

2022 Budget Notes

Toronto Police Service Parking Enforcement Unit

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Description

Toronto Police Service Parking Enforcement Unit (PEU) responds to public and private parking concerns of the community and enforces the Parking Bylaws through the issuance of parking tags to illegally parked vehicles.

Why We Do It

To contribute to safe and efficient free flow of traffic and local neighbourhood parking concerns, 7 days a week, 24 hours a day.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

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What Service We Provide

Who We Serve:

- Vehicle Drivers
- Private Properties
- Municipal Properties

What We Deliver:

The Parking Enforcement Unit contributes to the overall safety and security of the people of Toronto by focusing on the Toronto Police Service traffic safety priorities. This is achieved through various strategies including enforcement, visibility, public awareness and education programs. Specifically, the Unit is responsible for:

- Responding to public and private parking concerns of the community
- Regulating parking through the equitable and discretionary application of by-laws
- Providing operational support to the Toronto Police Service; language interpretation, stolen vehicle recovery, corporate and local community-policing initiatives, emergency support and crime management
- Assisting at special events, ensuring the safe and unobstructed movement of vehicular and pedestrian traffic
- Fostering crime prevention by providing a radio equipped, highly visible, uniformed presence in our communities

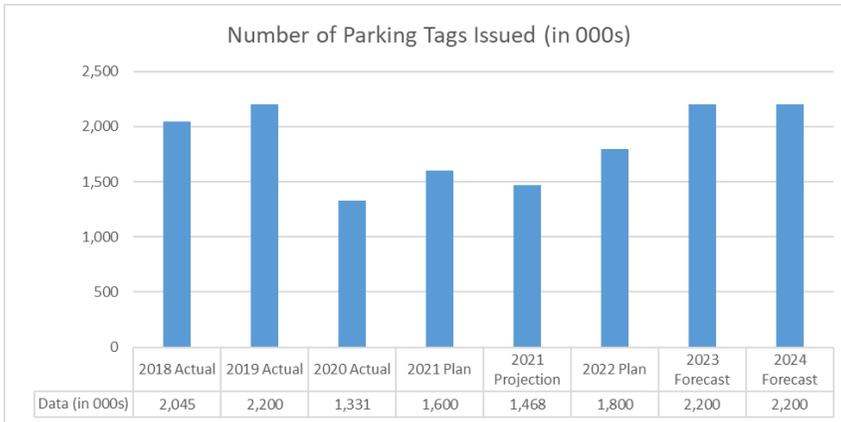
How much resources (gross operating budget): \$52.0 Million

Budget at a Glance

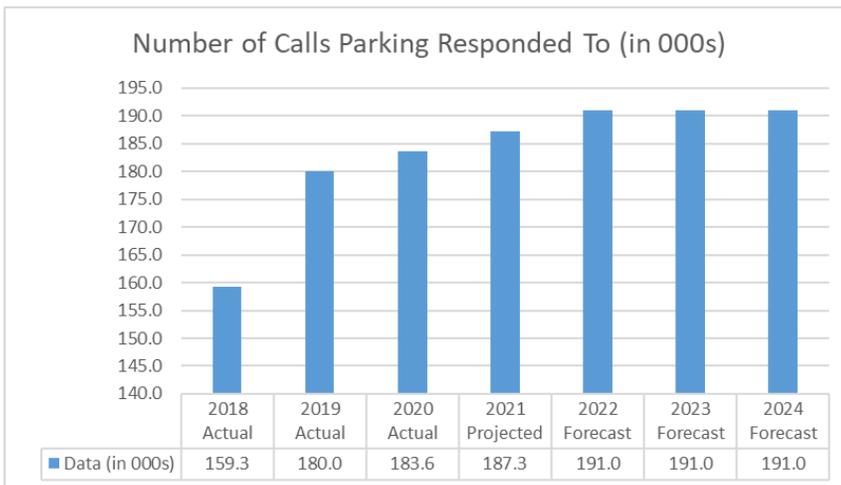
2022 OPERATING BUDGET			
\$Million	2022	2023	2024
Revenues	\$1.1	\$1.1	\$1.1
Gross Expenditures	\$52.0	\$53.5	\$54.1
Net Expenditures	\$50.9	\$52.4	\$53.0
Approved Positions	394.0	394.0	394.0

2022 - 2031 10-YEAR CAPITAL PLAN			
\$Million	2022	2023-2031	Total
Toronto Police Service Parking Enforcement Unit does not have a Capital Budget. Any capital requirements are included in the Toronto Police Service's Capital Program.			

