoing basis and when required, surveys of individual paid parking areas will be undertaken.

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The catalyst for these surveys could be an observed change in parking utilization, an apparent discrepancy between revenue and utilization, or a sudden change in revenue collected from the area. These processes will be clearly defined prior to the full implementation of the Parking Operations System. Local area parking studies will also provide data to assist in the monitoring of utilization rates.

The Pay & Display - Ottawa Option procurement results report will be tabled at the December 2, 2009 Transportation Committee meeting.

Parking Management: Response % complete as at September 15, 2009 _____ *50%*

4.5.3 Auditor General's Comment on Follow-up

POMD Branch has commissioned a City-Wide Parking Occupancy Study, which was finalized in October 2009.

Management's Status of Implementation assessment (above) speaks to carrying out the Pay and Display technology procurement and implementation. In their request for proposal, POMD Branch have requested that reporting requirements for the new Pay and Display system be incumbent on the successful contractor. POMD have both required a number of reports as well as the capability to generate ad-hoc reports.

The implementation of this recommendation cannot be fully assessment for the new P&D until the system is purchased, implemented, tested, and reports generated. Management advised that a report will be going to Council on December 9, 2009. It should be noted that management anticipate starting the Pay and Display technology implementation in Q1 2010, however, it will take some time for the Branch to fully replace the present meters system by P&D machines.

At this time, monthly reports of variances on our current utilization rates are not done. The only variances being identified by the Branch relate to the weight at pick-up versus drop off indicated on the daily collection sheets. These are not reported on through monthly report. For the most part, collection sheet with variances in weight greater than 0.5 lb did not offer any explanation or any details that a review or action had been undertaken. In addition and as further elaborated on in our assessment of recommendation 7, the current review of daily collection sheets needs tightening.

OAG: Response % complete as at September 15, 2009 _____ *50%*

4.6 2008 Recommendation 6

That Traffic and Parking Operations Branch develop new Parking Operations Unit collection routes which address both a four and five day collection schedule and focus on collecting from the busiest routes most frequently; this may result in collections from some routes less frequently than is currently done, especially during weeks with statutory holidays.

4.6.1 2008 Management Response to Recommendation 6

Management agrees with this recommendation and this practice is currently in place.

Traffic and Parking Operations will continue to look for efficiencies and improvements to the collection schedule to ensure that the busiest routes are collected when needed and the less busy routes are collected less frequently. At the same time, it is important to ensure any system allows for the continuation of proactive monitoring of all parking meters to address problems as they arise as efficiently as possible. The data acquired through these regular collections forms part of a historical database that is used to monitor trends and forecast year-end revenue expectations.

New collection routes will be developed when Pay and Display machines are implemented. Due to the increased availability and detail of financial and maintenance information through automatic means, the acquisition of this data through regular collections will no longer be required. The frequency of the new collection routes would then be directly tied to the utilization of the machine. The implementation of Pay and Display technology is expected to occur Q1 2010 pending Council approval.

4.6.2 Management Representation of Status of Implementation

Consistent with the Auditor's recommendation, collection routes have been amended to better reflect the use of meters.

Management will look for further efficiencies and improvements to the collection schedule on an ongoing basis.

Parking Management: Response % complete as at September 15, 2009 _____ **100%**

4.6.3 Auditor General's Comment on Follow-up

We reviewed 50 daily collection sheets for the period July to September 2009. Modifications to the frequency of collection of routes with lower utilization levels were noted. Management have also indicated that they are reviewing a reduction in meter rates or removal of specific meters in low revenue areas.

In addition, management advised that once the new Pay and Display technology is implemented the branch will be advised electronically when collection of specific P&D machine is required.

OAG: Response % complete as at September 15, 2009 _____ **100%**

4.7 2008 Recommendation 7

That Traffic and Parking Operations Branch ensure that all Parking Operations Unit collection sheets indicate the routes collected and in cases where there are no collections, identify special circumstances which would contribute to lower

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dollars collected (e.g., construction or hooding) as well as document alternate procedures (e.g., spare vaults used) with the reason noted on the collection sheet.

