



STAFF REPORT ACTION REQUIRED

Toronto Police Service – Parking Enforcement Unit: 2017 Operating Budget Request

Date:	November 9, 2016
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 2017 operating budget request for the Toronto Police Service – Parking Enforcement Unit.

RECOMMENDATION

It is recommended that the Budget Committee approve a 2017 net Operating Budget request of \$46.7 Million (M), an increase of \$0.8M (1.72%) from the 2016 net budget.

FINANCIAL IMPACT

The Toronto Police Service's Parking Enforcement Unit's (P.E.U.) 2017 net operating budget request is \$46.7M (\$48.2M gross). This request includes the 2017 impact of the labour contract settlements for Toronto Police Association members, and represents an increase of \$0.8M (1.72%) over the 2016 net operating budget of \$45.9M.

ISSUE BACKGROUND

At a meeting held on October 20, 2016, the Board was in receipt of a report dated October 17, 2016 from Chief of Police Mark Saunders with regard to the 2017 operating budget request for the Toronto Police Service – P.E.U.

COMMENTS

Ms. Sandra Califaretti, Director, Finance & Business Management, delivered a presentation to the Board with regard to the Parking Enforcement Unit 2017 operating budget request.

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. P243/16, 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. P243/16

- c. Mr. Rob Rossini, Deputy City Manager and Chief Financial Officer
- a: 2017 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 20, 2016

#P243 TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT: 2017 OPERATING BUDGET REQUEST

The Board was in receipt of the following report October 17, 2016 from Mark Saunders, Chief of Police:

Subject: TORONTO POLICE SERVICE PARKING ENFORCEMENT UNIT – 2017 OPERATING BUDGET

Recommendation(s):

It is recommended that:

- (1) the Board approve a 2017 net Operating Budget request of \$46.7 Million (M), an increase of \$0.8M (1.72%) from the 2016 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 (P.E.U.) 2017 net operating budget request is \$46.7M (\$48.2M gross). This request includes the 2017 impact of the labour contract settlements for Toronto Police Association (T.P.A.) members, and represents an increase of \$0.8M (1.72%) over the 2016 net operating budget of \$45.9M.

Background / Purpose:

The purpose of this report is to provide the Board with P.E.U.'s recommended 2017 operating budget request. The report includes information on the level of funding required in 2017 to provide parking enforcement services to the City of Toronto (City), based on the current service delivery model. The recommended request has been developed with a focus on achieving as many reductions as possible, while ensuring adequate coverage is provided for by-law enforcement.

Discussion:

The P.E.U. 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 P.E.U. 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 (F.A.F.), 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 P. E.U. is just one of the units involved in the City's overall parking enforcement operations program, which is comprised of the following:

1. Police P.E.U. – 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.

Parking Enforcement Unit Responsibilities:

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 and calls for service, both of which impact traffic flow. The unit takes all possible action, including the use of available premium pay, to mitigate the overall impact on enforcement activities.

Parking Tag Revenues:

Although the P.E.U. 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, methods of payment and level of compliance. 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 P.E.U. 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 (P.E.O.) 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.

2017 Operating Budget – Guidelines and Budget Development Process

In 2017, 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 2017 operating target is equivalent to a 2.6% decrease from the 2016 approved budget. City Finance guidelines included a number of factors that were to be considered in developing the 2017 budget, including strategies to control expenditures, reviewing service levels for efficiencies and justification of any new staffing requests.

In preparing the 2017 operating budget for P.E.U., the following assumptions were made:

- No additional positions added to P.E.U.'s staffing complement;
- Replacement of Parking Enforcement Officers (P.E.O.s) continues, based on attrition estimates;
- Required budget increases were absorbed into existing funding amounts; and
- Historical funds requested but not spent were reduced from the budget request.

It should be noted that the Transformational Task Force has made a recommendation regarding possible alternate service delivery or shared services for Parking Enforcement. At this time, there are no quantifiable recommendations available. As a result, despite the above assumptions, the 2017 request is based on the current service delivery model.

2017 Operating Budget Request:

The 2017 operating budget request of \$46.7M (\$48.2M gross) includes the funding required to maintain an average deployed strength of 357 P.E.O.'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.

2017 Gross Parking Enforcement Budget

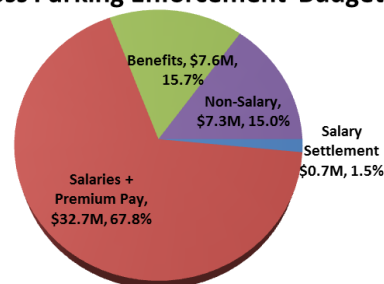


Figure 1. Overall Budget Request

Figure 1 indicates that, on a gross basis, 85.0% of P.E.U.'s budget is for salaries, premium pay and benefits. The remaining 15.0% is required to support P.E.O.'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 2017 request by category of change, followed by a discussion on each category.

