

# Analyst Briefing Notes

## Budget Advisory Committee

(January 13, 2006)

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## **2006 Operating Budget      Parking Tag Enforcement & Operations**

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**The purpose of this Analyst Briefing Notes is to provide a consolidated overview of the following related operations:**

- **Police – Parking Enforcement Unit** is comprised up of parking enforcement officers who are responsible for administering and enforcing the City's transportation / parking by-laws across the City. Responsibilities include issuing parking tickets to illegally parked vehicles and towing of illegally parked vehicles where necessary.

In addition to its own parking enforcement officers, the Parking Enforcement Unit trains and certifies staff from other independent agencies to serve as Municipal Law Enforcement Officers (MLEOs). Trained and certified by the Toronto Police Services, MLEOs are empowered to write parking tickets on private or municipal property.

- **Office of the City Treasurer – Parking Revenue Processing of the Revenue Services Division** is responsible for the processing and collection of fines for all parking infraction notices (i.e. parking tickets) issued in the City of Toronto. Responsibilities include data entry of parking ticket information; providing service at first appearance facilities; payment processing; pursuing unpaid fines; and filing trial requests with courts.
- **Court Services – Judicial Processing of Parking Tickets** is responsible for the scheduling and supporting of approximately 90,000 Provincial Offence Act part II (parking tickets) trials per year. Responsibilities include the receipt and file maintenance of all parking cases delivered to the court for adjudication purposes; and managing over 700,000 default convictions including approximately 112,000 cases that are appeals, re-openings or extensions of time to pay fines.
- **Non-Program Revenues – Parking Tag Revenues** includes the budgeted revenue generated by the parking tickets issued. Approximately 3.0 million parking tickets were issued each year for the last few years. The issuance, however, is projected to be lower in 2006 at 2.8 million. Fines of approximately 82 percent of the tickets issued are collected.

## PART I: 2006 Operating Budget Overview

### Table 1: 2006 Proposed Budget

Parking Tag Enforcement & Operations - Consolidated									
(In \$000s)	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.	\$	%	2007	2008
	\$	\$	\$	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	42,274.3	42,013.3	43,432.8	0.0	43,432.8	1,158.5	2.7	(131.0)	0.0
<b>REVENUE</b>	83,252.0	75,752.0	75,465.0	0.0	75,465.0	(7,787.0)	(9.4)	533.0	0.0
<b>NET EXP.</b>	(40,977.7)	(33,738.7)	(32,032.2)	0.0	(32,032.2)	8,945.5	(21.8)	(664.0)	0.0
<b>Approved Positions</b>	395.0	395.0	395.0	0.0	395.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>(38,485.8)</b>						
<b>\$ Over / (Under) Program Target</b>			<b>6,453.6</b>						
<b>% Over / (Under) Program Target</b>			<b>16.8%</b>						

#### Notes:

1. The 2006 Proposed Budget for the Police Parking Enforcement Unit is based on the preliminary budget submission that was presented by the Unit to the Police Service Board on December 15, 2005.
2. The Approved Positions reflect those of the Police Parking Enforcement Unit only. Parking Revenue Processing's 47.4 positions are accounted for in the Office of the Treasurer's Operating Budget.

### Executive Summary

- The 2005 year-end projection of \$33.739 million net revenue for Parking Tag Enforcement & Operations (consolidated) is \$7.239 million below the 2005 Approved Budget of \$40.978 million. The projected unfavourable variance is mainly resulting from a reduction in parking tag issuance, primarily due to higher compliance by motorists as a result of the elimination of the Voluntary Payment Amount and the increase to certain parking fines; as well as fuel price increases that may have impacted the volume of commuter traffic on Toronto streets.
- The 2006 Proposed Budget for Parking Tag Enforcement & Operations of \$32.032 million net revenue is \$8.945 million or 21.8% below the 2005 Approved Budget of \$40.978 million. The reduction in net revenue reflects the continuation of lower parking tag issuance into 2006. The resulting 2007 net incremental reduction reflects the increase in revenue to result from the

## 2006 Operating Budget

## Parking Tag Enforcement & Operations

implementation of the handheld parking devices scheduled for full implementation in June of 2006. There are no recommended New/Enhanced Services.