4.7.1 2008 Management Response to Recommendation 7

Management agrees with this recommendation.

Procedures for this practice are already in place. Staff review collection sheets on a weekly basis to audit the weight of the vaults and review any abnormalities that may be present in the specific collection route. Going forward, anomalies will be tracked and recorded consistently on the monthly revenue comparison sheets.

Once Pay and Display machines are implemented, the collection process will change and machines that do not require collection due to construction or hooding will not be collected.

The Pay and Display procurement process requires Council approval to proceed. A report seeking this approval will be presented to Council in Q2 2009 with expected implementation in Q1 2010 if approved.

4.7.2 Management Representation of Status of Implementation

All collection sheets are reviewed by management to ensure the weights-in and weights-out correspond. Comments are now clearly identified on the collection sheets when collection areas are skipped due to construction, low usage, etc.

Parking Management: Response % complete as at September 15, 2009 _____ **100%**

4.7.3 Auditor General's Comment on Follow-up

We reviewed 50 collection sheets for the period July to September 2009. Collections sheets were found to address the recommendations in that they identified hoodings, reasons for non-collection (e.g., construction, low revenue area, resource issues, weather, etc.). However, additional attention to ensuring that the weight-in and weight-out summary sheet highlighting variances accompanies the collection sheets package and that explanations for any variances greater than the standard 0.5 lb established by the Branch is documented, is required.

OAG: Response % complete as at September 15, 2009 _____ **100%**

4.8 2008 Recommendation 8

That Traffic and Parking Operations Branch ensure that new Pay and Display machines track the outstanding value of Smart Cards.

4.8.1 2008 Management Response to Recommendation 8

Management agrees with this recommendation.

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As part of the Pay and Display procurement process, the City has set out minimum standards to ensure that any new Pay and Display machine can track the outstanding value of Smart Cards.

The Pay and Display procurement process requires Council approval to proceed. A report seeking this approval will be presented to Council in Q2 2009 with expected implementation in Q1 2010 if approved.

4.8.2 Management Representation of Status of Implementation

A new parking card program will be introduced with the implementation of Pay and Display technology in 2010. As part of the Ottawa Option procurement process for a Parking Operations System, the City has required that the successful contractor be able to track the outstanding values of these cards.

On April 22, 2009, City Council directed staff to proceed with a Request for Submissions document, which contained detailed minimum specifications concerning all aspects of the Parking Operations System. Included in these was the following requirement (within Schedule 3):

1.4.3 Any payment in respect of the stored monetary value on the Parking Smart Card (PSC), whether the initial value or to increase the stored value on the cards, shall be paid to the City – and any refunds shall similarly be deducted from payments to the City. Revenue reports will note the PSC cards as a separate payment method and show the amount of deposits that relate to adding value to cards, the amount deducted for refunds and the amount of value used to pay for parking.

Prior to full implementation of Pay and Display technology, the City will carry out the requisite testing to ensure that the contractor is providing machines and a back office system that is compliant with this specification.

The Pay & Display - Ottawa Option procurement results report will be tabled at the December 2, 2009 Transportation Committee meeting.

Parking Management: Response % complete as at September 15, 2009 _____90%

4.8.3 Auditor General's Comment on Follow-up

Parking Operations, Maintenance and Development Branch have requested that the technology track the outstanding value of smart cards. However, until Council approves the procurement, that the City purchases, implements and tests the technology the recommendation cannot be fully implemented.

OAG: Response % complete as at September 15, 2009 _____75%

4.8.4 Management Response on the OAG Assessment

With respect to recommendation 8, the Branch remains of the opinion that the progress of the procurement process to-date together with the very clearly

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identified and binding system requirements corresponds to a higher level of completeness.

4.9 2008 Recommendation 9

That the City, as part of the Cash-in-Lieu Policy review currently underway, consider reverting to the original intended use of cash-in-lieu funds generated (i.e., being used only for the provision of parking spaces) ideally in the same area as applicant property.

4.9.1 2008 Management Response to Recommendation 9

Management agrees with the recommendation.