Table 1 - Summary of 2017 Budget Request By Category of Change			
	Request \$000s	\$ Increase / (Decrease) over 2016	% Increase / (Decrease) over 2016
2016 Net Budget - \$45,931,500			
(a) Impact of 2017 Salary Settlement	746.3	\$746.3	1.62%
(b) Salary Requirements	29,969.5	-\$146.1	-0.32%
(c) Premium Pay	2,693.0	-\$141.7	-0.31%
(d) Statutory Deductions and Employee Benefits	7,586.7	\$59.1	0.13%
(e) Reserve Contributions	2,611.8	\$450.1	0.98%
(f) Other Expenditures	<u>4,626.7</u>	<u>-\$184.7</u>	<u>-0.40%</u>
2017 Gross Budget Request	\$48,234.0	\$783.0	1.70%
(g) Revenues	<u>-\$1,511.4</u>	<u>\$8.1</u>	<u>0.02%</u>
2017 Net Budget Request	\$46,722.6	\$791.1	1.72%

(a) Impact of 2017 Collective Agreement (\$0.7M)

The 2017 impact of the 2015 to 2018 salary settlement with the Toronto Police Association (TPA) is \$0.7M, or 1.62%.

(b) Salary Requirements (\$30.0M)

The 2017 P.E.U. budget reflects an overall establishment of 394, which includes a staff complement of 357 Parking Enforcement Officers (P.E.O.s). The 2017 salary budget assumes that the replacement of P.E.O.s will continue based on attrition estimates. This budget represents a \$146,100 decrease (a 0.32% decrease over P.E.U.'s total 2016 budget) due to vacancies being budgeted at a lower rate.

(c) Premium Pay (\$2.7M)

Nearly all premium pay at the P.E.U. 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 2017 is \$2.7M. This budget represents a \$141,700 decrease (a 0.31% decrease over P.E.U.'s total 2016 budget) as a result of budget reduction strategies.

(d) Statutory Payroll Deductions and Employee Benefits (\$7.6M)

This category of expenditure represents an increase of \$59,100 (a 0.13% increase over P.E.U.'s total 2016 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 attributable to the Board's benefit plan.

(e) Reserve Contributions (\$2.6M)

P.E.U. 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 2017 budget for contribution to reserves is \$2.6M. This budget represents a \$450,100 increase (a 0.98% increase over P.E.U.'s total 2016 budget) mainly due to increased equipment requirements that will support the implementation of the Administrative Penalty System (A.P.S.) for Parking Violations.

At its July 12, 2016 meeting, Council adopted the report on the A.P.S. for Parking Violations. The new administrative process is intended to:

- Provide a fair and equitable dispute resolution process for parking disputes ensuring that individuals who contest an administrative penalty (i.e. parking fines) for a parking violation receive an impartial review in a timely manner, ideally within 60 days.
- Provide customers with greater access to dispute resolution services through the implementation of processes and technologies, including on-line options for disputing or paying a penalty, that are more accessible and efficient than those currently allowed under the Provincial Offences Act.
- Allow the City sufficient flexibility to respond to fluctuating parking dispute levels, while building capacity within the court system for the processing of more serious offences.
- Help the City regulate the flow of traffic by promoting compliance with its by-laws respecting the parking, standing, or stopping of motor vehicles.

For P.E.U., the A.P.S. implementation entails an estimated one-time capital funding request of \$2.55M to add the use of digital photography device to the current handheld parking devices. An increase of \$440,000 to the equipment reserve contribution budget is required to be able to lifecycle the devices in future years.

(f) Other Expenditures (\$4.6M)

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 or reduced from the 2016 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 \$184,700 (a 0.40% decrease over P.E.U.'s total 2016 budget).

(g) Revenues (\$1.5M)

Revenue is comprised of draws from reserves and towing/pound administrative recoveries. This budget represents an \$8,100 decrease (-0.02%) over P.E.U.'s total 2016 budget.

2018 and 2019 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 2018 is \$47.7M (\$1.0M or 2.1% over 2017) and for 2019 is \$47.9M (\$0.2M or 0.5% over 2018). The 2019 excludes any collective agreement impacts, as the current contract expires at the end of 2018.

Conclusion:

The P.E.U.'s 2017 net operating budget request of \$46.7M is \$0.8M or 1.72% higher than the 2016 net operating budget of \$45.9M. The 2017 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 P.E.U. to provide optimal service delivery levels from an enforcement perspective, but does not incorporate any quantifiable recommendation regarding alternate service delivery or shared services arising from the Transformational Task Force's interim report. The request, however, has not met the City's target of negative 2.6%.

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

Ms. Sandra Califaretti, Director, Finance & Business Management, delivered a presentation to the Board with regard to the Parking Enforcement Unit 2017 operating budget request. A copy of the presentation slides is on file in the Board Office.

The Board received the presentation and approved the foregoing report.

Moved by: C. Lee
Seconded by: S. Carroll