



STAFF REPORT ACTION REQUIRED

Toronto Police Service – Parking Enforcement Unit: 2014 Operating Budget Request

Date:	November 13, 2013
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 2014 operating budget request for the Toronto Police Service – Parking Enforcement Unit (PEU).

RECOMMENDATION

It is recommended that the Budget Committee approve a 2014 net operating budget request of \$44.6 Million (M), a \$1.2M (2.8%) increase over the 2013 net budget.

FINANCIAL IMPACT

The Toronto Police Service's PEU 2014 net operating budget request is \$44.6M (\$46.2M gross). This request includes the 2014 impact of the labour contract settlements, and represents an increase of \$1.2M (2.8%) over the 2013 net operating budget of \$43.4M.

ISSUE BACKGROUND

At its meeting held on November 7, 2013, the Board was in receipt of a report dated November 01, 2013 from Chief of Police William Blair with regard to the 2014 operating budget request for the Toronto Police Service – PEU.

COMMENTS

Ms. Sandra Califaretti, Director of Finance and Administration, was in attendance and delivered a presentation to the Board on the 2014 operating budget request.

Following the presentation, Ms. Kim Rossi, Manager, Parking Enforcement Unit, responded to questions by the Board.

The Board received the presentation, approved the foregoing report and 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 01, 2013 is contained in Board Minute No. P256/13. A copy of Board Minute No. P256/13, in the form attached as Appendix "A" to this report, is provided for information. A copy of the presentation delivered by Ms. Califaretti is attached as Appendix "B."

CONTACT

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

Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P256/13
Appendix B: Operating Budget Presentation

cc. Mr. Rob Rossini, Deputy City Manager and Chief Financial Officer

A: 2014 operating budget tps parking.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON NOVEMBER 07, 2013

#P256 TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT: 2014 OPERATING BUDGET REQUEST

The Board was in receipt of the following report November 01, 2013 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE PARKING ENFORCEMENT UNIT – 2014 OPERATING BUDGET REQUEST

Recommendations:

It is recommended that:

- (1) the Board approve a 2014 net Operating Budget request of \$44.6 Million (M), a \$1.2M (2.8%) increase over the 2013 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) 2014 net operating budget request is \$44.6M (\$46.2M gross). This request includes the 2014 impact of the labour contract settlements, and represents an increase of \$1.2M (2.8%) over the 2013 net operating budget of \$43.4M.

Background/Purpose:

This report provides the Board with information on PEU's 2014 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, which includes the City of Toronto Revenue Services Division's responsibility for parking ticket processing, quality control, adjudication, oversight of the first

appearance facilities (FAF), pre-court filing of all court documents and collection and reconciliation of fine revenues.

How is the City's parking enforcement operations program organized?:

The Parking Enforcement Unit is just one of the units involved in the City's overall parking enforcement operations program, which is comprised of the following:

1. Police PEU – responsible for the enforcement program, based on municipal by-laws and Municipal Law Enforcement Officer (MLEO) training and oversight;
2. City Treasurer, Revenue Processing – responsible for processing and collecting fines and overseeing dispute centres, trial requests and pre-court document processing;
3. City Court Services, Judicial Processing – responsible for scheduling and supporting POA trials. The costs associated with the parking courts are covered under this umbrella; and
4. City Legal Services – responsible for prosecutions.

What is the Parking Enforcement Unit responsible for?:

The Parking Enforcement Unit is staffed specifically to ensure the safe and orderly flow of traffic, meet enforcement objectives, respond to calls for service from the community and provide a visible presence to promote compliance. Parking Enforcement Officers are deployed to zones throughout the City to patrol for the aforementioned reasons and support effective service delivery. Any shortfall in staffing levels creates shortages, which places pressure on the enforcement (tag issuance) of non-compliance with the applicable by-laws which in turn impacts traffic flow. The unit takes all possible action, including the use of available premium pay, to mitigate the overall impact on enforcement activities.

Who receives the revenue from parking tags issuance?:

Although parking tag issuance falls under the responsibilities of the Police PEU, actual revenues, as noted above, accrue directly to the City and are collected by the City Treasurer through the Revenue Services division. Revenues collected are impacted by City Council initiatives, by-law changes, increased fines and programs, such as legal parking permit issuance and methods of payment. All of these factors have an impact on the overall amount of revenues collected.

What factors impact compliance and the issuance of parking tags?:

Decisions related to changes in by-laws, fine increases, programs and initiatives approved by City Council impact public behaviours, which in turn impacts compliance with Municipal by-laws and enforcement activities. As an example, the City's tag cancellation guidelines can conflict with operating enforcement practices, putting pressure on tag issuance as parking enforcement officers face daily challenges and disputes on the road, reducing their patrol time.