- The 2006 Proposed Base Budget for Parking Tag Enforcement & Operations is \$6.454 million or 16.8% over the 2% target, mainly the result of lower parking tag issuance and salary and benefit and other inflationary increases. Variances by program are:
  - Police Parking Enforcement Unit - \$0.364 million or 1.1% over the 2% target
  - Parking Revenue Processing - \$0 and 0% at 2% target
  - Court Services – Judicial Processing of Parking Tickets – (\$0.042 million) or 4.1% under the 2% target
  - Non-Program – Parking Tag Revenue - \$6.131 million or 7.6% over the 2% target

The following four tables (1A, 1B, 1C and 1D) show the 2006 Proposed Operating Budget for each of the four program areas:

<b>Table 1A: Police - Parking Enforcement Unit</b>									
<b>(In \$000s)</b>	<b>2005</b>		<b>2006 Proposed Operating Budget</b>			<b>Change 2006 Proposed from 2005 Budget</b>		<b>FY Incremental Outlook</b>	
	<b>2005 Approved Budget</b>	<b>2005 Proj Act.</b>	<b>2006 Proposed Base</b>	<b>2006 New Council Priorities</b>	<b>2006 Proposed Op. Bud.</b>	<b>\$</b>	<b>%</b>	<b>2007</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>			<b>\$</b>	<b>\$</b>
<b>GROSS EXP.</b>	32,509.0	32,248.0	33,514.0	0.0	33,514.0	1,005.0	3.1	(131.0)	
<b>REVENUE</b>	465.0	465.0	465.0	0.0	465.0	0.0	0.0		
<b>NET EXP.</b>	32,044.0	31,783.0	33,049.0	0.0	33,049.0	1,005.0	3.1	(131.0)	0.0
<b>Approved Positions</b>	395.0	395.0	395.0	0.0	395.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>32,684.9</b>						
<b>\$ Over / (Under) Program Target</b>			<b>364.1</b>						
<b>% Over / (Under) Program Target</b>			<b>1.1%</b>						

- The 2005 year-end projection of \$31.783 million net for the Police Parking Enforcement Unit is \$0.261 million under the 2005 Approved Budget. This favourable variance is mainly due to the unspent money of operating impacts from capital, resulting from the delay in the implementation of handheld parking devices. The scheduled implementation of July 2005 was delayed until June 2006.
- The 2006 Proposed Operating Budget for the Police Parking Enforcement Unit is \$33.049 million net, which is \$1.005 million or 3.1% over 2005 Approved Budget. The increase is mainly attributable to cost of living adjustments, benefits and merit increases, and inflationary pressures from fuel consumption. The 2007 net incremental impact reflects the anticipated savings resulting from the implementation of the handheld parking devices in 2006.
- The 2006 Proposed Budget is \$0.364 million or 1.1% over the 2% target of \$32.685 million net.

<b>Table 1B: Office of the Treasurer - Parking Revenue Processing</b>									
	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.			2007	2008
(In \$000s)	\$	\$	\$	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	8,775.3	8,775.3	8,950.8	0.0	8,950.8	175.5	2.0	0.0	0.0
<b>REVENUE</b>	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
<b>NET EXP.</b>	8,775.3	8,775.3	8,950.8	0.0	8,950.8	175.5	2.0	0.0	0.0
<b>Approved Positions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>8,950.8</b>						
<b>\$ Over / (Under) Program Target</b>			<b>0.0</b>						
<b>% Over / (Under) Program Target</b>			<b>0.0%</b>						

- The 2005 year-end projection of \$8.775 million net for the Office of the City Treasurer - Parking Revenue Processing is in line with the 2005 Approved Budget, resulting in no variance.
- The 2006 Proposed Operating Budget for the Parking Revenue Processing is \$8.951 million net, which is \$0.176 million or 2.0% over 2005 Approved Budget. The increase is primarily attributable to salary and benefits increases and inflationary pressures.
- The 2006 Proposed Budget meets the 2% target of \$8.951 million net.
- Parking Revenue Processing’s 47.4 positions are accounted for in the Officer of the Treasurer’s Operating Budget.

