



## Parking Tags Enforcement and Operations

### What We Do

We ensure safe and efficient free flow of traffic by responding to City-wide and local neighbourhood parking concerns, 7 days a week, 24 hours a day. We collect and process penalties for issued parking infraction violation notices and administer a 2-tier process to adjudicate and resolve parking violation disputes through the following administration:

- Police Parking Enforcement
- Revenue Processing
- Court Services Tribunal Processing
- Legal Services
- Parking Tags Revenue

### Why We Do It

Parking Tags Enforcement and Operations ensures the safe and orderly flow of traffic and regulates parking by enforcing the Parking Bylaw through the issuance of parking tags to illegally parked vehicles.

#### Our Experience & Success

- Enabled better access to the dispute system through provision of ability to dispute parking violations electronically. In 2018, 70% of screening requests were submitted electronically.
- Processed outstanding parking trial requests to phase out court based parking trials as a result of implementation of administrative penalty system in 2017.
- Received MISA award and City Manager's award (Customer Experience) for the successful implementation of Administrative Penalty System.
- Implemented digital paperless process for Administrative Penalty Tribunal.
- Developed a Citizen Online Report Entry system for an immediate parking complaint report. Once the information has been submitted, a Parking Enforcement Officer will be dispatched to the location.
- Toronto's Administrative Penalty System (APS) for parking disputes, introduced in 2017, provides an easier, faster and more efficient resolution process for disputing parking violations in the City of Toronto.

#### Key Challenges

- Ensuring that decision documents are being sent within 80 days following the screening request date.
- The public and some former members of Council have identified that providing in-person screening locations which correspond with former court catchments would increase accessibility for the public.
- Revenue Services has capital fund identified to replace legacy computer system.
- On-going support for post-court intervention and records management under the court-based system.
- Parking Enforcement Unit was understaffed for the entire year. The PEU commenced hiring in May 2018 and met hiring goals in December 2018. Staff attrition and separations continue to be a challenge.
- Ensuring compliance with the City's parking by-laws are key to maintaining a safe and efficient flow of traffic. Maintaining sufficient parking enforcement resources requires dedicated hiring and training programs of enforcement officers.

#### Priority Actions

- Ensuring timely response to requests for screening reviews, both in person and electronically as well as providing excellent customer service.
- Court Services has assigned temporary resources and is actively monitoring volumes to address the POA ticket disputes.
- To improve the effectiveness and efficiency of enforcement activities, a pilot is underway wherein 23 parking enforcement officers were moved to the Service's facility nearer to the downtown core. This move was made to reduce unproductive travel time by bringing the officer closer to where they enforce in the downtown core.
- 2019 will see the introduction of photo evidence, which will assist in the resolution of parking violation disputes.
- Hiring additional enforcement officers in 2019 will ensure effective enforcement levels to maintain compliance.
- Service levels will be reviewed in 2019 to ensure resources and processes are adequate to meet customer demand and service levels.

## Budget At A Glance

STAFF RECOMMENDED OPERATING BUDGET			
\$Million	2019	2020	2021
Gross Expenditures	\$71.0	\$71.8	\$72.0
Revenues	\$113.1	\$113.6	\$113.6
Net Expenditures	(\$42.1)	(\$41.8)	(\$41.7)
Approved Positions	394.0	394.0	394.0

## Our Key Service Levels



Online dispute response time of **80** days from screening request date 80% of the time.



Investigation for parking violations complete within **15** days



Administrative Penalty Tribunal Hearing within **120** days from request date

Source of Image: [www.icons8.com](http://www.icons8.com)

## Key Service Deliverables

Legal Services leads the role of managing/administering the dispute review process at Screening Offices. Screening Officers perform the initial review / screening of disputes and have the authority to uphold, vary or cancel the parking penalty and fees.

Court Services provides support and administration for the Administrative Penalty Tribunal for parking disputes. Council appointed Hearing Officers have final authority in the review of Screening Officer Decisions.

Revenue Services Parking Violation Operations is responsible for processing payments, mailing notices, and overseeing the collection of outstanding penalties, including the plate denial process.

Toronto Police Service's Parking Enforcement Unit will continue to enforce the City's municipal parking by-laws, community based parking programs through the issuance of penalty notices (i.e. parking tags) and Municipal Law Enforcement Officer (M.L.E.O.) training and oversight.

## Who We Serve

### Revenue Processing & Non Program Revenues

- Illegally Parked Vehicle Owners
- Vehicle Drivers
- Private Property Owners
- Other Municipal Properties

#### Beneficiaries

- Residents
- Staff – City Divisions
- City-owned and operated Facilities

### Police Parking Enforcement

- Illegally Parked Vehicle Owners
- Vehicle Drivers
- Private Property Properties
- Other Municipal Properties

#### Beneficiaries

- Residents
- Staff – City Divisions, Agencies & Boards
- City-owned and operated Facilities

### Courts Services Tribunal Processing & Legal Services

- Illegally Parked Vehicle Owners
- Vehicle Drivers

#### Beneficiaries

- Residents
- Staff – City Divisions, Agencies & Boards
- City-owned and operated Facilities
- Provincial & Federal Governments

## How Well We Are Doing

### Performance Measures

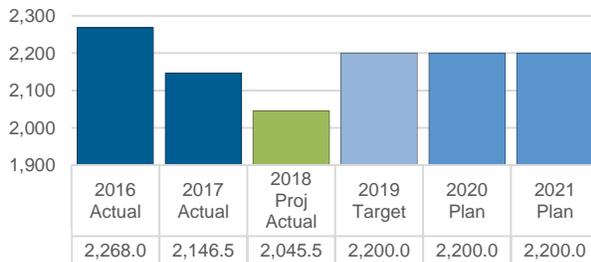
# of Online Screening Reviews Completed (000's)



### Behind the Numbers

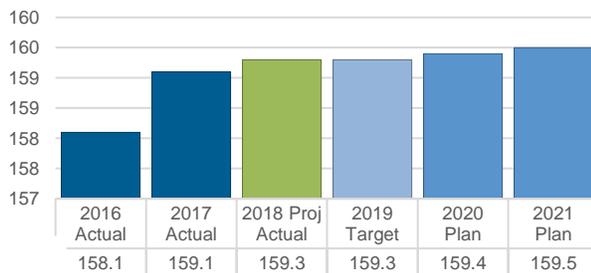
- There has been a greater uptake than expected in the number of requests for online screenings. This trend is expected to increase over the coming years as members of the public become aware of online options.

