



Toronto 2015 BUDGET

OPERATING ANALYST NOTES



Parking Tags Enforcement and Operations 2015 OPERATING BUDGET OVERVIEW

Parking Tags Enforcement and Operations provides safe and efficient free flow of traffic by responding to local neighbourhood parking concerns, 7 days a week, 24 hours a day. The Program collects and processes fines for issued parking infraction tickets.

2015 Budget Highlights

The total cost to deliver this service to Toronto residents in 2015 is \$63.461 million as shown below.

(in \$000's)	2014 Approved Budget	2015 Rec'd Budget	Change	
			\$	%
Gross Expenditures	61,383.4	63,461.2	2,077.8	3.4%
Gross Revenues	84,380.2	93,120.0	8,739.8	10.4%
Net Expenditures	(22,996.8)	(29,658.8)	6,662.0	(29.0%)

The 2015 Recommended Budget will see an overall of \$6.662 million from 2014, primarily due to the addition of two dedicated court rooms for judicial processing of parking tickets. As a result, expenditures are expected to increase by \$2.078 million, while parking ticket revenues are expected to increase by \$8.740 million due to increased "no standing or stopping" fines during rush hour, the continuation of the Habitual Offender Program and the Fixed Fine System.

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Fast Facts

- Parking Enforcement Officers are hired and trained as a class consisting of between 20 and 30 Officers.
- Approximately 2.6 million tickets are issued every year, of which 300,000 are disputed in court.
- Approximately 25,000 vehicles are towed each year in relation to parking and enforcement violations.

Trends

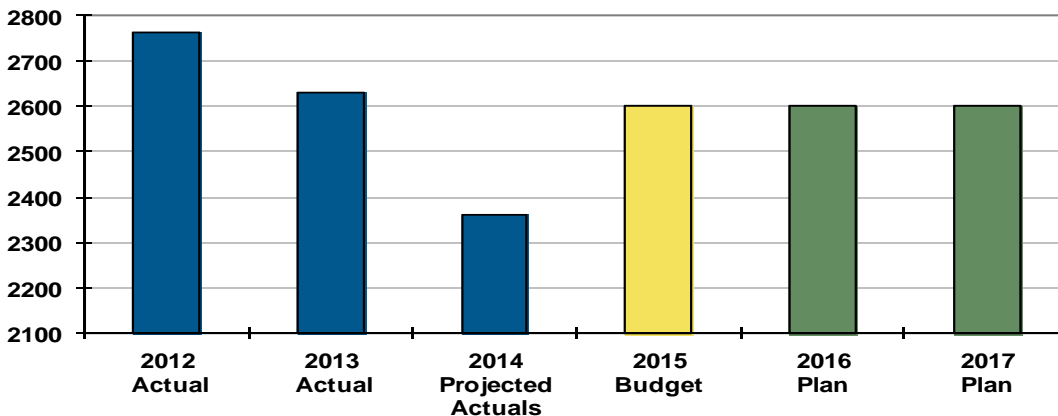
- The number of parking tickets being issued is projected to remain stable over the next three years.
- Approximately one out of every four tickets issued is cancelled under the new Parking Cancellation Guideline By-law.

Our Service Deliverables for 2015

Parking Tags Enforcement and Operations is comprised of 4 inter-related services, each of which promotes the safe and efficient free flow of traffic. The 2015 Operating Budget will provide funding for the following services:

- 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 issue parking tickets on private and municipal properties.
- Revenue Services is responsible for the processing and collection of fines for all parking tickets issued in the City of Toronto.
- 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.
- 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.

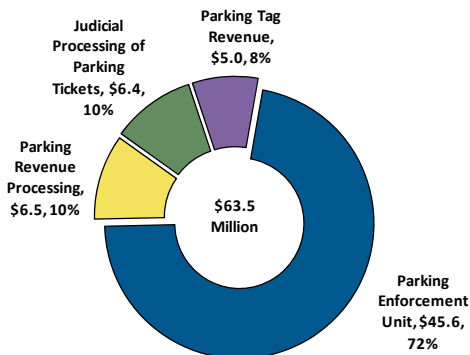
Parking Ticket Issuance



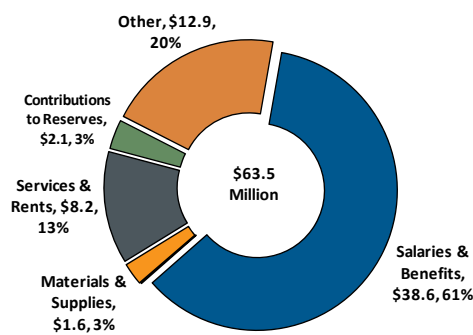
2015 Operating Budget Expenses & Funding

Where the money goes:

2015 Budget by Service
\$63.461 Million

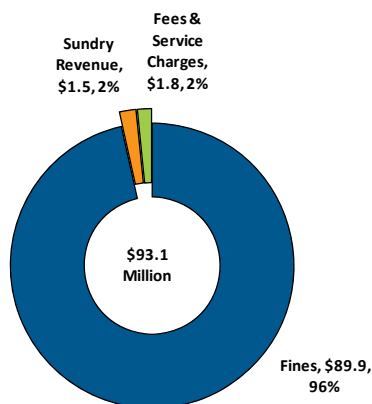


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



Our Key Challenges & Priority Actions

- **Reducing the backlog** of trials for parking ticket disputes.
 - ✓ The 2015 Recommended Operating Budget provides an additional \$2.078 million for an additional two courtrooms dedicated to the judicial processing of parking ticket disputes.
 - ✓ Continue the Fixed Fine System, which has resulted in a decrease in disputes.
- **Maintaining free flow of traffic during rush hour.**
 - ✓ Continue the increased Rush Hour Route Fines during peak City travel times.
 - ✓ Implement more strict enforcement during rush hours and inform the public.
 - ✓ Respond to public emergencies/needs during rush hour.
- **Responding to changes in Provincial Legislation** such as the Provincial Offences Act and City By-laws.
 - ✓ Continuous training for Parking Enforcement Officers to keep current on By-law amendments.