What factors impacted parking enforcement levels in 2013?:

Several factors in 2013 had an impact on tag issuance levels:

- The Board, at its December 10, 2012 meeting, approved the PEU 2013 operating budget at a lower-than-requested amount (Min. No. P300/12 refers). The only way to address the budget reduction was through the reduction of premium pay activity. Premium pay is used to backfill officers attending court, backfill deployment gaps created by those who are otherwise unavailable to deploy and for parking-related assignments surrounding special events. This reduction directly affected enforcement levels beginning January 1, 2013. City Council, at its January 15 and January 16, 2013 meeting, reversed the Board's decision and approved the PEU 2013 net operating budget at the amount originally requested by the Service. The temporary reduction in enforcement in the first three weeks of January resulted in reduced tag issuance.
- PEU experienced accelerated staff attrition in the third quarter of 2013, and therefore has less-than-anticipated staffing levels to issue tags.
- Adverse weather conditions (extreme heat, extreme cold and flooding) and increased levels of construction hampered tag issuance at various times throughout the year. For example, one bad weather day; snow, flood etc has the potential to cost 5,000 tags.
- Municipal Law Enforcement Officer tag issuance has also declined in 2013.

As a result of the above, it is anticipated that tag issuance will decrease from 2.8M to approximately 2.6M for parking program tags (PEOs, MLEOs and Police Officers).

How will City Council decisions and other factors impact 2014 enforcement levels?:

For 2014, City Council has introduced by-law changes, fine increases and grace periods. In addition, new program offerings are being considered/introduced, including habitual offender towing, courier and delivery vehicle programs, pay by cell phone, and the increased issuance of temporary parking permits. It is anticipated that these changes will impact public behaviour regarding compliance with City by-laws. However, it is difficult to determine how they will affect the level of non-compliance and therefore the impact on enforcement.

During the 2014 budget review process with the City Manager, it was recommended that the PEU expedite the hiring of PEOs in 2013 to maintain staffing levels and mitigate any impact to 2014 tag issuance levels. This request was subsequently approved by the Board, and PEO recruits will be hired effective November 11, 2013.

What would be the impact on enforcement if the 2014 budget request was reduced to zero percent increase?:

The impact of a zero percent increase to the 2014 budget is estimated at 180K tags which is 6.9% of the anticipated issuance in 2014 (2.6M tags for the unit).

2014 Operating Budget – Guidelines and Budget Development Process

Each year, City Finance issues general guidelines for budget development. For 2014, the following directions and guidelines have been provided:

- develop a 2014 operating budget and 2015 and 2016 outlooks;
- develop a 2014 base budget at a level equivalent to the 2013 approved net operating budget (i.e. a 0% increase);
- include savings to be generated from the implementation of any Service Review recommendations;
- include increased user fee revenues in compliance with the User Fee Policy and in accordance with the User Fee Review recommendations;
- continue to control expenditures through cost-saving measures;
- review and mitigate pressures;
- review all expenditures for actual experience including vacant positions;
- focus on implementing existing priorities within the base budget; and
- no new service enhancements to be considered unless funded by third parties or previously approved.

The development of PEU’s 2014 operating budget has been based on the following high-level 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 2012 information, year-to-date 2013 information, and known changes; and
- no new initiatives.

2014 Operating Budget Request:

The 2014 operating budget request of \$46.2M (gross) and \$44.6M (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. In order to ensure optimal staffing levels to meet operational demands, the Unit works to maintain the approved staffing target, on average, throughout the year.

2014 Gross Parking Enforcement Budget

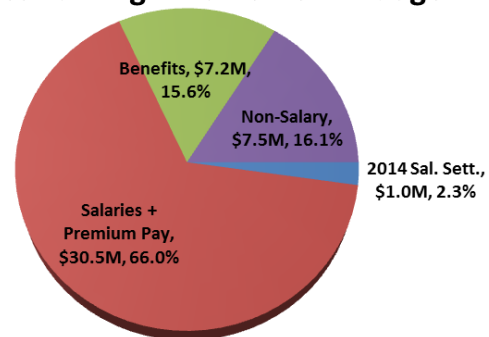


Figure 1. Overall Budget Request

Figure 1 indicates that, on a gross basis, 83.9% of PEU’s budget is for salaries, premium pay and fringe benefits and the remaining 16.1% is required for the support of our Parking Enforcement Officers in terms of the vehicles, equipment and technology they use, facilities they work in and training they require.