The consideration of 'reverting to the original intended use of cash-in-lieu funds generated' will form part of the report to Committee and Council as part of the Cash-in-Lieu Policy review currently underway in the Planning branch. Parking Operations will play a key role in the review of the Cash-in-Lieu Policy. Timelines for the Policy review are as follows:

- | | | |
|------|--|---------|
| i. | Consultation with stakeholders | Q1 2009 |
| ii. | Report on options to Planning and Environment Committee (PEC) and Council for identification of preferred option | Q2 2009 |
| iii. | Consultation on preferred option | Q2 2009 |
| iv. | Report to PEC and Council on results of consultation, including implementation strategy and financial implications | Q3 2009 |

4.9.2 Management Representation of Status of Implementation

Planning and Growth Management are committed to completing work on the process by the end of 2009. Additional work is still required to finalize the approach, following which further stakeholder consultation is required. Once this work is finalized, staff will bring forward a report to Committee and Council in Q1 2010 with recommendations for a revised Cash-in-lieu Policy.

PGM: Response % complete as at September 15, 2009 _____ **50%**

4.9.3 Auditor General's Comment on Follow-up

In 2007 Planning and Environment Committee directed Planning and Growth Management's (PGM) to review the cash-in-lieu of parking process. On June 24, 2008, Planning and Growth Management provided Planning and Environment

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Committee with an information report outlining the background and approach of the review.

We assessed PGM's progress against the timeline that they provided in their original response.

Management indicated that they had consultations with stakeholders in January 2009 (phase i.) and that they were presently working on determining a preferred option. Per the timeline provided, Management had originally intended to report back to the Planning and Environment Committee and Council on results for identification of the preferred option (phase ii.). However, we understand that they are no longer planning to do this and are anticipating carrying out further consultations with stakeholders on a preferred option in December 2009 (phase iii.). At the time of this review, PGM reported that they were now planning that following the December 2009 consultations they would provide PEC and Council a report in Q1 2010 on the results of the consultations, including implementation strategy and financial implications (phase iv.).

In October 2009, Planning and Growth Management had not identified a preferred option and were found to have completed only one consultation with stakeholder (phase i.). In our opinion, Planning and Growth Management should follow the original process they had established and report back on options to PEC and Council for identification of preferred option prior to holding a second series of consultations.

OAG: Response % complete as at September 15, 2009 _____ *25%*

4.9.4 Management Response on the OAG Assessment

With respect to recommendation 9, staff have proceeded in accordance with the process identified in the Review of the Cash-in-Lieu of Parking Process information report that was received by Planning and Environment Committee (PEC) on July 8, 2008. Whereas the Management Response to recommendation 9 identified an intermediary report to PEC regarding the identification of a preferred option, this was not part of the process that was originally received by PEC. This was an additional component to the process that is no longer being contemplated. As a result, Planning and Growth Management remains of the opinion that the work completed to-date corresponds to higher level of completeness relative to the entire task that was required in the July 8, 2008 report.

4.10 2008 Recommendation 10

That Traffic and Parking Operations Branch re-evaluate Parking Operations Unit current inventory of surface lots with the view towards divesting of surface lots which do not satisfactorily assist in meeting Council approved desired goals.

4.10.1 2008 Management Response to Recommendation 10

Management agrees with this recommendation.

A review of the inventory of surface lots will be initiated upon the completion of the Parking Management Strategy, which is scheduled to be presented to Council for approval in Q2 2009.

The evaluation of any particular surface lot requires a comprehensive local area study to evaluate the short, medium and long-term parking supply and demand scenarios. The areas where surface lots exist will be assessed on this basis and a determination will be made with respect to their viability relative to Council approved desired goals.

4.10.2 Management Representation of Status of Implementation

City Council approved the Municipal Parking Management Strategy on April 22, 2009. The strategy states the principles of the parking program and identifies the tools and the direction required to specifically address this issue. Within the strategy, there is the requirement for comprehensive local area studies to ensure an appropriate supply of public parking.

A list of potential study areas has been established and this list will be prioritized based on criteria, the framework for which is currently under development. As areas are studied, both on-street and off-street parking will be assessed and should there be a business case to divest a property, it will be determined at that stage.