Number of Parking Tags Issued (in '000s)



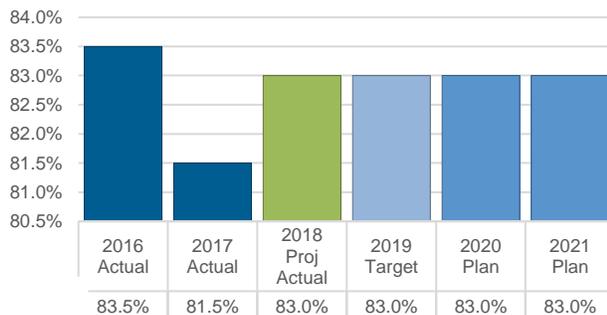
- The number of parking tags issued declined in 2018 mainly due to Parking Enforcement Officer vacancies.
- The projected tag issuance for 2019 is expected to increase as the Parking Enforcement Unit will be at full complement.

Number of Calls for Parking Responded (in '000s)



- Parking Unit responded to 159,255 calls for parking related service from members of the public. This trend is expected to increase in 2020 and 2021.

### Collection Rate



- The collection rate for parking tags measures the percentage of fines actually collected by the City where a ticket has been issued for parking violations.
- The collection rate for parking tags declined slightly in 2017 due to the elimination of fixed fine amounts and reductions in fine amounts before and following the launch of the Administrative Penalty System (APS). Collection rates for 2019 and beyond are expected to remain steady at 83.0%, reflecting a long-term average collection rate.

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## RECOMMENDATIONS

### 2019 STAFF RECOMMENDED OPERATING BUDGET

### 2019 - 2028 STAFF RECOMMENDED CAPITAL BUDGET & PLAN

## ISSUES FOR DISCUSSION

## APPENDICES

1. 2019 Organization Chart
2. 2019 Operating Budget by Service
3. 2019 Service Levels
4. Summary of 2019 Recommended Service Changes
5. Summary of 2019 Recommended New & Enhanced Service Priorities
6. 2019 User Fee Rate Changes
7. 2019 Capital Budget; 2020 - 2028 Capital Plan
8. 2019 Cash Flow & Future Year Commitments
9. 2019 Capital Budget with Financing Detail
10. Reserve and Reserve Fund Review

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## RECOMMENDATIONS

## RECOMMENDATIONS

The City Manager and Chief Financial Officer & Treasurer recommend that:

1. City Council approve the 2019 Staff Recommended Operating Budget for Parking Tags Enforcement and Operations of \$70.959 million gross, \$42.113 million net for the following services:

Service:	Gross (\$000s)	Net (\$000s)
Toronto Police Parking Enforcement	48,262.3	46,722.6
Revenue Processing	5,638.8	5,638.8
Court Services Tribunal Administration	1,631.2	1,631.2
Legal Services	4,084.6	4,084.6
Parking Tags Revenue	11,342.1	(100,189.7)
<b>Total Program Budget</b>	<b>70,959.0</b>	<b>(42,112.5)</b>

2. City Council approve the 2019 service levels for Parking Tags Enforcement and Operations as outlined in Appendix 3 of this report, and associated staff complement of 394.0 positions, comprising entirely of operating positions.



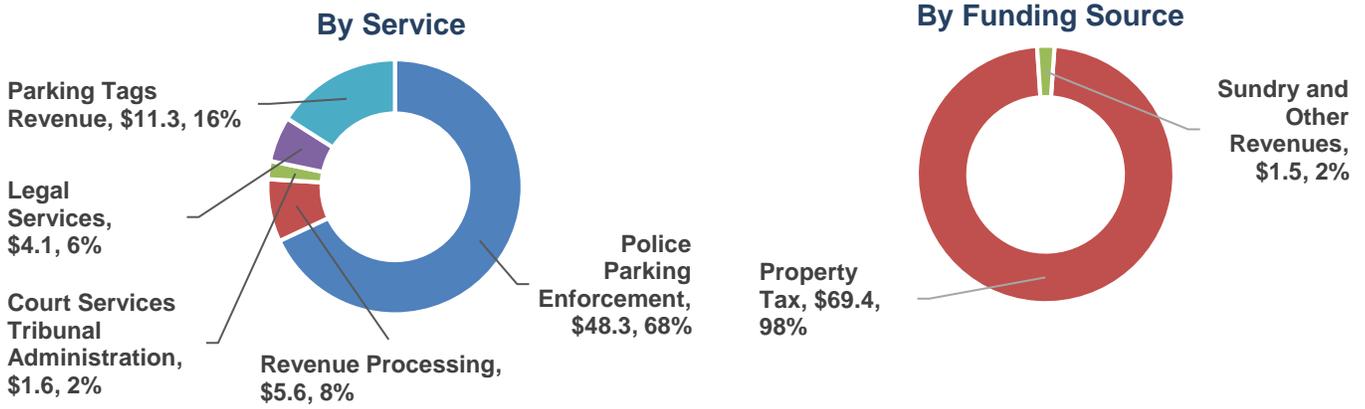
## 2019 STAFF RECOMMENDED OPERATING BUDGET

**PROGRAM MAP**



**2019 OPERATING BUDGET HIGHLIGHTS**

**2019 Staff Recommended Operating Budget \$71.0M**



- 13.5%** Budget decrease over the 2018 Approved Net Operating Budget to maintain existing service levels and provide funding for additional service demands.
- **\$3.911M** Annualized savings from elimination of POA positions and courtroom costs no longer required.
  - **\$0.187M** Reduction in Premium Pay due to anticipated lower officer court attendance.
  - **\$0.264M** Elimination of rent expense for Hearing/Screening Officers.
  - **\$3.839M** Additional revenues from fee increase for Vehicle Owner/Address Information Search and volume increase.
  - **2020/2021** Increases primarily for known inflationary adjustments for salaries and benefits.

