



STAFF REPORT ACTION REQUIRED

Toronto Police Service – Parking Enforcement Unit: 2012 Operating Budget Request

Date:	October 14, 2011
To:	Budget Committee, City of Toronto
From:	Alok Mukherjee, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Budget Committee with the 2012 operating budget request for the Toronto Police Service – Parking Enforcement Unit.

RECOMMENDATION

It is recommended that the Budget Committee approve a 2012 net operating budget request of \$42.1 Million (M), a \$1.6M increase over the adjusted 2011 net budget.

FINANCIAL IMPACT

The Toronto Police Service's Parking Enforcement Unit's (PEU) 2012 net operating budget request is \$42.1M (\$43.7M gross). This request includes the 2012 impact of the labour contract settlements, and represents an increase of \$1.6M (4.0%) over the adjusted 2011 net operating budget of \$40.4M.

The 2011 approved budget of \$39.5M will be adjusted to reflect the impact of labour contract settlements. For comparison purposes, the 2011 budget has been adjusted for the impact of the contract settlement and the 2012 request is compared to the adjusted 2011 budget.

PEU's 2012 operating budget request assumes the complement of Parking Enforcement Officers and civilian staff remains unchanged. One uniform management position has been deleted as a direct result of the Voluntary Exit Incentive Program.

ISSUE BACKGROUND

At a meeting held on October 5, 2011, the Board was in receipt of a report dated September 26, 2011 from William Blair, Chief of Police, with regard to the 2012 operating budget request for the Toronto Police Service – Parking Enforcement Unit.

COMMENTS

Mr. Angelo Cristofaro, Director of Finance and Administration, was in attendance and provided an overview of the 2012 operating budget request for the Parking Enforcement Unit.

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 Budget Committee for approval.

CONCLUSION

A copy of the Chief's report dated September 26, 2011 is contained in Board Minute No. P254/11. A copy of Board Minute No. P254/11, in the form attached as Appendix "A" to this report, is provided for information.

CONTACT

Chief of Police William Blair
Toronto Police Service
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SIGNATURE

Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P254/11

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

A: 2012 operating budget tps parking.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON OCTOBER 05, 2011

#P254. TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT: 2012 OPERATING BUDGET REQUEST

The Board was in receipt of the following report September 26, 2011 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT – 2012
OPERATING BUDGET REQUEST

Recommendations:

It is recommended that:

- (1) the Board approve a 2012 net Operating Budget request of \$42.1 Million (M), a \$1.6M increase over the adjusted 2011 net budget;
- (2) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information; and
- (3) the Board forward a copy of this report to the City Budget Committee for approval.

Financial Implications:

The Toronto Police Service's Parking Enforcement Unit's (PEU) 2012 net operating budget request is \$42.1M (\$43.7M gross). This request includes the 2012 impact of the labour contract settlements, and represents an increase of \$1.6M (4.0%) over the adjusted 2011 net operating budget of \$40.4M.

The 2011 approved budget of \$39.5M will be adjusted to reflect the impact of labour contract settlements. For comparison purposes, the 2011 budget has been adjusted for the impact of the contract settlement and the 2012 request is compared to the adjusted 2011 budget.

PEU's 2012 operating budget request assumes the complement of Parking Enforcement Officers (PEOs) and civilian staff remains unchanged. One uniform management position has been deleted as a direct result of the Voluntary Exit Incentive Program (VEIP).

A summary of PEU's 2012 net operating budget request is provided in Table 1.

Table 1 - 2012 Budget Request Summary

	Comparison to 2011 Adjusted Net Budget	
	\$000s	% change
2011 Adjusted Net Budget	\$39,520.5	
2011 impact of collective agreements	\$916.5	
2011 Projected Net Budget	\$40,437.0	
2012 impact of collective agreements	\$860.4	2.1%
Change in salary costs	-\$120.6	-0.3%
Change in fringe benefits	\$281.8	0.7%
Change in materials, equipment, services	\$293.7	0.7%
Change in Sick Pay Gratuity Reserve	\$311.1	0.8%
Sub-total of increases	\$1,626.4	
2012 Net Budget Request	\$42,063.4	4.0%

Background/Purpose:

This report provides the Board with information on PEU's 2012 net operating budget request for consideration and approval, and represents an update to the 2012 preliminary operating budget request that was presented to the Board at its meeting of May 30, 2011 (Min. No. P141/11 refers).