Once the development of the framework for this process is completed, staff will move forward with the implementation of local area parking studies sequentially according to how each area was prioritized. This will represent an ongoing process, as it will take a number of years to fully consider the current inventory of surface lots.

The Municipal Parking Management Strategy provides a budget to conduct two local area parking studies per year. The first two were approved by Council and are currently underway. These are expected to be substantially complete by the end of Q1 2010.

The City of Ottawa currently has 11 surface lots, none of which are located in the areas where local area parking studies are currently underway. As such, the actual process to re-evaluate each surface lot is yet to commence.

Parking Management: Response % complete as at September 15, 2009 _____ 75%

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4.10.3 Auditor General's Comment on Follow-up

The Branch is presently developing a framework for Local Area Parking studies. It should be noted that their assessment relates to the development of this framework and not specifically to carrying out the recommendation as a whole. As stated by management in their assessment, none of the planned parking studies are located in the areas where the City's 11 surface lots are located and as such the actual process to re-evaluate these has not been undertaken nor has a timeline for these studies been determined.

The OAG is of the opinion that the development of the Municipal Parking Management Strategy and Standard Local Area Parking Study Terms of Reference and study assessment forms are tools to be used in order to implement the recommendation. The Council approved Municipal Parking Management Strategy makes provisions for local area studies to be performed. Only after all studies are carried-out will the Branch have a holistic view of the City's parking supply (on-street, off-street, metered, etc.). With carrying out two studies each year, it will take a fair number of years before the Branch satisfies this recommendation.

OAG: Response % complete as at September 15, 2009 _____ *25%*

4.10.4 Management Response on the OAG Assessment

The Parking Operations, Maintenance and Development Branch remains of the opinion that the development of the framework corresponds to a higher level of completeness.

4.11 2008 Recommendation 11

That Traffic and Parking Operations Branch re-evaluate Parking Operations Unit current inventory of on-street parking, including On-street Residential Permits, to ensure it complies with the new Parking Management Strategy, once developed.

4.11.1 2008 Management Response to Recommendation 11

Management agrees with this recommendation.

A review of on-street parking, by area, will be undertaken upon the completion of the Parking Management Strategy, which is scheduled to be presented to Council for approval in Q2 2009.

4.11.2 Management Representation of Status of Implementation

City Council approved the Municipal Parking Management Strategy on April 22, 2009. The strategy states the principles of the parking program and identifies the tools and the direction required to specifically address this issue. Within the

strategy, there is the requirement for comprehensive local area studies to ensure an appropriate supply of public parking.

A list of potential study areas has been established and this list will be prioritized based on criteria, the framework for which is currently under development. As areas are studied, both on-street and off-street parking will be assessed.

Once the development of the framework for this process is completed, staff will move forward with the implementation of local area parking studies sequentially according to how each area was prioritized. This will represent an on-going process, as it will take a number of years to fully consider the current inventory of on-street paid parking.

The Municipal Parking Management Strategy provides a budget to conduct two local area parking studies per year. The first two were approved by Council and are currently underway. These are expected to be substantially completed by the end of Q1 2010.

Parking Management: Response % complete as at September 15, 2009 _____ 75%

4.11.3 Auditor General's Comment on Follow-up

The Branch is presently developing a framework for Local Area Parking studies. It should be noted that their assessment relates to the development of this framework and not specifically to carrying out the recommendation as a whole. As stated by management, two studies (ByWard Market and Rideau) are currently underway. The Council approved Municipal Parking Management Strategy makes provisions for local area studies to be performed. Two studies are currently undertaken with an additional two planned for 2010.

As stated in the previous recommendation, the OAG is of the opinion that the development of the Municipal Parking Management Strategy and Standard Local Area Parking Study Terms of Reference and study assessment forms are tools to be used in order to implement the recommendation. Only after all studies are carried-out will the Branch have a holistic view of the City's parking supply (on-street, off-street, metered, etc.). With carrying out two studies each year, it will take a fair number of years before the Branch satisfies this recommendation.