## 2019 OPERATING BUDGET OVERVIEW

Table 1: 2019 Staff Recommended Operating Budget and Plan by Service

(In \$000s)	2018		2019 Requested Base Operating Budget			Changes		Incremental	
	Budget	Projected Actual*	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	\$	%	\$	\$
<b>Toronto Police Parking Enforcement</b>									
Gross Expenditures	48,247.8	45,662.3	48,262.3		48,262.3	14.5	0.0%	815.2	153.1
Revenue	1,525.2	1,739.7	1,539.7		1,539.7	14.5	1.0%	0.0	0.0
<b>Net Expenditures</b>	<b>46,722.6</b>	<b>43,922.6</b>	<b>46,722.6</b>		<b>46,722.6</b>	<b>0.0</b>		<b>815.2</b>	<b>153.1</b>
<b>Revenue Processing</b>									
Gross Expenditures	5,686.2	5,102.4	5,638.8		5,638.8	(47.4)	(0.8%)	18.7	18.7
Revenue			0.0			0.0	-	0.0	0.0
<b>Net Expenditures</b>	<b>5,686.2</b>	<b>5,102.4</b>	<b>5,638.8</b>		<b>5,638.8</b>	<b>(47.4)</b>	<b>(0.8%)</b>	<b>18.7</b>	<b>18.7</b>
<b>Court Services Tribunal Administration</b>									
Gross Expenditures	5,639.6	5,009.5	1,631.2		1,631.2	(4,008.4)	(71.1%)	8.2	5.5
Revenue			0.0			0.0	-	0.0	0.0
<b>Net Expenditures</b>	<b>5,639.6</b>	<b>5,009.5</b>	<b>1,631.2</b>		<b>1,631.2</b>	<b>(4,008.4)</b>	<b>(71.1%)</b>	<b>8.2</b>	<b>5.5</b>
<b>Legal Services</b>									
Gross Expenditures	4,294.9	3,406.9	4,084.6		4,084.6	(210.3)	(4.9%)	0.0	0.0
Revenue			0.0			0.0	-	0.0	0.0
<b>Net Expenditures</b>	<b>4,294.9</b>		<b>4,084.6</b>		<b>4,084.6</b>	<b>(210.3)</b>	<b>(4.9%)</b>	<b>0.0</b>	<b>0.0</b>
<b>Parking Tags Revenue</b>									
Gross Expenditures	8,335.0	9,219.1	11,342.1		11,342.1	3,007.1	36.1%	0.0	0.0
Revenue	107,692.8	98,866.3	111,531.8		111,531.8	3,839.0	3.6%	575.0	0.0
<b>Net Expenditures</b>	<b>(99,357.8)</b>	<b>(89,647.2)</b>	<b>(100,189.7)</b>		<b>(100,189.7)</b>	<b>(831.9)</b>	<b>0.8%</b>	<b>(575.0)</b>	<b>0.0</b>
<b>Total</b>									
Gross Expenditures	72,203.5	68,400.3	70,959.0		70,959.0	(1,244.5)	(1.7%)	842.1	177.3
Revenue	109,218.0	100,606.0	113,071.5		113,071.5	3,853.5	3.5%	575.0	0.0
<b>Total Net Expenditure:</b>	<b>(37,014.5)</b>	<b>(32,205.7)</b>	<b>(42,112.5)</b>		<b>(42,112.5)</b>	<b>(5,098.0)</b>	<b>13.8%</b>	<b>267.1</b>	<b>177.3</b>
<b>Approved Positions</b>	<b>394.0</b>	<b>388.0</b>	<b>394.0</b>		<b>394.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>

\* Year-End Projection Based on Q3 2018 Variance Report

**Base Changes**

(\$5.098M Net)

- Inflationary adjustments for salaries and benefits (\$0.126M) and for contracted services (\$0.076M)
  - Increased costs for vehicle information searches due to elimination of the MTO 30% Volume Discount (\$3.000M)
- The above budget pressures are mitigated through the following initiatives:
- Annualized savings from elimination of POA positions and courtroom costs (\$4.008M)
  - Premium Pay reduction due to anticipated lower officer court attendance (\$0.187M)
  - Elimination of rent costs for Hearing/Screening Offices (\$0.264M)
  - Fee increase for Vehicle Owner or Address Information Search (\$1.700M)
  - Other user fees increase due to volume (\$2.139M)

**Future Year Plan**

- Inflationary increases in salaries and benefits.

**EQUITY IMPACTS OF BUDGET CHANGES**

Not Applicable

## 2019 Staff Recommended Operating Budget Changes by Service

The 2019 Staff Recommended Operating Budget for Parking Tags Enforcement and Operations is \$42.113 million net revenue or 13.5% lower than the 2018 Council Approved Operating Budget. Table 2 below summarizes the key cost drivers to maintain current service levels.

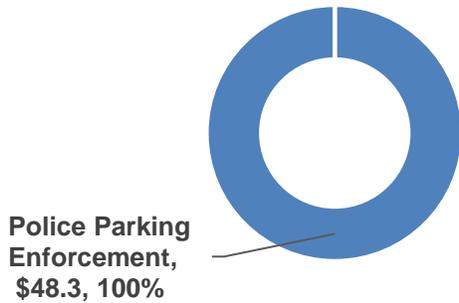
**Table 2: 2019 Staff Recommended Operating Budget Changes by Service**

(In \$000s)	Services					Total	
	Police Parking Enforcement	Revenue Services	Court Services	Legal Services	Parking Tags Revenue	\$	Positions
	\$	\$	\$	\$	\$	\$	
<b>2018 Council Approved Operating Budget (Net)</b>	46,722.6	5,686.2	5,639.6	4,294.9	(99,357.8)	(37,014.5)	394.0
<b>Base Expenditure Changes</b>							
<b>Prior Year Impacts</b>							
Annualized Savings from Elimination of POA Positions and Courtroom Costs			(4,008.4)			(4,008.4)	
Inflationary Increases in Contract Services	75.5					75.5	
<b>Salaries and Benefits</b>							
Inflationary Increases in Salaries and Benefits	126.3	28.0		53.7		208.0	
Reduction in Premium Pay due to Lower Anticipated Court Attendance	(187.3)					(187.3)	
Salaries Adjustment based on Actual		(75.4)				(75.4)	
<b>Other Base Expenditure Changes</b>							
Elimination of Rent Costs for Hearing/Screening Offices				(264.0)		(264.0)	
Elimination of MTO 30% Volume Discount					3,000.0	3,000.0	
MTO Fee Volume Increase based on Actual Trend					7.1	7.1	
<b>Sub-Total Base Expenditure Changes</b>	<b>14.5</b>	<b>(47.4)</b>	<b>(4,008.4)</b>	<b>(210.3)</b>	<b>3,007.1</b>	<b>(1,244.5)</b>	
<b>Base Revenue Changes</b>							
Fee Increase for Vehicle Owner or Address Information Search					(1,700.0)	(1,700.0)	
Ticket volume increase					(2,027.3)	(2,027.3)	
Late Fee and Plate Denial Fee					(111.7)	(111.7)	
Police Recovery from Reserves	(14.5)					(14.5)	
<b>Sub-Total Base Revenue Changes</b>	<b>(14.5)</b>				<b>(3,839.0)</b>	<b>(3,853.5)</b>	
<b>Total Base Changes</b>		<b>(47.4)</b>	<b>(4,008.4)</b>	<b>(210.3)</b>	<b>(831.9)</b>	<b>(5,098.0)</b>	
<b>Total 2019 Staff Recommended Operating Budget (Net)</b>	<b>46,722.6</b>	<b>5,638.789</b>	<b>1,631.2</b>	<b>4,084.6</b>	<b>(100,189.7)</b>	<b>(42,112.5)</b>	<b>394.0</b>

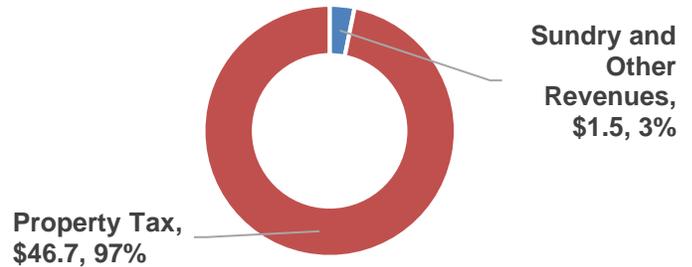
**Police Parking Enforcement** enforces the City's municipal parking by-laws, community based parking programs through the issuance of penalty notices (i.e. parking tags) and provide Municipal Law Enforcement Officer (M.L.E.O.) training and oversight.

