



STAFF REPORT ACTION REQUIRED

Toronto Police Service – Parking Enforcement Unit: 2016 Operating Budget Request

Date:	November 16, 2015
To:	Budget Committee, City of Toronto
From:	Andy Pringle, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Budget Committee with the 2016 operating budget request for the Toronto Police Service – Parking Enforcement Unit.

RECOMMENDATION

It is recommended that the Budget Committee approve a 2016 net Operating Budget request of \$45.9 Million (M), an increase of \$1.0M (2.33%) from the 2015 net budget

FINANCIAL IMPACT

The Toronto Police Service's Parking Enforcement Unit's (PEU) 2016 net operating budget request is \$45.9M (\$47.4M gross). This request includes the 2016 impact of the labour contract settlements for Toronto Police Association members, and represents an increase of \$1.0M (2.33%) from the 2015 net operating budget of \$44.9M.

ISSUE BACKGROUND

At a meeting held on October 19, 2015, the Board was in receipt of a report dated October 19, 2015 from Chief of Police Mark Saunders with regard to the 2016 operating budget request for the Toronto Police Service – PEU.

COMMENTS

Ms. Sandra Califaretti, Director of Finance and Business Management, was in attendance and delivered a presentation to the Board.

Following the presentation, Ms. Califaretti responded to questions by the Board.

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. P274/15, in the form attached as Appendix "A", regarding this matter is provided for information.

CONTACT

Chief of Police Mark Saunders
Toronto Police Service
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SIGNATURE

Andy Pringle
Chair

ATTACHMENT

Appendix A – Board Minute No. P274/15

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

a: 2016 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 OCTOBER 19, 2015

#P274 TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT: 2016 OPERATING BUDGET REQUEST

The Board was in receipt of the following report October 19, 2015 from Mark Saunders, Chief of Police:

Subject: TORONTO POLICE SERVICE PARKING ENFORCEMENT UNIT – 2016
OPERATING BUDGET REQUEST

Recommendations:

It is recommended that:

- (1) the Board approve a 2016 net Operating Budget request of \$45.9 Million (M), an increase of \$1.0M (2.33%) from the 2015 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) 2016 net operating budget request is \$45.9M (\$47.4M gross). This request includes the 2016 impact of the labour contract settlements for Toronto Police Association (TPA) members, and represents an increase of \$1.0M (2.33%) from the 2015 net operating budget of \$44.9M.

Background/Purpose:

This report provides the Board with information on PEU's 2016 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. All costs associated with 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 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 Police PEU is responsible for parking tag issuance, 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?:

The goal of the PEU is to educate the public concerning parking policies and regulations, promote traffic and pedestrian safety, and ensure the proper and the efficient flow of traffic moving throughout the city. For this reason, Parking Enforcement Officer (PEO) visibility, 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.

2016 Operating Budget – Guidelines and Budget Development Process

In 2016, Divisions and Agencies are required to manage and offset their own pressures as well as make a contribution toward mitigating corporate pressures. As a result, the 2016 operating target is equivalent to a 1% decrease from the 2015 approved budget with a 2% efficiency / productivity target to reach the overall target of -1%.

City Finance guidelines also instructed that the following factors be considered:

- Implementation of Efficiency Review savings;
- Implementation of user fee changes;
- Historical spending patterns;
- Continuous improvements; and
- Operating impacts from capital.

The development of PEU's 2016 operating budget has been based on the following high-level assumptions/guidelines:

- No additional positions added to PEU's staffing complement;
- Replacement of Parking Enforcement Officers (PEOs) continues, based on attrition estimates;
- Accounts projected based on year-end 2014 information, year-to-date 2015 information, and known changes; and
- No new initiatives.

2016 Operating Budget Request:

The 2016 operating budget request of \$45.9M (\$47.4M gross) includes the funding required to maintain an average deployed strength of 357 PEO's (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, 85.3% of PEU's budget is for salaries, premium pay and benefits. The remaining 14.7% is required to support PEO's in terms of the vehicles, equipment and technology they use, facilities they work in, and training they require.

Table 1 below summarizes the current 2016 request by category of change, followed by a discussion on each category.