OAG: Response % complete as at September 15, 2009 _____ 25%

4.11.4 Management Response on the OAG Assessment

The Parking Operations, Maintenance and Development Branch remains of the opinion that the development of the framework corresponds to a higher level of completeness.

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4.12 2008 Recommendation 12

That the City work with local Business Improvement Areas (BIAs) to develop parking rate strategies including considering allocating revenues collected within the BIA, Neighbourhood or Ward in which the funds are collected, to further buy-in by the local community.

4.12.1 2008 Management Response to Recommendation 12

Management agrees with this recommendation.

Staff have set up internal and external working groups as part of the development of the Parking Management Strategy, which will be presented to Council for approval in Q2 2009. Members of these working groups include representatives from area BIAs, community and church groups, business associations, motorcycle and scooter representatives and others. The Parking Management Strategy will address the allocation of revenues.

4.12.2 Management Representation of Status of Implementation

City Council approved the Municipal Parking Management Strategy on April 22, 2009 and within it is a rate setting guideline. This guideline will be applied as local area parking studies are undertaken (per the strategy). Other outcomes of the Municipal Parking Management Strategy include a contribution of up to \$5,000 annually to each BIA that has paid parking. This is to be used towards implementing parking-related initiatives. Additionally, a Parking Reserve Fund was identified in the Municipal Parking Management Strategy and has been established. This will result in all net revenue from the parking program to be used towards parking-related or TDM-related issues.

Through the development of the Municipal Parking Management Strategy, local stakeholders (including BIAs) were extensively consulted and involved in the development process.

Parking Management: Response % complete as at September 15, 2009 _____ **100%**

4.12.3 Auditor General's Comment on Follow-up

A number of BIAs have been consulted as part of the development of the Municipal Parking Management Strategy. In addition, three BIA representatives sit on the Parking Stakeholder Consultation Group. We understand from management that their role is to identify issues, share information (e.g., minutes of PSCG) and gather other BIAs feedback and viewpoints. At the time of this review, two PSCG meetings had taken place with a third planned for Q1 2010.

In relation to parking rate setting, it should be noted that concurrence from the BIA (in addition to the ward Councillor and the Community Association) is required before staff can modify on-street public parking rates, hours and locations.

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Lastly, on April 22, Council approved annual grants of up to \$5,000 per BIA that has metered parking.

OAG: Response % complete as at September 15, 2009 _____ 100%

4.13 2008 Recommendation 13

That the Parking Operations Unit maintenance staff of the Traffic and Parking Operations Branch endeavour to spend additional time testing and conducting proactive maintenance on parking machines in high traffic areas to detect and correct malfunctions in meters as soon as possible.

4.13.1 2008 Management Response to Recommendation 13

Management agrees with this recommendation.

Parking Operations currently has in place a proactive maintenance management program for both on-street and off-street equipment. The program includes over 31 maintenance plan elements with over 1,129 activities that address key operating components. Staff continually strive to improve our proactive maintenance activities and techniques to ensure that less time and money is spent on maintenance and that there is an ongoing reduction in the number of calls from the public regarding equipment malfunctions. This proactive approach has already resulted in a 37% reduction in calls related to equipment malfunctions between 2003 and 2007.

Staff will endeavour to further improve upon these results through the establishment of scheduled testing protocols on parking equipment in high traffic areas that will test coin discrimination, battery levels and Parking Card acceptance. The implementation of these protocols will focus on parking equipment in high traffic areas. Monthly reports will be prepared as a result of these tests and will be tracked to monitor any lifecycle issue with the different components. This initiative will be implemented in Q2 2009.

The implementation of Pay and Display machines (expected Q1 2010) will assist staff in identifying problems sooner, as the machine will be able to communicate problems wirelessly to a PDA or cell phone as they occur.

4.13.2 Management Representation of Status of Implementation

Testing protocols are in place and work has been completed on the development of the corresponding reports. What remains to be completed is the consolidation of these reports into a concise document that will provide a streamlined and effective overview of the testing results. This process is expected to be concluded by the end of 2009. These testing protocols involve systematic audits of 15-20 parking meters per day in high traffic areas. This ensures a high percentage of coin discrimination, helps to monitor battery levels and ensures continuing Parking Card acceptance.

