



City Budget
2013

Parking Tags Enforcement and
Operations
Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for the City.

2013 Operating Budget

2013 OPERATING BUDGET ANALYST BRIEFING NOTES

BUDGET COMMITTEE, NOVEMBER 29, 2012

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PART I: RECOMMENDATIONS

**2013 Recommended Operating Budget
(In \$000s)**

(In \$000s)	2012		2013 Recommended Operating Budget			Change - 2013 Recommended		FY Incremental Outlook	
	Approved Budget	Projected Actual	2013 Rec. Base	2013 Rec. New/Enhanced	2013 Rec. Budget	Operating Budget v. 2012 Appvd. Budget		2014	2015
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	57,692.6	57,560.3	59,137.2	0.0	59,137.2	1,444.6	2.5%	1,342.0	1,388.3
REVENUE	80,649.4	80,649.4	82,134.1	0.0	82,134.1	1,484.7	1.8%	360.5	
NET EXP. / (REVENUE)	(22,956.8)	(23,089.1)	(22,996.9)	0.0	(22,996.9)	(40.1)	0.2%	981.5	1,388.3
Approved Positions	394.0	406.0	394.0	0.0	394.0	0.0	0.0%	394.0	394.0

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

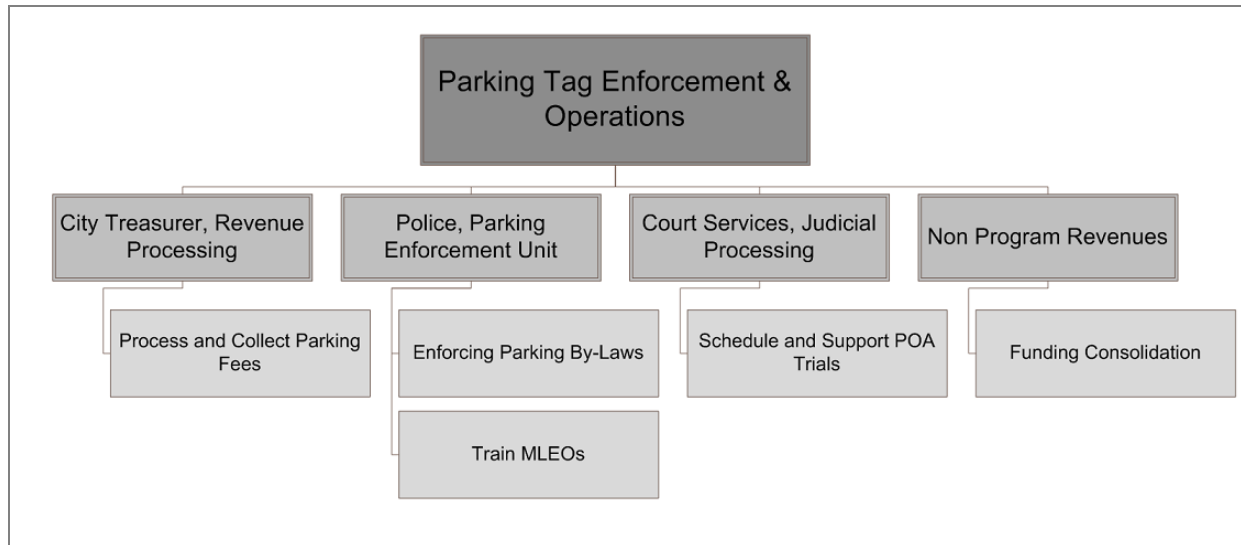
1. City Council approve the 2013 Recommended Operating Budget for Parking Tags Enforcement and Operations of \$59.137 million gross and \$(22.997) million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Parking Enforcement Unit	44,098.9	43,403.9
Parking Revenue Processing	6,243.7	6,243.7
Judicial Processing of Parking Tickets	4,794.5	4,794.5
Parking Tag Revenue	4,000.0	(77,439.1)
	59,137.2	(22,996.9)
Total Program Budget	59,137.2	(22,996.9)

2. Parking Tags Enforcement and Operations' services, as outlined on pages 3 to 4, and associated staff complement of 394.0 be approved.
3. City Council urge the Government of Ontario to pass regulations establishing when a certified statement of an issuing officer may substitute for the requirement of an officer to attend court.

