



## STAFF REPORT ACTION REQUIRED

### Toronto Police Service – Parking Enforcement Unit: 2015 Operating Budget Request

<b>Date:</b>	November 27, 2014
<b>To:</b>	Budget Committee, City of Toronto
<b>From:</b>	Alok Mukherjee, Chair, Toronto Police Services Board

#### **SUMMARY**

The purpose of this report is to provide the Budget Committee with the 2015 operating budget request for the Toronto Police Service – Parking Enforcement Unit.

#### **RECOMMENDATION**

It is recommended that the Budget Committee approve a 2015 net operating budget request of \$44.1M which achieves the City's target of a 0% increase over 2014.

#### **FINANCIAL IMPACT**

The approval of the foregoing recommendation represents a 1.14% decrease from the 2014 net operating budget. The main reason for the decrease is due to the annualized impact from the move of the Parking Enforcement East operation from a leased facility to the Service's Progress Avenue site in 2014.

#### **ISSUE BACKGROUND**

At a meeting held on November 13, 2014, the Board was in receipt of a report dated November 01, 2014 from Chief of Police William Blair with regard to the 2015 operating budget request for the Toronto Police Service – Parking Enforcement Unit.

#### **COMMENTS**

The Board approved the Chief's report and agreed to forward a copy of it 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 Board Minute No. P261/14, in the form attached as Appendix “A”, regarding this matter is provided for information.

## **CONTACT**

Chief of Police William Blair  
Toronto Police Service  
Telephone No. 416-808-8000  
Fax No. 416-808-8002

## **SIGNATURE**

---

Alok Mukherjee  
Chair

## **ATTACHMENT**

Appendix A – Board Minute No. P261/14

- c. Mr. Rob Rossini, Deputy City Manager and Chief Financial Officer
- a: 2015 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 13, 2014

#### #P261. TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT: 2015 OPERATING BUDGET REQUEST

The Board was also in receipt of the following report November 01, 2014 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE PARKING ENFORCEMENT UNIT – 2015  
OPERATING BUDGET REQUEST

#### Recommendations:

It is recommended that:

- (1) the Board approve a 2015 net Operating Budget request of \$44.1 Million (M), a decrease of \$0.5M (1.14%) from the 2014 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) 2015 net operating budget request is \$44.1M (\$45.6M gross). This request represents a decrease of \$0.5M (1.14%) from the 2014 net operating budget of \$44.6M. The main reason for the decrease is due to the annualized impact from the move of the Parking Enforcement East operation from a leased facility to the Service's Progress Avenue site in 2014.

#### Background/Purpose:

This report provides the Board with information on PEU's 2015 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, community based parking programs 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 impact compliance with Municipal by-laws and enforcement activities. As an example, the City's tag cancellation guidelines can conflict with operating enforcement practices and City By-laws, 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 2014?:*

In 2014, several factors had an impact on public behaviour or the ability to issue tags:

- Accelerated attrition throughout the year (including PEOs filling Service vacancies);
- Adverse weather conditions (extreme cold and snow, the lingering impact of the “Ice Storm” and increased levels of construction hampered tag issuance at various times throughout the year. For example, one bad weather day such as snow or flood has the potential to cause a 5,000 reduction in tags;
- By-law consolidation and increased fines for parking and by-law traffic flow related offenses intended to increase compliance (e.g. parking fines for rush hour routes increased from \$60.00 to \$150.00), coupled with highly visible directed patrols;
- By-law exemption for pay and display for 10 minute exception period and 10 minute grace period for couriers engaged in deliveries;
- Implementation of the habitual offender program has had a positive impact on revenues, but hindered tag issuance; and
- Directed patrols to the rush hour corridors and direct patrols in support of traffic congestion management.

The Board should note that Municipal Law Enforcement Officer tag issuance has also declined in 2014.

Despite the above issues, it is anticipated that tag issuance will still be between 2.50M and 2.55M for parking program tags (PEOs, MLEOs and Police Officers) in 2014.

Many of the above issues are expected to continue to have an impact on tag issuance into 2015. In addition, the Pan Am games are expected to have a negative impact on tag issuance as significant numbers of staff will be deployed to assist with traffic flow issues around the Games sites. It must be noted that PEU has been continuously adjusting operations and staff deployments to best meet the many objectives of the unit.

*2015 Operating Budget – Guidelines and Budget Development Process*

For 2015, the City Manager and Deputy City Manager/Chief Financial Officer (CFO) requested that each program and agency submit an operating budget equivalent to their 2014 net approved operating budget – a 0% increase.

In addition, City Finance issues general guidelines for budget development. For 2015, City Finance guidelines also instructed that the following factors be considered:

- Implementation of Efficiency Review savings;

- Implementation of user fee changes, ensuring compliance with the User Fee Policy and in accordance with the User Fee Review recommendations;
- Historical spending patterns;
- Continuous improvements; and
- Operating impacts from capital.