<b>Table 1C: Court Services - Judicial Processing of Parking Tickets</b>									
<b>(In \$000s)</b>	<b>2005</b>		<b>2006 Proposed Operating Budget</b>			<b>Change 2006 Proposed from 2005 Budget</b>		<b>FY Incremental Outlook</b>	
	<b>2005 Approved Budget</b>	<b>2005 Proj Act.</b>	<b>2006 Proposed Base</b>	<b>2006 New Council Priorities</b>	<b>2006 Proposed Op. Bud.</b>	<b>\$</b>	<b>%</b>	<b>2007</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>\$</b>
<b>GROSS EXP.</b>	990.0	990.0	968.0	0.0	968.0	(22.0)	(2.2)	0.0	0.0
<b>REVENUE</b>	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
<b>NET EXP.</b>	990.0	990.0	968.0	0.0	968.0	(22.0)	(2.2)	0.0	0.0
<b>Approved Positions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>1,009.8</b>						
<b>\$ Over / (Under) Program Target</b>			<b>(41.8)</b>						
<b>% Over / (Under) Program Target</b>			<b>(4.1%)</b>						

- The 2005 year-end projection of \$0.990 million for the Court Services – Judicial Processing of Parking Tickets is in line with the 2005 Approved Budget, resulting in no variance.
- The 2006 Proposed Operating Budget for the Court Services – Judicial Processing of Parking Tickets is \$0.968 million net, which is \$0.022 million or 2.2% below the 2005 Approved Budget. The slight decrease is mainly the result of a reduction in court space rental costs.
- The 2006 Proposed Budget is \$0.042 million or 4.1% below the 2% target.

<b>Table 1D: Non-Program - Parking Tag Revenue</b>									
<b>(In \$000s)</b>	<b>2005</b>		<b>2006 Proposed Operating Budget</b>			<b>Change 2006 Proposed from 2005 Budget</b>		<b>FY Incremental Outlook</b>	
	<b>2005 Approved Budget</b>	<b>2005 Proj Act.</b>	<b>2006 Proposed Base</b>	<b>2006 New Council Priorities</b>	<b>2006 Proposed Op. Bud.</b>	<b>\$</b>	<b>%</b>	<b>2007</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>			<b>\$</b>	<b>\$</b>
<b>GROSS EXP.</b>	0.0	0.0	0.0	0.0	0.0	0.0	NA		
<b>REVENUE</b>	82,787.0	75,287.0	75,000.0	0.0	75,000.0	(7,787.0)	(9.4)	533.0	
<b>NET EXP.</b>	(82,787.0)	(75,287.0)	(75,000.0)	0.0	(75,000.0)	7,787.0	(9.4)	(533.0)	0.0
<b>Approved Positions</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TARGET</b>			<b>(81,131.3)</b>						
<b>\$ Over / (Under) Program Target</b>			<b>6,131.3</b>						
<b>% Over / (Under) Program Target</b>			<b>7.6%</b>						

- The 2005 year-end projection of \$75.287 million for Non-Program – Parking Tag Revenue is \$7.787 million below the 2005 Approved Budget. This unfavourable variance is resulting from lower than anticipated parking tag issuance. It is projected that the issuance will be approximately 175,000 below the annual average of 3.0 million tickets.
- The 2006 Proposed Operating Budget for the Non-Program – Parking Tag Revenue is \$75 million, which is \$7.787 million or 9.4% below the 2005 Approved Budget. There are many variables that may impact ticket issuance, such as higher compliance of motorists as a result of the elimination of the Voluntary Payment Amount and increases to certain parking fines; as well as higher fuel prices that may have impacted the volume of computer traffic on Toronto streets. The 2006 issuance is projected at 2.8 million tickets.
- The 2006 Proposed Budget is \$6.131 million or 7.6% below the 2% target.

**Recommendations**

It is recommended that:

- (1) the Parking Tag Enforcement & Operations’ 2006 Proposed Operating Budget of \$43.433 million gross and \$32.032 million net revenue, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s')</u>	<u>Net (\$000s')</u>
Parking Enforcement Unit	33,514.0	33,049.0
Parking Revenue Processing	8,950.8	8,950.8
Court Services - Judicial Processing of Parking Tickets	968.0	968.0
Parking Tag Revenue	<u>                    </u>	<u>(75,000.0)</u>
 Total Program Budget	 <u>43,432.8</u>	 <u>(32,032.2)</u>

- (2) the Police Chief report to the Budget Advisory Committee in January of 2006 on options totaling \$0.364 million to meet the Parking Enforcement Unit’s 2006 2% target of \$32.685 million net; and
- (3) the Police Chief, in consultation with the Deputy City Manager & Chief Financial Officer, report to the Administration Committee in 2007 on the operational and financial impacts of the implementation of handheld parking devices.

