



Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	July 11, 2023
<b>SUBJECT/REPORT NO:</b>	Outstanding Parking Penalty Revenue (PED23071) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Debbie Mayo (905) 546-2424 Ext. 6007 James Buffett (905) 546-2424 Ext. 3177
<b>SUBMITTED BY:</b>	Brian Hollingworth Director, Transportation Planning and Parking Planning and Economic Development Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

Not Applicable

## INFORMATION

Staff are providing this Information Report to advise Council of a continuing trend with respect to the collection of Plate Denial fees, which continues to have a material effect on the budget and revenues of the Hamilton Municipal Parking System. Ontario's Ministry of Transportation performs collection of outstanding Parking Penalty Notices on behalf of the City of Hamilton. These notices, that age through the Administrative Penalty System, if not paid directly to the City, are collected as part of the vehicle license plate renewal process. Licence plate holders are required to pay outstanding fees (referred to as plate denial fees) in order to renew their licence plate.

On March 1, 2020, the Ministry of Transportation suspended the expiry date of annual license plate stickers in response to the COVID-19 pandemic. Changes to the license plate renewal program by the Government of Ontario, effective March 13, 2022, eliminated the fee associated with renewal of license plates and refunded eligible owners of vehicles for any licence plate renewal fees paid since March 2020. Collectively, these changes are believed to have made drivers less mindful, or aware of the need to renew their licence plates.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Based on trends since 2020, it is reasonable to conclude that there is a link between licence plate renewals, or lack thereof, and recovery of plate denial fees. Historically, with an annual issuance of over \$5 M in issued penalties, it could be expected that approximately 10% or \$500 K would be carried as outstanding revenue. Some outstanding revenue is to be expected due to various reasons including deaths, cease driving, avoidance, etc. However, since changes to licence plate renewals, annual outstanding revenue has increased significantly to \$1.8 M in 2022. The cumulative impacts on outstanding revenue are estimated at \$3-\$3.5 M. The longer these remain outstanding, the less likely they are to be collected. This revenue is traditionally utilized to fund the Parking Operations Reserve, and without, will have impacts on infrastructure repairs and upgrades, technology implementations, and various capital projects.

**2015-2022 Outstanding Parking Penalty Revenue (as of May 15, 2023)**

<b>Year</b>	<b>Parking Penalty Notices Issued</b>	<b>Issued Revenue</b>	<b>Outstanding Revenue</b>
2015	151,074	\$5,142,954	\$383,132.35
2016	158,120	\$5,383,313	\$642,389.00
2017	164,128	\$5,445,529	\$481,599.65
2018	141,765	\$4,845,329	\$493,638.33
2019	142,398	\$5,040,765	\$1,285,943.06
2020	96,462	\$4,307,275	\$1,193,819.78
2021	99,370	\$4,814,200	\$1,025,337.40
2022	125,801	\$5,784,595	\$1,845,273.50

The above table shows the outstanding revenue amounts for the past eight years and highlights the substantial increase in delayed revenue owed to the City of Hamilton. From 2015-2018, the yearly outstanding plate denial revenue collection amounts from the Ministry of Transportation average \$500 K. This is due to various reasons including deaths, cease driving, avoidance, etc. The four years following (2019-2022), the outstanding amounts due to the City of Hamilton have averaged around \$1.3 M. Staff suspect that there is likely a correlation between Provincial decisions and the fact that the City of Hamilton has outstanding revenues of \$3-\$3.5 M in Parking Penalty Notices for the years from 2019 to 2022. Without a requirement to renew during the pandemic, and the absence of incentives to renew plates, monies typically collected at plate renewal is no longer occurring at the same rate.

**APPENDICES AND SCHEDULES ATTACHED**

N/A