

Toronto 2017 BUDGET



OPERATING BUDGET NOTES



Parking Tags Enforcement and Operations

2017 OPERATING BUDGET OVERVIEW

Parking Tags Enforcement and Operations provides safe and efficient free flow of traffic by responding to local neighbourhood parking concerns, 7 days a week, 24 hours a day. The Program collects and processes fines for issued parking infraction tickets.

2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$66.141 million gross and (\$46.427) million net as shown below:

| (in \$000's) | 2016 Budget | 2017 Preliminary Budget | Change | |
|-------------------------|-------------------|-------------------------|------------------|--------------|
| | | | \$ | % |
| Gross Expenditures | 65,579.6 | 66,140.6 | 561.0 | 0.9% |
| Revenues | 102,413.5 | 112,567.3 | 10,153.8 | 9.9% |
| Net Expenditures | (36,833.9) | (46,426.7) | (9,592.8) | 26.0% |

For 2017, the revenues will increase by \$10.154 million over 2016 with gross expenditures increasing marginally by \$0.561 million resulting in overall increase of \$9.593 million revenues. New revenues of \$6.112 million are included from the implementation of Administrative Penalty System that will allow the City to move away from the current court based system for parking violations.

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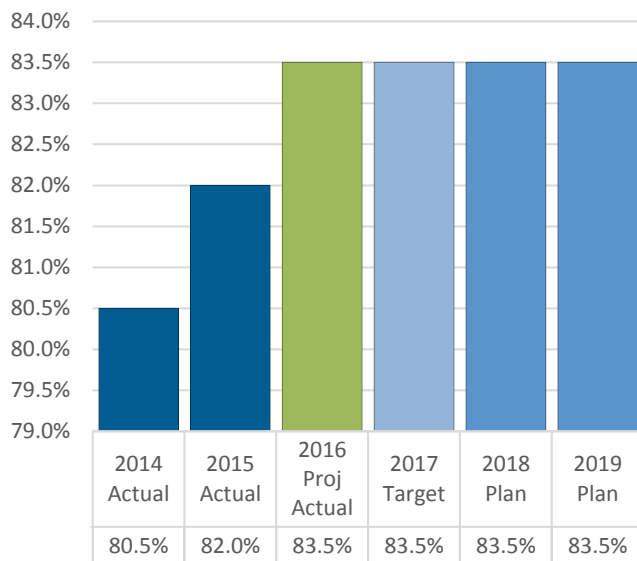
Fast Facts

- Over 40,000 vehicles in 2016 were towed in relation to parking and enforcement violations which is up significantly from an annual average of 25,000.
- Over 10,000 vehicles were towed under the Habitual Offender Program.
- Over 800 stolen vehicles were located.
- Parking Enforcement Officers are hired and trained as a class consisting of between 20 and 30 Parking Enforcement Officers.

Trends

- The number of parking tickets issued for 2017 and future years has been set at 2.350 million, which is the same as 2016.
- The upward collection rate trend observed in the past years has now stabilized and is projected at 83.5% for 2017 and future years given the continuing success of the Fixed Fine System as offenders are paying fixed fined instead of trying to go to the court in hopes of getting a reduced fine or having their tickets cancelled.

Collection Rate of Parking Tickets



Key Service Deliverables for 2017

Parking Tags Enforcement and Operations is comprised of 4 inter-related services under the current Provincial Offences Act (POA) System: Parking Tags Enforcement Unit, Revenue Services, Court Services and Parking Tags Revenue. Each of these units promotes the safe and efficient free flow of traffic.

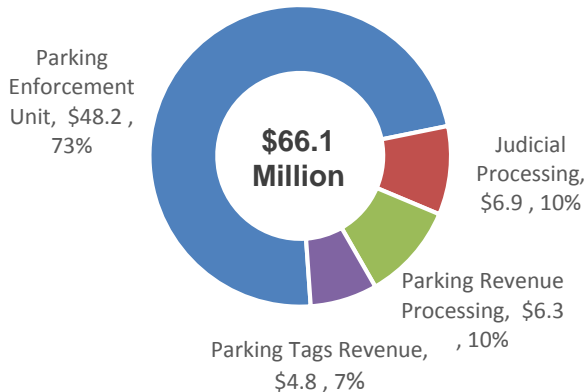
A new Administrative Penalty System (APS) will be implemented May 15, 2017 to replace the current POA system. This new system will allow for the faster resolutions of parking tag disputes than available with the current court system.

Under the new system:

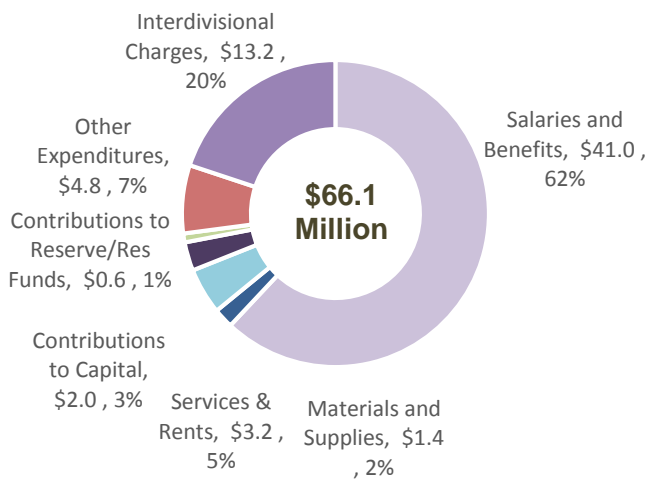
- Legal Services will assume the lead role of managing / administering the dispute review process at Screening Offices. Screening Officers will take over the initial review / screening of disputes and will have the authority to uphold, vary or cancel the parking penalty and fees.
- Court Services will shift its focus from using the provincial courts for parking disputes to supporting and administering the Administrative Penalty Tribunal. Council appointed Hearing Officers will have final authority in the review of Screening Officer Decisions.
- Revenue Services will continue to be responsible for processing payments, mailing notices, and overseeing the collection of outstanding penalties, including the plate denial process.
- Toronto Police Service's Parking Enforcement Unit will continue to enforce the City's parking by-laws through the issuance of penalty notices (i.e. parking tickets).
- Parking Tag Revenues will continue to be included in the Non-Program Revenue Budget for revenues generated from parking tickets issued to support parking by-law initiatives and other related City programs.

Where the money goes:

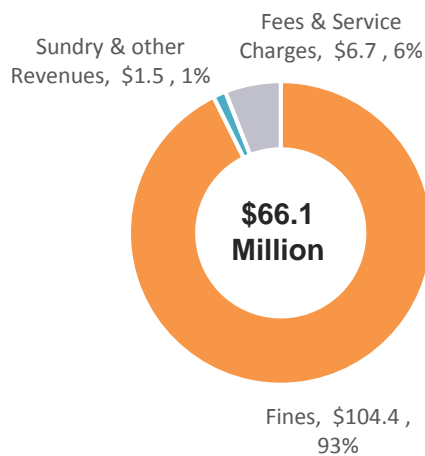
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Migrating to the New Administrative Penalty System** effective May 15, 2017 will improve accessibility and efficiency of the parking dispute process.
 - ✓ Greater access to dispute resolution services that are more accessible and efficient than those currently allowed under the Provincial Offences Act (POA).
 - ✓ The 2017 Preliminary Operating and Capital Budgets include the costs and revenues to implement the new system.

- **Promoting behavioural changes** and increased compliance to By-laws by:
 - ✓ Continuing the Fixed Fine System and Habitual Offender Program.
 - ✓ Continuing the increased Rush Hour Route Fines during peak City travel times.
 - ✓ Implementing more strict enforcement during rush hours with regular updates to the public.
 - ✓ Responding to public emergencies/needs during rush hour.
 - ✓ Implementing mobile pay for on street parking so users can pay and extend for parking remotely.

2017 Operating Budget Highlights

- The 2017 Preliminary Operating Budget of \$66.141 million in gross expenditures and (\$46.427) million net provides funding for 4 services: Police Parking Enforcement, Parking Revenue Processing, Judicial Processing and Parking Tags Revenue.

This budget represents a decrease of 26.0% to the 2016 Approved Net Operating Budget through measures taken based on the following:

 - ✓ Reduction in premium pay and non-labour expenditure accounts for Police Parking Enforcement (\$0.392 million).
 - ✓ Additional revenues to be achieved through 2 key actions,
 - A one-time increase in revenues from the provincially regulated late payment and plate denial fees under the current POA system
 - Additional revenues from the implementation of the new administrative penalty system disputes resolution process.