**PART II: BASE BUDGET**

**Section A: 2005 Budget Variance Analysis**

**Table 2: 2005 Budget Variance Review**

	2004 Actuals	2005 Approved Budget	2005 Projected Actuals *	2005 Approved vs Projected Actuals Variance Over / (Under)	
(In \$000s)	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	40,004.5	42,274.3	42,013.3	(261.0)	(0.6)
<b>REVENUES</b>	76,197.1	83,252.0	75,752.0	(7,500.0)	(9.0)
<b>NET EXP.</b>	(36,192.6)	(40,977.7)	(33,738.7)	(7,239.0)	17.7
<b>Approved Positions</b>	395.0	395.0	395.0	0.0	0.0

\*Projected actual expenditures and revenues to year-end are based on the Revised 3<sup>rd</sup> Quarter Variance Report to include cost of living adjustment impacts.

**2005 Experience**

Based on the Revised 3<sup>rd</sup> Quarter Variance Report, Parking Tag Enforcement & Operations (consolidated) is projecting an unfavourable variance of \$7.239 million at year end. This is mainly resulting from a reduction of \$7.500 million in parking tag revenues, offset by unspent funding of operating impacts from capital (\$0.261 million) due to the delay in implementation of handheld parking devices. It is projected that the parking tag issuance by year end is 175,000 tags lower than the annual average of 3 million.

**Impact of 2005 Operating Variance on 2006 Proposed Budget**

The unfavourable variance of \$7.500 million in revenues resulting from a reduction in parking tag issuance will likely continue in 2006. There are a number of variables that may have impacted on the tag issuance, such as elimination of the Voluntary Payment Amount and increases to certain parking fines that may result in higher compliance by motorists; as well as increases in fuel prices that may impact on the volume of commuter traffic on Toronto streets.

The handheld parking devices will be implemented in June of 2006, therefore, the operating impacts from capital of \$0.261 million in the Base will be required in 2006 for the purchase of batteries, maintenance of handheld parking devices and radio frequency.

# 2006 Operating Budget      Parking Tag Enforcement & Operations

## Section B: 2006 Proposed Base Budget

### Table 3: 2006 Proposed Base Budget

(In \$000s)	2005 Approved Budget	2006 Requested Base	2006 Proposed Base	Change 2006 Proposed Base v. 2005 Approved Budget		FY Incremental Outlook	
						2007	2008
	\$	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	42,274.3	43,817.3	43,432.8	1,158.5	2.7	0.0	0.0
<b>REVENUE</b>	83,252.0	75,465.0	75,465.0	(7,787.0)	(9.4)	0.0	0.0
<b>NET EXP.</b>	(40,977.7)	(31,647.7)	(32,032.2)	8,945.5	(21.8)	0.0	0.0
<b>Approved Positions</b>	395.0	395.0	395.0	0.0	0.0	0.0	0.0
<b>NET TARGET</b>			<b>(38,485.8)</b>				
<b>\$ Over / (Under) Program Target</b>			<b>6,453.6</b>				
<b>% Over / (Under) Program Target</b>			<b>(16.8%)</b>				

### 2006 Proposed Base Budget

- The 2006 Proposed Base Budget of \$32.032 million net revenue represents a 21.8% under the Parking Tag Enforcement & Operations' 2005 Approved Net Revenue Budget of \$40.978 million.
- The 2006 Proposed Base Budget for Parking Tag Enforcement & Operations is \$6.454 million or 16.8% over the 2% target, mainly the results of lower parking tag issuance and salary and benefit increases. Below provides the variance by program when comparing to its target:
  - Police Parking Enforcement Unit - \$0.364 million or 1.1% over the 2% target
  - Parking Revenue Processing - \$0 and 0% at 2% target
  - Court Services – Judicial Processing of Parking Tickets – (\$0.042 million) or 4.1% under the 2% target
  - Non-Program – Parking Tag Revenue - \$6.131 million or 7.6% over the 2% target

### 2006 Key Cost Drivers

- Cost-of-living adjustments (COLA) that average 3% for 2006, and inflationary adjustments for non-discretionary expenditures that result in additional costs of \$0.110 million.
- Reduction in parking tag issuance resulting in higher compliance by motorists and higher fuel costs resulting in reduced volume of commuter traffic.