PART II: 2013 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



Parking Tags Enforcement & Operations delivers services through four main service areas:

- Toronto Police Service – Parking Enforcement Unit (issuance of parking infraction tickets);
- Office of the City Treasurer – Revenue Services Division (collection of fines for the parking tickets issued by the Police Enforcement Unit);
- Court Services - Judicial Processing of Parking Tickets (scheduling of trials for disputed parking tickets falling under the Provincial Offences Act, Part II); and
- Non-Program Revenues – Parking Ticket Revenues (provision of funding to support the parking by-law initiatives).

Toronto Police Service, Parking Enforcement Unit

- The Parking Enforcement Unit ensures the safe and orderly flow of traffic and regulates parking by enforcing the Parking By-laws through the issuance of parking tickets to illegally parked vehicles and the training of Municipal Law Enforcement Officers (MLEO's) who are empowered to write parking tickets on private and municipal properties. The Enforcement program provides the following activities:
 - Enforce Parking By-laws: Issuance of parking infraction tickets - approximately 2.8 million tickets will be issued in 2013.
 - Parking tag inventory control.
 - Handling complaints against Municipal Law Enforcement Officers.
 - Train Municipal Law Enforcement Officers as required.

Office of the City Treasurer – Revenue Services Division

- Revenue Services is responsible for the processing and collection of fines for all parking tickets issued in the City of Toronto. The service level provided meets the regulations

established under the Provincial Offences Act. Revenue Services provides the following activities:

- **Parking Ticket Collection:** Parking tickets are processed within the 75 day period required by the Provincial Offences Act. Processing of parking tickets includes a number of mandated and elaborate steps. This includes the collection of data from the Parking Enforcement Unit on tickets issued each day, the retrieval of vehicle ownership information from the Ministry of Transportation for each ticket, the timely mailing of required notices for non-payment and the compilation of court documents to ensure convictions are registered for non-payment. This Unit also prepares pre-court trial documents for those offenders wishing to dispute their tickets in court. Tickets that cannot be processed within this time period must be dismissed as per legislative requirements.
- **Payment Counter/First Appearance Facilities Operations** operate daily from 8:30 am to 4:30 pm. These First Appearance Facilities are also legislated by the Provincial Offences Act and provide parking ticket appellants a forum for disputing parking tickets, filing trial requests, obtaining judicial documentation and paying parking tickets.

Court Services – Judicial Processing of Parking Tickets

- Court Services schedules and supports Part II (Parking Ticket) Trials of the Provincial Offences Act. This includes the receipt and file maintenance of all parking infraction trial requests that are delivered to court for adjudication purposes and managing default convictions, including cases that are appeals, re-openings or extensions of times to pay fines. Court Services provides the following activities:
 - Trials and other hearings are for parking tickets issued in the City of Toronto

Non-Program Revenues – Parking Ticket Revenues

- 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.

2013 Service Deliverables

The 2013 Recommended Operating Budget of \$59.137 million gross provides funding to:

- Provide safe and efficient free flow traffic by responding to local neighbourhood parking concerns, 7 days a week and 24 hours each day.
- Operate five court rooms to better address the volume of parking ticket trials.
- Ensure Police Enforcement Officers will be able to attend court when scheduled and that enforcement activity service levels of issuing 2.8 million parking tickets are maintained.
 - Collect and process fines for issued parking infraction tickets through a variety of methods including online, mail, telephone, and in person. Parking ticket services are offered during the hours of 8:30 a.m. to 4:30 p.m. and at four district locations: Metro Hall; York Civic Centre; North York Civic Centre; and 1530 Markham Road.

- Provide a timely and effective dispute resolution process for appellants who have been issued parking tickets for parking meter/pay-and display offences.

