



STAFF REPORT ACTION REQUIRED

Toronto Police Service – Parking Enforcement Unit - 2008 Operating Budget Variance Report – Period Ending September 30, 2008

Date:	January 6, 2009
To:	Executive Committee, City of Toronto
From:	Pam McConnell, Acting Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Executive Committee with the Toronto Police Service – Parking Enforcement Unit’s 2008 operating budget variance report for the period ending September 30, 2008.

RECOMMENDATION

It is recommended that the Executive Committee approve a budget transfer of \$796,800 to the Toronto Police Service - Parking Enforcement’s 2008 net operating budget from the City’s Non-Program operating budget where a provision has been made, to fund the cost of a 3% interim salary award, which results in a revised 2008 net operating budget of \$34,707,900 for Parking Enforcement with no incremental impact to the City.

FINANCIAL IMPACT

The interim salary award of 3% for the Toronto Police Association is estimated to cost \$0.8M. Funding was set aside by the City in the 2008 non-program expenditure budget to cover the costs of contract settlements. The \$0.8M additional cost in 2008 due to the salary awards is offset by the budget transfer and therefore there is no net impact on the Toronto Police Service - Parking Enforcement unit’s overall variance and there is no impact to the City. A further technical adjustment may be required when the 2008 final contracts are settled.

ISSUE BACKGROUND

At its meeting of November 20, 2008, the Toronto Police Services Board was in receipt of a report, dated October 31, 2008, from William Blair, Chief of Police, with regard to the Toronto Police Service – Parking Enforcement Unit’s 2008 operating budget variance report for the period ending September 30, 2008.

COMMENTS

The Board approved the Chief’s report and agreed to forward a copy to the Executive Committee for approval.

A copy of Board Minute No. P314/08, in the form attached as Appendix “A” to this report, regarding this matter is provided for information.

CONTACT

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SIGNATURE

Pam McConnell
Acting Chair, Toronto Police Services Board

ATTACHMENT

Appendix A – Board Minute No. P314/08

A:tps parking 2008 operating budget variance.doc

Appendix "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON NOVEMBER 20, 2008

#P314. TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT – 2008 OPERATING BUDGET VARIANCE REPORT – PERIOD ENDING SEPTEMBER 30, 2008

The Board was in receipt of the following report October 31, 2008 from William Blair, Chief of Police:

Subject: OPERATING BUDGET VARIANCE REPORT FOR THE TORONTO POLICE PARKING ENFORCEMENT UNIT – PERIOD ENDING SEPTEMBER 30, 2008

Recommendations:

It is recommended that:

- (1) the Board request the City of Toronto Executive Committee to approve a budget transfer of \$796,800 to the Parking Enforcement's 2008 net operating budget from the City's Non-Program operating budget where a provision has been made, to fund the cost of a 3% interim salary award, which results in a revised 2008 net operating budget of \$34,707,900 for Parking Enforcement with no incremental impact to the City; and
- (2) the Board forward a copy of this report to the City of Toronto's Executive Committee for approval.

Financial Implications:

The interim salary award of 3% for the Toronto Police Association (TPA) is estimated to cost \$0.8M. Funding was set aside by the City in the 2008 non-program expenditure budget to cover the costs of contract settlements. The \$0.8M additional cost in 2008 due to the salary awards is offset by the budget transfer and therefore there is no net impact on Parking Enforcement's overall variance and there is no impact to the City. A further technical adjustment may be required when the 2008 final contracts are settled.

Background/Purpose:

Toronto City Council, at its meeting of March 31, 2008, approved the Toronto Police Parking Enforcement Operating Budget at a net amount of \$33.9 Million (M). This funding level excludes any impact from the collective agreement negotiations currently in progress.

The purpose of this report is to provide information on the Parking Enforcement's 2008 projected year-end variance.

Discussion:

The following chart summarizes the variance by category of expenditure.

Category	2008 Budget (\$000s)	Actual to Sept 30/08 (\$000s)	Projected Year- End Actual (\$000s)	Projected (Fav.)/Shortfall (\$000s)
Salaries	\$23,242.1	\$17,154.9	\$23,496.3	\$254.2
Premium Pay	\$5,387.0	\$2,261.4	\$5,407.1	\$20.1
Benefits	<u>\$1,307.5</u>	<u>\$944.2</u>	<u>\$1,383.2</u>	<u>\$75.7</u>
Total Salaries & Benefits	\$29,936.6	\$20,360.5	\$30,286.6	\$350.0
Materials and Equipment	\$1,492.4	\$566.9	\$1,390.1	(\$102.3)
Equipment	\$90.0	\$48.7	\$95.7	\$5.7
Services	\$3,866.8	\$1,540.3	\$3,610.1	(\$256.7)
Revenue	(\$1,474.7)	(\$258.1)	(\$1,474.7)	\$0.0
Total Non-Salary	<u>\$3,974.5</u>	<u>\$1,897.8</u>	<u>\$3,621.2</u>	(\$353.3)
Total Net	<u>\$33,911.1</u>	<u>\$22,258.3</u>	<u>\$33,907.8</u>	(\$3.3)

It is important to note that expenditures do not all follow a linear pattern and therefore year-to-date expenditures cannot be simply extrapolated to year end. Rather, the projection of expenditures to year end is done through an analysis of all accounts, taking into consideration factors such as expenditures to date, future commitments expected and spending patterns.

As at September 30, 2008, a \$3,300 surplus is anticipated. Details are discussed below.

Salaries & Benefits (including Premium Pay):

A shortfall of \$350,000 is being projected in these accounts. Salaries and benefits are projecting to be overspent based on expenditures to date and the planned accelerated hiring of Parking Enforcement officers (PEOs). In order to ensure that Parking Enforcement will, on average, be at its full complement of Parking Enforcement Officers during 2009, the annual class hire that is currently planned for January 2009 will be accelerated to November 2008.

Expenditures in premium pay are directly related to enforcement activities. Over-expenditures in this area are directly related to overtime incurred due to in-year staff vacancies.

Non-salary Expenditures:

A \$350,000 surplus is projected in the non-salary accounts. The increase in gas prices is causing an unfavourable budget variance in Parking Enforcement's fuel budget. However, based on year-to-date trends in its other accounts, Parking Enforcement is projecting a net favourable

variance in this category. Savings that are expected to continue have been taken into account in the development of the 2009 budget request.

Arbitration Decision

The Board and the TPA are currently undergoing the arbitration process for the 2008 contract year. On October 8, 2008, the Arbitrator awarded a 3% interim salary settlement on a without prejudice basis as the current process continues. The total estimated impact of this award on Parking Enforcement's net operating budget is \$0.8M. The impact of all salary settlements was estimated for and budgeted in the City's non-program expenditure budget. The Service is recommending that the Board request the City of Toronto's Executive Committee to approve a budget transfer to Parking Enforcement's operating budget, to cover the cost of the interim salary award.

Conclusion:

Parking Enforcement is projecting a \$3,300 surplus for 2008. Projected surpluses in non-salary accounts are being used to fund a two-month acceleration in hires of Parking Enforcement Officers. The 3% interim salary award has no impact on the overall variance, and a budget transfer is being requested from the City to provide funding to cover the amount of the interim award.

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command will be in attendance to answer any questions from the Board.

The Board approved the foregoing report and agreed to forward a copy to the City of Toronto – Executive Committee for approval.