**Table 4: Summary of Proposed Base Budget Changes  
From 2005 Approved Budget**

Parking Tag Enforcement & Operations - Consolidated						
	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
<b>2005 Approved Operating Budget</b>	<b>395.0</b>	<b>42,080.3</b>	<b>83,252.0</b>	<b>(41,171.7)</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments		194.0		194.0		
<b>2005 Approved Operating Budget</b>	<b>395.0</b>	<b>42,274.3</b>	<b>83,252.0</b>	<b>(40,977.7)</b>	<b>0.0</b>	<b>0.0</b>
Annualizations		(22.0)		(22.0)	(131.0)	
Economic factors		1,135.0		1,135.0		
<b>Adjusted Base Budget</b>	<b>395.0</b>	<b>43,387.3</b>	<b>83,252.0</b>	<b>(39,864.7)</b>	<b>(131.0)</b>	<b>0.0</b>
Other base changes		45.5		45.5		
Base revenue changes			(7,787.0)	7,787.0	(533.0)	
<b>2006 Base Budget Request</b>	<b>395.0</b>	<b>43,432.8</b>	<b>75,465.0</b>	<b>(32,032.2)</b>	<b>(664.0)</b>	<b>0.0</b>
Recommended Base Adjustments:						
Other base changes						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
<b>Total Proposed Base Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Proposed Base Budget</b>	<b>395.0</b>	<b>43,432.8</b>	<b>75,465.0</b>	<b>(32,032.2)</b>	<b>(664.0)</b>	<b>0.0</b>
<b>2006 Program Operating Target</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>(38,485.8)</b>		
<b>% Over (Under) Program Target</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>(16.8)</b>		
<b>% Over (Under) 2005 Approved Budget</b>	<b>0.0</b>	<b>2.7</b>	<b>(9.4)</b>	<b>(21.8)</b>		

The above Table 4 provides a consolidated summary of the Proposed Base Budget Changes for the Parking Tag Enforcement & Operations. It reflects that the significant changes from 2005 Approved Budget include cost of living and inflationary adjustments, and the reduction in parking ticket issuance. Details by program are provided in Table 4A, 4B, 4C & 4D.

<b>Table 4A: Police - Parking Enforcement Unit</b>						
	<b>Summary of 2006 Base Budget Adjustments</b>				<b>Net Incremental Outlook</b>	
	<b>Approved Positions</b>	<b>Gross Expenditures</b>	<b>Revenues</b>	<b>Net</b>	<b>2007</b>	<b>2008</b>
<b>(\$000's)</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2005 Approved Operating Budget</b>	<b>395.0</b>	<b>31,873.9</b>	<b>465.0</b>	<b>31,408.9</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments		635.1		635.1		
<b>2005 Approved Operating Budget</b>	<b>395.0</b>	<b>32,509.0</b>	<b>465.0</b>	<b>32,044.0</b>	<b>0.0</b>	<b>0.0</b>
Annualizations					(131.0)	
Economic factors		1,005.0		1,005.0		
<b>Adjusted Base Budget</b>	<b>395.0</b>	<b>33,514.0</b>	<b>465.0</b>	<b>33,049.0</b>	<b>(131.0)</b>	<b>0.0</b>
Other base changes						
Base revenue changes						
<b>2006 Base Budget Request</b>	<b>395.0</b>	<b>33,514.0</b>	<b>465.0</b>	<b>33,049.0</b>	<b>(131.0)</b>	<b>0.0</b>
Recommended Base Adjustments:						
Other base changes						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
<b>Total Proposed Base Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Proposed Base Budget</b>	<b>395.0</b>	<b>33,514.0</b>	<b>465.0</b>	<b>33,049.0</b>	<b>(131.0)</b>	<b>0.0</b>
<b>2006 Program Operating Target</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>32,684.9</b>		
<b>% Over (Under) Program Target</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1.1</b>		
<b>% Over (Under) 2005 Approved Budget</b>	<b>0.0</b>	<b>3.1</b>	<b>0.0</b>	<b>3.1</b>		

The 2006 Proposed Budget for the Police Parking Enforcement Unit of \$33.514 million gross and \$33.049 million net reflects an increase of \$1.005 million gross and net or 3.1% over the 2005 Approved Budget. The increase is mainly the result of the cost of living adjustments and benefit increases (\$0.900 million) and gasoline price increases (\$0.100 million). The 2006 Proposed Budget is \$0.364 million or 1.1% over the 2% target. The net incremental 2007 impact reflects the projected savings from the implementation of handheld parking devices. Savings of \$0.320 million in the purchase of hand written tag books, pagers and geocoding of parking tag data, offset by purchase of batteries, maintenance of handheld devices and radio frequency costs of \$190 thousand, for a net savings of \$0.130 million. There is no change in the number of Approved Positions.