PART III: RECOMMENDED BASE BUDGET

**2013 Recommended Base Budget
(In \$000s)**

(In \$000s)	2012 Approved Budget	2013 Rec'd Base	Change 2013 Recommended Base vs. 2012 Appvd. Budget		FY Incremental Outlook	
			\$	%	2014	2015
	\$	\$	\$	%	\$	\$
GROSS EXP.	57,692.6	59,137.2	1,444.6	2.5%	1,342.0	1,388.3
REVENUE	80,649.4	82,134.1	1,484.7	1.8%	360.5	
NET EXP. / (REVENUE)	(22,956.8)	(22,996.9)	(40.1)	0.2%	981.5	1,388.3
Approved Positions	394.0	394.0	0.0	0.0%	0.0	0.0

2013 Recommended Base Budget

The 2013 Recommended Base Budget of \$59.137 million gross and \$(22.997) million net revenue is \$0.040 million or 0.2% below the 2012 Approved Budget of \$(22.957) million net. This provides \$1.445 million in funding for base budget increases which have been offset by \$1.485 million in revenue increases, bringing the Parking Tags Enforcement and Operations base budget to \$0.040 million under the budget target of a 0% increase.

- Approval of the 2013 Recommended Base Budget will result in no change to the Program's approved staff complement as highlighted in the table below:

**2013 Recommended Staff Complement
Base Budget Summary**

Changes	Staff Complement
2012 Approved Complement - 2012 In-year Adjustments	394.0
2012 Approved Staff Complement 2013 Recommended Staff Complement Changes - 2013 Temporary Complement - Capital Project Delivery - 2013 Operating Impacts of Completed Capital Projects - 2013 Service Change Adjustments	394.0
Total 2013 Recommended Complement	394.0

2014 and 2015 Outlook

2014 and 2015 Incremental Impacts
(In \$000s)

Description	2014 - Incremental Increase					2015 - Incremental Increase					Total Gross % Change from 2013
	Gross Expense	Revenue	Net Expense	% Gross Change from 2013	# Positions	Gross Expense	Revenue	Net Expense	% Gross Change from 2014	# Positions	
Known Impacts											
Progression Pay, Step Increases, Cost of Living Adjustments and Benefit increases	1,084.1		1,084.1	2.9%		1,141.3		1,141.3	2.9%		5.6%
Materials including fuel and handheld costs, computer hardware	33.0		33.0	2.0%		34.0		34.0	2.0%		3.9%
Facility Rent and Contracted Services	99.4		99.4	1.5%		85.3		85.3	1.3%		2.8%
Contributions to Capital and Reserve Funds	51.5		51.5	2.2%		52.7		52.7	2.2%		4.3%
Increases in Interdivisional Charges	74.0		74.0	0.7%		74.9		74.9	0.7%		1.3%
Sub-Total Known Impacts	1,342.0	0.0	1,342.0	2.3%	0.0	1,388.2	0.0	1,388.2	2.3%	0.0	4.4%
Anticipated Impacts											
Parking Tag Revenue		360.5	(360.5)	0.4%							
Sub-Total - Anticipated Additional Impacts	0.0	360.5	(360.5)	0.4%	0.0						
Total Incremental Impacts	1,342.0	360.5	981.5	1.7%	0.0	1,388.2	0.0				

Approval of the 2013 Recommended Base Budget for Parking Tags Enforcement and Operations will result in a 2014 incremental net cost increase of \$0.982 million and a 2015 incremental net cost increase of \$1.388 million to maintain 2013 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts

- For 2014, the incremental expenditures are projected to be \$0.982 million. This includes:
 - Step, progression pay and cost of living increases for Revenue Services (\$0.060 million).
 - Step, progression pay, fringe benefit and cost of living increases for the Parking Enforcement Unit (\$1.084 million).
 - An expenditure increase for fuel, handheld device costs and computer hardware (\$0.033 million).
 - Expenditure increases in rent and uniform cleaning (\$0.099 million).

Anticipated Impact

- For 2014, the incremental revenue is projected to increase by \$0.361 million. This is a projected increase based on both actual experience and the expectation that the implementation of the fixed fine system will result in fewer parking ticket fines being reduced in court, given that the fine amount cannot be reduced at trial.

