



City Budget
2012

Parking Tag Enforcement & Operations Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for City services.

2012 Operating Budget

2012 OPERATING BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

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PART I: RECOMMENDATIONS

2012 Recommended Operating Budget (In \$000s)

(In \$000s)	2011		2012 Recomm'd Operating Budget			Change - 2012 Recommended Operating Budget v. 2011 Appvd. Budget		FY Incremental Outlook	
	2011 Appvd. Budget	2011 Projected Actual	2012 Rec. Base	2012 Rec. New/Enhanced	2012 Rec. Budget		%	2013	2014
	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	56,068.5	56,851.7	57,817.5	0	57,817.5	1,749.0	3.1	1,294.2	1,198.9
REVENUE	77,066.0	77,761.4	80,649.4	0	80,649.4	3,583.4	4.6	500.0	
NET EXP.	(20,997.5)	(20,909.7)	(22,831.9)	0.0	(22,831.9)	(1,834.4)	8.7	794.2	1,198.9
Approved Positions	395.0	395.0	394.0	0.0	394.0	(1.0)	(0.3)		

Recommendations

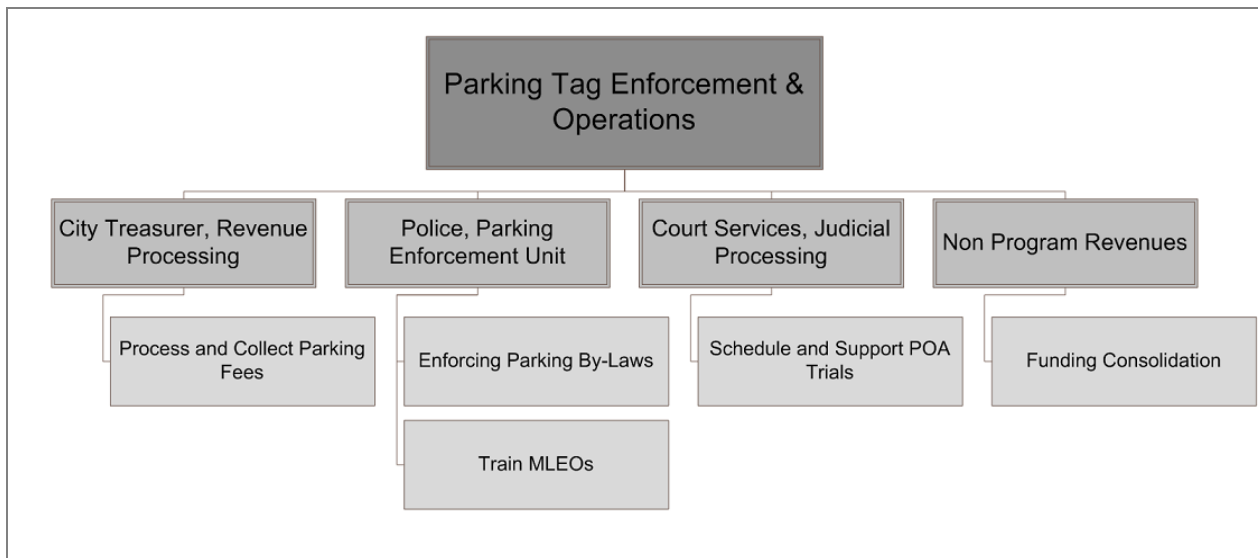
The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2012 Recommended Operating Budget for Parking Enforcement and Operations of \$57.817 million gross and \$(22.831.9) million net, comprised of the following services:

<u>Service(s)</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Parking Enforcement Unit	42,758.4	42,063.4
Parking Revenue Processing	6,429.0	6,429.0
Judicial Processing of Parking Tickets	4,630.1	4,630.1
Parking Tag Revenue	4,000.0	(75,954.4)
Total Program Budget	<u>57,817.5</u>	<u>(22,831.9)</u>

PART II: 2012 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



Parking Tag Enforcement & Operations delivers services through four main service areas: Police – Parking Enforcement Unit (issues parking infraction tickets); Office of the City Treasurer – Revenue Services Division (collects fines for the parking infractions issued by the Police Enforcement unit); Court Services – Judicial Processing of Parking Tickets (schedules trials for disputed parking tickets falling under the Provincial Offences Act (POA)); and Non-Program Revenues – Parking Ticket Revenues (provides funding to support the parking by-law initiatives).