2015 Operating Budget Highlights

The 2015 Recommended Operating Budget of (\$6.662 million) provides funding for the following:

- The addition of two courtrooms dedicated to the judicial processing of parking tickets.
- Parking Ticket revenues are expected to increase by \$8.740 million as a result of the increased "no standing or stopping" fines during rush hour, the continuation of the Habitual Offender Program and the Fixed Fine System.
- By relocating the Parking Tags Enforcement Headquarters to 330 Progress Avenue, the Parking Enforcement Unit will save \$0.507 million in lease costs in 2015.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Operating Budget for the Parking Tags Enforcement and Operations of \$63.461 million gross, (\$29.659) million net of the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Police Parking Enforcement:	45,604.8	44,120.2
Parking Revenue Processing:	6,494.0	6,494.0
Judicial Processing:	6,362.4	6,362.4
Parking Tag Revenue:	5,000.0	(86,635.4)
Total Program Budget	<u>63,461.2</u>	<u>(29,658.8)</u>

2. City Council approve the 2015 recommended service levels for Parking Tags Enforcement and Operations as outlined on pages 14, 16 and 18 of this report, and associated staff complement of 394 positions.

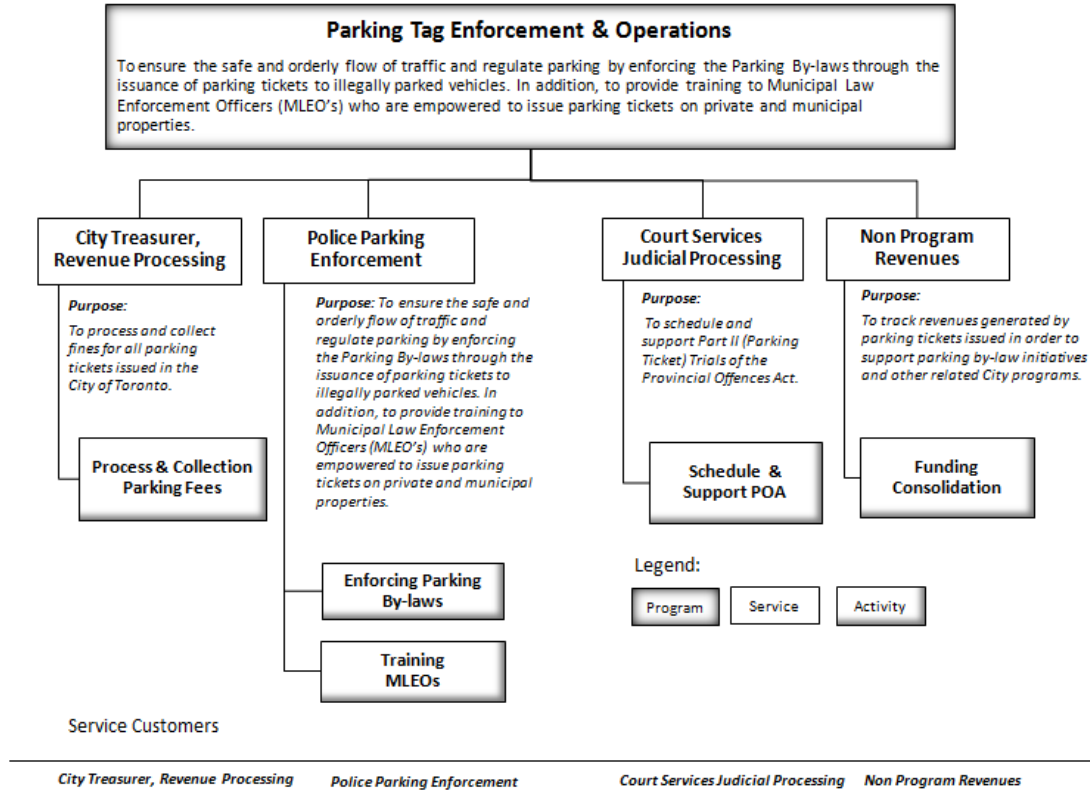


Part I:

2015 – 2017

Service Overview and
Plan

Program Map



2015 Service Deliverables

The 2015 Recommended Operating Budget of \$63.461 million gross and (\$28.089) million net for the Parking Tags Enforcement and Operations Program will fund:

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 issue parking tickets on private and municipal properties. The Enforcement program carries out the following activities:
 - Enforce Parking By-laws: Issuance of parking infraction tickets - approximately 2.6 million tickets will be issued in 2015;
 - Parking tag inventory control;
 - Handle complaints against Municipal Law Enforcement Officers; and
 - Train Municipal Law Enforcement Officers as required.

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 is responsible for 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. It includes the collection of data from the Parking Enforcement Unit on tickets issued each day, retrieval of vehicle ownership information from the Ministry of Transportation for each ticket, timely mailing of required notices for non-payment and 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.

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.

