TORONTO

STAFF REPORT
ACTION REQUIRED

Toronto Police Service – Parking Enforcement Unit: 2015 Operating Budget Variance Report for the Period Ending March 31, 2015

Date:	June 26, 2015
To:	Budget Committee, City of Toronto
From:	Andy Pringle, Acting Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Budget Committee with the 2015 operating budget variance report for the Toronto Police Service – Parking Enforcement Unit for the period ending March 31, 2015.

RECOMMENDATION

It is recommended that the Budget Committee approve a budget transfer of $758,200 to the Toronto Police Service's Parking Enforcement 2015 Council approved operating budget from the City's non-program operating budget, to fund the cost of the 2015 portion of the 2015-2018 negotiated collective agreement for Toronto Police Association members.

FINANCIAL IMPACT

At its November 13, 2014 meeting, the Toronto Police Services Board (Board) approved the Parking Enforcment Unit's 2015 operating budget at a net amount of $44.1 Million (M) (Min. No. P261/14 refers). Subsequently, Toronto City Council, at its March 11, 2015 meeting, approved the PEU's 2015 operating budget at the same amount. The impact of the collective agreement with the Toronto Police Association (TPA) was not known at that time, and was therefore not included in the approved budget.

At its meeting on April 16, 2015, the Board ratified a four year (2015-2018) collective agreement with the TPA. As a result, the PEU budget requires an increase of $0.76M in order to fund the 2015 salary cost increase.

City Finance staff have confirmed that the required funding is provided for in the City's Non-Program budget to cover the cost of the negotiated contract settlement. The estimated cost of $0.76M in 2015 will be offset by the budget transfer from the City, resulting in no net impact on the PEU's 2015 overall variance. There is also no net

impact to the City. Approval of this transfer will bring the total net PEU budget to $44.9M.

ISSUE BACKGROUND

At its meeting on May 14, 2015, the Board was in receipt of a report dated August 29, 2013 from Chief of Police Mark Saunders with regard to the Toronto Police Service's Parking Enforcement Unit 2015 operating budget variance report for the period ending March 31, 2015

COMMENTS

The Board approved the Chief's report.

CONCLUSION

A copy of the Chief's report dated April 29, 2015 is contained in Board Minute No. P127/15. A copy of Board Minute No. P127/15, in the form attached as Appendix "A" to this report, is provided for information.

CONTACT

Chief of Police Mark Saunders
Toronto Police Service
Telephone No. 416-808-8000
Fax No. 416-808-8002

SIGNATURE

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Andy Pringle
Acting Chair

ATTACHMENT

Appendix A – Board Minute No. P127/15

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

A: 2015 tps parking operating budget variance march 31 2015

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON MAY 14, 2015

#P127. TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT: 2015 OPERATING BUDGET VARIANCE REPORT – FOR THE PERIOD ENDING MARCH 2015

The Board was in receipt of the following report April 29, 2015 from Mark Saunders, Acting Chief of Police:

Subject: OPERATING BUDGET VARIANCE REPORT FOR THE TORONTO POLICE SERVICE PARKING ENFORCEMENT UNIT – PERIOD ENDING MARCH 31, 2015

Recommendations:

It is recommended that:

(1) the Board request the City's Budget Committee to approve a budget transfer of $758,200 to the Service's Parking Enforcement 2015 Council approved operating budget from the City's non-program operating budget, to fund the cost of the 2015 portion of the 2015-2018 negotiated collective agreement for Toronto Police Association members; and
(2) the Board forward a copy of this report to the City of Toronto's (City) Deputy City Manager and Chief Financial Officer for information and for inclusion in the variance reporting to the City's Budget Committee.

Financial Implications:

At its November 13, 2014 meeting, the Toronto Police Services Board (Board) approved the Parking Enforcment Unit's 2015 operating budget at a net amount of $44.1 Million (M) (Min. No. P261/14 refers). Subsequently, Toronto City Council, at its March 11, 2015 meeting, approved the PEU's 2015 operating budget at the same amount. The impact of the collective agreement with the Toronto Police Association (TPA) was not known at that time, and was therefore not included in the approved budget.

At its meeting on April 16, 2015, the Board ratified a four year (2015-2018) collective agreement with the TPA. As a result, the PEU budget requires an increase of $0.76M in order to fund the 2015 salary cost increase.

City Finance staff have confirmed that the required funding is provided for in the City's Non-Program budget to cover the cost of the negotiated contract settlement. The estimated cost of $0.76M in 2015 will be offset by the budget transfer from the City, resulting in no net impact on

the PEU's 2015 overall variance. There is also no net impact to the City. Approval of this transfer will bring the total net PEU budget to $44.9M.

Background/Purpose:

The Toronto Police Service Parking Enforcement Unit (PEU) operating budget is not part of the Toronto Police Service's (Service) operating budget. While the PEU is managed by the Service, the PEU's budget is maintained separately in the City's non-program budgets. In addition, revenues from the collection of parking tags issued accrue to the City, not the Service.

The purpose of this report is to increase the PEU's 2015 net operating budget as a result of the recent ratification of the collective agreement between the Board and the TPA, and to provide information on the PEU's 2015 projected year-end variance as at March 31, 2015.

Discussion:

As at March 31, 2015, a favourable variance of $0.14M is projected to year end.

The following chart summarizes the variance by category of expenditure, followed by information on the variance for both salary and non-salary related expenses.

Category	2015 Budget ($Ms)	Actual to Mar 31/15 ($Ms)	Year-End Actual Expend ($Ms)	Fav/(Unfav) ($Ms)
Salaries	$29.38	$6.23	$29.25	$0.13
Premium Pay	$2.77	$0.36	$2.77	$0.00
Benefits	$7.16	$1.07	$7.15	$0.01
Total Salaries & Benefits	$39.31	$7.66	$39.17	$0.14
Materials	$1.62	$0.16	$1.62	$0.00
Equipment	$0.09	$0.00	$0.09	$0.00
Services	$5.34	$0.50	$5.34	$0.00
Revenue	($1.48)	$0.00	($1.48)	$0.00
Total Non-Salary	$5.57	$0.66	$5.57	$0.00
Total Net	**$44.88**	**$8.32**	**$44.74**	**$0.14**

It is important to note that expenditures do not all follow a linear pattern and therefore year-to-date expenditures cannot be simply extrapolated to year-end. Rather, the projection of expenditures to year-end is done through an analysis of all accounts, taking into consideration factors such as expenditures to date, future commitments expected and spending patterns.

Salaries & Benefits (including Premium Pay):

A favourable projection of $0.14M is projected in salaries and benefits. PEU generally schedules one recruit class per year and hires the appropriate number of officers to ensure that, on average, it is at its full complement of officers during the year. The size of the recruit class is based on projected separations in 2015. Current trends indicate that 2015 attrition will be near the budgeted amount and, as a result, no variance in parking enforcement officer salaries is projected at this time. However, a small favourable variance is projected in salaries for support staff, and the PEU is looking to staff these positions as soon as possible.

Nearly all premium pay at the PEU is related to enforcement activities, attendance at court and the backfilling of members attending court. With respect to enforcement activities, premium pay is utilized to staff special events or directed enforcement activities. 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. Directed enforcement activities are instituted to address specific problems. All premium pay expenditures are approved by supervisory staff and carefully controlled. No premium pay variance is projected at this time.

Non-salary Expenditures:

No variance is anticipated in the non-salary accounts at this time.

Conclusion:

As at March 31, 2015, the PEU operating budget is projected to be $0.14M under spent at year end.

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: S. Carroll