Table 4B: Office of the Treasurer - Parking Revenue Processing						
	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
<b>2005 Approved Operating Budget</b>	<b>395.0</b>	<b>9,216.4</b>		<b>9,216.4</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments		(441.1)		(441.1)		
<b>2005 Approved Operating Budget</b>	<b>395.0</b>	<b>8,775.3</b>	<b>0.0</b>	<b>8,775.3</b>	<b>0.0</b>	<b>0.0</b>
Annualizations						
Economic factors		130.0		130.0		
<b>Adjusted Base Budget</b>	<b>395.0</b>	<b>8,905.3</b>	<b>0.0</b>	<b>8,905.3</b>	<b>0.0</b>	<b>0.0</b>
Other base changes		45.5		45.5		
Base revenue changes						
<b>2006 Base Budget Request</b>	<b>395.0</b>	<b>8,950.8</b>	<b>0.0</b>	<b>8,950.8</b>	<b>0.0</b>	<b>0.0</b>
Recommended Base Adjustments:						
Other base changes						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
<b>Total Proposed Base Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Proposed Base Budget</b>	<b>395.0</b>	<b>8,950.8</b>	<b>0.0</b>	<b>8,950.8</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Program Operating Target</b>	N/A	N/A	N/A	<b>8,950.8</b>		
<b>% Over (Under) Program Target</b>	N/A	N/A	N/A	<b>(0.0)</b>		
<b>% Over (Under) 2005 Approved Budget</b>	<b>0.0</b>	<b>2.0</b>	N/A	<b>2.0</b>		

The 2006 Proposed Budget for the Office of the Treasurer – Parking Revenue Processing of \$8.951 million gross and net reflects an increase of \$0.175 million gross and net or 2% over the 2005 Approved Budget. The increase is primarily due to salary and benefit increases (\$0.130 million) and costs of increased support from Revenue Services to Parking Revenue Processing operations (\$0.045 million).

Table 4C: Court Services - Judicial Processing of Parking Tickets						
	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
<b>2005 Approved Operating Budget</b>	<b>0.0</b>	<b>990.0</b>		<b>990.0</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments						
<b>2005 Approved Operating Budget</b>	<b>0.0</b>	<b>990.0</b>	<b>0.0</b>	<b>990.0</b>	<b>0.0</b>	<b>0.0</b>
Annualizations Economic factors		(22.0)		(22.0)		
<b>Adjusted Base Budget</b>	<b>0.0</b>	<b>968.0</b>	<b>0.0</b>	<b>968.0</b>	<b>0.0</b>	<b>0.0</b>
Other base changes Base revenue changes		45.5		45.5		
<b>2006 Base Budget Request</b>	<b>0.0</b>	<b>1,013.5</b>	<b>0.0</b>	<b>1,013.5</b>	<b>0.0</b>	<b>0.0</b>
Recommended Base Adjustments:						
Other base changes						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
<b>Total Proposed Base Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Proposed Base Budget</b>	<b>0.0</b>	<b>1,013.5</b>	<b>0.0</b>	<b>1,013.5</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Program Operating Target</b>	N/A	N/A	N/A	<b>1,009.8</b>		
<b>% Over (Under) Program Target</b>	N/A	N/A	N/A	<b>0.4</b>		
<b>% Over (Under) 2005 Approved Budget</b>	N/A	<b>2.4</b>	N/A	<b>2.4</b>		

The 2006 Proposed Budget for the Court Services – Judicial Processing of Parking Tickets of \$0.990 million gross and net reflects a decrease of \$0.022 million gross and net or 2.2% below the 2005 Approved Budget. The decrease is primarily due to lower court space rental costs.