Table 1
2015 Recommended Operating Budget and Plan by Service

(In \$000s)	2015 Recommended Operating Budget					2015 Rec.d vs. 2014		Incremental Change 2016 and 2017 Plan			
	2014		2015 Rec'd Base	2015 Rec'd New/Enhanced	2015 Rec'd Budget	Budget Approved		2016		2017	
	Approved Budget	Projected Actual				Changes	%	\$	%	\$	%
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Police Parking Enforcement											
Gross Expenditures	45,980.2	44,620.2	45,604.8		45,604.8	(375.4)	(0.8%)	215.3	0.5%	218.1	0.5%
Revenue	1,350.1	1,350.1	1,484.6		1,484.6	134.5	10.0%				
Net Expenditures	44,630.1	43,270.1	44,120.2		44,120.2	(509.9)	(1.1%)	215.3	0.5%	218.1	0.5%
Parking Revenue Processing											
Gross Expenditures	6,494.0	6,494.0	6,494.0		6,494.0						
Revenue											
Net Expenditures	6,494.0	6,494.0	6,494.0		6,494.0						
Judicial Processing											
Gross Expenditures	4,909.2	4,909.2	6,362.4		6,362.4	1,453.2	29.6%				
Revenue											
Net Expenditures	4,909.2	4,909.2	6,362.4		6,362.4	1,453.2	29.6%				
Parking Tag Revenue											
Gross Expenditures	4,000.0	4,194.4	5,000.0		5,000.0	1,000.0	25.0%				
Revenue	83,030.1	88,030.1	91,635.4		91,635.4	8,605.3	10.4%	449.4	0.5%	451.7	0.5%
Net Expenditures	(79,030.1)	(83,835.7)	(86,635.4)		(86,635.4)	(7,605.3)	9.6%	(449.4)	0.5%	(451.7)	0.5%
Total											
Gross Expenditures	61,383.4	60,217.8	63,461.2		63,461.2	2,077.8	3.4%	215.3	0.3%	218.1	0.3%
Revenue	84,380.2	89,380.2	93,120.0		93,120.0	8,739.8	10.4%	449.4	0.5%	451.7	0.5%
Total Net Expenditures	(22,996.8)	(29,162.4)	(29,658.8)		(29,658.8)	(6,662.0)	29.0%	(234.1)	0.8%	(233.6)	0.8%
Approved Positions	394.0	394.0	394.0		394.0						

The Parking Tags Enforcement and Operations 2015 Recommended Total Operating Budget is \$63,461 million gross and (\$29,659) million net. The net budget decreased by \$6.662 million or 29.0% due to the following:

- At its meeting on February 6 and 7, 2012, City Council approved an increase of \$90.00 to "No Standing, No Stopping and No Parking" fines issued during rush-hour periods. The fines move from the current \$60.00 to \$150.00 and obtained approval of the Set Fine Order by the Senior Regional Justice. This initiative is projected to generate an additional \$2.500 million in Parking Tag Revenue in 2015.
- The Habitual Offender Program, implemented in 2014, is an initiative to assist with parking fine collection. It is premised on a model whereby towing of vehicles occurs in cases where the owner has three (3) or more outstanding fines, and those fines remain unpaid for at least 120 days following the latest due date. This initiative is projected to generate an additional \$2.500 million in Parking Tag Revenue in 2015.
- The Fixed Fine System has established a set fine amount which applies when a parking fine recipient requests a trial, and the trial results in a conviction. Individuals are now unable to receive any incentive to file a trial request on basis of seeking a reduced fine which is projected to reduce trial requests. This initiative is projected to generate an additional \$3.500 million in Parking Tag Revenue in 2015.

- The above increases in revenue generation were partially offset by increased payments to the Ministry of Transportation (Province of Ontario) of \$1.000 million in Parking Tag Revenue, and increased interdivisional charges of \$0.127 million in Judicial Processing.
- For 2015, the Court Services Division will dedicate an additional two court rooms for the Judicial Processing of parking tickets. This initiative (\$1.326 million gross, \$0 million net) will assist in relieving the current backlog of offenders awaiting trial.

Approval of the 2015 Recommended Operating Budget will result in no change to Parking Tags Enforcement Operations' total staff complement of 394.0, as highlighted in the table below:

Table 2
2015 Recommended Total Staff Complement

Changes	2015 Budget					Plan	
	Police Parking Enforcement	Parking Revenue Processing	Judicial Processing	Parking Tag Revenue	Total	2016	2017
2014 Approved Complement	394.0				394.0		
In-year Adjustments							
Adjusted 2014 Staff Complement	394.0				394.0		
Recommended Change in Staff Complement							
Prior Year Impact							
Operating Impacts of Completed Capital Project							
Capital Project Delivery							
Base Changes							
Service Changes							
New / Enhanced Service Priorities							
Total	394.0				394.0		
Position Change Over Prior Year							
% Change Over Prior Year							

The Program’s total staff complement will remain the same in 2015 as in 2014.

The 2015 Recommended Operating Budget includes base expenditure pressures of \$2.520 million net, primarily attributable to the additional of two dedicated court rooms for Judicial Processing of parking ticket disputes and increased payments to the Ministry of Transportation for the collection of parking tickets for the City, which have been offset by \$8.605 million net in recommended base revenues as detailed below:

Table 3
Key Cost Drivers

(In \$000s)	2015 Recommended Operating Budget				Total Rec'd 2015 Base Budget
	Police Parking Enforcement	Parking Revenue Processing	Judicial Processing	Parking Tag Revenue	
Gross Expenditure Changes					
Economic Factors					
Equipment Replacement	39.8				39.8
COLA and Progression Pay					
COLA, Progression Pay and Fringe Benefit Increase	27.0		127.2		154.2
Other Base Changes					
Addition of Two Court Rooms for Processing		1,326.0			1,326.0
Payments to Ministry of Transportation (Cost Alignment)				1,000.0	1,000.0
Total Gross Expenditure Changes	66.8	1,326.0	127.2	1,000.0	2,520.0
Revenue Changes					
Designated increase in Parking Tag Revenue				8,605.3	8,605.3
Total Revenue Changes				8,605.3	8,605.3
Net Expenditure Changes	66.8	1,326.0	127.2	(7,605.3)	(6,085.3)

Key cost drivers for the Parking Tags Enforcement and Operations Program are as follows:

- Common pressures are being driven by cost of living, progression pay and fringe benefit increases in all services.
- An increase of \$1.000 million is required to align the budget to historical expenditures for payment to the Ministry of Transportation (Province of Ontario) for collecting unpaid tickets on behalf of the City.
- In order to reduce the current backlog of cases requesting trial, an increase of two dedicated court rooms for parking related trials will result in an increase of \$1.326 million gross and net.
- Revenues increases due to new programs introduced in 2014 – *Habitual Offender Program, Fixed Fine System* and an increase in rates for the No Standing, No Stopping and No Parking fines issued during rush-hour periods.
- Parking Tags Enforcement and Operations is expecting the collection rate for tickets issued to increase to 82% in 2015 from 80.5% budgeted in 2014.

