



## STAFF REPORT ACTION REQUIRED

### Toronto Police Service – Parking Enforcement Unit: 2013 Operating Budget Request

<b>Date:</b>	December 11, 2012
<b>To:</b>	Budget Committee, City of Toronto
<b>From:</b>	Alok Mukherjee, Chair, Toronto Police Services Board

#### **SUMMARY**

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The purpose of this report is to provide the Budget Committee with the 2013 operating budget request for the Toronto Police Service – Parking Enforcement Unit.

#### **RECOMMENDATION**

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It is recommended that the Budget Committee approve a 2013 net operating budget request of \$42.1M which achieves the City's target of a 0% increase over 2012.

#### **FINANCIAL IMPACT**

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The approval of the foregoing recommendation represents a 0% increase over the 2012 net operating budget.

#### **ISSUE BACKGROUND**

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At a special meeting held on December 10, 2012, the Board was in receipt of a report dated November 24, 2012 from Chief of Police William Blair with regard to the 2013 operating budget request for the Toronto Police Service – Parking Enforcement Unit.

#### **COMMENTS**

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Following consideration of the Chief's report, the Board approved the following Motion:

THAT the Board approve a 2013 net operating budget request that achieves the City's target of a 0% increase over 2012.

The Board also agreed to forward this decision 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 November 24, 2012 is contained in Board Minute No. P300/12. A copy of Board Minute No. P300/12, 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**



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Alok Mukherjee  
Chair

## **ATTACHMENT**

Appendix A – Board Minute No. P300/12

cc. Ms. Giuliana Carbone, Deputy City Manager and Chief Financial Officer

A: 2013 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 DECEMBER 10, 2012**

#### **#P300. TORONTO POLICE SERVICE PARKING ENFORCEMENT UNIT – 2013 OPERATING BUDGET REQUEST**

The Board was in receipt of the following report November 24, 2012 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE PARKING ENFORCEMENT UNIT –  
2013 OPERATING BUDGET REQUEST

#### Recommendations:

It is recommended that:

- (1) the Board approve a 2013 net Operating Budget request of \$43.4 Million (M), a \$1.3M (3.2%) increase over the 2012 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) 2013 net operating budget request is \$43.4M (\$45.0M gross). This request includes the 2013 impact of the labour contract settlements for Toronto Police Association (TPA) members, and represents an increase of \$1.3M (3.2%) over the 2012 net operating budget of \$42.1M.

#### Background/Purpose:

PEU's recommended 2013 operating budget request was before the Board for its consideration at its November 14, 2012 meeting. The Board received but did not approve the budget request (Min. No. 272/12 refers). This report resubmits the PEU's 2013 net operating budget request for consideration and approval.

## 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. For 2013, City Finance directions and guidelines include:

- develop a 2013 Operating Base Budget based on the reported 2013 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 2012 gapping rate (at a minimum) for 2013;
- continue hiring slowdown and complement management strategies;
- calculate fringe benefits based on 2012 projected actual experience, but not to exceed 27.4% for permanent employees; and
- only consider new or enhanced services that are fully non-tax funded.

City Finance has confirmed that there is no 2013 reduction target for PEU.

## *2013 Operating Budget Development Process:*

The Service has complied with the City guidelines, as appropriate, and the PEU's 2013 operating budget has been developed based on the following Service assumptions/guidelines:

- no additional positions added to PEU's staffing complements;
- replacement of Parking Enforcement Officers (PEOs) continues, based on attrition estimates;
- accounts projected based on year-end 2011 information, year-to-date 2012 information and known changes; and
- no new initiatives.

## *2013 Operating Budget Request:*

The 2013 operating budget request of \$45.0M (gross) and \$43.4M (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, 83.6% of PEU's budget is for salaries, premium pay and fringe benefits and the remaining 16.4% 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 2013 request by category of change, followed by a discussion on each category.