The development of PEU’s 2015 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 2013 information, year-to-date 2014 information, and known changes; and
- No new initiatives.

*2015 Operating Budget Request:*

The 2015 operating budget request of \$45.6M (gross) and \$44.1M (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. 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.

Figure 1 indicates that, on a gross basis, 84.5% of PEU’s budget is for salaries, premium pay and fringe benefits. The remaining 15.5% 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 2015 request by category of change, followed by a discussion on each category.

**2015 Gross Parking Enforcement Budget**

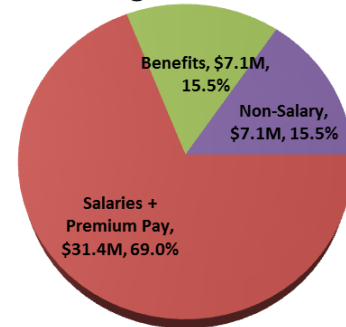


Figure 1. Overall Budget Request

**Table 1 - Summary of 2015 Budget Request By Category of Change**

	<b>Request \$000s</b>	<b>\$ Increase / (Decrease) over 2014</b>	<b>% Increase / (Decrease) over 2014</b>
2014 Net Budget - \$44,630,100			
(a) Impact of 2014 Salary Settlement	n/a	n/a	-
(b) Salary Requirements	28,770.3	\$7.7	0.0%
(c) Premium Pay	2,710.3	\$0.0	0.0%
(d) Statutory Deductions and Fringe Benefits	7,069.8	\$19.3	0.0%
(e) Reserve Contributions	2,318.3	\$14.5	0.0%
(f) Other Expenditures	4,736.1	<b>-\$416.9</b>	<b>-1.0%</b>
<b>2015 Gross Budget Request</b>	<b>\$45,604.8</b>	<b>-\$375.4</b>	<b>-0.9%</b>
(g) Revenues	<b>-\$1,484.6</b>	<b>-\$134.5</b>	<b>-0.3%</b>
<b>2015 Net Budget Request</b>	<b>\$44,120.2</b>	<b>-\$509.9</b>	<b>-1.2%</b>

The current collective agreements expire December 31, 2014, the 2015 budget request does not include the impact of these labour contracts which are currently being negotiated.

(a) Estimated Impact of 2015 Salary Settlement

The current collective agreements with the Toronto Police Association (TPA) and Senior Officers' Organization (SOO) will expire on December 31, 2014. No salary settlement impacts are included in the 2015 operating budget request.

(b) Salary Requirements (\$28.8M)

The 2015 PEU budget reflects an overall establishment of 394. Included in the establishment is a staff complement of 357 PEOs. The total salary budget for 2015 assumes that the replacement of PEOs continues, based on attrition estimates. This budget represents a \$7,700 increase (a 0.02% increase over PEU's total 2014 budget) due to salary increments.

(c) Premium Pay (\$2.7M)

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 request for 2015 is \$2.7M. This budget represents a zero change from the 2014 budget.

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

This category of expenditure represents an increase of \$19,300 (a 0.04% increase over PEU's total 2014 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.

(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 2015 budget for contribution to reserves is \$2.3M. This budget represents a \$14,500 increase over PEU's total 2014 budget.

(f) Other Expenditures (\$4.7M)

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 2014 level. The Parking Enforcement East (PKE) and Parking Headquarters Management (PHQ) operation has relocated from a leased facility to the Service's Progress Avenue site. The former PKE and PHQ lease had a five-year term that expired June 30, 2014. At the time of budget preparation, the exact move date was not confirmed and therefore, the 2014 lease budget was not reduced. As a result, the 2015 net lease budget can be reduced by \$507,000.

Overall this category is down \$416,900. The savings from the lease costs have been partially offset by computer life cycle replacements and inflationary increases with respect to intercompany chargebacks between the Toronto Police Service and PEU.

(g) Revenues (\$1.5M)

Revenue is comprised of draws from reserves and towing/pound administrative recoveries. This budget represents a \$134,500 increase over PEU's total 2014 budget.

*2016 and 2017 Outlooks:*

City Finance has requested that budget outlooks for 2016 and 2017 be provided for each budget. Based on known pressures and inflationary increases, the current estimate for 2016 is \$44.3M (\$0.2M or 0.5% over 2015) and for 2017 is \$44.6M (\$0.3M or 0.5% over 2016). The 2016 and 2017 outlooks do not include any salary settlement impacts.



Conclusion:

The PEU's 2014 net operating budget request of \$44.1M is \$0.5M or 1.14% lower than the 2014 net operating budget of \$44.6M. The 2015 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.

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

**The Board approved the foregoing report.**

**Moved by: D. Noria**