**2019 Staff Recommended Operating Budget \$48.3M**

**By Activity**



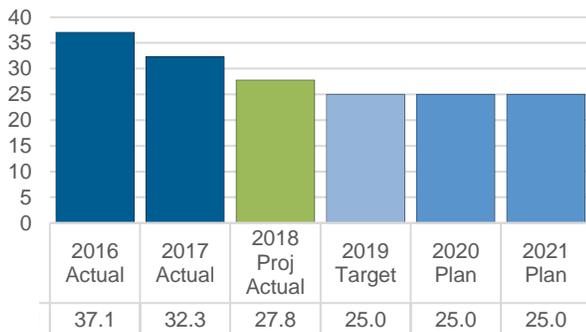
**By Funding Source**



Refer to [Appendix 2](#) (page 24) for the 2019 Staff Recommended Operating Budget by Service.

**Service Performance Measures**

**Number of Vehicles Towed (in '000s)**



**Number of Calls for Parking Responded (in '000s)**

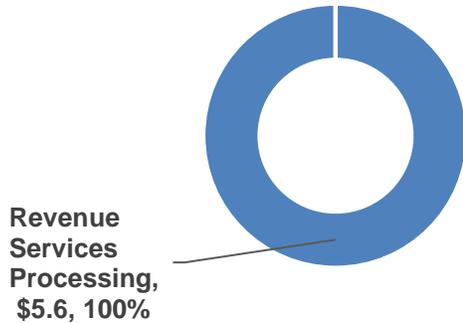


- The number of vehicles towed has been declining trend since 2016.
- This trend will continue as programs are being implemented to achieve greater compliance.
- The number of calls that Parking responded has slightly increased in 2018, and it's expected to continue increase in 2020 and 2021.

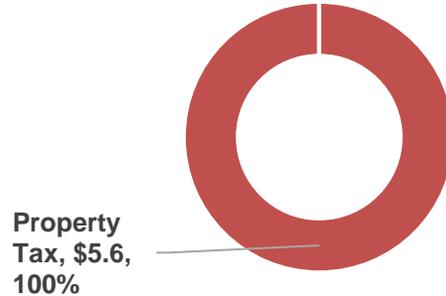
**Revenue Services Processing** is responsible for processing payments, mailing notices, and overseeing the collection of outstanding penalties, including the plate denial process and managing programs for habitual offenders and out-of-province offenders to improve overall collection success rates.

**2019 Staff Recommended Operating Budget \$5.6M**

**By Activity**



**By Funding Source**



Refer to [Appendix 2](#) (page 24) for the 2019 Staff Recommended Operating Budget by Service.

**Key Service Levels**

 <p><b>P</b> Parking Tags processed within legislative time frames</p>	 <p>Investigation for parking violations complete within <b>15</b> days</p>	 <p>Notice of overdue parking penalty sent within legislative time frames</p>
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Source of Image: [www.icons8.com](http://www.icons8.com)

Refer to [Appendix 3](#) (page 26) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

**Service Performance Measures**

**% of Parking Tags Processed Within Legislated Time Frames**

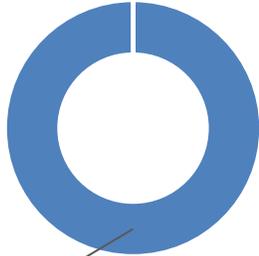


- The percentage of parking tickets processed within legislated time frames will remain at 99.9% in 2019. This trend is expected to continue to 2020 and 2021.

**Court Services Tribunal Administration** schedules and supports trials and hearings respecting dispute parking violation notices.

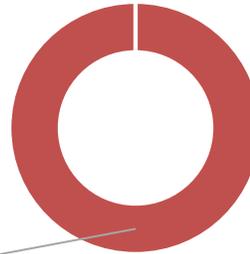
**2019 Staff Recommended Operating Budget \$1.6M**

By Activity



Court Services Tribunal Administration, \$1.6, 100%

By Funding Source



Property Tax, \$1.6, 100%

Refer to [Appendix 2](#) (page 24) for the 2019 Staff Recommended Operating Budget by Service.

**Key Service Levels**

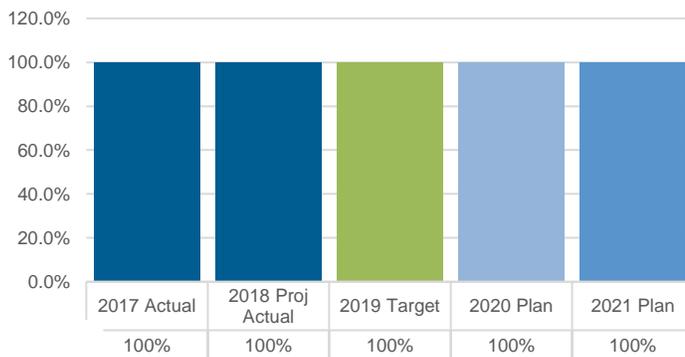
<b>P</b>	Administrative Penalty Tribunal Hearing within <b>120</b> days from request date
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Source of Image: [www.icons8.com](http://www.icons8.com)

Refer to [Appendix 3](#) (page 26) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

**Service Performance Measures**

Hearings held within 120 days from request date

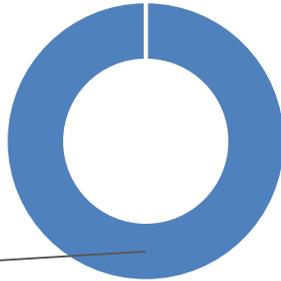


- 2017 was the first year of implementation of the Administrative Penalty Tribunal process.
- The anticipated future year trend for hearings held within 120 days from request date is expected to be consistent with 2018.

**Legal Services** manages administer the dispute review process at Screening Offices.

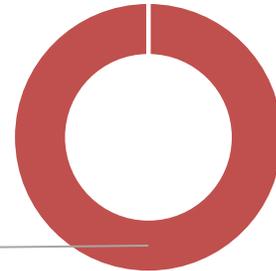
**2019 Staff Recommended Operating Budget \$4.1M**

**By Activity**



Legal Services, \$4.1, 100%

**By Funding Source**



Property Tax, \$4.1, 100%

Refer to [Appendix 2](#) (page 24) for the 2019 Staff Recommended Operating Budget by Service.

**Key Service Levels**



Online dispute response time of **80** days from screening request date 80% of the time.

Source of Image: [www.icons8.com](http://www.icons8.com)

Refer to [Appendix 3](#) (page 26) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

**Service Performance Measures**

**# of Online Screening Reviews Completed (000's)**

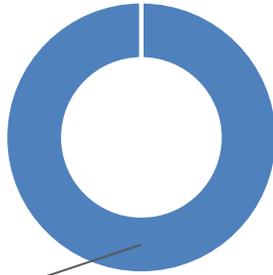


- There has been a greater uptake than expected in the number of requests for online screenings. This trend is expected to increase over the next 3 years as members of the public become aware of online options.