**2013 Gross Parking Enforcement Budget**

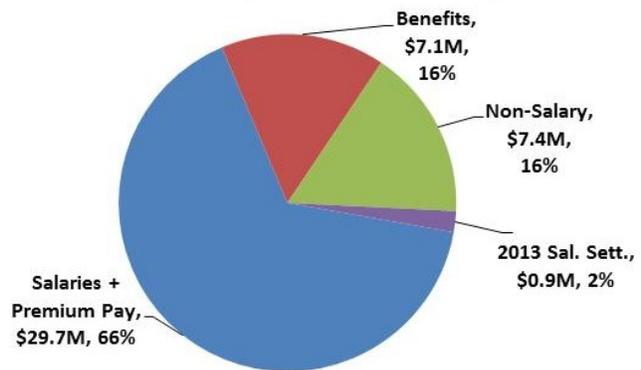


Figure 1. Overall Budget Request

**Table 2 - Summary of 2013 Budget Request By Category of Change**

	Request \$000s	\$ Increase / (Decrease) over 2012	% Increase/ (Decrease) over 2012
2012 Approved Budget - \$42,063.4			
(a) Impact of 2013 TPA Collective Agreement	\$900.2	\$900.2	2.1%
(b) Salary and Premium Pay Requirements	\$29,659.7	\$32.1	0.1%
(c) Statutory Deduction and Fringe Benefits	\$7,083.1	\$376.3	0.9%
(d) Reserve Contributions	\$2,303.8	\$0.0	0.0%
(e) Other Expenditures	\$5,072.1	\$31.9	0.1%
<b>2013 Gross Budget Request</b>	<b>\$45,018.9</b>	<b>\$1,340.5</b>	<b>3.2%</b>
(f) Revenues	(\$1,615.0)	\$0.0	0.0%
<b>Total 2013 Budget Request</b>	<b>\$43,403.9</b>	<b>\$1,340.5</b>	<b>3.2%</b>

(a) Impact of 2013 Collective Agreement (\$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 2013 impact is \$0.9M (a 2.1% increase over PEU's total 2012 operating budget).

(b) Salary and Premium Pay Requirements (\$29.7M)

The 2013 PEU budget reflects an establishment of 394. Included in the establishment is a staff complement of 357 PEOs. The total salary and premium pay budget for 2013 (exclusive of the impact of the TPA collective agreement) is \$29.7M, and assumes that the replacement of PEOs continues, based on attrition estimates. The impact of the planned December 2012 class is reflected in the 2013 budget request. This category of expenditure represents a \$32,100 increase (a 0.1% increase over PEU's total 2012 budget).

(c) Statutory Payroll Deductions and Fringe Benefits (\$7.1M)

This category of expenditure represents an increase of \$0.4M (a 0.9% increase over PEU's total 2012 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 0.9% of salaries effective January 2013. Taking into consideration projected 2013 salaries and the anticipated rate increase from OMERS, an additional \$0.3M is required for pension contributions in 2013. The remaining \$0.1M increase is due to inflationary increases in the medical and dental accounts.

(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 2013 budget for contribution to reserves is \$2.3M. This budget is unchanged from the 2012 operating budget.

(e) Other Expenditures (\$5.1M)

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 2012 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 \$31,900 (a 0.1% increase over PEU's total 2012 budget), as a result of inflationary pressures.

(f) Revenues (\$1.6M)

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

*2014 and 2015 Outlooks:*

City Finance has requested that budget outlooks for 2014 and 2015 be provided for each budget. Based on known pressures and inflationary increases, the current estimate for 2014 is \$44.7M (\$1.3M or 2.9% over 2013) and for 2015 is \$44.9M (\$0.2M or 0.4% over 2014).

Conclusion:

PEU's 2013 net operating budget request of \$43.4M is \$1.3M or 3.2% higher than the 2012 net operating budget of \$42.1M. \$0.9M or 70% of the increase is attributable to the collective agreement salary and benefit increases. The 2013 budget request includes the funding required to maintain the targeted level of parking enforcement officers required to ensure enforcement is not negatively impacted. No additional positions have been included in the budget request.

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

**Following a discussion, the Board approved the following Motions:**

- 1. THAT the Board receive recommendation no. 1;**
- 2. THAT the Board approve a 2013 net operating budget request that achieves the City's target of a 0% increase over 2012; and**
- 3. THAT the Board approve recommendation nos. 2 and 3.**