The 2015 recommended service changes for the Parking Tags Enforcement and Operations Program consists of base expenditures changes of \$0.507 million and base revenue changes of \$0.135 million as detailed below:

Table 4

2015 Total Recommended Service Change Summary

Description (\$000s)	2015 Recommended Service Changes								Total Rec'd Service			Incremental Change				
	Police Parking Enforcement		Parking Revenue Processing		Judicial Processing		Parking Tag Revenue		\$	\$	#	2016 Plan		2017 Plan		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Position	Gross	Net	Gross	Net	
Base Changes:																
Base Expenditure Changes																
<i>Overall reduction in lease costs</i>	(506.7)	(506.7)							(506.7)	(506.7)						
Base Expenditure Change	(506.7)	(506.7)							(506.7)	(506.7)						
Base Revenue Changes																
<i>Increase in Sundry Revenue</i>		(134.5)								(134.5)						
Base Revenue Change		(134.5)								(134.5)						
Sub-Total	(506.7)	(641.2)							(506.7)	(641.2)						
Sub-Total																
Total Changes	(506.7)	(641.2)							(506.7)	(641.2)						

Base Expenditure Changes (Savings of \$0.507 million gross & \$0.507 net)

- In 2014, the Parking Tags Enforcement Headquarters relocated to 330 Progress Avenue. This resulted in a net savings of \$0.507 million attributed to a reduction in lease expenditures.

Base Revenue Changes (Savings of \$0.135 net)

- The Parking Enforcement Unit projected an increase in sundry revenue as a result of towing and other parking enforcement related activities.

Table 6
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
COLA, Progression Pay and Fringe Benefits	75.0		75.0	0.1%		75.0		75.0	0.1%	
Materials and Equipment (economic factor)	34.3		34.3	0.1%		35.0		35.0	0.1%	
Facility Rent and Contracted Services	106.0		106.0	0.2%		108.1		108.1	0.2%	
Sub-Total	215.3		215.3	0.3%		218.1		218.1	0.3%	
Anticipated Impacts:										
Increase in Parking Tag Revenue		449.4	(449.4)	0.5%			451.7	(451.7)	0.5%	
Sub-Total		449.4	(449.4)	0.5%			451.7	(451.7)	0.5%	
Total Incremental Impact	215.3	449.4	(234.1)	(0.8%)		218.1	451.7	(233.6)	(0.8%)	

Approval of the 2015 Recommended Base Budget for the Parking Tags Enforcement and Operations Program will result in a 2016 incremental net cost of \$0.038 million and a 2017 incremental net cost of \$0.045 million to maintain the 2014 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts

- For 2016 and 2017, \$0.215 million and \$0.218 million, respectively are projected for inflationary increases, including salaries and benefits, fuel, handheld device costs, computer hardware and contracted services.

Anticipated Impact

- For 2016 and 2017, the incremental revenue is projected to increase by \$0.449 million, which is based on actual experience and the expectation that the continuation of the Fixed Fine System and Habitual Offender program will result in an increased collection rate of 82%.



Part II:

2015 Recommended
Budget by Service

Police Parking Enforcement

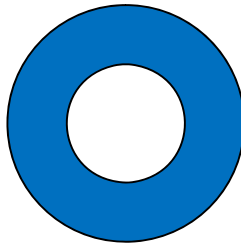


What We Do

- Enforce Parking By-laws: Issuance of parking infraction tickets;
- Parking tag inventory control;
- Handle complaints against Municipal Law Enforcement Officers; and
- Train Municipal Law Enforcement Officers as required.

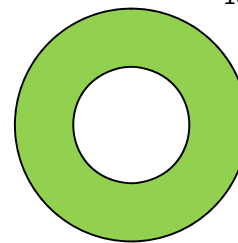
2015 Service Budget by Activity (\$000s)

Police Parking Enforcement,
\$45,605,
100%

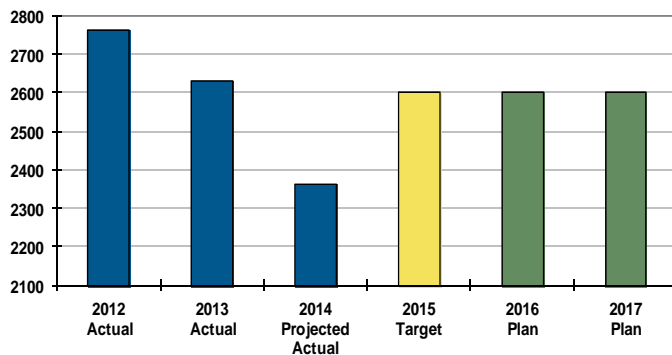


Service by Funding Source (\$000s)

Sundry Revenue,
\$1,484
100%



Number of Parking Tags Issued (000s)



- Parking tags issued are expected to stabilize in 2015 at 2.6 million
- Decrease in 2014 is mainly due to significant weather events resulting in fewer cars on the road.
- Introduction of Fixed Fine System and increase in fines during rush hour is expected to result in greater compliance.

**2015 Service Levels
Police Parking Enforcement**

Activity	Type	Status	Approved Service Levels			Recommended
			2012	2013	2014	2015 Target
Police Parking Enforcement	Police Parking Enforcement	Approved	Number of Parking Tags Issued: 2.800 million	Number of Parking Tags Issued: 2.800 million	Number of Parking Tags Issued: 2.600 million	Number of Parking Tags Issued: 2.600 million
		Actual	Number of Parking Tags Issued: 2.762 million	Number of Parking Tags Issued: 2.630 million	Number of Parking Tags Issued: 2.363 million (Projected)	

The 2015 Recommended Service Levels are consistent with the approved 2014 Service Levels.

- The number of parking tags issued in 2015 is expected to be 2.6 million, approximately 237,000 more than expected in 2014.
- Extreme weather contributed to the lower projected parking tags in 2014 as there were fewer cars on the road.
- Parking tag issuance is expected to stabilize at 2.6 million for the next 3 years due to the introduction of the Fixed Fine System and increases to fines during rush hour resulting in greater compliance.

