

December 12, 2018

To: Members
Community & Protective Services Committee

Re: University of Regina Parking Ticket Administration & Revenue Agreement

RECOMMENDATION

1. That the Executive Director, City Services, be delegated the authority to negotiate and approve an up to one-year agreement with the University of Regina (University) for the administration, collection and prosecution of parking tickets issued at the University.
2. That the City Clerk be authorized to execute the agreement on behalf of the City after review by the City Solicitor.
3. That this report be forwarded to the December 17, 2018 meeting of City Council for approval.

CONCLUSION

The City of Regina (City) has provided parking ticket administration and prosecution services to the University of Regina since 2001. Under this arrangement, the University is responsible for issuing tickets and the City is responsible for the administration and prosecution of the tickets. The current agreement expires on December 31, 2018. The University is currently acquiring technology that will enable them to undertake this work in house however until the technology is implemented both parties are interested in continuing the partnership.

The purpose of this report is to seek approval to continue the agreement in 2019. The new agreement will not have any substantial changes from the previous contract. The proposed term of the agreement is one year; however, the contract has a clause that allows either party to terminate the agreement early with 90 days of notice.

BACKGROUND

Since 2001, the City has had an agreement with the University for parking ticket administration and prosecution services. Under *The University of Regina Act*, the University is empowered to establish bylaws regulating and governing parking of vehicles on the University campus and to enter into an agreement for the processing of Notice of Violations (tickets) issued under the bylaw. This agreement is for tickets that are issued for a violation of the University of Regina Parking Bylaws.

The Regina Administration Bylaw requires that revenue agreements with a value greater than \$100,000 per year require the approval of City Council.

DISCUSSION

The current agreement for parking ticket administration and prosecution services with the University expires on December 31, 2018.

Under the existing agreement, the City retains all parking ticket fine revenue collected, less a payment of \$7.03 for each ticket issued unless cancelled by the University in exchange for the administration and prosecution of tickets issued at the University. This agreement generates approximately \$400,000 in gross revenue annually with approximately \$100,000 paid back to the University in commissions.

The University has advised Administration that it wishes to terminate the agreement in 2019, as a result of internal capacity that is being established to bring the services in house. As such, Administration is proposing a one-year term for this agreement with no other proposed substantial changes. The termination language allows for either party to end the contract with 90 days of notice. The City can still collect on unpaid tickets for a period of up to one year after the end of the contract. The ticket revenue and commission expenses will be partially under budget in 2019 and subsequently removed in the 2020 budget process. The staff costs to administer the University contract will also be reviewed and reallocated in future years.

RECOMMENDATION IMPLICATIONS

Financial Implications

The revenue amount is dependent on both on the number of tickets issued for various violations, and the timing of payments. Tickets that are paid during the discount period result in less revenues for the City, but also result in less cost. If a ticket requires prosecution, there are significant costs associated. These revenues will cover expenses associated with commissions paid back to the university as well as operating, administrative and overhead costs associated with the provision of services with City resources. The purpose of the agreement is to fully recover the City's costs and to share the remaining revenue.

The City has expected to generate more than \$400,000 per year in gross revenues through this agreement on a yearly basis. The City pays a commission on any ticket which is paid at a total cost of \$100,000 per year. Staff costs have been estimated as high as \$150,000 per year however the cost savings will be realized through reallocation and adjustment in future years.

The termination of this agreement will create a \$300,000 overall deficit in the Parking Services budget a portion of which will be realized in the 2019 fiscal year and the total amount in 2020. After the City receives termination, notice from the University the corresponding revenues and expenses will be reported as under budget for the 2019 fiscal year. A business case will be submitted during the 2020 the budget process to reduce Parking Services revenues by \$400,000 and expenses by \$100,000.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

The proposed revenue sharing agreement's intent is consistent with Regina's Official Community Plan which states that revenue collected in excess of full cost recovery will be considered general revenue and used for public benefits city-wide.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

A copy of this report has been provided to the University of Regina.

DELEGATED AUTHORITY

This report requires the approval of City Council.

Respectfully submitted,



Faisal Kalim, Manager
Parking Services

Respectfully submitted,



Laurie Shalley, A/Executive Director
City Services