



STAFF REPORT ACTION REQUIRED

Toronto Police Service – Parking Enforcement Unit: 2011 Operating Budget Variance Report for the Period Ending July 31, 2011

Date:	October 5, 2011
To:	Executive Committee, City of Toronto
From:	Alok Mukherjee, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Executive Committee with the 2011 operating budget variance report for the Toronto Police Service – Parking Enforcement Unit for the period ending July 31, 2011.

RECOMMENDATION

It is recommended that the Executive Committee approve a budget transfer of \$916,300 to the Service's Parking Enforcement 2011 operating budget from the City's Non-Program operating budget, to fund the cost of the 2011 portion of the 2011-2014 negotiated collective agreement for Toronto Police Association members

FINANCIAL IMPACT

The Board, at its January 11, 2011 meeting, approved the Toronto Police Service Parking Enforcement (PEU) 2011 operating budget at a net amount of \$39.5 Million (M). Subsequently, Toronto City Council, at its meeting of February 23 and February 24, 2011, approved the PEU 2011 net operating budget at the same amount.

City Finance staff have confirmed that funding has been set aside in the City's non-program expenditure budget to cover the cost of the negotiated contract settlement for Toronto Police Association staff. The \$0.9M estimated cost in 2011 for the collective agreement salary increase is offset by the budget transfer and therefore there is no net impact on the Service's 2011 overall variance. In addition, there is no net impact to the City. The PEU operating budget is not part of the Service's operating budget, but rather is maintained separately in the City's non-program budgets.

ISSUE BACKGROUND

At a meeting held on September 14, 2011, the Board was in receipt of a report dated August 31, 2011 from William Blair, Chief of Police, recommending a budget transfer of \$916,300 to the Service's Parking Enforcement 2011 operating budget from the City's Non-Program operating budget, to fund the cost of the 2011 portion of the 2011-2014 negotiated collective agreement for Toronto Police Association members.

COMMENTS

The Board approved the Chief's report and agreed to forward a copy of the report to the City's Deputy City Manager and Chief Financial Officer for information and to the City's Executive Committee for approval.

CONCLUSION

A copy of the Chief's report dated August 31, 2011 is contained in Board Minute No. P232/11. A copy of Board Minute No. P232/11, in the form attached as Appendix "A" to this report, is provided for information.

CONTACT

Chief of Police William Blair
Toronto Police Service
Telephone No. 416-808-8000
Fax No. 416-808-8002

SIGNATURE

Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P232/11

cc. Mr. Cam Weldon, Deputy City Manager and Chief Financial Officer

A: 2011tps operating budget variance parking.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON SEPTEMBER 14, 2011

**#P232. TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT:
2011 OPERATING BUDGET VARIANCE REPORT FOR THE PERIOD
ENDING JULY 31, 2011**

The Board was in receipt of the following report August 31, 2011 from William Blair, Chief of Police:

Subject: OPERATING BUDGET VARIANCE REPORT FOR THE TORONTO POLICE SERVICE PARKING ENFORCEMENT UNIT – PERIOD ENDING JULY 31, 2011

Recommendations:

It is recommended that:

- (1) the Board request the City's Executive Committee approve a budget transfer of \$916,300 to the Service's Parking Enforcement 2011 operating budget from the City's Non-Program operating budget, to fund the cost of the 2011 portion of the 2011-2014 negotiated collective agreement for Toronto Police Association members; and
- (2) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information.

Financial Implications:

The Board, at its January 11, 2011 meeting, approved the Toronto Police Service Parking Enforcement (PEU) 2011 operating budget at a net amount of \$39.5 Million (M) (Min. No. P14/11 refers). Subsequently, Toronto City Council, at its meeting of February 23 and February 24, 2011, approved the PEU 2011 net operating budget at the same amount.

City Finance staff have confirmed that funding has been set aside in the City's non-program expenditure budget to cover the cost of the negotiated contract settlement for Toronto Police Association staff. The \$0.9M estimated cost in 2011 for the collective agreement salary increase is offset by the budget transfer and therefore there is no net impact on the Service's 2011 overall variance. In addition, there is no net impact to the City. The PEU operating budget is not part of the Service's operating budget, but rather is maintained separately in the City's non-program budgets.

Background/Purpose:

The purpose of this report is to provide information on the PEU 2011 projected year-end variance as of July 31, 2011.

Discussion:

The following chart summarizes the variance by category of expenditure.

Category	2011 Budget (\$Ms)	Actual to July 31/11 (\$Ms)	Projected Year- End Actual (\$Ms)	Fav/(Unfav) (\$Ms)
Salaries	\$26.43	\$15.31	\$26.87	(\$0.44)
Premium Pay	\$2.56	\$0.85	\$1.91	\$0.65
Benefits	\$6.34	\$2.30	\$6.42	(\$0.08)
Total Salaries & Benefits	\$35.33	\$18.47	\$35.20	\$0.13
Materials	\$1.35	\$0.53	\$1.35	\$0.00
Equipment	\$0.10	\$0.00	\$0.10	\$0.00
Services	\$5.28	\$1.75	\$5.28	\$0.00
Revenue	(\$1.62)	(\$0.29)	(\$1.62)	\$0.00
Total Non-Salary	\$5.11	\$2.00	\$5.11	\$0.00
Total Net	\$40.44	\$20.46	\$40.31	\$0.13

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 July 31, 2011, a surplus of \$0.13 million (M) is anticipated. Details are discussed below.

Salaries & Benefits (including Premium Pay):

An unfavourable variance of \$0.52M is projected in salaries and benefits. PEU schedules one recruit class per year and hires the appropriate number of parking enforcement officers to ensure that, on average, it is at its full complement of officers during the year. Current trends indicate that the 2011 attrition will be less than the budgeted amount. As a result, PEU is projecting to be over-spent in salaries and benefits. The size of the recruit class (currently planned for the fourth quarter in 2011) will be determined later in the year, based on updated attrition figures.

The majority of premium pay at the PEU is related to enforcement activities, attendance at court and the backfilling of members attending court. With respect to enforcement activities, premium pay is utilized to staff special events or directed enforcement activities. The opportunity to redeploy on-duty staff for special events is minimal, as this will result in decreased enforcement

in the areas from which they are being deployed. Directed enforcement activities are instituted to address specific problems. All premium pay expenditures are approved by supervisory staff and strictly controlled.

Due to the projected lower-than-budgeted staff attrition, more permanent staff are available for duty, and PEU can reduce premium pay expenditures to offset the shortfall in salaries and benefits. At this time, a surplus of \$0.65M is projected in premium pay.

Non-salary Expenditures:

No variance is anticipated in the non-salary accounts at this time.

Conclusion:

As at July 31, 2011, a surplus of \$0.13M is projected to the PEU operating budget.

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.