

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MONDAY MAY 10TH, 2016
FROM:	GEORGE KOTSIFAS, P.ENG. MANAGING DIRECTOR DEVELOPMENT AND COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL and JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	PAY BY APP FOR PARKING

RECOMMENDATION

That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official and the Managing Director, Environmental & Engineering Services and City Engineer, the following actions be taken:

- a) the attached proposed by-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting to be held on May 17, 2016 to:
 - i) authorize and approve a Master Subscriber Agreement between The Corporation of the City of London and Honk Mobile Inc., with respect to the non-exclusive licensed use of an application which allows parking customers to pay for parking using mobile applications and subscribers to manage parking inventory, collect payments and enforce non-compliance; and
 - ii) authorize the Mayor and the City Clerk to executive the Agreement;
- b) the Civic Administration **BE AUTHORIZED** to undertake all administrative acts necessary in connection with this project;
- c) the Mayor and the City Clerk **BE AUTHORIZED** to execute any other documents, if required, to give effect to these recommendations; and
- d) Civic Administration **BE DIRECTED** to report back to the Civic Works Committee with findings following the initial 6-month subscription.

2015-19 STRATEGIC PLAN

The following report supports the Strategic Plan through the strategic focus areas of leading in public service – create, explore and implement new technology improvements to assist in management of corporate assets.

BACKGROUND

PURPOSE

Parking Services staff have been investigating “pay by app or pay by phone” technology to allow residents and visitors in London the option of using a credit card or PayPal to pay for parking at a single space meter, master meter or parking lot.

Mobile technology allows users the opportunity to download an application on their mobile phone to pay for parking. Parking Services staff have been in contact with vendors which offer a “pay by app” system for some time, however, the technology could not work with our existing parking enforcement technology as the enforcement data was not “live”.

On January 13, 2015, Council approved the acquisition of an integrated municipal parking solution including real-time parking management data. Staff are in the final testing phase of the project stage for the main ticket processing module which will interface with pay by app for parking.

The potential vendors commonly offer the service at no cost to the City, and charge each user a convenience fee per transaction that is over and above the parking rate charged. This is similar to the current system in place for those who wish to pay for their parking ticket online. The application is free for customers to download to a mobile phone and requires the user to create an account linked to their license plate(s), credit card number or PayPal account.

There are over 3000 paid parking spaces in London (1600 on-street and over 1500 in parking lots). The individual meters currently accept coins only and the master meters accept coins and credit cards. The master meters do not interact with PayPal thereby eliminating payment from debit. Many visitors to the Downtown have expressed their interest to be able to use credit cards and PayPal to pay for parking, as coins are not always readily available. Merchants, Downtown London and the Old East BIA have also requested that the City provide alternative payment options at single spaced meters as well as introduce mobile payment technology.

Several hundred individual parking meters have been replaced with multi space master meters which accept credit cards, however, there are areas where replacing the individual meters with master meters will not occur due to inefficiencies and cost prohibitions. For example, there may only be 3 or 4 metered spaces which would not warrant the installation of a master meter however the spaces are well utilized. Further, mobile payment technology offers customers choice, convenience and options for payment.

At this time, it is proposed to enter into a non-exclusive agreement between the City and Vendor "HonkMobile" to subscribe to their service for a 6 month pilot project with the option of continuing the subscription. HonkMobile is a growing Canadian based company that has an easy to use app with proven integration to our new Gtechna parking enforcement software. Gtechna provided a written recommendation which is attached as Appendix "B". Multiple vendors or unknown interface resources would require additional ITS resources outside the initial project.

HonkMobile would provide the initial signage, meter decals and software at no cost to the municipality and charge a convenience fee of approximately \$0.25 per transaction to the customer. HonkMobile currently has customers in London such as Western University, several private parking lots and is looking to expand. Further, HonkMobile currently has other Ontario municipality customers such as Whitby and Oshawa. HonkMobile was featured on the Dragon's Den in October 2014 see link below.
<http://www.cbc.ca/dragonsden/pitches/honkmobile>

The Program will offer customers pay by app services for the meters and provide the Subscriber (City) access to a web portal for the management of inventory and enforcement of non-compliance.

