

## **Status Report - Modified Enforcement Program**

<b>Date:</b>	October 5, 2009
<b>To:</b>	Government Management Committee
<b>From:</b>	President, The Toronto Parking Authority

### **SUMMARY**

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At its meeting of November 26, 27 and 28, 2002, Toronto City Council considered a report from the President, Toronto Parking Authority entitled "Revision of Toronto Parking Authority Courtesy Envelope Program". At that time, the Toronto Parking Authority indicated that it would report back to the Administration Committee one year following the implementation of the modified courtesy envelope program which was the subject of the report. While considerably more than one year has passed, the report back to Committee was delayed for a number of reasons, including delays in implementing the new program primarily due to a requirement to enact statutory changes to extend the use of Parking Infraction Notices to attended carparks and that the changes to the enforcement practices resulted in changes to customer behaviour which needed to stabilize prior to a proper assessment of the program occurring. The 2002 report estimated that the program changes would result in gross revenue increases of approximately \$1,700,000 annually which have been achieved.

### **FINANCIAL IMPACT**

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There is no financial impact arising from this report.

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### **BACKGROUND**

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Toronto City Council at their meeting of November 26, 27 and 28, 2002 approved a report from the President, Toronto Parking Authority which included a revised courtesy envelope process. City Council requested a report back on progress of the program one year following implementation.

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## **COMMENTS**

The Auditor General has indicated that the Toronto Parking Authority needs to respond to two Audit Recommendations arising out of the 2002 review of our courtesy envelope program which were not fully implemented. These recommendations were originally identified in the Audit Report of May 14, 2002.

### **OUTSTANDING RECOMMENDATION 1:**

The first recommendation was as follows:

“the President of the Toronto Parking Authority, in consultation with the City Auditor, report to the Toronto Parking Authority’s Board of Directors and the City’s Administration Committee, one year after the implementation of the Modified Parking Enforcement Program, on the results of operating this modified program on unattended lots, including the effect on overall revenue and expenses and the impact, if any, on customers and local businesses;”

The carparks operated by way of pay and display machines are an honour payment pay on entry system. Customers are required to purchase a ticket from the machine based on the amount of times they expect to stay in the carpark. Where they underestimate the time they require they can enter into an ‘expired ticket’ situation and be subject to the issuance of an arrear notices by the TPA enforcement personnel. The other circumstance requiring an enforcement action is the customer chooses to park without obtaining a ticket.

### **Modified Enforcement Program**

The modified enforcement program consisted of changes to the arrears payment process at both attended and pay and display facilities. The audit recommendation only requested a follow-up with respect to unattended facilities.

### **Pay and Display Facilities**

The enforcement program at pay and display facilities prior to the modification consisted of issuing two types of arrears payment notice; a courtesy envelope (C.E) or a Parking Infraction Notice (PIN). The rules under which the type of notice would be issued were:

- If a vehicle had less than three outstanding CE’s at the time of an infraction it would be issued an additional CE; or
- If a vehicle had already been issued and had not paid 3 CE’s it would be issued a PIN; or
- A ‘ticket blitz’ would result in all non-compliant vehicles being issued a PIN regardless of the CE status. Our best estimate is that approximately 50% of the PINs issued by the TPA prior to program modifications were from ‘blitzes’.

The modified enforcement program introduces the following changes:

- If a vehicle had no ticket displayed and no unpaid CEs it would be issued a CE;
- If a vehicle had no ticket displayed and any unpaid CEs it would be issued a PIN
- If a vehicle was parked overtime and had zero or one unpaid CE it would be issued a CE;
- If a vehicle was parked overtime and had 2 or more unpaid CEs it would be issued a PIN;
- If a vehicle had 6 paid CEs within the previous 6 months it would be issued a PIN; and
- Elimination of ticket blitzes.

### **Effect on Overall Revenue**

Revenue is affected at the Pay and Display carpark in three ways:

- Increase in initial compliance (persons buying tickets on entry);
- Less CEs being issued but for higher amounts; and
- More program related PINs issued.

During the four years prior to the implementation of the Modified Enforcement Program (MEP) the TPA issued an average of 220,000 CEs in its pay and display carpark. In the five years following the implementation of the MEP, there were about 135,000 CEs being issued. In addition to the CEs, the number of program related PINs has increased from about 24,000 annually to about 44,000 annually. In total there were about 244,000 arrears notices (CEs and PINs) issued prior to the MEP and about 179,000 following MEP. This has occurred with no reduction in the amount of enforcement being applied. This indicates that initial compliance has increased substantially in the pay and display facilities. Each 1% of revenue compliance is equivalent to about \$200,000 annually. Revenue and usage statistics indicate that usage increased by about 4% following the MEP which it is believed is largely a result of higher initial compliance. If all of the increase is attributed to MEP, it is generating about \$800,000 on an annual basis through compliance.

As noted above, the number of CEs issued has decreased by about 85,000 annually but due to higher arrears fees the revenue generated by CE payments has increased by about \$100,000 annually. In addition, the number of program-related PINs has increased by about 20,000 annually resulting in about \$500,000 in additional revenues to the City Finance Department.

### **Expenses**

At the pay and display facilities there was a minor expense incurred to reprogram the enforcement devices.

## **Impact on Customers and Local Businesses**

None identified.

### **OUTSTANDING RECOMMENDATION 2:**

The second recommendation which remains outstanding was:

“the President of the Toronto Parking Authority review the courtesy envelope delinquent report (as it relates to all TPA lots), commence action on all accounts where amounts owing warrant additional collection efforts, and report to the Toronto Parking Authority Board of Directors by July 31, 2002, on the procedures that will be implemented to avoid any significant outstanding balances from accumulating;”

The situation where vehicles were accumulating large numbers of arrears notices was largely a result of the practices of not operating many of the attended facilities overnight. As this practice has been almost completely discontinued there are many less CEs being issued in these facilities.

As at the end of 2008, there were a total of 336 vehicles which had incurred 3 or more arrears notices in the previous 6 months. The fee value of the arrears notices was \$11,453 of which about 90% were unpaid. These delinquent vehicles had also been issued PINs in the sum of \$32,100 during this period or more than three times the value of the unpaid arrears notices. Where the use of continued PINs does not deter activity to specific offenders in specific facilities, personnel are dispatched to further address the situation.

## **CONTACT**

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No attachments.