Known Impacts

- For 2015, the incremental expenditures are projected to be \$1.388 million. This includes:
 - Step, progression pay and cost of living increases for Revenue Services (\$0.079 million).
 - Step, progression pay, fringe benefit and cost of living increases for the Parking Enforcement Unit (\$1.141 million).

- An expenditure increase for fuel, handheld costs and computer hardware (\$0.034 million).
- Expenditure increases in rent, uniform cleaning and indirect parking costs (\$0.085 million).

PART V: ISSUES FOR DISCUSSION

2013 and Future Year Issues**2013 Issues***Implementation of a Fixed Fine System for Parking Tickets*

- On September 21 and 22, 2011, City Council adopted a report entitled: "Implementation of a Fixed Fine System for Parking Tickets." This established a fixed fine amount equal to the presently established set fine amount (the dollar amount that appears on the face of the ticket) that will apply when a parking ticket recipient requests a trial, and the trial results in a conviction, (i.e., the defendant either pleads guilty or is found guilty at trial).
- A fixed fine system for parking tickets is expected to reduce the number of trial requests made by parking ticket recipients who request a trial only to obtain a reduced fine or in the hope that the issuing officer will not attend court and the charge will be dismissed.
- Reducing the number of trial requests will free up court capacity and make more efficient use of court resources to hear parking ticket trials and trials for other more serious traffic offences, improve the time to trial where a trial request has been made, and reduce the costs incurred by the City to administer and schedule trial requests where there is no dispute. For the fixed fine system to take effect the City's system of set fines need to be established by by-law, and approved by the Regional Senior Justice of the Ontario Court of Justice; this is expected by the end of the first quarter in 2013.

Relieving Rush Hour Congestion Due to Unlawful Stopping, Standing and Parking

- On February 6 and 7, 2012 Council adopted a report entitled: "Relieving Rush Hour Congestion Due to Unlawful Stopping, Standing and Parking" that amended City by-laws to create new offences prohibiting stopping, standing, or parking a vehicle during all or any portion of the rush hour periods.
- It also established a set fine amount of \$150.00 for such offences. It is currently unknown how parking ticket revenue will be affected, as it is difficult to predict to what degree the increased fine amounts will act as a deterrent, and how the volume of tickets issued for such offences may change. Again, this change requires that the City's system of set fines be established by by-law, and approved by the Regional Senior Justice of the Ontario Court of Justice; this is expected by the end of the first quarter in 2013.

Review of Parking Ticket Cancellation Guidelines

- A report entitled: "Review of Parking Ticket Cancellation Guidelines" recommending changes to the grace period for time-limited parking offences was adopted by City Council on July 11, 12 and 13th, 2012 and implemented in August 2012. This report recommended changes to the parking ticket cancellation guidelines used by Revenue Services staff in assessing whether a parking ticket may be cancelled. Council approved that the current 5-minute grace period for time-limited parking ticket offences (e.g., pay-and display tickets) be changed to 10 minutes, to take effect July 2010. While this change may result in more tickets being cancelled, it will also reduce the number of parking ticket trial requests made

for such offences where a ticket has been issued within 10 minutes of the expiry of a time-limited offence, and so reduce court costs associated with having to schedule trials for such tickets. The result on parking ticket expenditures and revenue is not easily predictable and the net impact remains uncertain.

Future Year Issues

Reducing Officer Attendance at Court

- Currently, Officers must attend court proceedings where a parking ticket recipient requests a trial. City Legal and Court Staff are currently working with the Province to determine which offences could be handled without an officer in attendance. The Province is expected to prescribe by regulation the types of offences that can proceed to court without an officer in attendance, and evidentiary requirements. This initiative could reduce overtime costs for Parking Enforcement Officers who are currently required to attend court for parking ticket trials. The timing of this initiative and the potential reduction in police overtime remains uncertain.
 - Overtime costs associated with Parking Enforcement Officers attending court are expected to be approximately \$7.200 million in 2012.
 - Provincial legislation relating to court processes provides the Government of Ontario with the authority to pass regulations specifying what offences do not require an officer to be in attendance during court proceedings. It is recommended that City Council urge the Provincial Government to implement a regulation establishing offences where a certified statement of the issuing officer, would in most cases, replace the need for an officer to attend court.

