



STAFF REPORT ACTION REQUIRED

Toronto Police Service – Parking Enforcement Unit: 2011-2020 Capital Program Request

Date:	October 22, 2010
To:	Budget Committee, City of Toronto
From:	Alok Mukherjee, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the City of Toronto Budget Committee with the Toronto Police Service's (Service) Parking Enforcement Unit - 2011-2020 Capital Program Request.

RECOMMENDATION

It is recommended that the Budget Committee approve the 2011-2020 Parking Enforcement Capital Program with a 2011 net request of \$12.72M, and a net total of \$23.07M for 2011-2020.

FINANCIAL IMPACT

Parking Enforcement does not have an on-going requirement for debt-funded projects. Therefore, the City has not identified a specific target for this program area. Table 1 provides a summary of the 2011-2020 Capital Program request.

Table 1. 2011-2020 Capital Program Request (\$Ms)

	2011	2012	2013	2014	2015	2016- 2020 Total	2011- 2020 Total
Parking East and West Site Consolidation	12.72	10.10	0.25	0.00	0.00	0.00	23.07
NET DEBT FUNDING*	12.72	10.10	0.25	0.00	0.00	0.00	23.07

This project would result in significant annual operating budget savings, as current lease costs of \$1.4M would be avoided (offset by anticipated operating costs for the facility of \$0.5M) for a total operating savings of \$0.9M. Operating impacts would begin to take effect in 2014.

ISSUE BACKGROUND

At its meeting of September 23, 2010, the Toronto Police Services Board was in receipt of a report dated September 09, 2010, from William Blair, Chief of Police, with regard to the Toronto Police Service - Parking Enforcement Unit 2011-2020 Capital Program Request.

COMMENTS

Mr. Tony Veneziano, Chief Administrative Officer, Mr. Angelo Cristofaro, Director, Finance and Administration and Ms. Elizabeth Hewner, Manager, Budgeting and Control, delivered a presentation to the Board on the Parking Enforcement Unit's 2011–2020 Capital Program Request

The Board approved the proposed Toronto Police Service - Parking Enforcement Unit 2011-2020 Capital Program and agreed to forward copies to the City of Toronto Budget Committee for approval and to the City's Deputy City Manager and Chief Financial Officer for information.

CONCLUSION

A copy of Board Minute No. P260/10, in the form attached as Appendix "A" to this report, regarding this matter is provided for information.

CONTACT

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SIGNATURE

Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P260/10

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

A: 2011-2020 capital program request_parking enforcement unit.doc

Appendix A

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON SEPTEMBER 23, 2010

#P260. TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT: 2011-2020 CAPITAL PROGRAM REQUEST

The Board was in receipt of the following report September 09, 2010 from William Blair, Chief of Police:

Subject: PARKING ENFORCEMENT 2011-2020 CAPITAL PROGRAM REQUEST

Recommendations:

It is recommended that:

- (1) the Board approve the 2011-2020 Parking Enforcement Capital Program with a 2011 net request of \$12.72M, and a net total of \$23.07M for 2011-2020; and
- (2) the Board forward a copy of this report to the City of Toronto Budget Committee for approval, and to the City's Deputy City Manager and Chief Financial Officer for information.

Financial Implications:

Parking Enforcement does not have an on-going requirement for debt-funded projects. Therefore, the City has not identified a specific target for this program area. Table 1 provides a summary of the 2011-2020 Capital Program request.

Table 1. 2011-2020 Capital Program Request (\$Ms)

	2011	2012	2013	2014	2015	2016-2020 Total	2011-2020 Total
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This project would result in significant annual operating budget savings, as current lease costs of \$1.4M would be avoided (offset by anticipated operating costs for the facility of \$0.5M) for a total operating savings of \$0.9M. Operating impacts would begin to take effect in 2014.