Actions for Consideration

Approval of the 2017 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2017 Preliminary Operating Budget for Parking Tags Enforcement & Operations of \$ 66,140.6 million gross, (\$46,426.7) million net for the following services:

| <u>Service:</u> | <u>Gross</u> <u>(\$000s)</u> | <u>Net</u> <u>(\$000s)</u> |
|-----------------------------|---------------------------------|-------------------------------|
| Police Parking Enforcement: | 48,234.0 | 46,722.6 |
| Parking Revenue Processing: | 6,289.8 | 6,289.8 |
| Judicial Processing: | 6,866.8 | 6,866.8 |
| Parking Tags Revenue: | <u>4,750.0</u> | <u>(106,305.9)</u> |
| Total Program Budget | <u>66,140.6</u> | <u>(46,426.7)</u> |

2. City Council approve the 2017 service levels for Parking Tags Enforcement & Operations as outlined on pages 14, 16 and 18 of this report, and associated staff complement of 394 positions.
3. City Council approve the 2017 user fees for discontinuation for Revenue Services identified in Appendix 7, for exclusion from the Municipal Code Chapter 441 "Fees and Charges".
4. City Council authorize the transfer of \$3.462 million from the 2017 Non-Program Revenue Budget to the 2017 Operating Budgets for Court Services, Revenue Services and Legal Services upon the approval of the 2017 Budget as per the table below, to reflect the recovery of costs to implement the new Administrative Penalty System in each of the following programs:

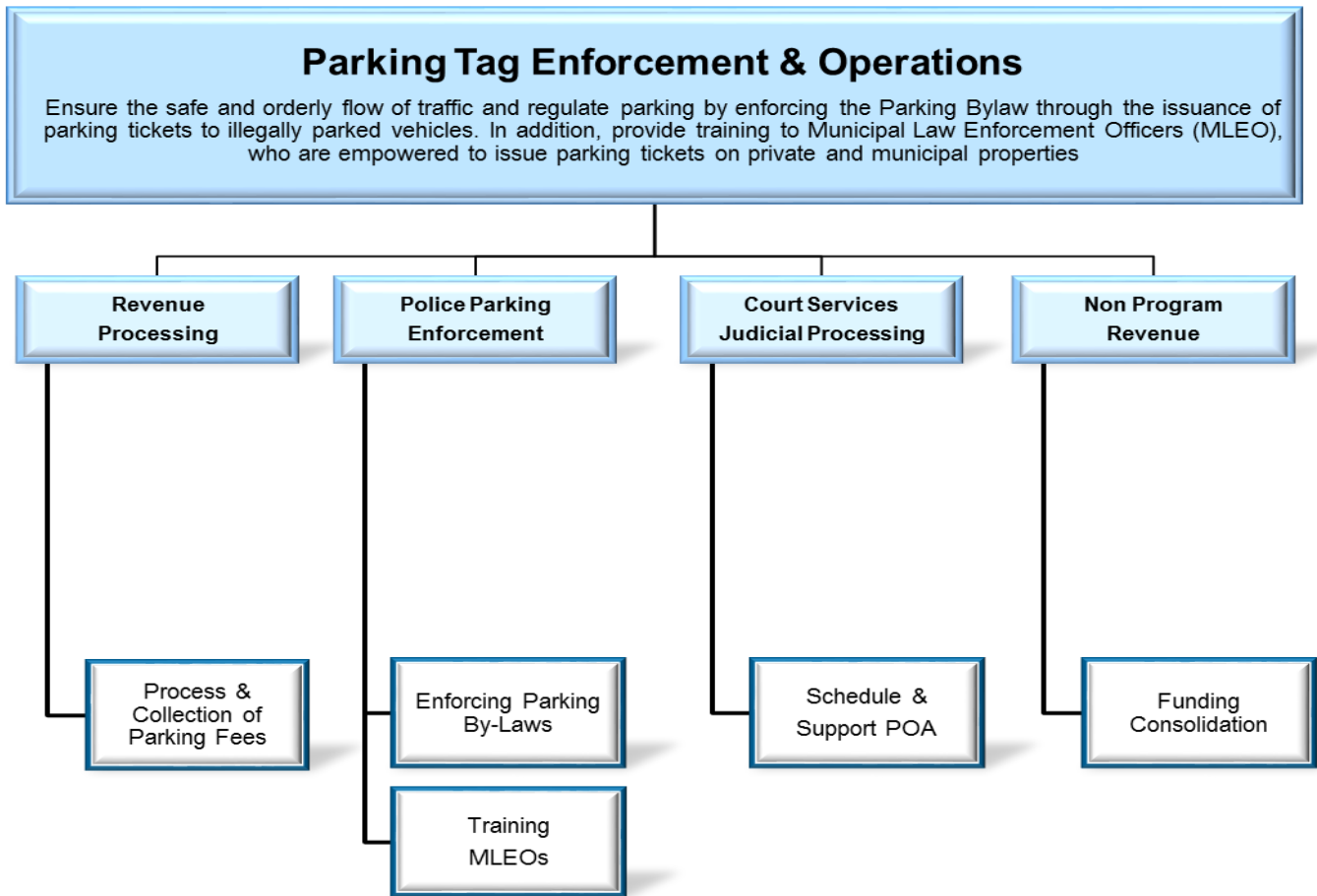
| <u>Service:</u> | <u>Gross</u> <u>(\$000s)</u> | <u>Net</u> <u>(\$000s)</u> |
|--------------------------|---------------------------------|-------------------------------|
| Court Services: | | (855.0) |
| Revenue Services: | | 486.0 |
| Legal Services: | | (3,093.3) |
| Non-Program Expenditure: | <u>3,462.3</u> | <u>3,462.3</u> |
| Total | <u>3,462.3</u> | <u>0</u> |



Part 1:

2017-2019 Service Overview and Plan

Program Map



Service Customer

Revenue Processing

- Illegally Parked Vehicle Owners
- Vehicle Drivers
- Private Property Owners
- Other Municipal Properties

Indirect (Beneficial)

- Residents
- Staff – City Divisions
- City-owned and operated Facilities

Police Parking Enforcement

- Illegally Parked Vehicle Owners
- Vehicle Drivers
- Private Property Owners
- Other Municipal Properties

Indirect (Beneficial)

- Residents
- Staff – City Divisions
- Staff – Agencies & Boards
- City-owned and operated Facilities

Courts Services Judicial Processing

- Illegally Parked Vehicle Owners
- Vehicle Drivers

Indirect (Beneficial)

- Residents
- Staff – City Divisions
- Staff – Agencies & Boards
- City-owned and operated Facilities
- Provincial & Federal Governments

Non Program Revenues

- Illegally Parked Vehicle Owners
- Vehicle Drivers
- Private Property Owners
- Other Municipal Properties

Indirect (Beneficial)

- Residents
- Staff – City Divisions
- Staff – Agencies & Boards
- City-owned and operated Facilities

Table 1
2017 Preliminary Operating Budget and Plan by Service

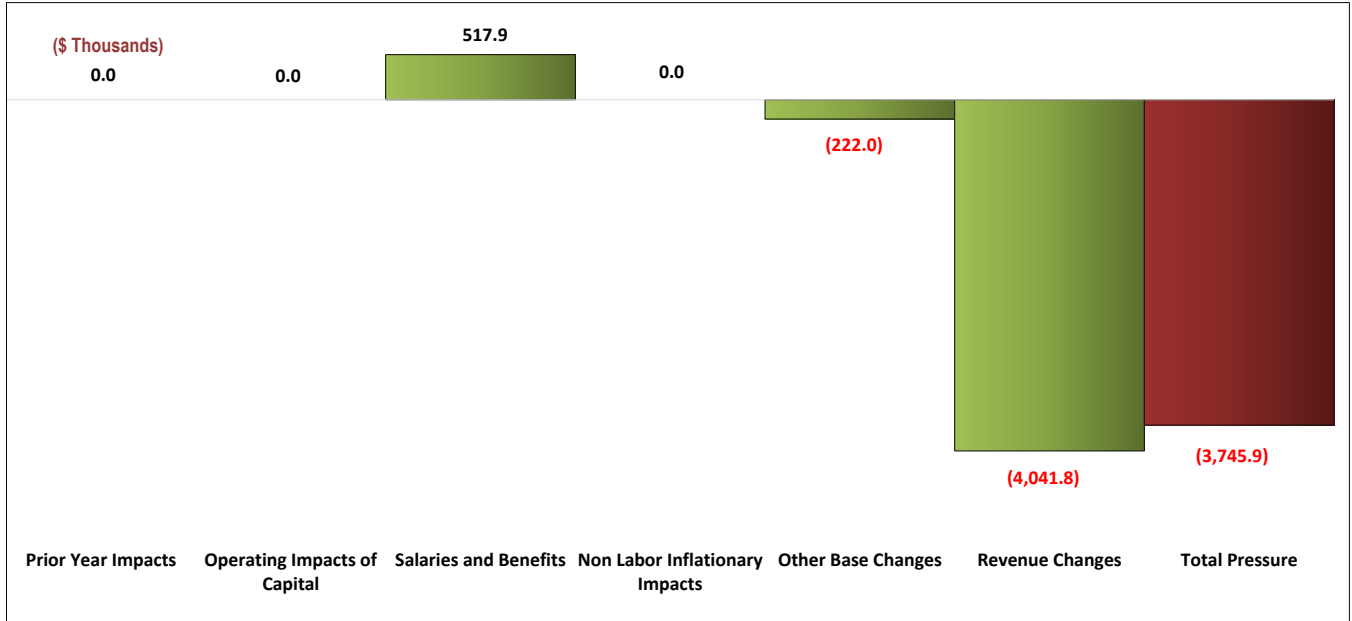
| (In \$000s) | 2016 | | 2017 Preliminary Operating Budget | | | 2017 Preliminary vs. 2016 Budget Change | | Incremental Change | | | |
|-----------------------------------|-------------------|-------------------|-----------------------------------|------------------|--------------------|---|---------------|--------------------|-----------------|--------------|---------------|
| | Budget | Projected Actual | Base | New/ Enhanced | Total Budget | \$ | % | 2018 Plan | % | 2019 Plan | % |
| By Service | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ | % | \$ | % |
| Police Parking Enforcement | | | | | | | | | | | |
| Gross Expenditures | 47,451.0 | 46,347.0 | 47,794.0 | 440.0 | 48,234.0 | 783.0 | 1.7% | 389.1 | 0.8% | 223.0 | 0.5% |
| Revenue | 1,519.5 | 1,519.5 | 1,511.4 | | 1,511.4 | (8.1) | (0.5%) | | | | |
| Net Expenditures | 45,931.5 | 44,827.5 | 46,282.6 | 440.0 | 46,722.6 | 791.1 | 1.7% | 389.1 | 0.8% | 223.0 | 0.5% |
| Parking Revenue Processing | | | | | | | | | | | |
| Gross Expenditures | 6,511.8 | 6,511.8 | 6,289.8 | | 6,289.8 | (222.0) | (3.4%) | (77.7) | (1.2%) | 61.1 | 1.0% |
| Revenue | | | | | | | | | | | |
| Net Expenditures | 6,511.8 | 6,511.8 | 6,289.8 | | 6,289.8 | (222.0) | (3.4%) | (77.7) | (1.2%) | 61.1 | 1.0% |
| Judicial Processing | | | | | | | | | | | |
| Gross Expenditures | 6,866.8 | 6,866.8 | 6,866.8 | | 6,866.8 | | | (6,866.8) | (100.0%) | | |
| Revenue | | | | | | | | | | | |
| Net Expenditures | 6,866.8 | 6,866.8 | 6,866.8 | | 6,866.8 | | | (6,866.8) | (100.0%) | | |
| Parking Tags Revenue | | | | | | | | | | | |
| Gross Expenditures | 4,750.0 | 4,750.0 | 4,750.0 | | 4,750.0 | | | | | | |
| Revenue | 100,894.0 | 100,894.0 | 104,943.9 | 6,112.0 | 111,055.9 | 10,161.9 | 10.1% | (3,874.9) | | | |
| Net Expenditures | (96,144.0) | (96,144.0) | (100,193.9) | (6,112.0) | (106,305.9) | (10,161.9) | 10.6% | 3,874.9 | (3.6%) | | |
| Total | | | | | | | | | | | |
| Gross Expenditures | 65,579.6 | 64,475.6 | 65,700.6 | 440.0 | 66,140.6 | 561.0 | 0.9% | (6,555.4) | (9.9%) | 284.1 | 0.5% |
| Revenue | 102,413.5 | 102,413.5 | 106,455.3 | 6,112.0 | 112,567.3 | 10,153.8 | 9.9% | (3,874.9) | (3.4%) | | |
| Total Net Expenditures | (36,833.9) | (37,937.9) | (40,754.7) | (5,672.0) | (46,426.7) | (9,592.8) | 26.0% | (2,680.5) | 5.8% | 284.1 | (0.6%) |
| Approved Positions | 394.0 | 372.0 | 394.0 | | 394.0 | | | | | | |