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Parking Management: Response % complete as at September 15, 2009 _____ 75%

4.13.3 Auditor General's Comment on Follow-up

Management informed us that starting in March 2009, Parking Operations, Maintenance and Development Branch staff have commenced a program to randomly verify parking meters for coin acceptance in high volume areas. The collected data is entered on a spreadsheet. Management further advised us that any meters found not to be performing to a 98% accuracy are sent for recalibration and cleaning. Starting in October 2009, we were informed that this data is being entered into an Access database and that this new format has the functionality of automating calls for meters servicing to be entered into the SAP maintenance calls. For this to happen, count data entered needs to: meet selected criteria, which we were informed, are to be locked down so that the person entering the data cannot change these values; and, that the staff does not select the "ignore problem" box. At the time of our review, only one run of the Access database had taken place. Management further advised that it is their intention to have the Maintenance Planner run a report, on a weekly basis, for all meters that required work to be done as a result of the rolling audit to ensure that the work has been completed. Running an additional report of all problems meter(s) where the ignore problem box was selected, may also be beneficial.

It should be noted that the future implementation of a Pay and Display technology will render this process obsolete and that a different process will be required for maintenance of P&D machines.

OAG: Response % complete as at September 15, 2009 _____ 75%

4.14 2008 Recommendation 14

That Traffic and Parking Operations Branch work with their FSU, once a decision is made as to how to proceed with the use of P&D machines, to develop standard monthly reports to ensure they are managing the operations effectively and to ensure that any contracted work meets contractual obligations.

4.14.1 2008 Management Response to Recommendation 14

Management agrees with this recommendation.

Upon the conclusion of the procurement process for Pay and Display machines, appropriate processes and reports will be established to enable the City to properly monitor the performance of the system as well as the contractual obligations of the successful proponent. This action will coincide with the expected implementation of the Pay and Display machines in Q1 2010.

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4.14.2 Management Representation of Status of Implementation

As of September 15, 2009, the procurement process for a Parking Operations System to be based on Pay and Display technology had not been concluded. The requirement for proper reports has been identified; however the reports and processes themselves have not been fully developed. The Pay & Display - Ottawa Option procurement results report will be tabled at the December 2, 2009 Transportation Committee meeting. At that point, Council will direct staff on how to proceed with respect to the finalization of the Parking Operations System Agreement and appropriate processes and reports will be established. This will be completed prior to the full implementation of the Parking Operations System and Pay and Display technology in 2010.

Parking Management: Response % complete as at September 15, 2009 _____ **10%**

4.14.3 Auditor General's Comment on Follow-up

The OAG concurs with management assessment.

OAG: Response % complete as at September 15, 2009 _____ **10%**

4.15 2008 Recommendation 15

That Traffic and Parking Operations Branch develop a proactive and cost effective approach to maintenance of parking machine inventory (parking meters, P&D, POF).

4.15.1 2008 Management Response to Recommendation 15

Management agrees with this recommendation.

Parking Operations currently has in place a proactive maintenance management program for both on-street and off-street equipment. The program includes over 31 maintenance plan elements with over 1,129 activities that address key operating components. Staff continually strive to improve our proactive maintenance activities and techniques to ensure that less time and money is spent on maintenance and that there is an ongoing reduction in the number of calls from the public regarding equipment malfunctions. This proactive approach has already resulted in a 37% reduction in calls related to equipment malfunctions between 2003 and 2007.

Staff will endeavour to further improve on these results through the establishment of scheduled testing protocols on parking equipment in high traffic areas that will test coin discrimination, battery levels and Parking Card acceptance. The implementation of these protocols will focus on parking equipment in high traffic areas. Monthly reports will be prepared as a result of these tests and will be tracked to monitor any lifecycle issue with the different components. This initiative will be implemented in Q2 2009.

The implementation of Pay and Display machines (expected in Q1 2010) will assist staff in identifying problems sooner, as the machine will be able to communicate problems wirelessly to a PDA or cell phone as they occur.