Police, Parking Enforcement Unit

- The Parking Enforcement unit ensures the safe and orderly flow of traffic and regulates parking by enforcing the Parking By-laws through the issuance of parking tickets to illegally parked vehicles and the training of Municipal Law Enforcement Officers (MLEO’s) who are empowered to write parking tickets on private or municipal properties. The Enforcement program provides the following activities:
 - Enforce Parking By-laws: Issue parking infraction tickets – approximately 2.8 million tickets will be issued in 2012.
 - Train Municipal Law Enforcement Officers (MLEO’s) as required.

Office of the Treasurer – Revenue Services Division

- Revenue Services is responsible for the processing and collection of fines for all parking infraction notices issued in the City of Toronto. The service level provided

meets the regulations established under the Provincial Offences Act. Revenue Services provides the following activities:

- **Parking Ticket Collection:** Process parking tickets within the 75 day period required by the Provincial Offences Act. Processing of parking tickets includes a number of crucial and complicated steps. This includes collecting all data from the Toronto Police, Parking Enforcement Unit on tickets written each day, retrieving vehicle ownership information from the Ministry of Transportation for each ticket, ensuring the timely mailing of required notices for non-payment and compiling court documents to ensure convictions are registered for non-payment. This unit also prepares pre-court trial documents for those offenders wishing to dispute their tickets in court. Tickets that cannot be processed within this time period must be cancelled and the Division's processes are established under this legislative framework.
- **Payment Counter/First Appearance Facilities Operations** operate daily from 8:30 am to 4:30 pm. These First Appearance Facilities are also legislated by the Provincial Offences Act and provide parking ticket customers a forum for disputing parking tickets, filing trial requests, obtaining judicial documentation or paying parking tickets.

Court Services – Judicial Processing of Parking Tickets

- Court Services is responsible for scheduling and supporting the Provincial Offences Act part II (parking tickets) trials. Responsibilities include receipt and file maintenance of all parking infraction trial requests delivered to court for adjudication purposes and managing default convictions, including cases that are appeals, re-openings or extensions of times to pay fines. Court Services provides the following activities:
 - Trials and other hearings for parking tickets issued in the City of Toronto

Non-Program Revenues – Parking Ticket Revenues

- Parking Ticket Revenues are included in the Non-Program Revenue Budget to track revenues generated by parking tickets issued in order to support parking by-law initiatives and other City programs.

2012 Service Deliverables

The 2012 Recommended Operating Budget of \$57.817 million gross and \$(22.832) million, net, revenue provides funding for Parking Tag Enforcement and Operations to:

- Continue to provide safe and efficient free flow of traffic by responding to local neighborhood parking concerns.
- Run five court rooms dedicated to reducing the backlog of parking ticket trials.
- Ensure Police Enforcement Officers will be able to attend court when scheduled and that enforcement activity service levels of issuing 2.8 million parking tickets are maintained.
- Processing and collecting fines for all parking infraction notices.

PART III: RECOMMENDED BASE BUDGET

2012 Recommended Base Budget (In \$000s)

(In \$000s)	2011 Appvd. Budget	2012 Recommended Base	Change 2012 Recommended Base v. 2011 Appvd. Budget		FY Incremental Outlook	
					2013	2014
	\$	\$	\$	%	\$	\$
GROSS EXP.	56,068.5	57,817.5	1,749.0	3.1	1,294.2	1,198.9
REVENUE	77,066.0	80,649.4	3,583.4	4.6	500.0	
NET EXP.	(20,997.5)	(22,831.9)	(1,834.4)	8.7	794.2	1,198.9
Approved Positions	395.0	394.0	(1.0)	(0.3)		

2012 Recommended Base Budget

- No reduction target was established for Parking Tag Enforcement and Operations as each individual Program delivering services to the Parking Tag Enforcement and Operations Unit has included the cost of their operations in their respective 2012 Operating Budgets which are subject to their respective 10% reduction targets.
- The 2012 Recommended Base Budget of \$(22,831.9) million net revenue represents a \$1.834 million or 8.7% increase in net revenue from the Parking Tag Enforcement and Operations' 2011 Approved Operating Budget of \$(20,997.5) million.
- The 2012 Recommended Base Budget reflects the deletion of one base position, resulting in the staff complement decreasing from 395 to 394.

2012 Recommended Staff Complement – Base Budget Summary

Changes	Staff Complement
2011 Approved Positions	395.0
- 2011 In-year Adjustments	
2011 Approved Staff Complement	395.0
2012 Recommended Staff Complement Changes	
- 2012 Base Changes	(1.0)
Total Recommended Positions	394.0

2012 Recommended Service Changes

- The Program's 2012 Recommended Base Budget does not include any recommended service change reductions.