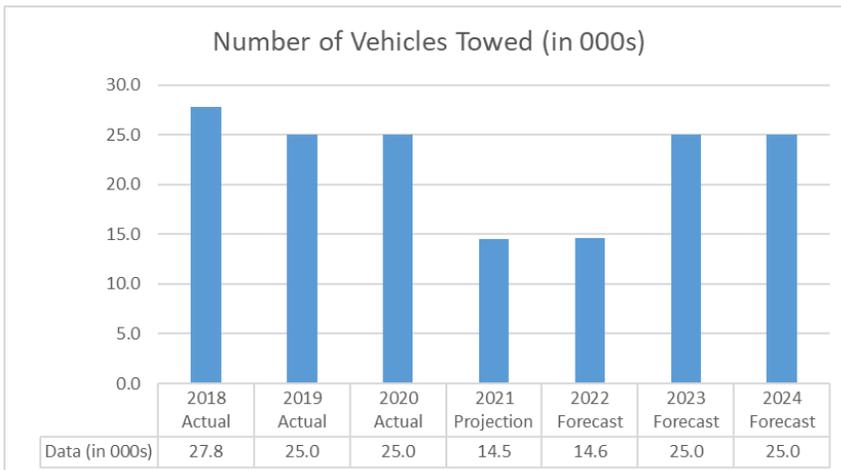
How Well We Are Doing – Behind the Numbers



- The number of parking tags issued decreased in 2020 due to COVID-19.
- The projected tag issuance for 2021 is expected to be well below average due to COVID-19 impacts.
- The projected tag issuance for 2022 assumes continuing impacts of COVID-19.



- The number of calls attended by the Parking Unit has been steadily increasing year over year and were minimally impacted by COVID-19.
- The impact of COVID-19 on calls for service during 2022 is difficult to determine, the forecast assumes a continuation of past trends, as calls for service were not impacted to the same degree as parking tag issuance.



- The number of vehicles towed has declined since 2017 and is expected to be much lower in 2021 due to COVID-19 impacts.
- While difficult to estimate, this trend is likely to continue as programs are being implemented to achieve greater compliance with the City's parking by-laws and therefore a lowered requirement for towing.
- It is expected that less than 15,000 improperly parked vehicles will be towed during 2022.

COVID-19 IMPACT AND RECOVERY**2022 Impact and Recovery****Operating Budget Impact**

- The 2022 impact of COVID-19 is projected to be in line with 2021 experience.
- Expected decrease in special events and directed enforcement initiatives during 2022 will result in lower premium pay requirement compared to pre-COVID-19 levels (\$0.6 million).
- Reduced towing recoveries are expected to continue into 2022 with an estimated budgeted incremental revenue loss of \$0.2 million.

Service Level Changes

- Decreases in special events and directed enforcement initiatives is anticipated during 2022 compared to pre-COVID-19 levels.
- Ticket issuance target for 2022 is estimated at 1.8 million tickets due to the continuing impacts of COVID-19. The associated revenue from parking ticket issuance is captured in City's Non Program Revenue budget.
- The Toronto Police Services Parking Enforcement Unit continues to review its service levels to reflect changes as required to meet ongoing community needs.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- A number of staff members have been deployed to operate out of front line divisions. This move was made to reduce unproductive travel time by bringing the officer closer to where they enforce parking by-laws.
- Introduction of photo evidence, which will assist in the resolution of parking violation disputes.
- Queen Street Pilot Project – tested rush hour relocation concept (focus on the needs of a complex city).

Key Challenges and Risks

- The PEU experienced significantly higher employee turnover than in past years. Separations continue to be a challenge as PEU members seek out other employment such as police officers and special constables.
- Ensuring compliance with the City's parking by-laws is key to maintaining a safe and efficient flow of traffic. Maintaining sufficient parking enforcement resources requires dedicated hiring and training programs of enforcement officers.
- Initiatives such as CafeTO impact the Rush Hour Route enforcement.

Priority Actions

- Rush Hour Route Enforcement Campaign
- Heavy Truck Enforcement Campaign
- Electronic tow card initiative
- Review of service levels in 2022 to ensure resources and processes are adequate to meet customer demand and service levels
- Complete implementation of Vehicle Impound System (VIP) replacement project
- Electronic Parking System (EPS) enhancements
- Participation in Toronto Parking Authority (TPA) electronic tag issuance project
- Pilot for Proof of Concept (POC) for using mobile phones for parking tag issuance
- Car Share permit electronic data transfer and validation for EPS system
- City's Free Floating Car Share permit electronic data transfer and validation project

RECOMMENDATIONS

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

1. City Council approve the 2022 Operating Budget for the Toronto Police Service Parking Enforcement Unit of \$51.972 million gross, \$1.116 million revenue and \$50.856 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Toronto Police Service Parking Enforcement Unit	51,971.8	1,115.7	50,856.1
Total Program Budget	51,971.8	1,115.7	50,856.1

2. City Council approve the 2022 staff complement for Toronto Police Service Parking Enforcement Unit of 394.0 operating positions.