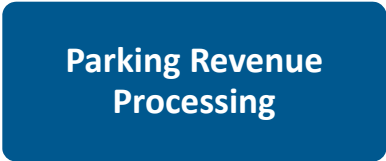
**Table 7
2015 Recommended Service Budget by Activity**

(In \$000s)	2014	2015 Recommended Operating Budget						2015 Rec.d vs. 2014 Budget Approved Changes		Incremental Change			
	Approved Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/ Enhanced	2015 Rec'd Budget	\$	%	2016 Plan		2017 Plan	
	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
Police Parking Enforcement													
Gross Expenditures	45,980.2	(375.4)	45,604.8	(375.4)	(0.8%)		45,604.8	(375.4)	(0.8%)	215.3	0.5%	218.1	0.5%
Revenue	1,350.1	134.5	1,484.6	134.5	10.0%		1,484.6	134.5	10.0%				
Net Expenditures	44,630.1	(509.9)	44,120.2	(509.9)	(1.1%)		44,120.2	(509.9)	(1.1%)	215.3	0.5%	218.1	0.5%
Approved Positions	394.0		394.0				394.0						

The 2015 Recommended Operating Base Budget for Police Parking Enforcement of \$45.605 million gross and \$44.120 million net is \$0.509 million or 1.1% lower than the 2014 Approved Net Budget.

- Pressures are being driven by cost of living, progression pay and fringe benefit increases of \$0.040 million.
- In 2014, the Parking Tags Enforcement Headquarters relocated to 330 Progress Avenue, which will result in a net savings of \$0.507 million attributed to a reduction in lease expenditures for 2015.
- Sundry revenues as a result of towing and other parking enforcement related activities are expected to increase by \$0.135 million to reflect actual experience.

Parking Revenue Processing

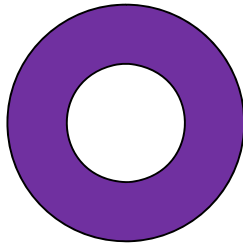


What We Do

- Process and collect fines for all parking tickets issued in the city of Toronto; and
- Provide parking ticket appellants a forum for disputing parking tickets, filing trial requests, obtaining judicial documentation and paying parking tickets through Payment counters / First Appearance Facilities.

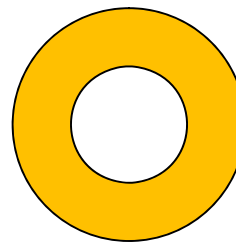
2015 Service Budget by Activity (\$000s)

Parking Revenue Processing,
\$6,494,
100%

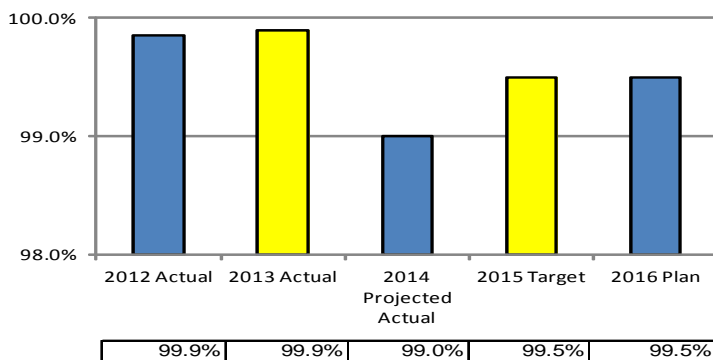


Service by Funding Source (\$000s)

Tax,
\$6,494,
100%



% of Parking Tickets Processed Within Legislated Time Frames



- The % of parking tickets processed within legislated time frames was 99.9% over the past 2 years.
- It is anticipated that this trend will decline slightly in 2015 and 2016 due to the introduction of the Fixed Fine System and Habitual Offender Program.

2015 Service Levels

Parking Revenue Processing

Activity	Sub-Activity/Type	Status	Service Levels				
			2011	2012	2013	2014	2015 Recommended
Parking Ticket Processing	Parking Ticket	Approved	99.5% of parking tickets processed within legislated timeframes				99.5% of parking tickets processed within legislated timeframes
		Actual	99.90%	99.85%	99.89%	2014 Projected Actual 99.9%	
	Notice of impending Conviction	Approved	99.5% of notices sent within legislated timeframe				99.5% of notices sent within legislated timeframe
	Notice of Fine and Due Date	Approved	99.5% of notices sent within legislated timeframe				99.5% of notices sent within legislated timeframe
	Refunds and adjustments	Approved	100% of refunds and adjustments processed within 14 days				100% of refunds and adjustments processed within 14 days
	Investigations	Approved	Complete all investigations within 15 days				Complete all investigations within
	Pre-Court Filing	Approved	99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence				99.5% of all court filing documents prepared within the 75 day legislated time frame from date of

The 2015 Recommended Service Levels are consistent with the approved 2014 Service Levels.

Table 7

2015 Recommended Service Budget by Activity

(In \$000s)	2014	2015 Recommended Operating Budget						2015 Rec.d vs. 2014 Budget Approved Changes		Incremental Change			
	Approved Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/ Enhanced	2015 Rec'd Budget	\$	%	2016 Plan		2017 Plan	
By Service	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
Parking Revenue Processing													
Gross Expenditures	6,494.0	-	6,494.0	-	-		6,494.0						
Revenue		-		-	-								
Net Expenditures	6,494.0	-	6,494.0	-	-		6,494.0						
Approved Positions	-	-	-	-	-		-		-				

The 2015 Recommended Operating Base Budget for Parking Revenue Processing of \$6.494 million gross and net represents no change from the 2014 Approved Net Budget achieving the 0% target.

- Reductions are reflected in the 2015 Recommended Operating Budget for Revenue Services, in the Office of the Treasurer.