2016 Gross Parking Enforcement Budget

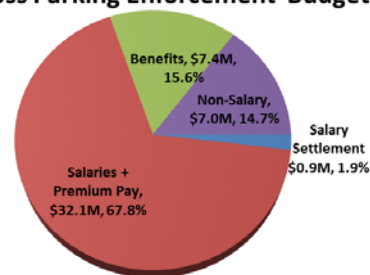


Figure 1. Overall Budget Request

Table 1 - Summary of 2016 Budget Request By Category of Change

	Request \$000s	\$ Increase / (Decrease) over 2015	% Increase / (Decrease) over 2015
2015 Net Budget - \$44,878,400			
(a) Impact of 2016 Salary Settlement	907.6	\$907.6	2.02%
(b) Salary Requirements	29,392.1	\$24.1	0.05%
(c) Premium Pay	2,767.9	\$1.8	0.00%
(d) Statutory Deductions and Employee Benefits	7,401.2	\$226.7	0.51%
(e) Reserve Contributions	2,223.6	\$0.0	0.00%
(f) Other Expenditures	4,733.3	-\$97.5	-0.22%
2015 Gross Budget Request	\$47,425.7	\$1,062.7	2.37%
(g) Revenues	-\$1,502.8	-\$18.2	-0.04%
2015 Net Budget Request	\$45,922.9	\$1,044.5	2.33%

(a) Impact of 2016 Collective Agreement (\$0.9M)

The 2016 impact of the 2015 to 2018 salary settlement with the Toronto Police Association (TPA) is \$0.9M.

(b) Salary Requirements (\$29.4M)

The 2016 PEU budget reflects an overall establishment of 394, which includes a staff complement of 357 PEO's. The 2016 salary budget assumes that the replacement of PEOs will continue based on attrition estimates. This budget represents a \$24,100 increase (a 0.05% increase over PEU's total 2015 budget) due to salary increments.

(c) Premium Pay (\$2.8M)

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 actions 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 2016 is \$2.8M. This budget represents a very minor change from the 2015 budget.

(d) Statutory Payroll Deductions and Employee Benefits (\$7.4M)

This category of expenditure represents an increase of \$226,700 (a 0.51% increase over PEU's total 2015 budget). Employee 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 (\$2.2M)

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 (the Vehicle and Equipment and Central Sick Bank reserves). The total 2016 budget for contribution to reserves is \$2.2M. This budget represents a zero change from the PEU's total 2015 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 2015 level. Changes have only been included where considered mandatory and one-time reductions have been taken into account where applicable. The total decrease for these expenditures is \$97,500 (a 0.22% decrease over PEU's total 2015 budget). The decrease was mainly a result of the Service, with the assistance of the City, executing three hedge contracts on gasoline for 2016, reducing the estimated cost for gasoline in 2016. The savings were partially offset by an increase in intercompany chargebacks between the Toronto Police Service and PEU.

The Service obtains its gasoline based on a joint contract coordinated by the City. The City establishes a cost-per-litre for budgeting purposes, and the Service applies this cost to its anticipated consumption levels. In addition, the City's Toronto Paramedic Services staff utilize the Service's fuel sites for their gasoline requirements and, in return, reimburse the Service for the actual cost of gas used. Based on the City's estimated cost-per-litre, it was originally estimated that the Service's budget for gasoline would require an increase of \$0.4M over the 2015 budget. However, with the assistance of the City, the Service was recently able to execute three hedge contracts on gasoline for 2016, reducing the estimated cost for gasoline in 2016 by \$0.8M, for a net budget reduction over 2015 of \$0.4M. It should also be noted that the Service has started the transition to more fuel efficient patrol cars (movement from 8 cylinder to 6 cylinder engines) which should help reduce vehicle fuel consumption.

(g) Revenues (\$1.5M)

Revenue is comprised of draws from reserves and towing/pound administrative recoveries. This budget represents an \$18,200 increase over PEU's total 2015 budget.

2017 and 2018 Outlooks:

City Finance has requested that budget outlooks for 2017 and 2018 be provided for each budget. Based on known pressures and inflationary increases, the current estimate for 2017 is \$46.9M (\$1.0M or 2.1% over 2016) and for 2018 is \$47.9M (\$1.0M or 2.1% over 2017).

Conclusion:

The PEU's 2016 net operating budget request of \$45.9M is \$1.0M or 2.33% higher than the 2015 net operating budget of \$44.9M. The 2016 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. The request, however, has not met the City's target of negative 1%.

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

Ms. Sandra Califaretti, Director of Finance and Business Management, was in attendance and delivered a presentation to the Board. A copy of the presentation slides is on file in the Board office.

Following the presentation, Ms. Califaretti responded to questions by the Board.

The Board approved the foregoing report.

Moved by: C. Lee