

AHS Parking Services is an ancillary operation, as defined by the Regional Health Authorities Regulation section 2.8(10). All parking-related costs must be fully recovered through user fees, as health care dollars cannot be used to build, lease, maintain or administer parking. AHS manages close to 40,000 parking stalls, of which only 30,000 generate revenue at this time. Parking stalls can be found in 31 parking structures and various leased/owned surface lots around the province. We provide staff, patients and visitors with a secure environment for their vehicles while attending an AHS site.

In addition to maintaining AHS parking areas, we must plan for the future by forecasting critical infrastructure and capacity needs. Over the next two years, AHS plans to open four new garages to meet staff and public needs. This current year for example a new lot will open at the Foothills Medical Centre. In 2011 the Chinook Regional Hospital garage will open, and in 2012 we will open new lots at the Edmonton Clinic South and the Calgary South Health Campus. We are also conducting an assessment of all existing garages to help plan for infrastructure repairs and upgrades. The following income and cash flow statement highlights what is required to provide you with a parking service that is efficient, consistent, fair and equitable to patients, visitors, staff, physicians and all others who require parking at health care facilities in Alberta.

	Actuals (<i>unaudited</i>)		Projected 2010 / 2011		Projected 2011 / 2012		Projected 2012 / 2013		Projected 2013 / 2014	
¹ Operating Revenues	2009 / 2010	2010 / 2011	%Var.	2011 / 2012	%Var.	2012 / 2013	%Var.	2013 / 2014	%Var.	
Public	\$22,955,000	\$27,937,000	21.7%	\$ 28,845,000	3.3%	\$ 29,930,000	3.8%	\$ 30,974,000	3.5%	
Staff	\$24,034,000	\$28,721,000	19.5%	\$ 29,654,000	3.3%	\$ 31,000,000	4.5%	\$ 31,843,000	3.5%	
² Enforcement	\$ 45,000	\$ 106,000	135.6%	\$ 169,000	59.4%	\$ 177,000	4.7%	\$ 184,000	3.9%	
Total Revenues	\$47,034,000	\$56,764,000	20.7%	\$ 58,668,000	3.4%	\$ 61,107,000	4.2%	\$ 63,001,000	3.50%	
Operating Expenses										
Salaries & Benefits	\$ 1,634,000	\$ 1,699,000	3.2%	\$ 1,767,000	4.0%	\$ 1,838,000	4.0%	\$ 1,911,000	3.9%	
³ Contracted Services	\$ 7,652,000	\$ 7,959,000	4.0%	\$ 8,277,000	4.0%	\$ 8,608,000	4.0%	\$ 8,952,000	4.0%	
⁴ Interest on Long Term Debt	\$ 6,636,000	\$ 6,636,000	0.0%	\$ 7,109,000	7.1%	\$ 16,713,000	135.1%	\$ 16,238,000	-2.8%	
⁵ Other Expenses	\$13,584,000	\$13,815,000	1.7%	\$ 14,050,000	1.7%	\$ 14,289,000	1.7%	\$ 14,532,000	1.7%	
⁶ Depreciation	\$ 7,683,000	\$ 8,639,000	12.4%	\$ 10,414,000	20.6%	\$ 15,202,000	45.2%	\$ 15,875,000	4.4%	
⁷ Administrative Allocation	\$ 804,000	\$ 953,000	18.5%	\$ 986,000	3.5%	\$ 1,023,000	3.8%	\$ 1,060,000	3.6%	
Total Operating Expenses	\$37,993,000	\$39,701,000	4.5%	\$ 42,603,000	7.3%	\$ 57,673,000	35.3%	\$ 58,568,000	1.6%	
Net Operating Income	\$ 9,041,000	\$17,063,000	88.7%	\$ 16,065,000	-5.9%	\$ 3,434,000	-78.6%	\$ 4,433,000	38.7%	
Cash Flow										
Principal and Capitalized Interest on long Term Debt	\$ 5,531,000	\$14,769,000	167.0%	\$ 18,294,000	23.9%	\$ 12,688,000	-30.6%	\$ 13,166,000	3.8%	
⁸ Contingency Fund	\$ -	\$ 3,980,000	-	\$ 6,021,000	51.3%	\$ 5,815,000	-3.4%	\$ 2,571,000	-55.8%	
Depreciation	\$(7,683,000)	\$(8,639,000)	12.4%	\$(10,414,000)	20.6%	\$(15,202,000)	45.2%	\$(15,875,000)	4.4%	
Net Cash Flow	\$11,193,000	\$ 6,953,000	-37.9%	\$ 2,164,000	-66.9%	\$ 133,000	-93.9%	\$ 4,571,000	3047.6%	

¹ Reflects utilization and revenue increases as new garages are opened. Calculations do not reflect any rate increases, which will be based on market analysis.

² Enforcement refers to the collection of parking fines

³ Contracted services include Standard Parking in the Calgary region, contract parking enforcement officers, cleaning, etc.

⁴ Annual interest on existing parkade long term debt, and future financing for parkades to be built.

⁵ Other expenses refer to the costs incurred to support and maintain parking assets throughout the province

⁶ Depreciation is based on existing structures and new builds once occupied. (40 year depreciation for underground and 25 years for above ground structures)

⁷ Administrative allocation consists of two components calculated as follows: 6% of salaries and benefits for parking resources to reflect costs related to office space, communications, and insurance and 1.5% of revenue to reflect costs related to Capital Management, Finance, IT, Human Resources and other organizational supports.

⁸ It is our intention to establish a contingency fund (for repairs and new builds) based on 25% of previous years net operating income + \$70 per stall for owned parking structures + \$20 per stall for surface lots annually