The Parking Tags Enforcement & Operations' 2017 Preliminary Operating Budget is \$66.141 million gross and (\$46.427) million net, representing a \$9.593 million or 26.0% revenue increase over the 2016 Approved Net Operating Budget. The Program has exceeded the budget reduction target of -2.6% as set out in the 2017 Operating Budget Directions approved by Council.

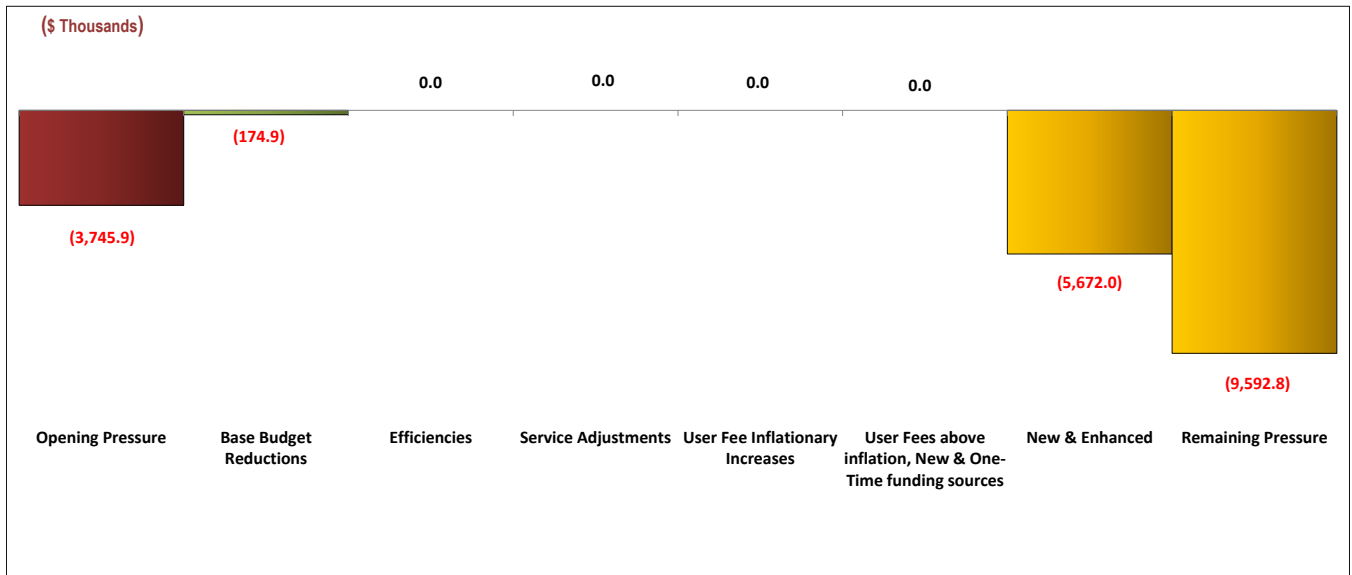
- Base pressures are mainly attributable to the inflationary increases in salaries and benefits primarily for staff in the Toronto Police Parking Enforcement Unit. No inflationary increases for staff salaries and benefits are included for other services.
- To help mitigate the above base pressures, the Program was able to achieve savings through budget reductions in Premium Pay and other non-salary expenditures including Material & Supplies, Equipment, Services and Rent of \$0.546 million based on historical spending trends.
- New and enhanced services funding of \$0.440 million is provided to cover the cost of an annual contribution to the Police Parking Tags Enforcement reserve for future replacement of the handheld devices used to issuing parking tags that will incorporate digital photography. The estimated costs of the equipment is \$2.200 million with a 5-year useful life.
- The 2018 and 2019 Plans reflect incremental decreases mainly attributable to the introducing new Administrative Penalty System, enabling the City to discontinue reliance on the POA court system for parking tickets.

The following graphs summarize the operating budget pressures for this Program and the measures/actions taken to offset these pressures and meet the budget target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target



**Table 2
Key Cost Drivers**

| (In \$000s) | 2017 Base Operating Budget | | | | | | | | Total | |
|---|----------------------------|----------|----------------------------|----------|---------------------|----------|----------------------|----------|-------|------------------|
| | Police Parking Enforcement | | Parking Revenue Processing | | Judicial Processing | | Parking Tags Revenue | | | |
| | \$ | Position | \$ | Position | \$ | Position | \$ | Position | \$ | Position |
| Gross Expenditure Changes | | | | | | | | | | |
| Salaries and Benefits | | | | | | | | | | |
| COLA, Progression Pay and Benefits | 517.9 | | | | | | | | | 517.9 |
| Other Base Changes | | | | | | | | | | |
| Transfer of 5.0 positions from Revenue Services to Legal Services | | | (222.0) | | | | | | | (222.0) |
| Total Gross Expenditure Changes | 517.9 | | (222.0) | | | | | | | 295.9 |
| Revenue Changes | | | | | | | | | | |
| Contribution from Reserve | (8.1) | | | | | | | | | (8.1) |
| Eliminating of IVR Telephone and Online Transaction Fees | | | | | | | (1,160.1) | | | (1,160.1) |
| Late Fees/Plate Denial Fees | | | | | | | 5,210.0 | | | 5,210.0 |
| Total Revenue Changes | (8.1) | | | | | | 4,049.9 | | | 4,041.8 |
| Net Expenditure Changes | 526.0 | | (222.0) | | | | (4,049.9) | | | (3,745.9) |

Key cost drivers for Parking Tags Enforcement and Operations are discussed below:

- Salaries and Benefits
 - The primary cost driver for Parking Tags and Operations is salaries and benefits including cost of living allowance, progression pay and associated benefits for Toronto Police Parking Enforcement unit. The Program has identified savings in Premium Pay and other salary accounts to partially offset the increases, which will result in a net pressure of \$0.518 million.
- Other Base Changes:
 - Under the new Administrative Penalty System program, Legal Services will be managing and administering the dispute review process at the Screening Offices. As such, the 2017 Preliminary Operating Budget includes a transfer of 5.0 positions from Revenue Services to Legal Services and a corresponding budget decrease of \$0.222 million.
- Revenue Changes:
 - Elimination of the transaction fee for online payments (\$1.50/transaction) and IVR phone payments (\$2.00/transaction) will result in a total reduction of \$1.160 million in revenues.
 - To encourage greater use of the automated payment channels, the online transaction fee of \$1.50 per transaction will also be eliminated upon the implementation of the Administrative Penalty System effective May 15, 2017.
 - The IVR telephone payment fee of \$2.00/transaction was previously approved by Council to be eliminated on January 1, 2017 due to Credit Card Compliance issues and low client usage.
 - The 2017 Preliminary Operating Budget includes a one-time revenue increase of \$5.210 million for the provincially regulated late payment fees and plate denial fees implemented effective January 2016 for the parking tickets processed under the current court-based POA system. The adjustment is pro-rated for 2017 reflecting the transition from the court-based POA system in mid May 2017.