Discussion:

The PEU assists with the safe and orderly flow of traffic by responding to parking concerns and enforcing applicable municipal by-laws. The unit also provides operational support to the Toronto Police Service (Service). The PEU operating budget is separate from the Service's operating budget, and is included in the City's consolidated Parking Tag Enforcement Operations budget.

Guidelines:

Each year, City Finance issues general guidelines for budget development. In light of anticipated 2012 City-wide pressures, the 2012 budget guidelines include a specific target reduction for each Agency, Board, Commission and Department (ABCD). City Finance has confirmed that this target reduction does not apply to PEU.

For 2012, City Finance directions and guidelines include:

- develop a 2012 Operating Base Budget based on the reported 2012 Outlook and the economic factors provided by City Finance;
- budget cost of living allowance (COLA) for unionized employees where known;
- calculate merit and step increases on a person-by-person basis;
- maintain the 2011 gapping rate (at a minimum) for 2012;

- continue hiring slowdown and complement management strategies;
- calculate fringe benefits based on 2011 projected actual experience, but not to exceed 27.12% for permanent employees; and
- only consider new or enhanced services that are fully non-tax funded.

2012 Operating Budget Development Process:

The Service has complied with the City guidelines, as appropriate, and the PEU’s 2012 operating budget has been developed based on the following Service assumptions/guidelines:

- no additional positions added to PEU’s staffing complements;
- replacement of PEOs continues, based on attrition estimates;
- one uniform senior officer position deleted;
- accounts projected based on year-end 2010 information, year-to-date 2011 information and known changes; and
- no new initiatives.

2012 Operating Budget Request:

The 2012 operating budget request of \$43.7M (gross) and \$42.1M (net) includes the funding required to maintain an average deployed strength of 357 PEOs (the approved deployment target), as well as services and equipment required to effectively support operations.

Figure 1 indicates that, on a gross basis, 83.2% of PEU’s budget is for salaries, premium pay and fringe benefits and the remaining 16.8% is required for the support of our human resources in terms of the vehicles, equipment and technology they use, facilities they work in and training they require.

Table 2 below summarizes the current 2012 request by category of change, followed by a discussion on each category.

2012 Gross Parking Enforcement Budget

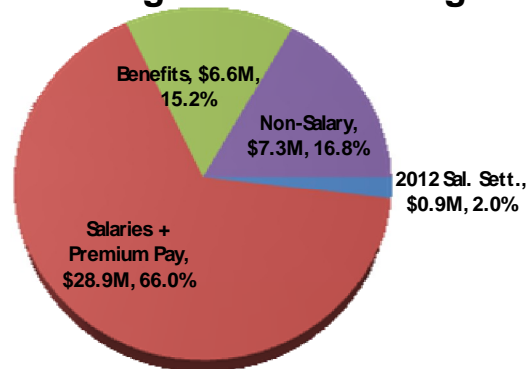


Figure 1. Overall Budget Request

Table 2 - Summary of 2012 Budget Request By Category of Change

	Request \$000s	\$ Increase / (Decrease) over 2011	% Increase / (Decrease) over 2011
2011 Adjusted Net Budget - \$40,437,000			
(a) Impact of 2012 Salary Settlement	860.4	\$860.4	2.1%
(b) Salary and Premium Pay Requirements	28,847.4	-\$120.6	-0.3%
(c) Statutory Deductions and Fringe Benefits	6,626.6	\$281.8	0.7%
(d) Reserve Contributions	2,302.6	\$311.1	0.8%
(e) Other Expenditures	5,041.4	\$293.7	0.7%
2012 Gross Budget Request	\$43,678.4	\$1,626.4	4.0%
(f) Revenues	-\$1,615.0	\$0.0	0.0%
2012 Net Budget Request	\$42,063.4	\$1,626.4	4.0%

(a) Impact of 2012 Salary Settlement (\$0.9M)

The 2011 to 2014 contract with the Toronto Police Association (TPA) was ratified by the Board at its *in camera* meeting held June 9, 2011 (Min. No. C188/11 refers). The 2012 impact is \$0.9M (a 2.1% increase over PEU's total 2011 operating budget).