**Parking Tags Revenue** tracks revenues generated by parking tickets issued in order to support parking bylaw initiatives and other related City Program.

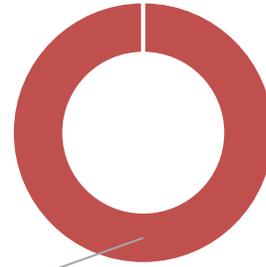
**2019 Staff Recommended Operating Budget \$11.3M**

**By Activity**



Parking Tags Revenue, \$11.3, 100%

**By Funding Source**

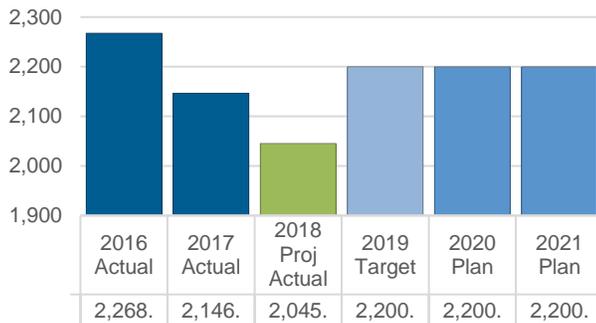


Property Tax, \$11.3, 100%

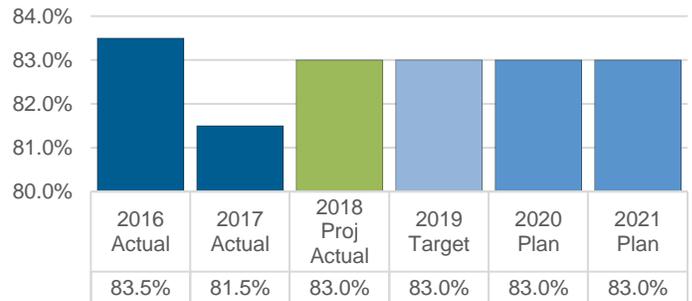
Refer to [Appendix 2](#) (page 24) for the 2019 Staff Recommended Operating Budget by Service.

**Service Performance Measures**

**Number of Parking Tags Issued (in '000s)**



**Collection Rate**



- The projected parking tags issued for 2018 is estimated to be 2,045,498.
- The parking tags issuance is expected to increase starting 2019 as the Parking Enforcement Unit is expected to be fully staff in 2019.

- The collection rate for parking tags measures the percentage of fines actually collected by the City where a ticket has been issued for parking violations.
- The collection rate for parking tags declined slightly in 2017 due to the elimination of fixed fine amounts and reductions in fine amounts before and following the launch of the Administrative Penalty System (APS). Collection rates for 2019 and beyond are expected to remain steady at 83.0%, reflecting a long-term average collection rate.

## 2018 OPERATING PERFORMANCE

### 2018 Service Performance

#### Key Service Accomplishments:

- Toronto's Administrative Penalty System (APS) for parking disputes, introduced in 2017, provides an easier, faster and more efficient resolution process for disputing parking violations in the City of Toronto, significantly reducing the court attendance required for parking officers and reducing the overtime incurred for court attendance.
- Implemented digital paperless process for Administrative Penalty Tribunal.
- Vehicle owners can now have their dispute resolved the same day at a Screening Office, or they can submit their evidence on-line, and have their dispute heard within 90 days of submitting their dispute. Customers can also book an appointment for a screening request at the time and location of their choice.
- The ability for the public to dispute parking violations electronically has allowed for better access to the dispute system. In 2018, 70% of screening requests were submitted electronically.
- Processed outstanding parking trial requests to phase out court based parking trials as a result of implementation of administrative penalty system in 2017.
- Received MISA award and City Manager's award (Customer Experience) for the successful implementation of Administrative Penalty System.
- Developed a Citizen Online Report Entry system for an immediate parking complaint report. Once the information has been submitted, a Parking Enforcement Officer will be dispatched to the location.
- Replaced the existing handheld enforcement system replaced with the new enforcement system which has the option to take photos of the vehicle as part of Parking Violation Notice in order to facilitate resolution of disputed tickets by City staff.

## 2018 Financial Performance

Table 3: Budget vs. Actual by Category of Expenditures and Revenues

Category (In \$000s)	2017 Actual	2018 Budget	2018 Projected Actual *	2019 Total Staff Recommended Budget	2019 Change from 2018 Approved Budget	
	\$	\$	\$	\$	\$	%
Salaries and Benefits	38,695.5	40,831.8	44,247.3	40,756.3	(75.5)	(0.2%)
Materials & Supplies	1,385.2	1,410.9	1,400.0	1,456.4	45.5	3.2%
Equipment	15.0	15.0	15.0	15.0		
Service and Rent	13,525.4	14,325.1	9,219.1	17,376.7	3,051.6	21.3%
Inter-Divisional Charges	15,620.7	15,620.7	13,518.9	11,354.6	(4,266.1)	(27.3%)
<b>Total Gross Expenditures</b>	<b>69,241.8</b>	<b>72,203.5</b>	<b>68,400.3</b>	<b>70,959.0</b>	<b>(1,244.5)</b>	<b>(1.7%)</b>
Sundry and Other Revenues	97,525.2	109,218.0	100,606.0	113,071.5	3,853.5	3.5%
<b>Total Revenues</b>	<b>97,525.2</b>	<b>109,218.0</b>	<b>100,606.0</b>	<b>113,071.5</b>	<b>3,853.5</b>	<b>3.5%</b>
<b>Total Net Expenditures</b>	<b>(28,283.4)</b>	<b>(37,014.5)</b>	<b>(32,205.7)</b>	<b>(42,112.5)</b>	<b>(5,098.0)</b>	<b>13.8%</b>
<b>Approved Positions</b>	<b>358.0</b>	<b>394.0</b>	<b>388.0</b>	<b>394.0</b>		

\* Year-End Projection Based on Q3 2018 Variance Report

Parking Tags Enforcement and Operations is projecting to be under budget by \$4.809 million at year-end, primarily due to lower parking tags revenue resulting from lower ticket issuance and higher MTO Vehicle Information Search costs, which is partially offset by vacancy savings of \$2.586 million from Parking Enforcement Unit and lower expenditures including tribunal member honoraria, rent and security costs.

For additional information regarding the 2018 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2018", adopted by City Council at its meeting on December 13, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.7>

## Impact of 2018 Operating Variance on the 2019 Staff Recommended Operating Budget

- The 2018 vacancies are not expected to continue into 2019, as the Parking Enforcement Unit is actively addressing these vacant positions and expected to be at full complement in 2019.
- The MTO Vehicle Information Search expense will continue to be higher due to the elimination of the volume discount. In order to mitigate the higher expenses, an increase of \$2.00 from \$10.00 to \$12.00 is proposed for the fee charged to vehicle owners for the vehicle/address information search.