4.15.2 Management Representation of Status of Implementation

An approach has been developed which is comprised of established testing protocols and reporting mechanisms. This approach includes systematic audits of 15-20 parking meters per day in high traffic areas.

While the reporting mechanisms have been identified, the consolidation of the reports into a concise document is yet to be completed. It is expected that these reports will be available by the end of 2009.

Parking Management: Response % complete as at September 15, 2009 _____ **100%**

4.15.3 Auditor General's Comment on Follow-up

Management has provided its program of over 31 maintenance plan elements that address the key-operating component. However, as noted by management in their assessment of Status of Implementation consolidation of reports into a concise document is anticipated by year-end.

OAG: Response % complete as at September 15, 2009 _____ **90%**

4.15.4 Management Response on the OAG Assessment

It is the Parking Operations, Maintenance and Development Branch's opinion that the recommendation has been fully satisfied. The recommendation calls for the development of "a proactive and cost effective **approach** to maintenance of parking machine inventory". That approach is in place. The reporting that is referenced is something that is being done over and above what was required by the recommendation.

4.16 2008 Recommendation 16

That Traffic and Parking Operations Branch develop operational protocols and best practices to which they will aspire and against which they will be measured. This document, approved by Council, should include various Performance Measurement outcomes against which the Unit's performance can be measured and published.

4.16.1 2008 Management Response to Recommendation 16

Management agrees with this recommendation.

Parking Operations currently follows core policies and procedures that guide activities and maintenance schedules in order to reduce downtime for parking meters, pay and display machines, pay on foot machines and other parking equipment. There are also programmed maintenance schedules for parking

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structures and lots. Presently, a Performance Measurement Framework is being developed within Traffic and Parking Operations that will review service-specific outcomes as well as the establishment of performance measures and targets. It is anticipated that this initiative will be finalized and implemented by Q3 2009. This will be presented to Council as part of the Strategic Branch Review in 2010.

Also to be undertaken is the development of an Operation Protocol and Best Practices document that will amalgamate existing operational procedures into one overall guiding document. This document will also be completed by Q3 2009.

4.16.2 Management Representation of Status of Implementation

Work is ongoing to develop a Performance Measurement Framework for Parking Operations, Maintenance and Development. It is expected that the Performance Measurement Framework will be completed by the end of Q1 2010.

It is identified that the Operational Protocol and Best Practices document is heavily dependent on the outcome of the pending procurement for a Parking Operations System and Pay and Display technology. Following Council direction in December 2009, staff will continue with the development of this document and will ensure it is completed prior to the full implementation of the Parking Operations System and Pay and Display technology in 2010

Parking Management: Response % complete as at September 15, 2009 _____ **50%**

4.16.3 Auditor General's Comment on Follow-up

The OAG concurs with management assessment.

OAG: Response % complete as at September 15, 2009 _____ **50%**

4.17 2008 Recommendation 17

That Traffic and Parking Operations Branch develop a mechanism to ensure that Council initiated directives are achieved and reported to Council. In the event these initiatives will not be achieved within a reasonable timeframe, the information should be communicated to Council.

4.17.1 2008 Management Response to Recommendation 17

Management agrees with this recommendation.

There is currently a corporate-wide coordinated effort underway to improve the tracking of City Council initiated directives. Traffic and Parking Operations is active in this respect and will have an internal process in place by Q4 2008.

4.17.2 Management Representation of Status of Implementation

In June 2009, the commitment tracking procedure was finalized for Parking Operations, Maintenance and Development. This procedure, along with a corresponding tracking tool are intended to ensure that there is an accurate,

complete and updated record of all POMD obligations that relate to Standing Committee and/or Council direction, and to ensure that timely follow-up and resolution is achieved in all cases.

The procedure clearly identifies the types of commitments to be tracked, the practises that form the basis for the procedure and the roles and responsibilities that are incumbent on different POMD staff.