Other Benefits

- Customers will no longer need to line up at the master meter, walk to their vehicle to display receipt or dig for coins especially inconvenient in inclement weather.
- Customers will be notified that their time is expiring and can increase their time without returning to their vehicle. This may reduce the number of tickets issued for expired meters.
- Time cannot be purchased for parking during restricted hours. For example, spaces on specific streets are restricted by time of day and can be restricted to length of time. Parking cannot be purchased beyond the restricted times posted at a meter and the technology will be defined by the current parking restrictions by zone.

- Reduce costs in machine maintenance, paper receipts, cash collection and accounting allowing staff more time to investigate complaints.
- Data collection allows for customers to track their parking expenses for business purposes.
- Prevents people from “feeding the meter” and exceeding the posted parking time restrictions. When motorists adhere to the time constraints there are more spaces open for other drivers who wish to park.
- For enforcement purposes it is simplified as the enforcement staff checks the plate to confirm payment without inconvenience of missing or flipped over receipts, meters being out of service or inoperative.
- Also, accurate data management provides additional resources for the parking provider. Since transactions are submitted digitally, providers have access to information regarding each customer’s parking sessions. With this data, legal challenges and complaints can be significantly reduced and enforcement can be handled more accurately and efficiently.
- Merchants may take advantage of a loyalty program or purchase time and validate parking for their customers who are using the app.

HonkMobile and the City will engage Downtown London and the Old East BIA to advertise the program to their merchants and customers to create awareness. Further, when the program rolls we will kick off a media campaign to create excitement, showcase the App and assist the customer experience.

Enforcement Impact

A future report to the Civic Works Committee may be required to amend The PS-111 Traffic and Parking By-law.

FINANCIAL IMPACT

While there is no direct cost to implement the technology, the ongoing operating budget impact to utilize the mobile payment technology app is indeterminable at this time including the potential loss of parking fine revenue due to less tickets issued possibly resulting from increased compliance. Based on other municipalities’ experience there will be increased banking charges depending on the app usage. The increase in banking charges may be offset by additional parking revenue as customers will have the ability to top up their parking purchase or may choose to purchase more parking initially than they might with coins. These impacts will be reported back following the six month initial subscription with this vendor and if there is a budgetary impact regarding this mobile application, it will be identified as part of the annual budget update process.

CONCLUSION

There are benefits to both the customer and the City by implementing this new technology. There is a growing desire by the public to have access to new technology and increased options to access service. Civic Administration will report back following the six month initial subscription. If the project is successful the subscription will remain in place and the City will have the ability to engage other pay by app vendors in the future as this agreement is not exclusive to a single vendor.

Acknowledgement

This report was prepared by Annette Drost, Manager of Municipal Law Enforcement Services with assistance by Ian Collins, Janice Verhaeghe, Jennifer Smout, Stephen Miller and Shane Maguire.

SUBMITTED BY:	REVIEWED AND CONCURRED BY:
ANNETTE DROST MANAGER, MUNICIPAL LAW ENFORCEMENT SERVICES - PARKING AND LICENSING DEVELOPMENT AND COMPLIANCE SERVICES	EDWARD SOLDO, P.ENG. DIRECTOR ROADS AND TRANSPORTATION
RECOMMENDED BY:	RECOMMENDED BY:
GEORGE KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL	JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER

Appendix "A" - By-law to authorize and approve a Honk Mobile Master Subscriber Agreement between Honk Mobile Inc. (HonkMobile) and The Corporation of the City of London

Appendix "B" – Gtechna Recommendation

APPENDIX A

By-law No.

A by-law to authorize and approve a Honk Mobile Master Subscriber Agreement between Honk Mobile Inc. (HonkMobile) and The Corporation of the City of London for the non-exclusive licensed use of a parking application and to authorize the execution of the Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 10 of the *Municipal Act, 2001* provides that the City may provide any service or thing that the City considers necessary or desirable for the public, and may pass by-laws respecting same, and respecting economic, social and environmental well-being of the City, and the health, safety and well-being of persons;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The attached HonkMobile Master Subscriber Agreement (Schedule 1) between HonkMobile Inc. and The Corporation of the City of London for the non-exclusive licensed use of an application which allows parking customers to pay for parking using mobile applications and subscribers to manage parking inventory, collect payments and enforce non-compliance is hereby authorized and approved.
2. The Mayor and the City Clerk are hereby authorized to execute the Agreement authorized and approved under section 1, above.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on May 17, 2016.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – May 17, 2016
Second Reading – May 17, 2016
Third Reading – May 17, 2016