

City of Saskatoon Impound Lot Business Model Review

ISSUE

The current Impound Lot Business Model is set for the program to be full cost recovery, whereby revenues are anticipated to cover the cost of operation without reliance on property taxes. Annual impoundments have varied at the City of Saskatoon Municipal Impound Lot. The Municipal Impound Lot was operating at a deficit between 2015 and 2020. What will ensure sustainability of this necessary program, to support core enforcement programs, while maintaining a sustainable financial business model?

BACKGROUND

City Council, at its Regular Business [meeting](#) held on February 28, 2022, considered the City of Saskatoon Impound Lot Business Model and resolved that:

- “ 1. That Option #1 – Business as Usual (that the current Impound Lot operates business as usual with an increased focus on identifying operational efficiencies), be approved with further reporting to be provided after two full years of operation, post-pandemic;“

This report is provided in response to that resolution.

The Impound Lot, located at 150 Jonathon Avenue, currently accommodates vehicle impoundments mainly through parking-related enforcement and Saskatoon Police Service (SPS) enforcement operations. The City of Saskatoon has a Memorandum of Understanding with SPS, which formalizes impoundment services provided by the City of Saskatoon to SPS.

Several external service providers support the Impound Lot Operations, including the Canadian Corps of Commissionaires, which provides several contract workers. Winter and summer lot maintenance and impound lot management software is also provided by external providers.

Parking ticket enforcement officers (Boot Crew) also operate out of the Impound Lot location. The Boot crew enforces outstanding parking tickets in default, through vehicle seizure and impoundment. Some funding for the Boot Crew is provided from the provincially set \$40 late fee penalty, which is added to the fine when the ticket has been considered in court and found to be valid. This fee has remained unchanged since 2006.

DISCUSSION/ANALYSIS

While the Impound Lot operated at a deficit from 2015 to 2020, the program has been operating at a surplus from 2021 to 2023. The surplus is attributed to several program changes which are described below.

- As part of efforts to reduce the outstanding scofflaw list, which refers to offenders with two or more unpaid parking tickets, a second Boot Crew was deployed in May 2022. This has contributed to increased vehicle impoundments in 2022 and 2023 and recovery of outstanding fines, as outlined in Appendix 1. Over the past two years, the second Boot Crew has been responsible for 444 vehicle seizures and impoundments, which has helped contribute to annual increases in impoundments of 42% over the last two years when compared to 2021 totals. Costs associated with the second Boot Crew were captured through existing budget amounts.
- Unclaimed vehicle auction proceeds were previously directed towards general revenue. This was changed in 2022 to direct these proceeds to the Impound Lot program.
- New rates went into effect on January 1, 2020, that increased entry fees from \$50 to \$65, and daily storage rates from \$15 to \$17. An administration fee, which covers costs of a lien search and preparation of an unclaimed vehicle for sale, is charged only if the vehicle has not been claimed after two weeks. This fee was set at \$25.
- During COVID, access to the Impound Lot was by appointment only to reduce the amount of people on site, as well as the number of people in a confined office space. Attendance-by-appointment was continued after COVID and supported the service hour changes as staff tracked business demand times. Impound Lot service hours were subsequently reduced in May 2022, from 8 am to 8 pm to 11 am to 7 pm Monday to Friday, and Saturdays from 11 am to 4 pm to 12 pm to 4 pm.

Any surplus is directed towards the Impoundment Program Stabilization Reserve. The purpose of this reserve is to:

- To accumulate funds for the purpose of offsetting any deficits in the Impoundment Program due to revenue shortfalls or unexpected expenditures in any given year;
- To stabilize the effect of annual fluctuations in impoundment volumes and the corresponding impact on the mill rate; and
- To provide a source of funds to finance unexpected or non-cyclical costs associated with programming requirements and special projects.

In 2021, there was a surplus of \$46,251.02 with 25%, or \$11,562.75, directed to the corporate bottom line as it was attributable to COVID-related service level impacts and 75%, or \$34,688.27, was directed to the Reserve. In 2022, an \$81,162.06 surplus was directed to the Reserve. For 2023, a surplus of \$80,643.46 was added to the Reserve, resulting in a balance of \$196,493.80. A 9-year review of net operating surplus and deficits can be found in Appendix 1.

Given the positive financial performance over the past three years, Administration remains confident the Impound Lot Business Model continues to be viable without any mill rate support. Ongoing financial review will occur to ensure fees are appropriate for the business operation.

FINANCIAL IMPLICATIONS

As part of approval of the 2024/2025 Multi-year Budget, new rates went into effect on January 1, 2024, which increased entry fees from \$65 to \$70, daily storage rates from \$17 to 20 per day, and administration fees from \$25 to \$45. These rate increases were directly attributed to increasing costs from wages, site maintenance and licensing fees.

OTHER IMPLICATIONS

There are no further implications.

NEXT STEPS

Administration will continue to explore operational improvements.

APPENDICES

1. Impound Lot Statistics

REPORT APPROVAL

Written by: Wayne Sum, Parking Services Manager
Reviewed by: Matt Grazier, Director of Community Standards
Approved by: Darren Crilly (Acting), General Manager, Community Services

SP/2024/CS/Transportation/City of Saskatoon Impound Lot Business Model Review/mt