Courier/Delivery Vehicle Parking Permit – Approval and Program Implementation

- On January 4, 2012, the Public Works and Infrastructure Committee considered a report entitled: "Courier/Delivery Vehicle Parking Permit – Approval and Program Implementation" which addressed the significant number of parking tickets issued to courier and delivery vehicles, and proposed a strategy for a permitting system for such vehicles. The Committee referred the item to Transportation Services and will be considered in conjunction with three different studies: downtown traffic, rush hour route and curb space demand.

Appendix 1**2012 Performance****2012 Key Accomplishments**

In 2012, Parking Tags Enforcement and Operations achieved the following results:

- ✓ 2.8 million parking tickets are expected to be issued by Parking Enforcement Officers (PEO), Municipal Law Enforcement Officers (MLEO) and Police Constables (PC) and processed in 2012 (*estimated based on third quarter variance report).
- ✓ As of October 31, 2012, approximately 2.337 million parking tickets were issued and approximately 1.155 million (or 49.0%) of these were paid in 2012.
- ✓ Approximately 125,000 calls from citizens requesting parking enforcement services in the community will be received.
- ✓ A total of 680 stolen vehicles were located from January 1 to October 31, 2012.
- ✓ 19,347 vehicles were towed from January 1 to October 31, 2012.
- ✓ In 2012 it is estimated that 500,000 people will appear in person, 100,000 people will call in and an additional 50,000 people will use email, fax or other means to resolve their parking tag issues.

2012 Budget Variance Analysis

2012 Budget Variance Review (In \$000s)

(In \$000s)	2010	2011	2012	2012	2012 Approved Budget vs Projected Actual Variance	
	Actuals	Actuals	Approved Budget	Projected Actuals*	\$	%
	\$	\$	\$	\$	\$	%
Gross Expenditures	53,526.7	55,990.1	57,692.5	57,519.1	(173.4)	(0.3)
Revenues	80,898.6	84,180.0	80,649.4	80,649.4	0.0	0.0
Net Expenditures	(27,371.9)	(28,189.9)	(22,956.9)	(23,130.3)	(173.4)	0.8
Approved Positions	395.0	395.0	394.0	406.0	12.0	3.0

* Based on the 3rd Quarter Operating Budget Variance Report.

2012 Experience

- The Third Quarter results for Parking Tag Enforcement and Operations indicate that the program will be \$0.173 million under the 2012 Approved Operating Budget of \$(22.957) million net by year end.
- The projected favourable variance is due to decreased costs for salaries and benefits for the Revenue Services Division in the Office of the Treasurer. It is projected that the Parking Enforcement Unit will be slightly above its authorized strength at the end of the year; however it is expected that the annual average of Parking Enforcement Staff is equal to the approved number of positions.

Impact of 2012 Operating Variance on the 2013 Recommended Budget

- The 2013 Recommended Operating Budget has been adjusted accordingly by changing the collection rate from 79.0% to 80.5% to reflect an increase in parking tag revenues, based on actual experience and expected impacts of the Fixed Fine System.

Appendix 2

2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2010	2011	2012	2012	2013	2013 Change from		2014	2015
	Actual	Actual	Budget	Projected Actual	Recommended Budget	2012 Approved Budget	%	Outlook	Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	32,711.6	34,997.4	36,334.4	36,334.4	37,643.0	1,308.6	3.6%	38,727.1	39,868.4
Materials and Supplies	1,230.5	1,259.7	1,594.0	1,554.0	1,586.2	(7.8)	(0.5%)	1,618.2	1,651.2
Equipment	91.7	79.5	94.2	94.2	60.2	(34.0)	(36.1%)	61.2	62.2
Services & Rents	7,378.6	7,165.6	6,432.0	6,432.0	6,505.8	73.8	1.1%	6,605.1	6,690.4
Contributions to Capital	1,454.0	1,554.0	1,554.0	1,554.0	1,554.0	0.0	0.0%	1,585.1	1,616.8
Contributions to Reserve/Res Funds	169.0	169.0	749.8	749.8	749.8	0.0	0.0%	770.2	791.2
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Interdivisional Charges	10,491.3	10,764.9	10,934.1	10,800.7	11,038.2	104.1	1.0%	11,112.2	11,187.1
TOTAL GROSS EXPENDITURES	53,526.7	55,990.1	57,692.5	57,519.1	59,137.2	1,444.7	2.6%	60,479.1	61,867.3
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations									
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve									
Sundry Revenues	80,898.6	84,180.0	80,649.4	80,649.4	82,134.1	1,484.7	1.8%	82,497.7	n/a
TOTAL REVENUE	80,898.6	84,180.0	80,649.4	80,649.4	82,134.1	1,484.7	1.8%	82,497.7	0.0
TOTAL NET EXPENDITURES	(27,371.9)	(28,189.9)	(22,956.9)	(23,130.3)	(22,996.9)	(40.0)	0.2%	(22,018.6)	n/a
APPROVED POSITIONS	395.0	395.0	394.0	406.0	394.0	0.0	0.0%	394.0	394.0