(b) Salary and Premium Pay Requirements (\$28.8M)

The 2012 PEU budget reflects a revised establishment of 394 (including the impact of VEIP). Included in the establishment is a staff complement of 357 PEOs. The total salary and premium pay budget for 2012 (exclusive of the impact of the salary settlement) is \$28.8M. This budget represents a \$0.1M decrease (a 0.3% decrease over PEU's total 2011 budget). The reduction is as a result of the deletion of one uniform senior officer position through the VEIP.

(c) Statutory Payroll Deductions and Fringe Benefits (\$6.6M)

This category of expenditure represents an increase of \$0.3M (a 0.7% increase over PEU's total 2011 budget). Fringe benefits are comprised of statutory payroll deductions and requirements as per the collective agreements.

Based on information provided by the Ontario Municipal Employees Retirement System (OMERS) in 2010, the contribution rate is anticipated to increase by a further 1% of salaries effective January 2012. Based on projected 2012 salaries and the anticipated rate increase from OMERS, an additional \$0.3M is required for pension contributions in 2012.

(d) Reserve Contributions (\$2.3M)

PEU contributes to reserves and reserve funds through provisions from its operating budget. All reserves and reserve funds are established by the City. The City manages the Sick Pay Gratuity and Insurance reserves, while the Service manages the remaining reserves (i.e., Vehicle & Equipment and Central Sick Bank). The total 2012 budget for contribution to reserves is \$2.3M. This budget represents an increase of \$0.3M over the 2011 contribution amount (a 0.8% increase over PEU's total 2011 operating budget). The 2012 reserve contribution increase is due to a requirement to increase funding to the Sick Pay Gratuity Reserve. After a detailed review of this reserve by the City two years ago, the Service was advised that the contribution to the Sick Pay Gratuity reserve must be increased. Following budget discussions with City staff, this increase has been deferred in the last two years due to other financial pressures. However, it would not be fiscally responsible to continue deferring the required contribution increase, and as a result the additional funding requirement has been included in the 2012 budget request.

(e) Other Expenditures (\$5.0M)

Other expenditure categories include the materials, equipment and services required for day-to-day operations. Wherever possible, accounts within this category have been flat-lined to the 2011 level. Changes have only been included where considered mandatory and one-time reductions have been taken into account where applicable. The total increase for these expenditures is \$0.3M (a 0.7% increase over PEU's total 2011 budget). The most significant increase in this category is related to gasoline. PEU budgets for gasoline based on anticipated consumption and a cost-per-litre established by the City. City guidelines have increased the cost-per-litre by \$0.32 for 2012, resulting in a \$0.15M pressure in this account.

The remaining increase of \$0.15M is primarily due to anticipated increased maintenance and supply costs related to the replacement of parking handheld devices, (which is currently underway).

(f) Revenues (\$1.6M)

Revenue is comprised of draws from reserves and towing/pound administrative recoveries and total revenue for PEU remains unchanged.

Conclusion:

PEU's 2012 net operating budget request of \$42.1M is \$1.6M or 4.0% higher than the adjusted 2011 net operating budget of \$40.4M. The 2012 budget request includes the funding required to maintain the targeted level of parking enforcement officers, as well as the necessary supporting infrastructure. No additional positions have been included in the budget request. One uniform senior officer position has been reduced and the unit is now being managed by a civilian manager. The budget being presented to the Board for approval represents the funding level required to provide adequate and effective parking enforcement services to the City.

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

Mr. Angelo Cristofaro, Director of Finance and Administration, was in attendance and provided an overview of the 2012 operating budget request for the Parking Enforcement Unit.

The Board approved the foregoing report.