Background/Purpose:

The Parking Enforcement Unit is currently housed in two separate leased facilities, known as the East (PKE) and West (PKW) operations. The PKE facility also houses Parking Headquarters (PHQ). It is proposed that the two sites be consolidated into one Service-owned facility upon the termination of the two lease agreements in 2014. This consolidation would result in significant annual operating budget savings, as current lease costs of \$1.4M would be avoided (offset by anticipated operating costs for the facility of \$0.5M). This move would also be consistent with the City's direction to reduce the overall reliance on leased properties, and thereby avoid, where possible, the risk of the leases not being renewed or increasingly higher cost for the leases.

Discussion:

The lease for the PKE facility, located at 1500 Don Mills Road, expires on June 30, 2014. The lease for the PKW facility, located at 970 Lawrence Avenue West, expires on December 31, 2014. The combined floor space for the current PKE/PKW facilities is approximately 50,000 square feet (SF).

The Service has investigated the possibility of moving out of the two leased properties into a single, Service-owned facility. A very preliminary cost estimate to acquire a property and build a facility is \$23M. This preliminary estimate is based on the purchase of land (approximately 3.5 acres), construction of a 50,000 SF facility and using the Service's recent construction cost experience of \$180/SF. A consolidated facility would result in saving the annual lease costs of \$1.4M, offset by anticipated annual operating costs of \$0.5M.

Parking Enforcement service delivery, tag issuance, operational support to the Police Service, and related revenues depend on the effective deployment of enforcement resources. It is therefore essential that a consolidated facility be located in a geographic area that has positive traffic flow patterns while at the same time provides accessibility to major transportation routes. While the ideal catchment area would be bounded by Sheppard Avenue East to the north, Lawrence Avenue East to the south, Yonge Street to the west, and Victoria Park Avenue to the east, the Service will be examining other locations.

The Service will work with City Real Estate to identify a suitable property for acquisition. Any proposed property will be reviewed taking into consideration the following:

- easy access to the Don Valley Parkway, Highway 401 and major arterial routes;
- the facility is in a relatively central location; and
- the new location does not have a significant negative impact on the deployment of officers, particularly with respect to changes in travel time from the facility to patrol zones as this could have an impact on total enforcement hours available, which could impact service delivery.

The impact on staffing levels is projected to be neutral, with minimal reassignment or reclassification of positions within the Unit and/or adjustments to the platoon structures. It is anticipated that the Unit would be able to achieve effective service delivery with the same staffing complement and shift schedules, although this assumption will have to be revisited once the location for the consolidated facility has been chosen.

Some non-budgetary advantages are anticipated for programs and operations, such as efficiencies in communication among the current “east” and “west” staff, potential for enhanced consistency in operations and program delivery, efficiencies for training programs, statistical reporting, fleet management and maintenance of the Wireless Parking System. These would be enhancements to the overall program, and are not expected to result in any budgetary savings at this time. However, this would be reviewed and finalized as part of the consolidation process.

Conclusion:

The consolidation of the two Parking Enforcement facilities into one City-owned facility would address the City’s direction to reduce overall reliance on leased properties. It is essential that a consolidated facility be located in a geographic area that ensures effective staff deployment for minimal impact on tag enforcement activities and overall service delivery and support. A very preliminary cost estimate to acquire a property and build a facility is \$23M. Annual net operating savings of \$0.9M are estimated as a result of this consolidation.

Based on the assumptions used to develop the cost estimate and the anticipated operating budget savings, there is a twenty-five (25) year payback on this capital investment. Although this is not an ideal payback for a capital investment, it does reduce the reliance on leased properties and the risks and costs associated with leasing in the longer term. Further, there are options to potentially reduce the project cost by purchasing a property with an existing building and renovating it, or using a currently owned City/Service property to locate the consolidated parking facility. The size of the consolidated facility will also be reviewed to determine if the total square footage estimate can be reduced/optimized. These options and considerations could require less funding and therefore provide a better payback. However, until those determinations are made, the requested project cost is based on the purchase of land and constructing a 50,000 square foot facility.

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

Mr. Tony Veneziano, Chief Administrative Officer, Mr. Angelo Cristofaro, Director Finance and Administration and Ms Elizabeth Hewner, Manager Budgeting and

Control delivered a presentation to the Board on the Parking Enforcement Unit's 2011 – 2020 Capital Program Request

The Board approved the foregoing report.