**Table 3
Actions to Achieve Budget Reduction Target
2017 Preliminary Service Change Summary**

| Description (\$000s) | Service Changes | | | | | | | | Total Service Changes | | | Incremental Change | | | | |
|---------------------------------|----------------------------|---------|----------------------------|-----|---------------------|-----|----------------------|-----|-----------------------|---------|------|--------------------|------|-----------|------|--|
| | Police Parking Enforcement | | Parking Revenue Processing | | Judicial Processing | | Parking Tags Revenue | | \$ | \$ | # | 2018 Plan | | 2019 Plan | | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Pos. | Net | Pos. | Net | Pos. | |
| Base Changes: | | | | | | | | | | | | | | | | |
| Base Expenditure Changes | | | | | | | | | | | | | | | | |
| Line by Line Expenditure Review | (174.9) | (174.9) | | | | | | | (174.9) | (174.9) | | | | | | |
| Base Expenditure Change | (174.9) | (174.9) | | | | | | | (174.9) | (174.9) | | | | | | |
| Total Changes | (174.9) | (174.9) | | | | | | | (174.9) | (174.9) | | | | | | |

Base Expenditure Changes (Savings of \$0.175 million gross & net)

Line by Line Review

- A review of expenditure was completed in Toronto Police Parking Enforcement which identified savings of \$0.175 million from the non-labour expenditure accounts based on historical experience to help mitigate the budget pressures.

**Table 4
2017 Preliminary New & Enhanced Service Priorities**

| Description (\$000s) | New/Enhanced | | | | | | | | Total | | | Incremental Change | | | | |
|--|----------------------------|--------------|----------------------------|-----|---------------------|-----|----------------------|----------------|--------------|----------------|----------|--------------------|------|-----------|------|--|
| | Police Parking Enforcement | | Parking Revenue Processing | | Judicial Processing | | Parking Tags Revenue | | \$ | \$ | Position | 2018 Plan | | 2019 Plan | | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | # | Net | Pos. | Net | Pos. | |
| New Services Priorities | | | | | | | | | | | | | | | | |
| Referred to the Budget Process: | | | | | | | | | | | | | | | | |
| Increased Contribution to Vehicle/Equipment Replacement Reserve for the Digital Photography Handheld Units | 440.0 | 440.0 | | | | | | | 440.0 | 440.0 | | | | | | |
| Additional New Revenue from the APS Model | | | | | | | | 6,112.0 | 6,112.0 | | | 5,214.0 | | | | |
| Total New / Enhanced Services | 440.0 | 440.0 | | | | | | 6,112.0 | 440.0 | 5,672.0 | | 5,214.0 | | | | |

New Service Priorities (\$0.440 million gross & \$5.672 million net)

Implementation of the Administrative Penalty System in May 2017

- The 2017 Preliminary Operating Budget includes funding for the Administrative Penalty System (APS) as a new service priority, which will result in additional revenues of \$6.112 million in 2017 and \$5.214 million in 2018.
- It is important to note that the APS initiative will require a total operating investment of \$4.162 million, of which \$0.440 million represents an annual reserve contribution for the lifecycle replacement of the handheld ticket issuance units included in the 2017 Preliminary Operating Budget for Parking Tags. The remaining costs of \$3.722 million are included in the 2017 Preliminary Operating Budgets for Court Services and Legal Services respectively.
- Please refer to the Issue Section for more details.

Approval of the 2017 Preliminary Operating Budget for Parking Tags Enforcement and Operations will result in net savings of \$2.681 million in 2018 and a net pressure of \$0.284 million in 2019.

Table 5
2018 and 2019 Plan by Program

| Description (\$000s) | 2018 - Incremental Increase | | | | | 2019 - Incremental Increase | | | | |
|--|-----------------------------|-----------|-------------|----------|----------|-----------------------------|---------|-------------|----------|----------|
| | Gross Expense | Revenue | Net Expense | % Change | Position | Gross Expense | Revenue | Net Expense | % Change | Position |
| Known Impacts: | | | | | | | | | | |
| Salaries and Benefits | | | | | | | | | | |
| COLA, Progression Pay, Benefits and Adjustments | 311.4 | | 311.4 | 0.5% | | 284.1 | | 284.1 | 0.4% | |
| Sub-Total | 311.4 | 0.0 | 311.4 | 0.0 | 0.0 | 284.1 | 0.0 | 284.1 | | |
| Anticipated Impacts: | | | | | | | | | | |
| Other | | | | | | | | | | |
| Elimination of Course Services Function Resulting from APS | (6,866.8) | | (6,866.8) | (10.4%) | | | | | | |
| Revenue | | | | | | | | | | |
| Elimination of Transaction Fees and POA Fees | | (3,874.9) | 3,874.9 | 3.4% | | | | | | |
| Sub-Total | (6,866.8) | (3,874.9) | (2,991.9) | | | | | | | |
| Total Incremental Impact | (6,555.4) | (3,874.9) | (2,680.5) | 5.8% | | 284.1 | | 284.1 | | |

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- The standard increases in salaries and benefits will create a pressure of \$0.311 million in 2018 and \$0.284 million in 2019.

Anticipated Impacts:

- The Administrative Penalty System (APS), once fully implemented and operational, will move parking administration and dispute processes from provincial courts to Screening Offices, managed and administrated by Legal Services. This will free up limited court time for more serious and complex matters. Appeals will be heard by Council appointed Hearing Officers. Consequently, the court-based POA functionality will be eliminated, effective January 1, 2018 resulting in additional savings of \$6.867 million.
- Upon the full implementation of the APS program in 2018, the administrative fees such as plate denial fees and late payment fee under the current Provincial Offenses Act (POA) system will be eliminated. Also, the annualized impact of the elimination of the online payment fee (1.50/transaction) will result in additional revenue loss of \$3.875 million.



Part 2:

2017 Preliminary Operating Budget by Service

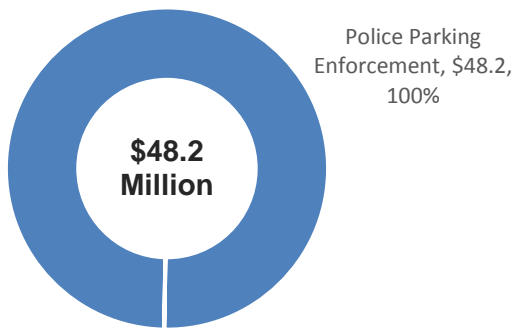
Police Parking Enforcement



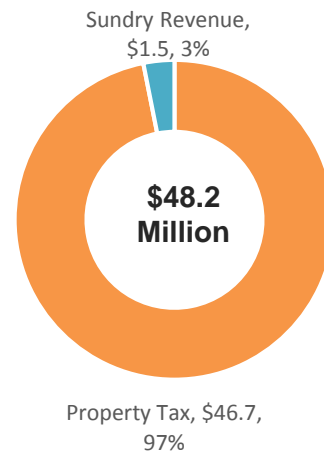
What We Do

- Enforce Parking By-laws: Issuance of parking infraction tickets;
- Parking tag inventory control;
- Handle complaints against Municipal Law Enforcement Officers; and
- Train Municipal Law Enforcement Officers as required.

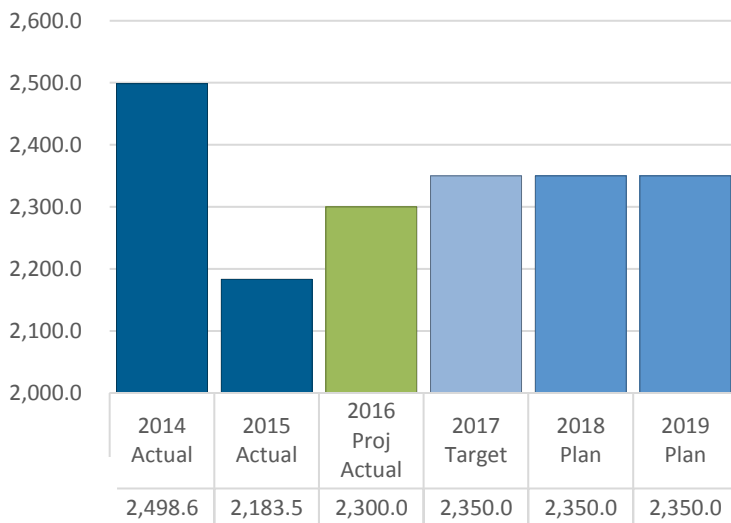
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Number of Parking Tags Issued ('000s)



- Continue to implement programs that will result in greater compliance.
- With greater compliance due to initiatives introduced in 2014, tickets issued declined from high levels in 2014 to more stabilized levels for 2017 and beyond.
- Parking tags issued in 2017 is expected to remain the same as 2016 budget level at 2.35 million and stabilize in the future years.

2017 Service Levels Police Parking Enforcement

| Activity | Type | Status | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|-------------------------------|----------|---------------|---------------|--------------|--------------|
| Enforcement Parking By-laws | Number of Parking Tags Issues | Approved | 2.6 million | 2.6 million | 2.35 million | 2.35 million |
| | | Actual | 2.499 million | 2.183 million | 2.3 million | |

The 2017 Service Level is consistent with the approved 2016 Service Levels for Police Parking Enforcement.