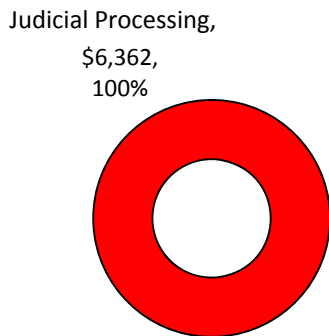
Judicial Processing



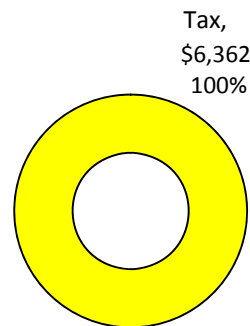
What We Do

- Schedule and support Part II (Parking Ticket) Trials of the Provincial Offences Act.
- Receive and maintain files for all parking infraction trial requests that are delivered to court for adjudication purposes.
- Manage default convictions, including cases that are appeals, re-openings or extensions of times to pay fines.

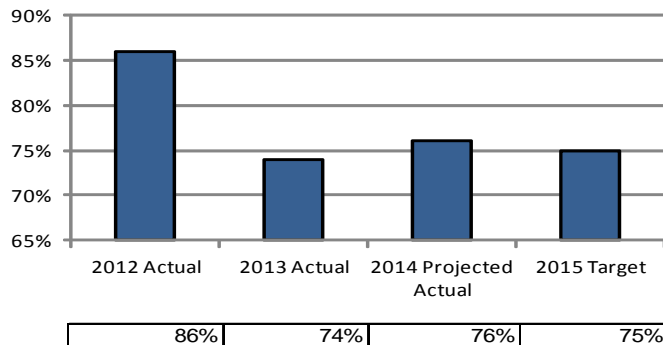
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Conviction Rate (%) - Trial Hearings for Parking Disputes



- Conviction rate for parking disputes are dependent on various factors, including changes to legislations, appearance of Police Officers at trials, technology and quality of information.
- Conviction rates are expected to remain in the 75% range for 2015.

2015 Service Levels

Judicial Processing

Activity	Sub-Activity/Type	Status	Service Levels					
			2012	2013	2014	2015 Target	2016 Plan	2017 Plan
Judicial Processing	Provincial Offences - Parking	Approved	Receive incoming charges within 60 - 75 days			Receive incoming charges within 60 - 75 days	Receive incoming charges within 60 - 75 days	Receive incoming charges within 60 - 75 days

The 2015 Recommended Service Level is consistent with the approved 2014 Service Level.

Table 7

2015 Recommended Service Budget by Activity

(In \$000s)	2014	2015 Recommended Operating Budget						2015 Rec.d vs. 2014 Budget Approved Changes		Incremental Change			
	Approved Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget		Rec'd New/ Enhanced	2015 Rec'd Budget			2016 Plan		2017 Plan	
				% Change						\$	%	\$	%
By Service	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
Judicial Processing													
Gross Expenditures	4,909.2	1,453.2	6,362.4	1,453.2	29.6%		6,362.4	1,453.2	29.6%				
Revenue		-		-	-								
Net Expenditures	4,909.2	1,453.2	6,362.4	1,453.2	29.6%		6,362.4	1,453.2	29.6%				
Approved Positions	-						-						

The 2015 Recommended Operating Base Budget for Judicial Processing of \$6,362 million gross and net is \$1.453 million or 29.6% over the 2014 Approved Net Budget.

- Pressures are being driven by cost of living, progression pay and fringe benefit increases of \$0.127 million.
- In order to reduce the current backlog of cases requesting trial, an increase of two dedicated court rooms for parking related trials will result in an increased cost of \$1.326 million gross and net to operate them in 2015.

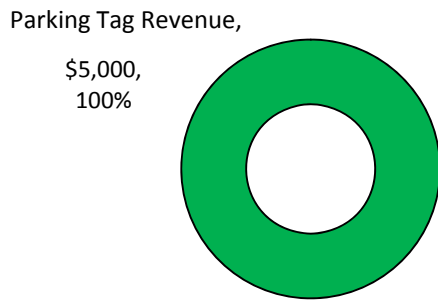
Parking Tag Revenue



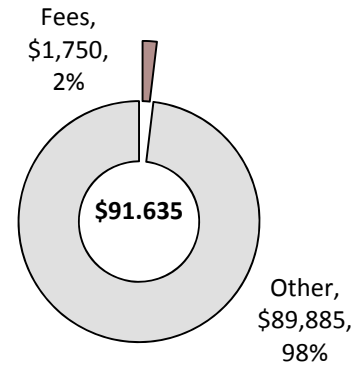
What We Do

- 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.

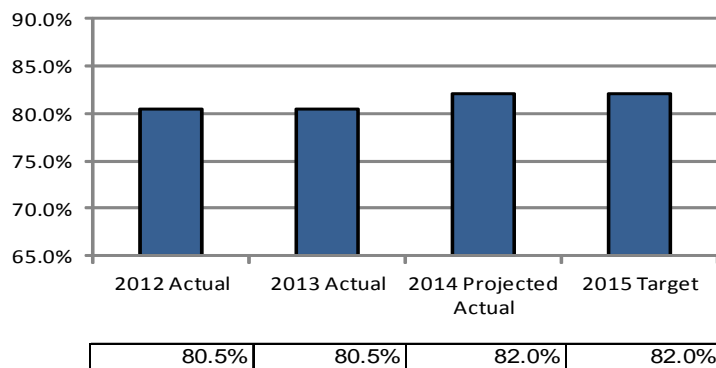
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Collection Rate (%) – Parking Tickets



- The collection rate for parking tickets issued measures the percentage of fines actually collected by the City, where a ticket has been issued for parking violations.
- The collection rate for parking tickets issued increased to projected 82% in 2014, and is expected to continue in 2015 due to the introduction of the Fixed Fine System and Habitual Offender Program.