2013 Key Cost Drivers

Salaries and benefits is the largest expenditure category and accounts for 63.7% of the total expenditures, following by Interdivisional Charges at 18.7% and Services and Rents at 11.0%.

- The 2013 recommended budget for salaries and benefits of \$37.643 million is \$1.309 million or 3.6% higher than the 2012 Approved Operating Budget. This increase is mainly attributable to:
 - Progression pay increases of \$0.050 million and a salary settlement of \$0.900 million for union staff.
 - As a result of increases to the 2013 OMERS rate (0.9%), medical rate (6.2%) and dental rate (6.4%), an increase of \$0.358 million has been factored into the Fringe Benefits estimates.

2013 Operating Budget Parking Tags Enforcement and Operations

- The 2013 recommended budget for interdivisional recoveries is \$11.038 million reflecting an increase of \$0.104 million or 1.0% compared to the 2012 Approved Budget of \$10.934 million mainly for inflationary costs associated with the processing and collection of fines.
- The 2013 recommended budget for materials and supplies is \$1.586 million or 0.5% lower than the 2012 Approved Budget. This is mainly attributable to a decrease in handheld device costs compensating for a planned fuel cost increase.
- The 2013 recommended budget for equipment of \$0.060 million is \$0.034 million or 36.1% lower than the 2012 Approved Budget for this category, primarily an outcome of a decrease in computer hardware.
- The 2013 recommended budget for services and rents of \$6.506 million is \$0.074 million or 1.1% higher than the 2012 Approved Budget as a result of a handheld license upgrade (\$0.162 million) which partially offset a decrease in building maintenance costs (\$0.078 million).
- The expenditure increases have been more than offset by increases in revenues. Parking Tag revenues of \$82.134 million are \$1.485 million greater than the 2012 approved budget.
 - This is the result of an adjustment in the collection rate from 79% to 80.5% based on actual experience and the implementation of the Fixed Fine System.

The 2013 Recommended Budget provides funding for the following:

Economic Factors

- Progression pay, step increases, cost of living adjustments and fringe benefit increases account for \$1.309 million or 3.6% additional expenditures in the Parking Tags Enforcement and Operations 2013 recommended budget.
- A projected increase in materials and supplies that includes fuel costs and a decrease in handheld costs account for a \$0.008 million or 0.5% net decrease.
- A decrease in equipment, specifically computer hardware will result in a decrease of \$0.034 million or 36.1% in the Parking Tags Enforcement and Operations 2013 recommended budget.

Other Base Changes

- The projected increase of \$0.074 million (or 1.1%) in services and rents is primarily in response to a handheld license upgrade and associated parking costs combined with a decrease in building maintenance and uniform cleaning.
- Interdivisional charges, which consist of agreements with Court Services and Revenue Services account for an increase of \$0.104 million or 1.0%, primarily attributable to the increase in expenditures for the processing of Parking Tags.

Revenue Changes

- Parking Tag revenues are expected to increase \$1.485 million or 1.8% from the 2012 approved operating budget. This is expected due to an adjustment in the collection rate from 79% to 80.5% that has been based on actual experience and the implementation of the Fixed Fine System.