Table 6 2017 Preliminary Service Budget by Activity

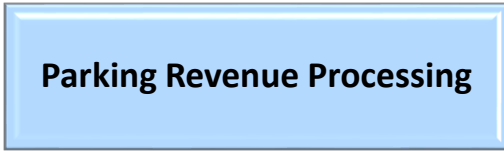
| (\$000s) | 2017 Preliminary Operating Budget | | | | | | | | | | Incremental Change | | | | |
|----------------------------|-----------------------------------|-------------|-----------------|------------------|-------------------------------------|----------|---------------|----------------|-------------------------------------|--------|--------------------|------|-----------|------|----|
| | 2016 | Base Budget | Service Changes | Preliminary Base | Prelim. Base Budget vs. 2016 Budget | % Change | New/ Enhanced | Prelim. Budget | 2017 Prelim. Budget vs. 2016 Budget | | 2018 Plan | | 2019 Plan | | |
| | Budget | | | | | | | | \$ | % | \$ | % | \$ | % | \$ |
| GROSS EXP. | | | | | | | | | | | | | | | |
| Police Parking Enforcement | 47,451.0 | 47,794.0 | | 47,794.0 | 343.0 | 0.7% | 440.0 | 48,234.0 | 783.0 | 1.7% | 389.1 | 0.8% | 223.0 | 0.5% | |
| Total Gross Exp. | 47,451.0 | 47,794.0 | | 47,794.0 | 343.0 | 0.7% | 440.0 | 48,234.0 | 783.0 | 1.7% | 389.1 | 0.8% | 223.0 | 0.5% | |
| REVENUE | | | | | | | | | | | | | | | |
| Police Parking Enforcement | 1,519.5 | 1,511.4 | | 1,511.4 | (8.1) | (0.5%) | | 1,511.4 | (8.1) | (0.5%) | | | | | |
| Total Revenues | 1,519.5 | 1,511.4 | | 1,511.4 | (8.1) | (0.5%) | | 1,511.4 | (8.1) | (0.5%) | | | | | |
| NET EXP. | | | | | | | | | | | | | | | |
| Police Parking Enforcement | 45,931.5 | 46,282.6 | | 46,282.6 | 351.1 | 0.8% | 440.0 | 46,722.6 | 791.1 | 1.7% | 389.1 | 0.8% | 223.0 | 0.5% | |
| Total Net Exp. | 45,931.5 | 46,282.6 | | 46,282.6 | 351.1 | 0.8% | 440.0 | 46,722.6 | 791.1 | 1.7% | 389.1 | 0.8% | 223.0 | 0.5% | |
| Approved Positions | 394.0 | 394.0 | | 394.0 | | | | 394.0 | | | | 0.0% | | | |

The *Police Parking Enforcement Service* provides enforcement for Parking By-laws and issuance of parking infraction tickets.

The Police Parking Enforcement's 2017 Preliminary Operating Budget of \$48.234 million gross and \$46.723 million net is \$ 0.791 million or 1.7% over the 2016 Approved Net Budget.

- Base budget pressures arising from the inflationary salary and benefit increases in this service are driving the costs for Parking Tags Enforcement and Operations.
- These pressures have been partially offset by premium pay reductions for Enforcement Offices and reductions from other non-labour related expenditures including Material & Supplies, Equipment and Services & Rents of (\$.175) million.
- Funding of \$0.440 million is included to increase the contribution to the Police Parking Enforcement Vehicle/Equipment Replacement Reserve for the future replacement of the digital photography enabled handheld units which have a lifecycle of 5-years.

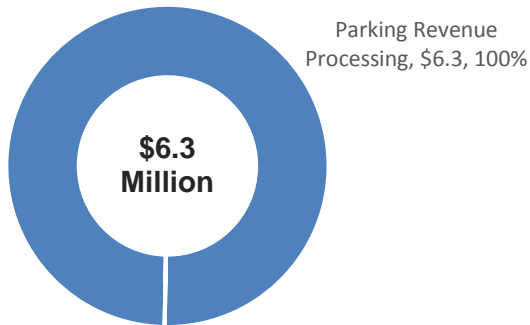
Parking Revenue Processing



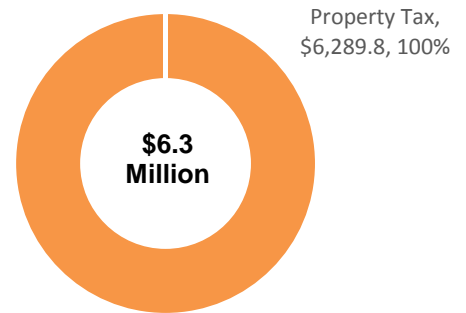
What We Do

- Process and collect fines for all parking tickets issued in the City of Toronto; and
- Provide parking ticket appellants a forum for disputing parking tickets, filing trial requests, obtaining judicial documentation and paying parking tickets through Payment Counters / First Appearance Facilities under the current POA system. This function will be eliminated upon the full implementation of the APS program.

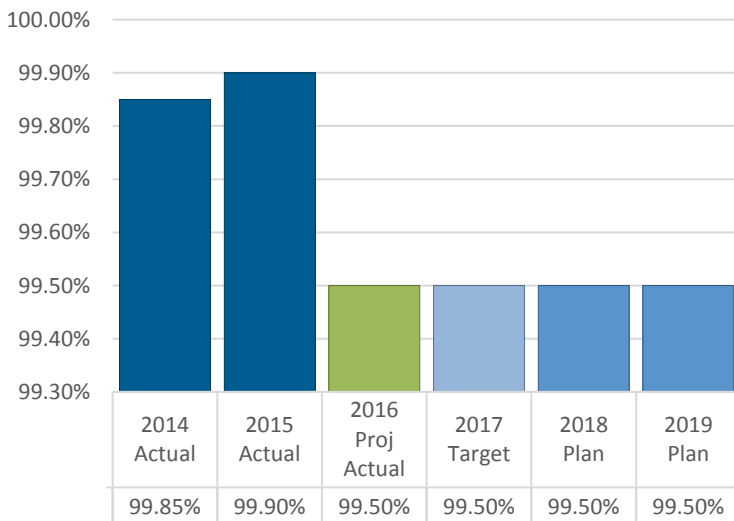
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



% of Parking Tickets Processed Within Legislated Time Frames



- The percentage of parking tickets processed within legislated time frames declined marginally to 99.5% in 2016.
- The slight declining trend is expected to continue in 2017 due to the Fixed Fine System and Habitual Offender Program requiring more tickets to be processed.

2017 Service Levels Parking Revenue Processing

| Activity | Type | Status | 2014 | 2015 | 2016 | 2017 |
|--------------------------------------|--------------------------------|---|--|--------|---|--|
| Process & Collection of Parking Fees | Parking Ticket | Approved | 99.5% of parking tickets processed within legislative timeframes | | | 99.5% of parking tickets processed within legislative timeframes |
| | | Actual | 99.90% | 99.90% | 99.90% | |
| | Notice of Impending Conviction | Approved | 99.5% of notices sent within legislative timeframes | | | 99.5% of notices sent within legislated timeframe |
| | Notice of Fine and Due Date | Approved | 99.5% of parking tickets processed within legislative timeframes | | | 99.5% of parking tickets processed within legislative timeframes |
| | Refunds and Adjustments | Approved | 100% of refunds and adjustments processed within 14 days | | | 100% of refunds and adjustments processed within 14 days |
| | Investigations | Approved | Complete all investigations within 15 days | | | Complete all investigations within 15 days |
| Pre-Court Filing | Approved | 99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence | | | 99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence | |

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Parking Revenue Processing.

**Table 6
2017 Preliminary Service Budget by Activity**

| (\$000s) | 2016 | 2017 Preliminary Operating Budget | | | | | | | Incremental Change | | | | | | |
|----------------------------|---------|-----------------------------------|-----------------|------------------|-------------------------------------|----------|--------------|----------------|-------------------------------------|--------|-----------|-------|-----------|------|--|
| | Budget | Base Budget | Service Changes | Preliminary Base | Prelim. Base Budget vs. 2016 Budget | % Change | New/Enhanced | Prelim. Budget | 2017 Prelim. Budget vs. 2016 Budget | | 2018 Plan | | 2019 Plan | | |
| | \$ | \$ | \$ | \$ | \$ | % | \$ | \$ | \$ | % | \$ | % | \$ | % | |
| GROSS EXP. | | | | | | | | | | | | | | | |
| Parking Revenue Processing | 6,511.8 | 6,289.9 | | 6,289.9 | (221.9) | (3.4%) | | 6,289.9 | (221.9) | (3.4%) | (77.7) | -1.2% | 61.1 | 1.0% | |
| Total Gross Exp. | 6,511.8 | 6,289.9 | | 6,289.9 | (221.9) | (3.4%) | | 6,289.9 | (221.9) | (3.4%) | (77.7) | -1.2% | 61.1 | 1.0% | |
| REVENUE | | | | | | | | | | | | | | | |
| Parking Revenue Processing | | | | | | - | | | | - | | | | - | |
| Total Revenues | | | | | | - | | | | - | | | | - | |
| NET EXP. | | | | | | | | | | | | | | | |
| Parking Revenue Processing | 6,511.8 | 6,289.9 | | 6,289.9 | (221.9) | (3.4%) | | 6,289.9 | (221.9) | (3.4%) | (77.7) | -1.2% | 61.1 | 1.0% | |
| Total Net Exp. | 6,511.8 | 6,289.9 | | 6,289.9 | (221.9) | (3.4%) | | 6,289.9 | (221.9) | (3.4%) | (77.7) | -1.2% | 61.1 | 1.0% | |
| Approved Positions | | | | | | - | | | | - | | | | - | |

The *Parking Revenue Processing Service* collects fines for all parking tickets issued in the City of Toronto, and provides parking ticket appellants a forum for disputing parking tickets, filing trial requests, obtaining judicial documentation and paying parking tickets through Payment Counters / First Appearance Facilities under the current POA system.

- The Parking Revenue Processing's 2017 Preliminary Operating Budget of \$6.290 million gross and net is \$ 0.222 million or 3.4% under the 2016 Approved Net Budget.
- 2017 Preliminary Budget reflects the transfer of 5.0 positions from Revenue Services to Legal Services, which results in savings of \$0.222 million in 2017 and \$0.078 million in 2018.