2015 Service Levels

Parking Tag Revenue

N/A

Table 7

2015 Recommended Service Budget by Activity

(In \$000s)	2014	2015 Recommended Operating Budget						2015 Rec.d vs. 2014 Budget Approved Changes		Incremental Change			
	Approved Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget		Rec'd New/ Enhanced	2015 Rec'd Budget	2015 Rec.d vs. 2014 Budget Approved Changes	2015 Rec.d vs. 2014 Budget Approved Changes	2016 Plan		2017 Plan	
				\$	%					\$	%	\$	%
By Service	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
Parking Tag Revenue													
Gross Expenditures	4,000.0	1,000.0	5,000.0	1,000.0	25.0%		5,000.0	1,000.0	25.0%				
Revenue	83,030.1	8,605.3	91,635.4	8,605.3	10.4%		91,635.4	8,605.3	10.4%	449.4	0.5%	451.7	0.5%
Net Expenditures	(79,030.1)	(7,605.3)	(86,635.4)	(7,605.3)	9.6%		(86,635.4)	(7,605.3)	9.6%	(449.4)	0.5%	(451.7)	0.5%
Approved Positions	-	-	-	-	-	-	-	-	-	-	-	-	-

The 2015 Recommended Operating Base Budget for Parking Tag Revenue of \$5.000 million gross and (\$86.635 million) net is \$7.605 million or 9.6% lower than the 2014 Approved Net Budget.

- The projected favourable variance is mainly due to additional revenues generated from Increased "No Standing, No Stopping and No Parking" fines during rush-hour periods of \$90.00 (from \$60.00 to \$150.00); the Habitual Offender Program, in which vehicles are towed when the owner has three or more outstanding fines, and those fines remain unpaid for at least 120 days following the latest due date; and the Fixed Fine System reducing the incentive for individuals who have received a parking ticket to file a trial request on basis of seeking a reduced fine.

Impact of the 2014 Operating Variance on the 2015 Recommended Budget

- The "No Standing, No Stopping and No Parking" fines during rush-hour, Habitual Offender Program and Fixed Fine System are projected to generate an additional \$8.600 million in 2015, which is reflected in the 2015 Recommended Operating Budget.



Part III:

Issues for Discussion

Issues for Discussion

Issues Referred to the 2015 Operating Budget Process

Outsourcing of Parking Enforcement

As part of the 2014 Budget deliberations, City Council adopted a motion requesting that the City Manager report back to the Executive Committee on April 23, 2014 on the feasibility of outsourcing parking enforcement in future years. Due to the complexity of the analysis requested, the release of the report was delayed.

On August 12, 2014, the Chief of Police presented the report "*Response to the City of Toronto – Feasibility of, and Financial Implications Arising From, Outsourcing Parking Enforcement*" to address the key issues related to Council's request. The report addressed, to the extent possible, the potential benefits and issues associated with outsourcing parking enforcement services. The Board received the report for information and forwarded a copy to the Deputy City Manager and Chief Financial Officer, City of Toronto, for information. The complete report can be viewed within the minute of the Toronto Police Services Board's Meeting on September 11, 2014 (link provided):

<http://www.tpsb.ca/FS/download/690/chk,35d154b7330787605fb8711867a1bce2/>

It was determined that outsourcing may have an overall positive financial outcome based on the assumption that salaries and benefits, which are the largest component of the operating budget, will be lower. The report also details that this financial assumption must be carefully weighed against the financial impact of the collective agreement on labour relations, the potential loss of revenue through the implementation of the "*outsourced*" model, and the potential impact to overall police operations and risk management. Furthermore, because the PEU provides other integrated value-added services, such as recovery of stolen vehicles, extrication of one element of the PEU portfolio would be complicated and the benefit of doing so difficult to assess.

The report concludes by identifying that several factors must be considered when weighing the existing model's cost-benefits (e.g. efficiencies) against the potential risks and rewards of an outsourced alternative. Most criteria and program details surrounding a privatized model remain unknown at this time. As a result, additional studies and evaluations of other models must be undertaken in order to fully understand the benefits, if any that can be realized through outsourcing parking enforcement.

The Toronto Police Services Board will be reviewing the report after it receives KPMG's Comprehensive Organization Review report in 2015. The report will also be referred to KPMG to assess as part of its review. Until such time when a thorough analysis is performed, no recommendation will be brought forward to City Council through the City Manager's Office on the feasibility of outsourcing parking enforcement.

Future Year Issues

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.

The completion of the curbside management study is expected to commence in mid-2015, with completion sometime in 2016. Depending on the results of the study, the General Manager of the Transportation Services Division will provide recommendations for the Courier/Delivery Vehicle Parking Permit System to the Public Works and Infrastructure Committee.



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, the Parking Enforcement and Operations Program accomplished the following:

- ✓ Development of a Habitual Offender Program, scheduled for implementation in early 2014 for parking ticket offenders who have 3 or more parking tickets outstanding. This program will authorize the Toronto Police - Parking Enforcement Unit to tow vehicles identified as a Habitual Offender.
- ✓ Implemented the Council approved increase in "No Standing, No Stopping and No Parking" fines issued during rush-hour periods.
- ✓ Implemented the Fixed Fine System, which establishes a set fine amount that applies when a parking fine recipient requests a trial, and the trial results in a conviction, reducing the incentive to file a trial request on basis of seeking a reduced fine.
- ✓ Participation in the launch of the "Pay by Cell" Project with the Toronto Parking Authority. This Project allows drivers to pay parking meters with cell phones or smart phones.
- ✓ Issued 2,363,000 parking tickets (projected) by Parking Enforcement Officers (PEO), Municipal Law Enforcement Officers (MLEO) and Police Constables (PC) in 2014.

2014 Financial Performance

2014 Budget Variance Analysis

(\$000s)	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Projected Actuals*	2014 Approved Budget vs. Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	53,800.9	59,090.7	61,383.2	60,217.8	(1,165.4)	(1.9%)
Revenues	94,641.2	89,588.7	84,380.2	89,380.2	5,000.0	5.9%
Net Expenditures	(40,840.3)	(30,498.0)	(22,997.0)	(29,162.4)	(6,165.4)	26.8%
Approved Positions	394.0	394.0	394.0	394.0		

* Based on the 9 month Operating Budget Variance Report

2014 Experience

Projected year-end expenditures for Parking Tags Enforcement are below the 2014 Approved Budget by \$6.165 million or 26.8%, mainly consisting of the following:

- The Parking Tags Enforcement and Operations Program expenditures were under target by \$5.141 million primarily attributable to under expenditures in Toronto Parking Enforcement Officer salaries and benefits, and facility rent.
- Projected year-end expenditures are lower than budget by \$1.165 million due mainly to the Parking Enforcement Unit Headquarters moving out of a leased facility, resulting in significant savings in

lease costs, and higher levels of turnover in the Parking Enforcement Unit than anticipated. These savings are partially offset by higher than budgeted expenditures for payments to the Ministry of Transportation correlated with the increased parking tag collection rate.