2013 and 2014 Outlook:

- Approval of the 2012 Base Budget for Parking Tag Enforcement and Operations will result in incremental increases of \$0.794 million and \$1.199 million in 2013 and 2014 respectively to maintain the 2012 level of service. Future year costs are primarily attributable to the following:
 - For 2013, the incremental expenditures are projected to be \$0.794 million. This includes step and progression pay increases for Revenue Services in the amount of \$0.002 million; and cost of living salary increase of \$0.900 million for the Parking Tag Enforcement Unit, and an increase for the .9% OMERS premium rate increase. This is offset by a projected increase in parking ticket collections of approximately \$0.500 million.
 - For 2014, the incremental expenditures are projected to be \$1.199 million. This includes step and progression pay increases for Revenue Services in the amount of \$0.002 million; and cost of living salary increases of \$1.045 million for Parking Tag Enforcement staff only.
- No COLA has been included for City staff, since collective bargaining will begin in 2012.

PART V: ISSUES FOR DISCUSSION

2012 and Future Year Issues

Strategies and Initiatives to Mitigate Expenditure Increases, Maintain Revenues and Increase Collection Rates

- A number of strategies have been or are being developed to reduce reliance on the court system, thereby reducing the trial request rate, and/or mitigating expenditure increases and maintaining revenue and increasing collection rates. The initiatives are described below:

Implementation of a Fixed Fine System for Parking Tickets

- At its meeting of September 21 and 22, 2011, City Council adopted the report from the Treasurer and City Solicitor entitled 'Implementation of a Fixed Fine System for Parking Tickets'. The recommendations in the report stipulate that parking tickets, where a trial has been held and a guilty verdict results, will be paid at the fixed fine amount – that is, the amount that appears on the face of the ticket.
- In the past, parking ticket recipients often requested a trial in the hope that they would have their fine amount reduced at court. An increase in trial requests has contributed to a significant shortage in court capacity needed to hear parking ticket trials. It is anticipated that a system of fixed fines for parking tickets will result in fewer trial requests and a quicker time to trial for parking ticket requests, which will help to make more effective use of available court capacity..
- Although it is difficult to assess what the financial impact of this initiative will be, an estimated increase of \$1 million has been included in the 2012 Recommended Operating Budget for Parking Tag Enforcement and Operations.

Couriers/Delivery Vehicles

- A significant number of parking tickets are issued to courier and delivery vehicles. Transportation Services has been developing a strategy to reduce the number of tickets and related requests for trials. The General Manager of Transportation Services will be reporting in January 2012 to request approval from City Council to initiate, further develop and implement a permit parking system for courier and delivery vehicles to address the issues around the ability to make deliveries, given the competing curb lane usages.

Reducing Officer Attendance at Court

- Currently, Police Officers must attend at court where a parking ticket recipient requests a trial. City Legal and Court staff are currently working with the province to

determine which offences could be handled without officers attending. This would reduce regular salary and/or overtime costs for Parking Enforcement Officers.

Appendix 1

2011 Performance

2011 Key Accomplishments:

In 2011, the Parking Tag Enforcement and Operations Unit accomplishments included the following:

- ✓ 2.8 million tickets are expected to be issued by Parking Enforcement Officers (PEO) and Municipal Law Enforcement Officers (MLEO) and processed in 2011 (*estimated based on year-to-date performance November 21, 2011).
- ✓ As of November 21st, 2011, approximately 1.5 million parking tickets issued in 2011 were paid in 2011.
- ✓ Approximately 120,000 calls from citizens requesting parking enforcement services in the community will be received.
- ✓ A total of 907 stolen vehicles were located from January 1 to November 21, 2011.
- ✓ 21,392 vehicles were towed from January 1 to November 21, 2011.
- ✓ In February 2011, Revenue Services launched an on-line dispute system that provides the public with a streamlined process to dispute a parking ticket under certain grounds without having to request a trial and appear in court. This initiative has been popular and has resulted in approximately 5,000 additional calls in 2011.
- ✓ In 2011 approximately 500,000 people will call or appear in-person to resolve their parking tag issues.
- ✓ In 2011 to the end of October, 168,561 parking ticket trial requests were made. Of those cases:
 - 27,244 were prepaid, resolved before trial,
 - 8,519 are incomplete or ongoing,
 - 31,953 resulted in an acquittal or withdrawal in court,
 - 58,943 resulted in a sentence in absentia because the accused failed to appear,
 - 39,159 were fined in court, and
 - 2,743 were suspended.