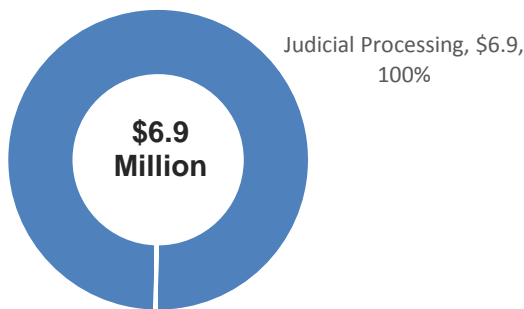
Judicial Processing



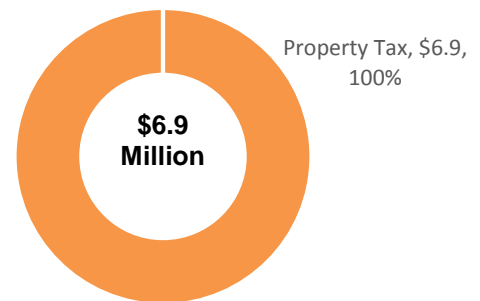
What We Do

- Schedule and support Part II (Parking Ticket) Trials under the Provincial Offences Act
- Receive and maintain files for all parking infraction trial requests that are delivered to court for adjudication purposes.
- Manage default convictions, including cases that are appeals, re-openings or extensions of times to pay fines.
- Under the new APS program, Court Services will focus on administering the Administrative Penalty Tribunal.

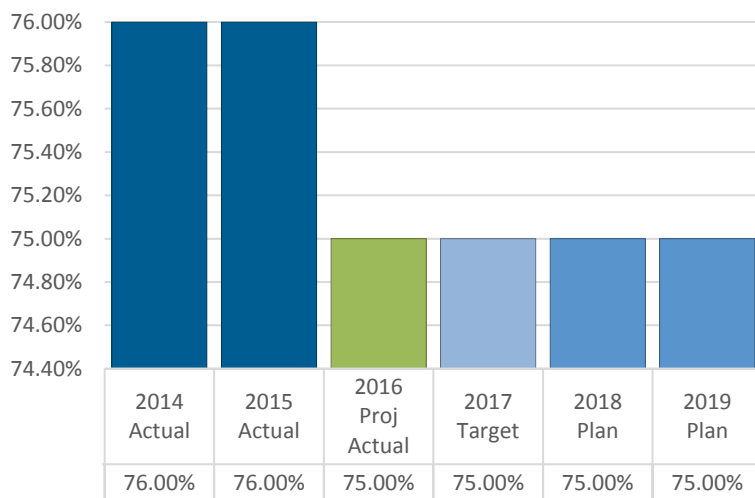
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Conviction Rate (%)



- Conviction rate for parking disputes are dependent on various factors, including changes to legislations, appearance of Police Officers at trials, technology and quality of information.
- Once the new administrative penalty system is introduced in 2017, this measure will be replaced with information reflecting Screening and Hearing Officer outcomes.

**2017 Service Levels
Judicial Processing**

| Activity | Type | Status | 2014 | 2015 | 2016 | 2017 |
|--------------------------|-------------------------------|----------|--|------|------|--|
| Schedule and Support POA | Provincial Offences - Parking | Approved | Receive incoming charges within 60-76 days | | | Receive incoming charges within 60-76 days |

The 2017 Service Level is consistent with the approved 2016 Service Levels for Judicial Processing.

**Table 6
2017 Preliminary Service Budget by Activity**

| (\$000s) | 2016 | 2017 Preliminary Operating Budget | | | | | | | Incremental Change | | | | | |
|-------------------------|---------|-----------------------------------|-----------------|------------------|-------------------------------------|----------|--------------|----------------|-------------------------------------|---|-----------|---------|-----------|---|
| | Budget | Base Budget | Service Changes | Preliminary Base | Prelim. Base Budget vs. 2016 Budget | % Change | New/Enhanced | Prelim. Budget | 2017 Prelim. Budget vs. 2016 Budget | | 2018 Plan | | 2019 Plan | |
| | \$ | \$ | \$ | \$ | \$ | % | \$ | \$ | \$ | % | \$ | % | \$ | % |
| GROSS EXP. | | | | | | | | | | | | | | |
| Judicial Processing | 6,866.8 | 6,866.8 | | 6,866.8 | | | | 6,866.8 | | | (6,866.8) | -100.0% | | |
| Total Gross Exp. | 6,866.8 | 6,866.8 | | 6,866.8 | | | | 6,866.8 | | | (6,866.8) | -100.0% | | |
| REVENUE | | | | | | | | | | | | | | |
| Judicial Processing | | | | | | | | | | | | | | |
| Total Revenues | | | | | | | | | | | | | | |
| NET EXP. | | | | | | | | | | | | | | |
| Judicial Processing | 6,866.8 | 6,866.8 | | 6,866.8 | | | | 6,866.8 | | | (6,866.8) | -100.0% | | |
| Total Net Exp. | 6,866.8 | 6,866.8 | | 6,866.8 | | | | 6,866.8 | | | (6,866.8) | -100.0% | | |
| Approved Positions | | | | | | | | | | | | | | |

The *Judicial Processing Service* schedules and provides support for Part II (Parking Ticket) Trials of the Provincial Offences Act.

The Judicial Processing Services' 2017 Preliminary Operating Budget of \$6.867 million gross and net remains the same as the 2016 Approved Net Budget.

- Upon the full implementation of the Administrative Penalty System program in 2018, reliance on the court-based POA system to resolve parking disputes will be discontinued which will result in savings of \$6.867 million in 2018.

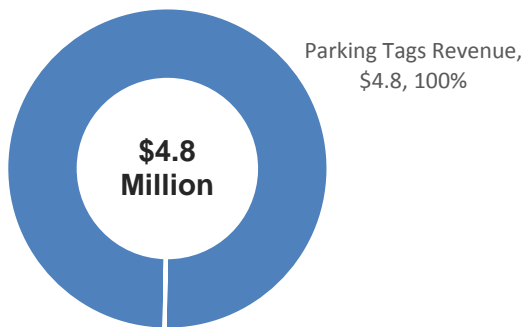
Parking Tags Revenue



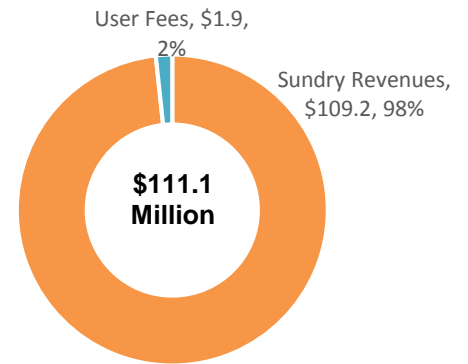
What We Do

- 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 related City programs.

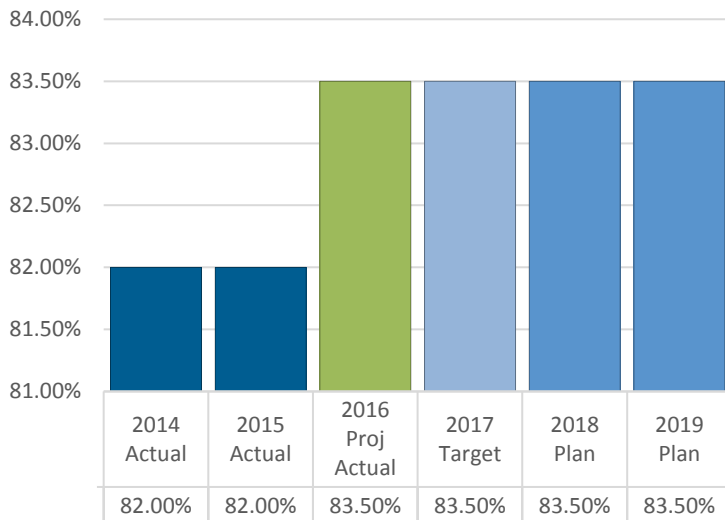
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Collection Rate (%)



- The collection rate for parking tickets issued measures the percentage of fines actually collected by the City, where a ticket has been issued for parking violations.
- The collection rate for parking tickets issued increased to 83.5% in 2016, and is expected to stabilize in 2017 due to the continuation of the Fixed Fine System and Habitual Offender Program.