## ISSUES FOR DISCUSSION

## ISSUES IMPACTING THE 2019 BUDGET

### 2019 Budget Overview

#### 2019 Operating Budget:

- Parking Tags Enforcement and Operations Program's 2019 Staff Recommended Operating Budget is \$70.959 million gross and (\$42.113) million net, represent a \$5.098 million increase from the 2018 Approved Net Operating Budget.
  - Inflationary increases in salaries and benefits and contracted services \$0.284 million
  - Higher payments to the Province due to elimination of MTO 30% volume discount \$3.000 million
  - In order to help mitigate the budget pressures, the Program has applied the following strategies:
    - Reduction in Premium Pay of (\$0.187) million due to lower overtime expected for court attendance after moving to the Administrative Penalty System (APS);
    - Annualized savings of (\$4.008) million from elimination of POA positions and courtroom costs
    - Additional revenue of (\$1.700) million from fee increase for Vehicle Owner or Address Information Search from \$10 to \$12.
    - Increased revenue of (\$2.139) million due to volume increase.

## OTHER ISSUES IMPACTING THE 2019 BUDGET

### Administrative Penalty System (APS)

- On July 12, 2016 City Council adopted a report called "*Administrative Penalty System for Parking Violations*" to establish an administrative penalty and dispute resolution process for parking violations with a planned start day on May 15th, 2017. This new APS system was to divert non-complex matters from the provincial courts freeing up limited court time for more serious matters, allowing parking violation disputes to be heard and resolved within 120 days (and ideally within 60 days) compared to an average of 18 months under a court-based system. The program is also to improve customer experience by providing the City with more flexibility in serving a penalty notice and by closing loopholes that contribute to non-payment of parking tags. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM18.6>
- On March 28, 2017, City Council adopted a report "*Administrative Penalty System for Parking Violations – Revised Implementation Date*" to move the implementation date of the Administrative Penalty System (APS) from May 15, 2017 to August 28, 2017. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM18.6>
- The APS System was implemented on August 28, 2017. 2017 was a transition year requiring both new APS and existing POA systems working in parallel. It was anticipated that the parking tags issued on or before May 15, 2017 requiring provincial courts for resolution would be cleared by December 31, 2017 and the POA system would end on December 31, 2017.
- The following savings have been realized since the implementation of the APS System in August 2017:
  - **Toronto Police Parking Enforcement** - Reduction in Premium Pay due to lower officer court attendance after the implementation of APS.
  - **Revenue Services** - Savings of \$0.208 million in printing, postage and contracted services which was reflected in the 2018 Operating Budget.
  - **Court Services** - Elimination of 31 full time positions that were supporting the POA System (17 positions were removed in 2017 and 14 positions in 2018) and courtroom costs that are no longer required, which resulted savings of \$3.031 million and \$3.911 million in 2018 and 2019, respectively.

## Elimination of MTO 30% Volume Discount for Vehicle/Address Information Search

- On Aug. 9, 2018, MTO provided notice of their intent to eliminate the 30% volume discount that the City of Toronto currently receives for vehicle owner searches. They proposed an extension of the current agreement to the end of February 2019. The regular price for MTO vehicle owner search is \$8.25; with the 30% volume discount the cost per search is \$5.77. The removal of the discount beginning March 2019 will result in higher costs of \$3.000 million, (based on approximately 1.4 million search requests/year).
- The City of Toronto requires up to date vehicle owner information in order to mail notifications and to pursue collections for parking violations. The City obtains vehicle owner information directly from MTO under an agreement - this was true for parking violations under the former Provincial Offences Act (prior to August 28, 2017), and for parking violations under the City's new Administrative Penalty System (APS) model that has been in place since August 28, 2017.
- Revenue staff advised the Ministry of Transportation on October 18, 2018, that the City's preferred position is that the volume discount remain in place as currently negotiated, or alternately, and at a minimum, that any change to the current discounted fee structure be implemented by way of a phased-in approach to be over three years (2019 -2021).
- On January 16, 2019, MTO staff advised that a decision had been communicated by their Minister indicating that Toronto's current volume discount will be eliminated as of March 1, 2019 (i.e., that the City's request to retain or phase-out the volume discount had not been approved). MTO communicated that the elimination of the discounted fee structure provides for parity with other Ontario municipalities that do not currently receive any discount on fees, and that the volume discount provided to Toronto was a transitional measure adopted to ease Toronto's transition to increased costs under the APS model.
- As a result, the 2019 Staff Recommended Budget includes an increase of \$3.000 million for the vehicle/address information search.

## User Fee Increase for Vehicle Owner or Address Information Search

- The City currently recovers the costs paid to MTO for vehicle owner/address information searches from the vehicle owner. Under the Administrative Penalty System (APS), a user fee of \$10.00 is charged (payable by the vehicle owner) for any parking violation that remains unpaid or otherwise unresolved 15 days following the date of issuance.
- The fee for Vehicle Owner or Address Information Search is proposed to increase from \$10 to \$12 effective April 1, 2019, to recover the full costs for providing the service which includes direct and indirect costs as per the City's User Fee Policy. In addition to the fee that the City is currently paying MTO for vehicle owner searches, the City also incurs the following staffing and non-staffing costs which have not been charged back to the vehicle owners. This increase will result in an additional revenue of \$1.700 million.

	<b><u>Current Incremental Costs(\$) /Notice</u></b>
Print (lasering, lettershop inserts, paperstock, envelopes and postage)	0.91
Direct PTO staff and Corp I&T support to support the notice transfers and filings	0.32
Collections/Collection Agency, Rev Accting, Org Admin and Payment Processing/Symcor	0.44
Indirect support (staff and overhead) for Call Centre, Correspondence and Counters	0.31
<b>Total</b>	<b>1.98</b>

**Parking Enforcement Officers Vacancy and impact to ticket issuance**

- Police Parking Enforcement experienced high vacancies in 2018 with 53 vacancies as of June 30, 2018. Police Parking Enforcement has been actively filling the positions and expected to be at full complement in 2019.
- A class of 32 Parking Enforcement Officers (PEO) was held in October 2018. Another class of 25 was held in December 2018. Assuming that PEO maintains 40 more front line PEOs compared to 2018 levels, the expected net increase will be 250,000 tags compared to 2018 issuance.

<b>Calculation for Tag Increase for 2019 - Hiring PEOs</b>	
Increased Average front line Officers compared to 2018	40
Average Tags per officer/ year*	7,000
Total Tag Increase	280,000
Less: Adjustment for 2 Month Training for 25 PEOs hired in Dec 2018	-30,000
Net Tag Increase from 2018	250,000

- The 2019 Staff Recommended Budget estimates tag issuance of 2,200,000 based on 40 more front line PEOs.