Table 4D: Non-Program - Parking Tag Revenue						
	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
<b>2005 Approved Operating Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>82,787.0</b>	<b>(82,787.0)</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments						
<b>2005 Approved Operating Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>82,787.0</b>	<b>(82,787.0)</b>	<b>0.0</b>	<b>0.0</b>
Annualizations Economic factors						
<b>Adjusted Base Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>82,787.0</b>	<b>(82,787.0)</b>	<b>0.0</b>	<b>0.0</b>
Other base changes		45.5		45.5		
Base revenue changes			(7,787.0)	7,787.0	(533.0)	
<b>2006 Base Budget Request</b>	<b>0.0</b>	<b>45.5</b>	<b>75,000.0</b>	<b>(74,954.5)</b>	<b>(533.0)</b>	<b>0.0</b>
Recommended Base Adjustments:						
Other base changes						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
<b>Total Proposed Base Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Proposed Base Budget</b>	<b>0.0</b>	<b>45.5</b>	<b>75,000.0</b>	<b>(74,954.5)</b>	<b>(533.0)</b>	<b>0.0</b>
<b>2006 Program Operating Target</b>	N/A	N/A	N/A	(81,131.3)		
<b>% Over (Under) Program Target</b>	N/A	N/A	N/A	(7.6)		
<b>% Over (Under) 2005 Approved Budget</b>	N/A	N/A	(9.4)	(9.5)		

The 2006 Proposed Budget for Non-Program – Parking Tag Revenue of \$75 million reflects a decrease of \$7.787 million or 9.4% under the 2005 Approved Budget. The decrease is primarily due to lower parking tag issuance. It is projected that the decrease of approximately 175,000 tickets (from a total of 3 million each year) in ticket issuance in 2005 will continue into 2006. This reduction may be impacted by higher compliance of motorists resulting from the elimination of the Voluntary Payment Amount and increases to certain parking fines; as well as increases in fuel prices that may be impacting on the volume of commuter traffic on City streets.

**Section C: 2006 Base Budget Issues**

**Key Issues / Recommendations**

*Implementation of the Handheld Parking Devices*

The Police Parking Enforcement Unit is in the process of implementing the Handheld Parking Device capital project. The full implementation is expected by June of 2006. With the handheld parking devices, the parking enforcement officers will be better equipped to write computer-generated tickets. At the same time, once the licence plate is entered, an enforcement officer will be able to identify street permit(s) issued and determine whether the vehicle has been reported stolen. Furthermore, all fields will be completed through selection from a “pick list” that results in an increase in ticket legibility, making it easier for the recipient to read and understand. The “wireless” connection allows for more expedient data transfer which results in enhanced service delivery to members of the public, as they will be able to discuss their parking infraction notices in a timely manner. The benefits of handheld parking devices would help the enforcement officers to be more efficient in carrying out their duties.

With the handheld parking devices, it is anticipated that there will be savings for the Parking Enforcement Unit in 2007 in the purchase of hand written tag books, pagers and geocoding of parking tag data (\$0.320 million), offset by purchase of batteries, maintenance of handheld devices and radio frequency costs (\$0.190 million), for a net savings of \$0.130 million. In addition, the implementation of handheld parking devices will help to eliminate illegible parking tickets, resulting in an estimated increase in parking tag revenues of \$0.533 million in 2007.

*Revenue Changes*

In the past, there were approximately 3 million parking tickets issued each year. In 2005, the parking tag issuance has dropped by approximately 175,000 tickets which results in an estimated revenue shortfall of \$5.2 million. This may be resulting from higher compliance of motorists as a result of the elimination of the Voluntary Payment Amount and increases to certain parking fines; and reduction in the volume of commuter traffic on City streets because of the high fuel prices. Likely, the trend will continue into 2006. As a result, the 2006 Proposed Budget reflects \$7.787 million or 9.4% decrease in parking tag revenues.

### **Issues Referred to 2006 Operating Budget Process**

There are no issues referred to 2006 Operating Budget Process.

### **Outstanding Issues from 2005 and Prior Years**

During the consideration of the 2005 Operating Budget, City Council approved, in principle, the transfer of parking enforcement on street meter/pay-and-display areas from the Toronto Police Service – Parking Enforcement Unit to the Toronto Parking Authority, and requested the Chief Administrative Officer and the Chief Financial Officer and Treasurer to work with the Toronto Parking Authority and the Toronto Police Service to facilitate the transfer with the objective of improving service and achieving savings to take effect in the 2006 fiscal year or earlier.

Currently, the City Manager and the Deputy City Manager & Chief Financial Officer staff are working with the Toronto Parking Authority and the Toronto Police Service to assess the financial and service benefits associated with the potential transfer of services. It is anticipated that the results of the study will be presented to the Budget Advisory Committee during the 2006 operating budget review process.