Table 6
2017 Preliminary Service Budget by Activity

| | 2016 | 2017 Preliminary Operating Budget | | | | | | | 2017 Prelim. Budget vs. 2016 Budget | | Incremental Change | | | | |
|-------------------------|------------|-----------------------------------|-----------------|------------------|-------------------------------------|----------|--------------|----------------|-------------------------------------|-------|--------------------|-------|-----------|---|--|
| | Budget | Base Budget | Service Changes | Preliminary Base | Prelim. Base Budget vs. 2016 Budget | % Change | New/Enhanced | Prelim. Budget | | | 2018 Plan | % | 2019 Plan | % | |
| (\$000s) | \$ | \$ | \$ | \$ | \$ | % | \$ | \$ | \$ | % | \$ | % | \$ | % | |
| GROSS EXP. | | | | | | | | | | | | | | | |
| Parking Tags Revenue | 4,750.0 | 4,750.0 | | 4,750.0 | | | | 4,750.0 | | | | 0.0% | | | |
| Total Gross Exp. | 4,750.0 | 4,750.0 | | 4,750.0 | | | | 4,750.0 | | | | 0.0% | | | |
| REVENUE | | | | | | | | | | | | | | | |
| Parking Tags Revenue | 100,894.0 | 104,943.9 | | 104,943.9 | 4,049.9 | 4.0% | 6,112.0 | 111,055.9 | 10,161.9 | 10.1% | (3,874.9) | | | | |
| Total Revenues | 100,894.0 | 104,943.9 | | 104,943.9 | 4,049.9 | 4.0% | 6,112.0 | 111,055.9 | 10,161.9 | 10.1% | (3,874.9) | | | | |
| NET EXP. | | | | | | | | | | | | | | | |
| Parking Tags Revenue | (96,144.0) | (100,193.9) | | (100,193.9) | (4,049.9) | 4.2% | (6,112.0) | (106,305.9) | (10,161.9) | 10.6% | 3,874.9 | -3.6% | | | |
| Total Net Exp. | (96,144.0) | (100,193.9) | | (100,193.9) | (4,049.9) | 4.2% | (6,112.0) | (106,305.9) | (10,161.9) | 10.6% | 3,874.9 | -3.6% | | | |
| Approved Positions | | | | | | | | | | | | | | | |

The *Parking Tag Revenue Service's* budget tracks the revenues generated by parking tickets issued in order to support parking by-law initiatives and other related City programs.

- The Parking Tags Revenue's 2017 Preliminary Operating Budget of \$4.750 million gross and (\$106.306) million net is (\$10.162) million or 10.6% increased revenue over the 2016 Approved Net Budget.
- The 2017 Preliminary Operating Budget includes additional revenue from the new APS program of \$6.112 million and one-time increase in POA late payment fees of \$5.210 million in 2017; which was partially offset by the elimination of the transaction fees for online payments and IVR telephone payments (\$1.160) million.



Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target

- At its meeting on July 12, 2016, the "2017 Budget Process: Budget Directions and Schedule" staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the establishment of the 2017 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2017 Operating Budget and 2017-2026 Capital Budget and Plan for the City of Toronto.
(<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf>)
- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including but not limited to controlling expenditures through cost saving measures, and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery.
- The Parking Tags Enforcement & Operations' 2017 Preliminary Operating Budget is \$66.141 million gross and (\$46,427) million net, representing \$9,593 million decrease from the 2016 Approved Net Operating Budget.
- In order to address the City's budget reduction target, a through line-by-line review of all expenditure account was undertaken. Consequently, all the services were able to fully offset the inflationary salary and benefit increases by base budget expenditure savings, except for Police Parking Enforcement which was able to partially offset their inflationary increases through premium pay reductions, and budget reductions in non-labour accounts.
- In addition, the 2017 Preliminary Operating Budget includes additional revenues to be achieved through 2 key actions, a one-time increase in revenues from the provincially mandated Late Payment and Plate Denial fees under the current POA system as well as new revenues from the implementation of the new parking disputes resolution process.

Administrative Penalty System (APS)

- On July 12, 2016 City Council adopted a report entitled "Administrative Penalty System for Parking Violations" to establish an administrative penalty and dispute resolution process for parking violations and as a result move away from the current court based system used to administer parking tickets including resolution of disputes in trial courts. Here is the link to the report:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM13.12>
- The Administrative Penalty System (APS), planned to start on May 15th, 2017 will divert non-complex matters from the provincial courts freeing up limited court time for more serious matters, allowing parking violation disputes to be heard and resolved within 120 days (and ideally within 60 days) compared to an average of 18 months under a court-based system. The program will also improve customer experience by providing the City with more flexibility in serving a penalty notice and by closing loopholes that contribute to non-payment of parking tickets.
- Moving to an APS program necessitates structural and organizational changes to three City Divisions: Court Services, Revenue Services, and Legal Services (Prosecutions). Table 1 describes divisional roles as parking disputes move from the POA court system to APS.

| Table 1 – APS Divisional Roles | |
|---|---|
| City Division / Agency | Role in the APS program |
| Legal Services (Prosecutions) | Legal Services will shift its focus with respect to parking disputes from prosecuting in courts to managing / administering the dispute review process at Screening Offices. Screening Officers will take over the initial review / screening of disputes and will have the authority to uphold, vary or cancel the parking penalty and fees. |
| Court Services | Court Services will shift its focus from using the provincial courts for parking disputes to supporting and administering the Administrative Penalty Tribunal. Council appointed Hearing Officers will have final authority in the review of Screening Officer Decisions. |
| Revenue Services | Revenue Services will continue to process payments, mail notices, and oversee the collection of outstanding penalties, including the plate denial process. |
| Toronto Police Parking Enforcement Unit | Toronto Police Service's Parking Enforcement Unit will continue to enforce the City's parking by-laws through the issuance of penalty notices (i.e. parking tickets). |

- The APS System will be implemented part way through the year, with 2017 being a transition year requiring both, new APS and current POA systems working parallel. It is anticipated that the parking tickets issued on or before May 15, 2017 requiring provincial courts for resolution will be cleared by December 31, 2017. For this purpose, one-time funding of \$0.500 million and 5 additional Prosecutors is included in the 2017 Preliminary Operating Budget for Legal Services, fully funded by Court Services.
- To begin transitioning to the new system, an incremental investment of \$4.162 million is required in 2017 and is noted below. The incremental fee revenue from Administrative Penalty fees is anticipated to be \$6.112 million and is included in the 2017 Non-Program's Revenue Budget.
 - Funding of \$2.867 million and 30.5 new permanent positions to manage and administer the dispute review process is included in the 2017 Preliminary Operating Budget of Legal Services.
 - An additional 7.0 positions and funding of \$0.855 million gross and net is included in the 2017 Preliminary Budget for Court Services to support and administer Administrative Penalty Tribunal which will result in an annualized impact of \$0.505 million in 2018 and \$0.022 million in 2019.
 - Funding of \$0.440 million is included in the 2017 Preliminary Budget for Parking Tag Enforcement as a contribution to reserve for lifecycle replacement of the digital photography software.
- The implementation of APS system will require capital investment of \$5.5 million, \$3.0 million for three screening offices (Metro Hall, North York Civic Centre, 1530 Markham Road) and the hearing office at 40 Orchard View Blvd (ready Dec 2017) included under Corporate Initiatives, \$2.2 million for new technology that includes digital photography and \$0.350 million for purchasing of parking tag books included in the 2017 Capital Budget for Toronto Police Services.

| Gross Expenditures | 2016 Budget | | 2017 Request (Transition) | | 2018 Estimate | | Change 2017 to 2016 | | Change 2018 to 2017 | |
|---|---|------------|------------------------------|--------------|----------------|--------------|------------------------|-------------|------------------------|---------------|
| | \$ million | # POS | \$ million | # POS | \$ million | # POS | \$ million | # POS | \$ million | # POS |
| | Toronto Police – Parking Enforcement Unit | 47.44 | 394 | 48.23 | 394 | 48.62 | 394 | 0.78 | 0 | 0.39 |
| Court Services | 6.87 | 31 | 8.22 | 38 | 1.36 | 7 | 0.85 | 7 | (6.87) | (31) |
| Legal Services | 1.50 | 9 | 5.09 | 49.5 | 4.33 | 35.5 | 3.59 | 35.5 | (0.76) | (14) |
| Revenue Services | 11.36 | 42 | 10.67 | 37.2 | 9.84 | 37 | (0.69) | (4.8) | (0.83) | (0.20) |
| Less: IDC from Legal | (1.50) | | (2.00) | | | | | | 2.00 | |
| Total Operating Costs | 65.67 | 476 | 70.22 | 518.7 | 64.15 | 473.5 | 4.54 | 42.7 | (6.07) | (45.2) |
| Gross Revenues | 2016 Budget | | 2017 Request (Transition) | | 2018 Estimate | | Change 2017 to 2016 | | Change 2018 to 2017 | |
| | \$ Million | | \$ million | | \$ million | | \$ million | | \$ million | |
| Toronto Police, Sundry Revenues | 1.52 | | 1.51 | | 1.51 | | 0 | | 0 | |
| Parking Penalties (current fine level) | 95.85 | | 95.85 | | 95.85 | | 0 | | 0 | |
| Transaction fees | 1.75 | | 0.59 | | 0 | | (1.16) | | (0.59) | |
| Court costs / fees related to POA | 3.29 | | 8.50 | | 0 | | 5.21 | | (8.50) | |
| Fees authorized under APS regulation | 0 | | 6.11 | | 11.33 | | 6.11 | | 5.22 | |
| Total gross revenues | 102.41 | | 112.57 | | 108.69 | | 10.15 | | (3.88) | |
| Net Revenues | (36.74) | | (42.35) | | (44.54) | | (5.61) | | (2.19) | |

- Overall, the City currently spends approximately \$65.67 million on parking enforcement and processing of parking tickets in 2016.
- It is expected that the City would move to a fully functional APS system as early as January 1, 2018 at which time parking ticket disputes will no longer be processed under the current court based Provincial Offenses Act (POA) system resulting in a gross expenditure reduction of \$6.07 million and deletion of 45.2 positions, which has been reflected in the 2018 outlook of the respective divisions.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, Parking Tags Enforcement and Operations accomplished the following:

- ✓ Obtained Council approval to establish an administrative penalty and dispute resolution process for parking violations. The APS program will be more efficient than the court system, provides the City with greater flexibility in delivering this service and improves the ability to respond to disputes in a more timely fashion.
- ✓ Implemented Mobile Pay in October 2016 for all on street pay and display machines spots, which allows the users to pay and extend for parking remotely.