<b>Projection for 2019 - Tag Issuance</b>	
Tag Estimate for PEO in 2018	1,750,000
Increased tag issuance due to new hiring	250,000
Tag estimate for MLEO and PC in 2018	200,000
Total tag issuance estimate for 2019	2,200,000

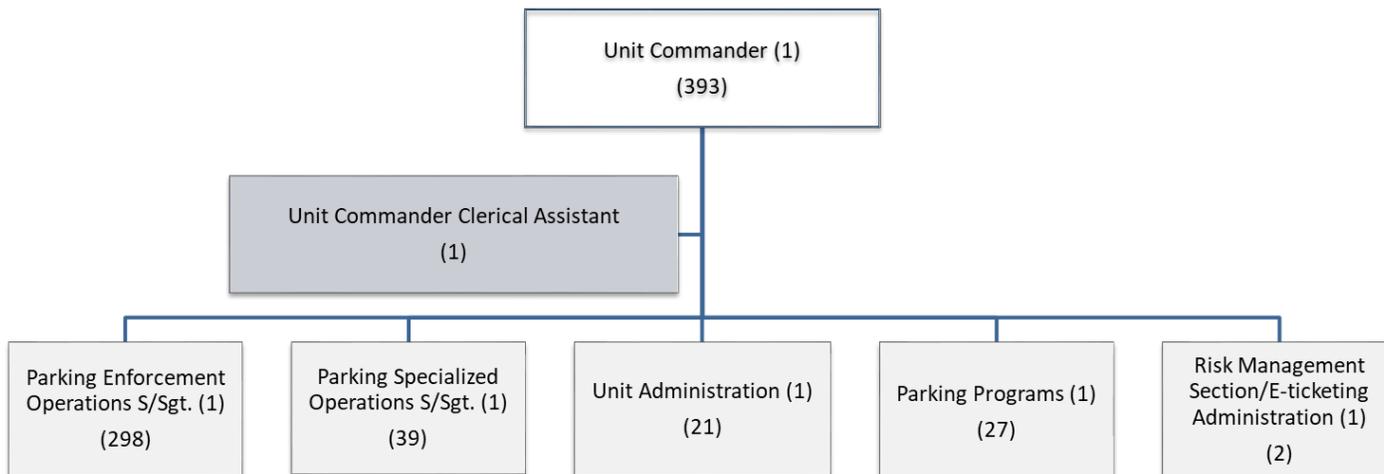
- 44 officers were hired from the two classes in 2018, 31 officers are leaving due to becoming special constables or planned separation. Another class is planned for March 2019 to ensure the frontline enforcement staff are at full strength.
- Other factors that are affecting the number of ticket issuance:
  - Maintaining enforcement staffing levels.
  - Maintaining existing City Bylaws for Parking violations
  - Maintaining current fine amounts for Parking violation
  - New city initiatives may impact enforcement activity/tag numbers (addition of Bike lanes, removal of curb space for Parking, addition of new grace periods).
  - Toronto Parking Authority on street Pay and Display machines to remain operational for on-street enforcement.
  - Higher fine amounts, temporary permits and Pay by cell have increased compliance and have impacted number of tags issued.



# APPENDICES

## Appendix 1

### 2019 Organization Chart



The 2019 total staff complement includes a total of 394.0 positions, comprising entirely of operating positions as summarized in the table below.

### 2019 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent		1.0		393.0	394.0
	Temporary			-	-	-
	<b>Total Operating</b>	-	1.0	-	393.0	394.0
Capital	Permanent			-	-	-
	Temporary			-	-	-
	<b>Total Capital</b>	-	-	-	-	-
<b>Grand Total</b>		-	<b>1.0</b>	-	<b>393.0</b>	<b>394.0</b>

## Appendix 2

## 2019 Operating Budget by Service

## Toronto Police Parking Enforcement

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
<b>Toronto Police Parking Enforcement</b>								
Gross Expenditures	48,247.8	48,262.3	0.0	48,262.3	14.5	0.0%	815.2	153.1
Revenue	1,525.2	1,539.7	0.0	1,539.7	14.5	1.0%	0.0	0.0
<b>Net Expenditures</b>	<b>46,722.6</b>	<b>46,722.6</b>	<b>0.0</b>	<b>46,722.6</b>	<b>0.0</b>		<b>815.2</b>	<b>153.1</b>
<b>Total</b>								
Gross Expenditures	48,247.8	48,262.3	0.0	48,262.3	14.5	0.0%	815.2	153.1
Revenue	1,525.2	1,539.7	0.0	1,539.7	14.5	1.0%	0.0	0.0
<b>Total Net Expenditures</b>	<b>46,722.6</b>	<b>46,722.6</b>	<b>0.0</b>	<b>46,722.6</b>	<b>0.0</b>		<b>815.2</b>	<b>153.1</b>
<b>Approved Positions</b>	<b>394.0</b>	<b>394.0</b>	<b>0.0</b>	<b>394.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>

## Revenue Processing

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
<b>Revenue Processing</b>								
Gross Expenditures	5,686.2	5,638.8	0.0	5,638.8	(47.4)	(0.8%)	18.7	18.7
Revenue	0.0	0.0	0.0	0.0	0.0	-	18.7	18.7
<b>Net Expenditures</b>	<b>5,686.2</b>	<b>5,638.8</b>	<b>0.0</b>	<b>5,638.8</b>	<b>(47.4)</b>	<b>(0.8%)</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>								
Gross Expenditures	5,686.2	5,638.8	0.0	5,638.8	(47.4)	(0.8%)	18.7	18.7
Revenue	0.0	0.0	0.0	0.0	0.0	-	18.7	18.7
<b>Total Net Expenditures</b>	<b>5,686.2</b>	<b>5,638.8</b>	<b>0.0</b>	<b>5,638.8</b>	<b>(47.4)</b>	<b>(0.8%)</b>	<b>0.0</b>	<b>0.0</b>
<b>Approved Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>

## Court Services Tribunal Administration

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
<b>Court Services Tribunal Administration</b>								
Gross Expenditures	5,542.2	1,631.2	0.0	1,631.2	(3,911.0)	(70.6%)	8.2	5.5
Revenue	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0
<b>Net Expenditures</b>	<b>5,542.2</b>	<b>1,631.2</b>	<b>0.0</b>	<b>1,631.2</b>	<b>(3,911.0)</b>	<b>(70.6%)</b>	<b>8.2</b>	<b>5.5</b>
<b>Total</b>								
Gross Expenditures	5,542.2	1,631.2	0.0	1,631.2	(3,911.0)	(70.6%)	8.2	5.5
Revenue	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0
<b>Total Net Expenditures</b>	<b>5,542.2</b>	<b>1,631.2</b>	<b>0.0</b>	<b>1,631.2</b>	<b>(3,911.0)</b>	<b>(70.6%)</b>	<b>8.2</b>	<b>5.5</b>
<b>Approved Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>