- The Parking Tags Enforcement and Operations Program revenues are projected to be over budget by \$5.000 million primarily attributable to the Fixed Fine System, Habitual Offender Program and increased fines for rush hour offences.

Impact of 2014 Operating Variance on the 2015 Recommended Budget

- The Parking Tags Enforcement and Operations Operating Budget takes into account the reduction in lease costs, with a corresponding reduction of \$0.507 million.
- Payments to the Ministry of Transportation will increase from \$4.000 million to \$5.000 million for the associated costs in collecting parking infraction fines for the City to reflect actual experience.
- Revenues in 2015 will increase by \$8.740 million to reflect actual experience of the Fixed Fine System, Habitual Offender Program and increased fines for rush hour offences.

Appendix 2

2015 Recommended Operating Budget by Expenditure Category

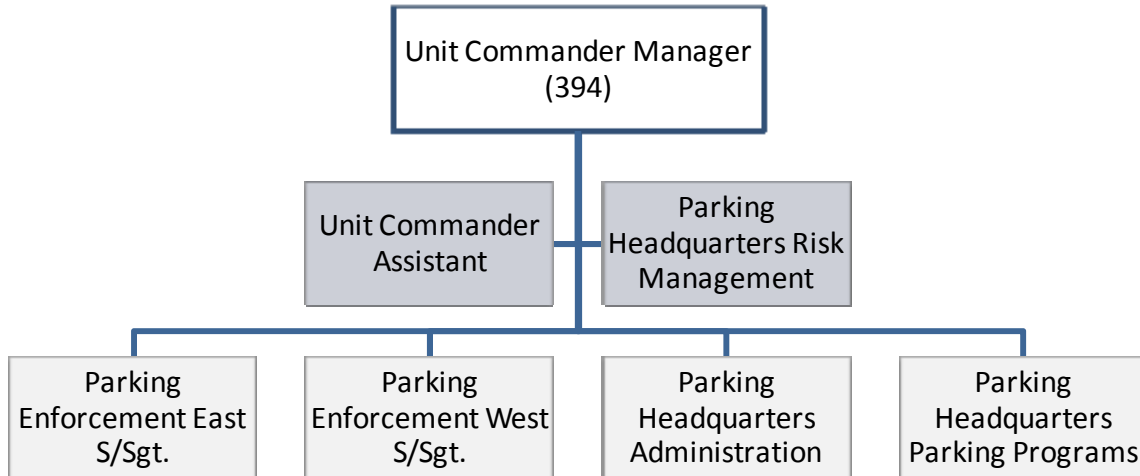
Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	36,101.6	36,988.5	38,523.4	40,604.6	38,550.4	27.0	0.1%	38,625.4	38,700.4
Materials and Supplies	1,256.8	1,330.8	1,621.8	1,709.4	1,620.8	(1.0)	(0.1%)	1,653.2	1,686.3
Equipment	11.1	10.3	53.2	56.1	93.0	39.8	74.8%	94.9	96.8
Services & Rents	3,326.9	7,588.0	7,647.0	4,194.4	8,191.3	544.3	7.1%	8,297.3	8,405.4
Contributions to Capital	1,554.0	1,554.0	1,554.0	1,638.0	1,554.0			1,554.0	1,554.0
Contributions to Reserve/Res Funds	749.8	580.8	580.8	612.2	595.3	14.5	2.5%	595.3	595.3
Other Expenditures									
Interdivisional Charges	10,800.7	11,038.3	11,403.0	11,403.2	12,856.4	1,453.4	12.7%	12,856.4	12,856.4
Total Gross Expenditures	53,800.9	59,090.7	61,383.2	60,217.8	63,461.2	2,078.0	3.4%	63,676.5	63,894.6
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations									
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve									
Sundry Revenues	94,641.2	89,588.7	84,380.2	89,380.2	93,120.0	8,739.8	10.4%	93,569.4	94,021.1
Required Adjustments									
Total Revenues	94,641.2	89,588.7	84,380.2	89,380.2	93,120.0	8,739.8	10.4%	93,569.4	94,021.1
Total Net Expenditures	(40,840.3)	(30,498.0)	(22,997.0)	(29,162.4)	(29,658.8)	(6,661.8)	29.0%	(29,892.9)	(30,126.5)
Approved Positions	394.0	394.0	394.0	394.0	394.0			394.0	394.0

* Note: Based on the 9 month Operating Budget Variance Report

Appendix 3

2015 Organization Chart



2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent			1.0	393.0	394.0
Temporary					
Total			1.0	393.0	394.0

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Table 7

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		12,465.3	12,465.3	14,019.3	15,573.3
Vehicle Equipment Reserve	XQ1701		1,554.0	1,554.0	1,554.0
Total Reserve / Reserve Fund Draws / Contributions		12,465.3	14,019.3	15,573.3	17,127.3
Balance at Year-End		12,465.3	14,019.3	15,573.3	17,127.3

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		42,511.3	42,511.3	42,275.6	42,039.9
Sick Pay Gratuity Reserve	XR1007		(235.7)	(235.7)	(235.7)
Total Reserve / Reserve Fund Draws / Contributions		42,511.3	42,275.6	42,039.9	41,804.2
Balance at Year-End		42,511.3	42,275.6	42,039.9	41,804.2

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		583.8	583.8	149.9	(284.0)
Police Central Sick Pay Reserve	XR1701		(433.9)	(433.9)	(433.9)
Total Reserve / Reserve Fund Draws / Contributions		583.8	149.9	(284.0)	(717.9)
Balance at Year-End		583.8	149.9	(284.0)	(717.9)