Appendix 2

2017 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

| Category of Expense (\$000's) | 2014 | 2015 | 2016 | 2016 | 2017 | 2017 Change | | Plan | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|--------------|-------------------|-------------------|
| | Actual | Actual | Budget | Projected | Preliminary | from 2016 | | 2018 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ | \$ |
| Salaries and Benefits | 38,523.4 | 37,969.4 | 40,477.9 | 39,377.9 | 40,995.5 | 517.6 | 1.3% | 41,239.9 | 41,314.9 |
| Materials and Supplies | 1,621.8 | 1,279.1 | 1,479.1 | 1,479.1 | 1,385.2 | (93.9) | (6.3%) | 1,412.9 | 1,441.2 |
| Equipment | 53.2 | 54.3 | 28.0 | 28.0 | 15.0 | (13.0) | (46.4%) | 15.3 | 15.6 |
| Services & Rents | 7,647.0 | 2,344.5 | 3,304.6 | 2,779.5 | 3,226.8 | (77.8) | (2.4%) | 3,357.3 | 3,476.7 |
| Contributions to Capital | 1,554.0 | 1,554.0 | 1,554.0 | 1,554.0 | 1,994.0 | 440.0 | 28.3% | 1,994.0 | 1,994.0 |
| Contributions to Reserve/Res Funds | 580.8 | 764.3 | 607.4 | 780.5 | 617.5 | 10.1 | 1.7% | 617.5 | 617.5 |
| Other Expenditures | 4,658.7 | 4,490.2 | 4,750.0 | 4,750.0 | 4,750.0 | | | 4,750.0 | 4,750.0 |
| Interdivisional Charges | 11,403.0 | 13,064.3 | 13,378.6 | 13,726.6 | 13,156.6 | (222.0) | (1.7%) | 6,213.0 | 6,273.4 |
| Total Gross Expenditures | 66,041.9 | 61,520.1 | 65,579.6 | 64,475.6 | 66,140.6 | 561.0 | 0.9% | 59,599.9 | 59,883.3 |
| Sundry Revenues | 105,644.9 | 84,774.7 | 102,413.5 | 102,413.5 | 112,567.3 | 10,153.8 | 9.9% | 108,706.2 | 108,706.2 |
| Total Revenues | 105,644.9 | 84,774.7 | 102,413.5 | 102,413.5 | 112,567.3 | 10,153.8 | 9.9% | 108,706.2 | 108,706.2 |
| Total Net Expenditures | (39,603.0) | (23,254.6) | (36,833.9) | (37,937.9) | (46,426.7) | (9,592.8) | 26.0% | (49,106.3) | (48,822.9) |
| Approved Positions | 394.0 | 390.0 | 394.0 | 372.0 | 394.0 | | | 394.0 | 394.0 |

Favourable gross expenditure underspending was primarily due to Parking Enforcement Officer vacancies.

Revenue is on track for 2016. Few tickets are issued as a result of increasing compliance which is offset by higher fine revenue.

For additional information regarding the 2016 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2016" considered by City Council at its meeting on December 13, 2016.

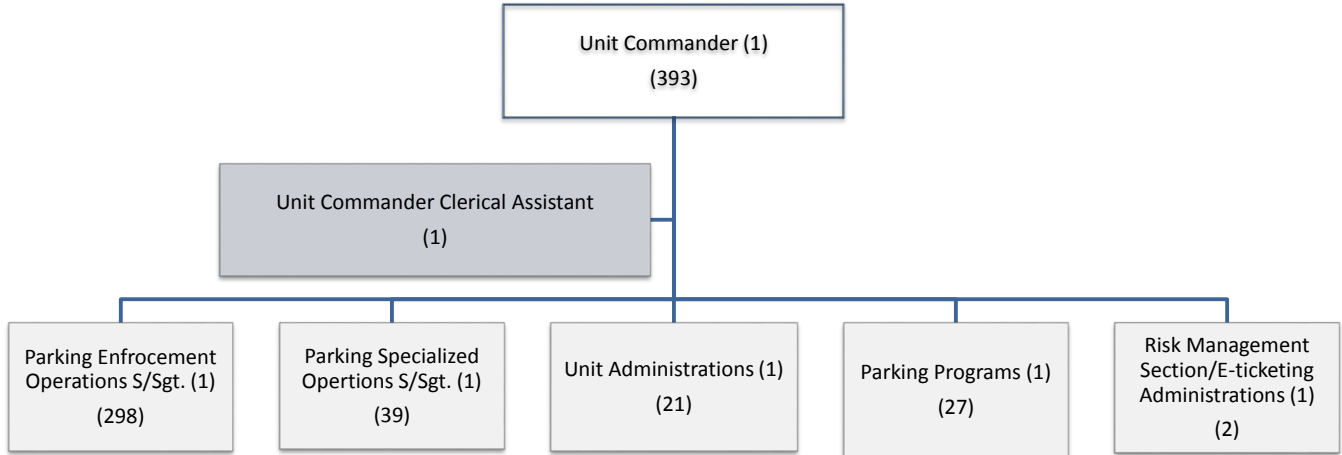
Link of the report: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.4>

Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

- There is no impact of 2016 Operating Variance on the 2017 Budget as the current trend for parking tickets issued is expected to continue into 2017.

Appendix 3

2017 Organization Chart



2017 Total Complement

| Category | Senior Management | Management | Exempt Professional & Clerical | Union | Total |
|--------------|-------------------|------------|--------------------------------|-------|-------|
| Permanent | | | 1.0 | 393.0 | 394.0 |
| Temporary | | | | | |
| Total | | | 1.0 | 393.0 | 394.0 |

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2016 * | Withdrawals (-) / Contributions (+) | | |
|---|-------------------------------|---|-------------------------------------|----------------|---------------|
| | | | 2017 | 2018 | 2019 |
| | | \$ | \$ | \$ | \$ |
| Projected Beginning Balance | | 1,571.8 | 5.3 | (515.7) | (36.7) |
| Police Central Sick Pay | XR1701 | | | | |
| <i>Proposed Withdrawals (-) Parking Tags</i> | | | (176.6) | (176.6) | (176.6) |
| <i>Proposed Withdrawals (-) TPS</i> | | (1,570.4) | (4,253.7) | (4,253.7) | (4,253.7) |
| <i>Contributions (+) Parking Tags</i> | | | 176.5 | 176.5 | 176.5 |
| <i>Contributions (+) TPS</i> | | 3.9 | 3,732.8 | 4,732.8 | 4,732.8 |
| Total Reserve / Reserve Fund Draws / Contributions | | 5.3 | (515.7) | (36.7) | 442.3 |
| Other Program / Agency Net Withdrawals & Contributions | | | | | |
| Balance at Year-End | | 5.3 | (515.7) | (36.7) | 442.3 |

* Based on 9-month 2016 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2016 * | Withdrawals (-) / Contributions (+) | | |
|---|-------------------------------|---|-------------------------------------|----------------|----------------|
| | | | 2017 | 2018 | 2019 |
| | | \$ | \$ | \$ | \$ |
| Projected Beginning Balance | | 13,109.9 | 14,166.4 | 9,626.4 | 9,502.4 |
| Vehicle Equipment Reserve | XQ1701 | | | | |
| <i>Proposed Withdrawals (-) TPS</i> | | (16,734.0) | (22,300.0) | (20,884.0) | (33,062.0) |
| <i>Contributions (+) Parking Tags</i> | | | 1,994.0 | 1,994.0 | 1,994.0 |
| <i>Contributions (+) TPS</i> | | 17,790.5 | 15,766.0 | 18,766.0 | 21,766.0 |
| Total Reserve / Reserve Fund Draws / Contributions | | 14,166.4 | 9,626.4 | 9,502.4 | 200.4 |
| Other Program / Agency Net Withdrawals & Contributions | | | | | |
| Balance at Year-End | | 14,166.4 | 9,626.4 | 9,502.4 | 200.4 |

* Based on 9-month 2016 Reserve Fund Variance Report

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2016 * | Withdrawals (-) / Contributions (+) | | |
|---|-------------------------------|---|-------------------------------------|-----------------|-----------------|
| | | | 2017 | 2018 | 2019 |
| | | \$ | \$ | \$ | \$ |
| Projected Beginning Balance | | 38,390.1 | 36,287.6 | 31,582.6 | 28,877.6 |
| Police Central Sick Pay Reserve | XR1007 | | | | |
| <i>Proposed Withdrawals (-) Parking Tags</i> | | | (533.6) | (533.6) | (533.6) |
| <i>Proposed Withdrawals (-) TPS</i> | | (2,288.7) | (13,762.2) | (13,762.2) | (13,762.2) |
| <i>Contributions (+) Parking Tags</i> | | | 523.8 | 523.8 | 523.8 |
| <i>Contributions (+) TPS</i> | | 186.2 | 9,067.0 | 11,067.0 | 13,067.0 |
| Total Reserve / Reserve Fund Draws / Contributions | | 36,287.6 | 31,582.6 | 28,877.6 | 28,172.6 |
| Other Program / Agency Net Withdrawals & Contributions | | | | | |
| Balance at Year-End | | 36,287.6 | 31,582.6 | 28,877.6 | 28,172.6 |

* Based on 9-month 2016 Reserve Fund Variance Report

Appendix 7c

User Fees for Discontinuation

| Rate Description | Service | Fee Category | Fee Basis | 2016 Approved Rate | Year Introduced | Reason for Discontinuation |
|---------------------------------------|------------------|--------------|-------------|--------------------------|--------------------|--|
| Internet-based parking ticket payment | Revenue Services | Market Based | Transaction | 1.50 | Pre-1998 | Eliminate the fee to encourage greater use of the automated payment channels |