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## **2013 BUDGET BRIEFING NOTE**

### **Parking Ticket Revenue Impact related to the Toronto Police Services Board's approved 2013 Recommended Operating Budget for the Toronto Police Service – Parking Enforcement Unit**

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#### **Issue:**

The Toronto Police Services Board submitted a report to Budget Committee entitled 'Toronto Police Service – Parking Enforcement Unit: 2013 Operating Budget Request', recommending a proposed reduction of \$1.3 million in the Toronto Police Services Parking Enforcement Unit's 2013 Operating Budget that would reduce the 2013 Operating Budget to a 0% increase over 2012. Budget Committee deferred this item to its meeting of January 8, 2013, in order to understand the impacts of such a reduction.

This briefing note provides the estimated impact on ticket issuance (an estimated reduction of approximately 218,000 fewer tickets) and financial implications (an estimated net revenue loss of \$5.0 million).

#### **Background:**

- The City of Toronto issues approximately 2.8 million parking tickets each year, and generates approximately \$80 million in parking ticket fines annually. Of those, approximately 11% or nearly 31,000 offenders request a trial to dispute their tickets in court. Current court practices require the issuing officer to attend court for parking ticket trials.
- The Toronto Police Parking Enforcement Unit works closely with the Court Services and Revenue Services Divisions to schedule trials effectively, with a view to minimizing impact to field operations. To achieve this, Parking Enforcement Officers are generally scheduled to attend court off-duty, on an overtime basis, hence the importance of premium pay. This methodology allows for officers to attend court and give evidence while not impacting ticket issuance (which would otherwise be impacted if officers attended court on duty when they would normally be conducting enforcement and issuing tickets).

#### **Key Points:**

- The Toronto Police Services Board has proposed reductions to the Parking Enforcement Unit's 2013 Budget in the amount of \$1.3 million. In order to meet the \$1.3 million reduction, premium pay would need to be reduced. If the Police Service Board's Recommended 2013 Operating Budget reduction is approved, Parking Enforcement Officers will no longer be attending court off-duty given the reduction in premium pay. Moreover, those officers who are normally scheduled to work day shift, Monday through Friday will continue to attend court on duty, but will not have their vacated shifts backfilled given the reduction to the premium pay budget.

- All Parking Enforcement Officers scheduled to attend court in 2013 will now do so on-duty and those officers (G Platoon – Full Time Day Shift) will continue to attend on-duty, without having their vacated shifts backfilled. The need to move officers from field deployment to court while on duty reduces parking enforcement during the period where the officer(s) would otherwise be in the field issuing parking tickets. As such, this change will result in fewer tickets being written in 2013.
- Revenue Services staff have reviewed and analyzed the impact of this change and concluded that in 2013, revenues attributable to parking tickets will be reduced by approximately 8%. Based on the estimated numbers provided by the Toronto Police – Parking Enforcement Unit, the change to officer court scheduling will result in approximately 218,000 fewer tickets being written in 2013. In order to estimate the total revenue loss for the City, an average ticket value of \$36.00 was used. Assuming similar, historical collection rates of approximately 80%, the total revenue loss for 2013 is estimated to be \$6.3 million, or a net loss of \$5.0 million to the City.
- It is important to note that any revenue projections related to parking tickets are estimates only, given that staff cannot accurately predict consumer behavior respecting payment patterns, disputes and parking ticket cancellations. Moreover, there are a number of parking related changes being implemented in 2013 such as the Fixed Fine System, a strategy for Courier and Delivery Vehicles and the changes made to the Parking Ticket Cancellation Guidelines which may also impact revenues from parking ticket fines.
- With respect to the budget reduction in Parking Enforcement premium pay and the changes resulting from that reduction, the impact to revenues will be two-fold:
  - a) fewer tickets written – approximately 218,000 fewer in 2013 and;
  - b) a potential for additional cancellation of tickets in court which were originally scheduled from January 1, 2013 to February 15, 2013 where officers will now not attend resulting in dismissal of charges.
- The impact of the latter impact to revenues (“b”) is extremely difficult to assess since many offenders opt for a trial without the need for the officer attending and in these cases, the ticket would not be cancelled if the officer doesn't appear. There are also those offenders who fail to appear in court for their trial and, in these instances as well, the ticket(s) may not be cancelled even if the officer did not attend. Ultimately, staff cannot provide an estimate or impact assessment to this component given that Justices of the Peace make the final determination on whether the ticket is affirmed or cancelled whether an officer appears or not.

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