**Legal Services**

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
<b>Legal Services</b>								
Gross Expenditures	4,294.9	4,084.6	0.0	4,084.6	(210.3)	(4.9%)	0.0	0.0
Revenue	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0
<b>Net Expenditures</b>	<b>4,294.9</b>	<b>4,084.6</b>	<b>0.0</b>	<b>4,084.6</b>	<b>(210.3)</b>	<b>(4.9%)</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>								
Gross Expenditures	4,294.9	4,084.6	0.0	4,084.6	(210.3)	(4.9%)	0.0	0.0
Revenue	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0
<b>Total Net Expenditures</b>	<b>4,294.9</b>	<b>4,084.6</b>	<b>0.0</b>	<b>4,084.6</b>	<b>(210.3)</b>	<b>(4.9%)</b>	<b>0.0</b>	<b>0.0</b>
<b>Approved Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>

**Parking Tags Revenue**

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
<b>Parking Tags Revenue</b>								
Gross Expenditures	8,335.0	11,342.1	0.0	11,342.1	3,007.1	36.1%	0.0	0.0
Revenue	107,692.8	111,531.8	0.0	111,531.8	3,839.0	3.6%	575.0	0.0
<b>Net Expenditures</b>	<b>(99,357.8)</b>	<b>(100,189.7)</b>	<b>0.0</b>	<b>(100,189.7)</b>	<b>(831.9)</b>	<b>0.8%</b>	<b>(575.0)</b>	<b>0.0</b>
<b>Total</b>								
Gross Expenditures	8,335.0	11,342.1	0.0	11,342.1	3,007.1	36.1%	0.0	0.0
Revenue	107,692.8	111,531.8	0.0	111,531.8	3,839.0	3.6%	575.0	0.0
<b>Total Net Expenditures</b>	<b>(99,357.8)</b>	<b>(100,189.7)</b>	<b>0.0</b>	<b>(100,189.7)</b>	<b>(831.9)</b>	<b>0.8%</b>	<b>(575.0)</b>	<b>0.0</b>
<b>Approved Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>

## Appendix 3

### 2019 Service Levels

#### Toronto Police Parking Enforcement

Activity	Type	Service Level Description	Status	2015	2016	2017	2018	2019
Enforcement	Parking Tags Issued	# of tags	Approved	2,600,000	2,350,000	2,350,000	2,150,000	<b>2,200,000</b>
			Actual	2,184,000	2,268,000	2,268,000	2,045,498	

The 2019 Service Levels have been adjusted (bolded in the charts) from the approved 2018 Service Levels for ticket issuance due to Parking Enforcement Officer will be at full complement in 2019.

#### Revenue Processing

Activity	Type	Description	Status	2015	2016	2017	2018	2019
Process & Collection of Parking Fees	Parking Tags	parking tags processed within legislative	Approved	99.50%	99.5%	99.5%	99.5%	99.5%
			Actual	99.9%	99.9%	99.9%	99.9%	
	Notice of Overdue Parking Penalty	notices sent within legislative timeframes	Approved	99.50%	99.5%	99.5%	99.5%	99.5%
			Actual	99.50%	99.5%	99.5%	99.5%	
	Notice of Conviction	parking tags processed within legislative	Approved	99.50%	99.5%	99.5%	99.5%	99.5%
			Actual	99.50%	99.5%	99.5%	99.5%	
	Refunds and Adjustments	refunds and adjustments processed	Approved	100%	100%	100%	100%	100%
			Actual	100%	100%	100%	100%	
	Investigations	Complete all investigations within 15	Approved	100%	100%	100%	100%	100%
			Actual	100%	100%	100%	100%	
Pre-Court Filing - No longer required under	all court filing documents prepared	Approved	99.50%	99.5%	99.5%	N/A	N/A	
		Actual	99.50%	99.5%	99.5%			

The 2019 Service Levels are consistent with the approved 2018 Service Levels for Revenue Processing.

#### Court Services Tribunal Administration

Activity	Type	Service Level Description	Status	2015	2016	2017	2018	2019
Court Services Tribunal Administration	Administrative Penalty Tribunal	Time to hearing within 120 days from request date	Approved	N/A	N/A	100%	100%	100%
	Provincial Offences Parking Charges	Accept incoming charges within 75 days of offence date	Approved	100%	100%	100%	N/A	N/A

The 2019 Service Levels are consistent with the approved 2018 Service Levels for Court Services Tribunal Administration.

## Appendix 10

### Inflows and Outflows to/from Reserves and Reserve Funds

#### 2019 Operating Budget

#### Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
<b>Beginning Balance</b>		<b>20,673.6</b>	<b>17,519.6</b>	<b>301.6</b>	<b>(1,197.4)</b>
Vehicle and Equipment Replacement - Po	XQ1701				
<i>Withdrawals (-)</i>		(24,414.0)	(41,478.0)	(28,759.0)	(24,110.0)
<i>Contributions (+)TPS</i>		19,266.0	22,266.0	25,266.0	27,266.0
<i>Contributions (+)Parking</i>		1,994.0	1,994.0	1,994.0	1,994.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>17,519.6</b>	<b>301.6</b>	<b>(1,197.4)</b>	<b>3,952.6</b>
<b>Balance at Year-End</b>		<b>17,519.6</b>	<b>301.6</b>	<b>(1,197.4)</b>	<b>3,952.6</b>

\* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
<b>Beginning Balance</b>		<b>9,268.8</b>	<b>8,832.7</b>	<b>8,292.3</b>	<b>7,751.9</b>
Police Central Sick Pay	XR1701				
<i>Withdrawals (-) TPS</i>		(540.4)	(4,157.1)	(4,157.1)	(4,157.1)
<i>Withdrawals (-) Parking</i>			(180.1)	(180.1)	(180.1)
<i>Contributions (+)TPS</i>			3,616.7	3,616.7	3,616.7
<i>Contributions (+)Parking</i>			180.1	180.1	180.1
<i>Interest</i>		104.4			
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>8,832.7</b>	<b>8,292.3</b>	<b>7,751.9</b>	<b>7,211.5</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>8,832.7</b>	<b>8,292.3</b>	<b>7,751.9</b>	<b>7,211.5</b>

\* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
<b>Beginning Balance</b>		<b>34,631.0</b>	<b>25,869.7</b>	<b>20,122.3</b>	<b>15,374.9</b>
Sick Pay Gratuity	XR1007				
<i>Withdrawals (-) TPS</i>		(9,110.2)	(17,030.0)	(17,030.0)	(17,030.0)
<i>Withdrawals (-) Parking</i>			(544.6)	(544.6)	(544.6)
<i>Contributions (+)TPS</i>			11,282.6	12,282.6	12,282.6
<i>Contributions (+)Parking</i>			544.6	544.6	544.6
<i>Interest</i>		348.9			
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>25,869.7</b>	<b>20,122.3</b>	<b>15,374.9</b>	<b>10,627.5</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>25,869.7</b>	<b>20,122.3</b>	<b>15,374.9</b>	<b>10,627.5</b>

\* Based on 9-month 2018 Reserve Fund Variance Report