Parking Management: Response % complete as at September 15, 2009 _____ **100%**

4.17.3 Auditor General's Comment on Follow-up

The OAG concurs with management assessment. A Commitment Tracking Procedure was approved and became effective on July 31, 2009. The procedure outlined the purpose, types of commitments to be tracked, practices, responsibilities as well as monitoring. As at October 26, 2009, 56 items had been summarized/captured in the Commitment Tracking Tool of which 26 were completed. Management informed us that it is planned that Council and Committee minutes dating prior to July 2009 will be reviewed, as resources permits.

As the Commitment Tracking Tool had only been in use for three months at the time of our review, we could not assess that information on initiatives that will not be achieved within a reasonable timeframe were communicated to Council. Management advised us that there were none at this time.

OAG: Response % complete as at September 15, 2009 _____ **100%**

5 SUMMARY OF THE LEVEL OF COMPLETION

The table below outlines our assessment of the level of completion of each recommendation as at September 15, 2009.

SUMMARY OF THE LEVEL OF COMPLETION

CATEGORY	PERCENT COMPLETE	RECOMMENDATIONS	# OF RECS.
LITTLE OR NO ACTION	0 – 24	R14	1
ACTION INITIATED	25 – 49	R4, R9, R10, R11,	4
PARTIALLY COMPLETE	50 – 74	R5, R16	2
SUBSTANTIALLY COMPLETE	75 – 99	R8, R13, R15	3
COMPLETE	100	R1, R2, R3, R6, R7, R12, R17	7

6 CONCLUSION

It should be noted that phase III of the corporate reorganisation in October 2008 saw the Traffic and Parking Operations Branch dissolved and the establishment of the present Parking Operations, Maintenance and Development (POMD) Branch.

Branch undertakings of note include the April 2009, Council approved Municipal Parking Management Strategy; and, the October 2009 City-Wide Parking Occupancy Study which examined June 2009 utilization rates. Additionally, in a relatively short period of time, the Branch has fully or substantially completed the implementation of 10 of the 17 proposed recommendations, which is a very positive indicator of their commitment.

The primary area of remaining risk rests with costs and collection of revenues. The original audit identified that on-street revenues could be considered lower than might be expected based on past occupancy studies. It also highlighted that the Branch had minimal routine financial reports. Management have strongly indicated that the new Pay and Display (P&D) technology planned to be implemented in Q1 2010 will alleviate many of these concerns. However, until this technology is implemented and tested, some of the recommendations cannot be fully addressed. In addition, although management anticipate starting implementation of Pay and Display technology in Q1 2010, it may take some time for the Branch to fully replace the present meters system with P&D machines. Management indicated that they expect that they would be able to complete the replacements within six months of the start of implementation.

We were unable to substantiate management's representation that extensive work had been undertaken by POMD and Finance Department staff to identify revenue-reporting requirements. Although management indicated in the status of implementation assessment that "templates have been developed and forwarded to SAP staff" only one template could be provided at the end of our fieldwork. While work has been initiated, additional efforts are required.

We observed that additional work is also required to complete the review of the cash-in-lieu of parking process requested by the Planning and Environment Committee in 2007. Management had originally identified that they would report back to the Planning and Environment Committee and Council on results of consultation, including implementation strategy and financial implications, in Q3 2009, however in October 2009, the Planning and Growth Management Department had not identified a preferred option and were found to have only completed the initial consultations with stakeholder phase.

The Municipal Parking Management Strategy makes provisions for local area studies to be performed. Once completed, these studies will provide the Branch with a holistic view of the City's parking supply (on-street, off-street, metered, etc.). At present, two local studies are being carried out, with an additional two planned for 2010. By carrying out two studies each year, it will take a number of years before the Branch is able to review the appropriateness of its current inventory of surface lots and on-street parking, including on-street residential permits.

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Overall, sound progress has been made in a relatively short period of time towards developing the tools, frameworks and strategies needed to implement the 2008 Audit of the Parking Function's recommendations. Efforts are still required in various areas, however the OAG is satisfied that the advancements made, have and will continue to, serve to enhance the management of the City's parking function.

This interim follow-up was done at Council's request and completed earlier than our Office normally undertakes follow-ups. Notwithstanding, the OAG plans to conduct a further follow-up once the Branch has had the opportunity to implement new technologies and perform local area parking studies.

7 ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

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