

To: CAO for the Fraser Valley Regional Hospital District Board

Date: February 26, 2019

From: Mike Veenbaas, Director of Financial Services

File No:

**Subject: Mary Street Parking Lot – 2018 Statement of Financial Activities**

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## INTENT

This report is intended to advise the Fraser Valley Regional Hospital District Board of information pertaining to the 2018 financial activities for the Mary Street Parking Lot. Staff is not looking for a recommendation and has forwarded this information to the Hospital Board should members want more clarification or to discuss the item further.

## BACKGROUND

In 2015 the Hospital District acquired the property at 9005 Mary Street, adjacent to Chilliwack General Hospital, for future health care facility development. Until such time that development occurs, the Board resolved to utilize the space as a parking lot in order to address public parking challenges in the immediate area surrounding the hospital. The parking lot opened to the public in late August 2017.

## DISCUSSION

Estimations on financial expectations for the parking lot were developed by Fraser Health based on their overall experience in health care parking lot management throughout the region, along with their specific experiences operating the Chilliwack General Hospital site. 2018 represents the first full year of operations, allowing the Board to review actual results compared to Fraser Health assumptions.

### Revenues

The majority of parking fee revenue is earned by hourly and daily users of the parking lot. Parking rates have been set to equal those in the Fraser Health operated lots - \$1.75 per hour or \$5.75 per 12 hours. A monthly parking pass system has been setup to allow high parking users, such as hospital employees, a reduced parking option of \$40 per month. Fraser Health estimated revenue of \$48,000 per year or an average of \$4,000 per month. While actual revenues for 2018 were \$31,667, lower than expectations, there were 6 months with revenues over \$3,000, including 4 months over \$3,500.

### Expenses

Parking lot expenses include site maintenance, snow & ice control, parking meter lease fees, banking related fees and parking lot management contract services. Original estimations from Fraser Health suggested an annual cost of about \$14,000 to operate the parking lot. Total costs incurred in 2018 was \$18,615 which was higher than expected in part due to \$5,418 spent on snow & ice control as a result of significant winter events experienced in early 2018. With a more moderate 2019 winter thus far, year to date expenses are currently half of what was incurred in 2018 by this point.

In summary, 2018 parking lot operations generated a net profit of \$13,052.

### **COST**

The net parking lot revenue flows back into the capital reserve used to fund the initial parking lot development.

### **CONCLUSION**

With the completion of 2018 and the first full year of parking lot operations at Mary Street, a summary of the financial activities has been brought to the Board for information. While the financial results are lower than estimations originally developed by Fraser Health, the parking lot is producing a net positive return with the proceeds being returned to the capital reserve that was used to fund the parking lot development.

### **COMMENT BY:**

**Paul Gipps, Chief Administrative Officer**

Reviewed and supported