Table 1 below summarizes the current 2014 request by category of change, followed by a discussion on each category.

Table 1 - Summary of 2014 Budget Request By Category of Change

	Request \$000s	\$ Increase / (Decrease) over 2013	% Increase / (Decrease) over 2013
2013 Net Budget - \$43,403,900			
(a) Impact of 2014 Salary Settlement	1,044.7	\$1,044.7	2.4%
(b) Salary Requirements	27,884.7	\$74.6	0.2%
(c) Premium Pay	2,631.9	-\$17.6	0.0%
(d) Statutory Deductions and Fringe Benefits	7,237.9	\$54.5	0.1%
(e) Reserve Contributions	2,303.8	\$0.0	0.0%
(f) Other Expenditures	<u>5,142.1</u>	<u>\$70.0</u>	<u>0.2%</u>
2014 Gross Budget Request	\$46,245.1	\$1,226.2	2.8%
(g) Revenues	-\$1,615.0	<u>\$0.0</u>	<u>0.0%</u>
2014 Net Budget Request	\$44,630.1	\$1,226.2	2.8%

(a) Impact of 2014 Collective Agreement (\$1.0M)

The 2014 impact of the 2011 to 2014 salary settlement with the Toronto Police Association (TPA) is \$1.0M.

(b) Salary Requirements (\$27.9M)

The 2014 PEU budget reflects an overall establishment of 394. Included in the establishment is a staff complement of 357 PEOs. The total salary budget for 2014 (exclusive of the impact of the TPA collective agreement) is \$27.9M, and assumes that the replacement of PEOs continues, based on attrition estimates. This budget represents a \$74,600 increase (a 0.2% increase over PEU's total 2013 budget) due to salary increments.

(c) Premium Pay (\$2.6M)

Nearly all premium pay at the PEU is related to enforcement activities, attendance at court and the backfilling of members attending court. Premium pay is utilized to staff enforcement activities at special events or directed enforcement activities instituted to address specific problems. 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. All premium pay expenditures are approved by supervisory staff and carefully controlled.

The total premium pay budget for 2014 (exclusive of the impact of the TPA collective agreement) is \$2.6M. This budget represents a \$17,600 decrease over PEU's total 2013 budget.

(d) Statutory Payroll Deductions and Fringe Benefits (\$7.2M)

This category of expenditure represents an increase of \$0.1M (a 0.1% increase over PEU's total 2013 budget). Fringe benefits are comprised of statutory payroll deductions and requirements as per the collective agreements.

The increase is required for estimated increases in medical and dental costs and a small projected increase in payroll deductions.

(e) 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 2014 budget for contribution to reserves is \$2.3M. This budget is unchanged from the 2013 operating budget.

(f) 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 2013 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 \$70,000 (a 0.2% increase over PEU's total 2013 budget).

The increase is primarily due to the purchase of reflective vests (a health and safety issue), and inflationary increases with respect to intercompany chargebacks between the Toronto Police Service and PEU.

(g) Revenues (\$1.6M)

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

2015 and 2016 Outlooks:

City Finance has requested that budget outlooks for 2015 and 2016 be provided for each budget. Based on known pressures and inflationary increases, the current estimate for 2015 is \$45.9M (\$1.3M or 2.9% over 2014) and for 2016 is \$47.1M (\$1.2M or 2.6% over 2015).

Conclusion:

The PEU's 2014 net operating budget request of \$44.6M is \$1.2M or 2.8% higher than the 2013 net operating budget of \$43.4M. \$1.0M or 85% of the increase is attributable to the collective agreement salary and benefit increases. The 2014 budget request includes the funding required to maintain the approved establishment of parking enforcement officers, as well as the necessary supporting infrastructure. This budget request will allow the PEU to provide optimal service delivery levels from an enforcement perspective.

City Council decisions (e.g. 10 minutes grace period, fine increases and other factors) will impact the level of non-compliance by the public and enforcement (tag issuance). Further, if the PEU was required to achieve a zero percent increase in 2014 over 2013, tag issuance would drop by approximately 180,000 tags or 6.9%.

It is therefore recommended that the Board approve the PEU 2014 operating budget request as submitted.

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

Ms. Sandra Califaretti, Director of Finance and Administration, was in attendance and delivered a presentation to the Board on the 2014 operating budget request. A copy of the presentation is on file in the Board office.

Following the presentation, Ms. Kim Rossi, Manager, Parking Enforcement Unit, responded to questions by the Board.

The Board received the presentation and approved the foregoing report.

Moved by: D. Noria