2011 Budget Variance Analysis

2011 Budget Variance Review (In \$000s)

(In \$000s)	2009 Actuals	2010 Actuals	2011 Approved Budget	2011 Projected Actuals*	2011 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
GROSS EXP.	48,547.3	54,619.6	56,068.5	56,851.7	783.2	1.4
REVENUES	93,423.4	80,898.6	77,066.0	77,761.4	695.4	0.9
NET EXP.	(44,876.1)	(26,279.0)	(20,997.5)	(20,909.7)	87.8	(0.4)
Approved Positions	395.0	395.0	395.0	395.0	-	-

* Based on the Third Quarter Operating Budget Variance Report.

2011 Experience

- The third quarter variance report for Parking Tag Enforcement and Operations projects that the program will be \$0.088 million over the 2011 Approved Operating Budget of \$(20.998) million net.
- The projected small unfavorable variance is due to increased costs for salaries and benefits for the Parking Tag Enforcement Unit in Toronto Police Services. More staff resources were temporarily hired than budgeted. This is mostly offset by an over-achievement in parking tag receipts in the amount of \$0.695 million.

Impact of 2011 Operating Variance on the 2012 Recommended Budget

- The 2012 Recommended Operating Budget has been adjusted to reflect an increase to parking tag revenues, based on actual experience.

Appendix 2

2012 Recommended Operating Budget by Expenditure Category and Key Cost Drivers

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2009 Actual	2010 Actual	2011 Budget	2011 Projected Actual	2012 Recommended Budget	2012 Change from 2011 Approved Budget		2013 Outlook	2014 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	31,467.1	34,533.3	35,316.2	36,099.4	36,334.4	1,018.2	2.9%	37,478.4	38,525.4
Materials and Supplies	1,217.2	1,479.5	1,354.9	1,354.9	1,594.0	239.1	17.6%	1,641.8	1,691.1
Equipment	63.4	64.0	96.2	96.2	94.2	(2.0)	(2.1%)	97.0	99.9
Services & Rents	7,651.2	7,183.5	7,396.6	7,396.6	7,375.6	(21.0)	(0.3%)	7,474.9	7,574.8
Contributions to Capital	434.0	434.0	534.0	534.0	534.0	-	0.0%	534.0	534.0
Contributions to Reserve/Res Funds	169.0	169.0	169.0	169.0	169.0	-	0.0%	169.0	169.0
Other Expenditures	265.0	265.0	265.0	265.0	265.0	-	0.0%	265.0	265.0
Interdivisional Charges	7,280.4	10,491.3	10,936.6	10,936.6	11,451.3	514.7	4.7%	11,451.3	11,451.3
TOTAL GROSS EXPENDITURES	48,547.3	54,619.6	56,068.5	56,851.7	57,817.5	1,749.0	3.2%	59,111.5	60,310.5
Interdivisional Recoveries						-	n/a		
Provincial Subsidies						-	n/a		
Federal Subsidies						-	n/a		
Other Subsidies						-	n/a		
User Fees & Donations						-	n/a		
Transfers from Capital Fund						-	n/a		
Contribution from Reserve Funds						-	n/a		
Contribution from Reserve						-	n/a		
Sundry Revenues	93,423.4	80,898.6	77,066.4	77,761.4	80,649.4	3,583.0	4.6%	81,149.4	81,149.4
TOTAL REVENUE	93,423.4	80,898.6	77,066.4	77,761.4	80,649.4	3,583.0	4.4%	81,149.4	81,149.4
TOTAL NET EXPENDITURES	(44,876.1)	(26,279.0)	(20,997.9)	(20,909.7)	(22,831.9)	(1,834.0)	(1.2%)	(22,037.9)	(20,838.9)
APPROVED POSITIONS	395.0	395.0	395.0	395.0	394.0	(1.0)	(0.3%)	-	-

2012 Key Cost Drivers

- Salaries and benefits are the largest expenditure category and account for 62.8% of the total expenditures, following by Interdivisional charges at 19.8% and Services and Rents at 12.8%.
- The 2012 budget for salaries and benefits of \$36.334 million is \$1.938 million or 5.6% higher than the 2011 Operating Budget.
 - This reflects the cost of living increase to Parking Enforcement Unit Officers in the amount of \$0.900 million; increases as a result of a 1% increase in OMERS premium rate in the amount of \$0.300 million.

- The 2012 budget for interdivisional recoveries is \$11.451 million. This is an increase of \$0.515 million over the 2011 Approved Budget.
- The expenditure increases have been more than offset by increases in revenues. Parking Tag revenues of \$80.649 million are \$3.583 million greater than the 2011 Approved Budget. This is the result of a 1% projected increase in collection rates, for \$0.993 million; an increase based on 2011 results; for an increase of \$0.700 million and an increase of \$1.000 million, resulting from approval of a fixed fine policy.