2022 OPERATING BUDGET

2022 OPERATING BUDGET OVERVIEW

Table 1: 2022 Operating Budget by Service

(In \$000s)	2020 Actual	2021 Budget	2021 Projection*	2022 Base Budget	2022 New / Enhanced	2022 Budget	Change v. 2021 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Parking Tags Enforcement	1,170.9	1,314.5	1,400.0	1,115.7		1,115.7	(284.3)	(20.3%)
Total Revenues	1,170.9	1,314.5	1,400.0	1,115.7		1,115.7	(284.3)	(20.3%)
Expenditures								
Parking Tags Enforcement	47,420.9	50,543.3	50,005.3	51,971.8		51,971.8	1,966.5	3.9%
Total Gross Expenditures	47,420.9	50,543.3	50,005.3	51,971.8		51,971.8	1,966.5	3.9%
Net Expenditures	46,250.0	49,228.8	48,605.3	50,856.1		50,856.1	2,250.8	4.6%
Approved Positions**	394.0	394.0	N/A	394.0		394.0	N/A	N/A

*2021 Projection based on Q3 Variance Report

**YoY comparison based on approved positions

COSTS TO MAINTAIN EXISTING SERVICES

Total 2022 Base Budget expenditures of \$51.972 million gross reflecting an increase of \$1.967 million in spending above 2021 projected year-end actuals, predominantly arising from:

- The 2021 impact of the collective agreement (2019 - 2023) with the Toronto Police Association (\$1.0 million)
- Increased statutory payroll deductions and salary increments & employee benefits as per the collective agreements (\$0.2 million)
- Increased costs for parking tags and for computer maintenance (\$0.3 million)

Given the financial impacts of COVID-19 on 2021 actuals, a further comparison of the 2022 Base Budget (excluding 2022 COVID-19 impacts) to the 2021 Council approved Budget (excluding 2021 COVID-19 impact) is provided below:

- **2022 Base Budget of \$50.856 million in net expenditures reflects a \$1.428 million net increase from the 2021 Council approved Budget, when excluding \$0.199 million in estimated COVID-19 financial impacts.**

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in the Parking Enforcement Unit 2022 Operating Budget do not have any significant equity impacts.

2022 OPERATING BUDGET KEY DRIVERS

The 2022 Operating Budget for Toronto Police Services Parking Enforcement Unit is \$51.972 million gross which is 3.9% higher than the 2021 Projected Actuals. Table 2a below summarizes the Operating Budget by revenue and expenditure category.

Table 2a: 2022 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2019 Actual	2020 Actual	2021 Budget	2021 Projection*	2022 Budget	2022 Change from 2021 Projection	
	\$	\$	\$	\$	\$	\$	%
User Fees & Donations	1,287.9	626.4	589.8	675.3	391.0	(284.3)	(42.1%)
Contribution From Reserves/Reserve Funds	724.6	544.5	724.7	724.7	724.7		
Total Revenues	2,012.5	1,170.9	1,314.5	1,400.0	1,115.7	(284.3)	(20.3%)
Salaries and Benefits	39,075.4	40,891.8	42,483.0	42,600.0	44,254.8	1,654.8	3.9%
Materials & Supplies	1,228.2	1,093.2	1,449.4	1,449.4	1,599.1	149.7	10.3%
Equipment	122.3	53.2	1,008.0	450.6	388.9	(61.7)	(13.7%)
Service and Rent	2,654.8	2,569.2	2,789.5	2,786.6	3,010.3	223.7	8.0%
Contribution To Capital	1,994.0	1,994.0	1,994.0	1,994.0	1,994.0		
Contribution To Reserves/Reserve Funds	819.4	819.4	819.4	724.7	724.7		
Total Gross Expenditures	45,894.1	47,420.9	50,543.3	50,005.3	51,971.8	1,966.5	3.9%
Net Expenditures	43,881.6	46,250.0	49,228.8	48,605.3	50,856.1	2,250.8	4.6%

*2021 Projection based on Q3 Variance Report

Key Base Drivers:**Salaries & Benefits:**

- The 2022 impact of the 2019-2023 Collective Agreement settlements is \$1.0 million.
- Increased statutory payroll deductions and salary increments & employee benefits as per the collective agreements (\$0.2 million)
- Premium pay spending for special events and directed enforcement activities is expected to increase in 2022 as compared to 2021, as the impacts of COVID-19 are expected to be less year over year. As a result, \$0.6 million of the \$1.2 million budget reduction made in 2021 has been restored.

Equipment:

- Additional funding of \$1.0 million was included in the 2021 operating budget to replace the Vehicle Impound Program (V.I.P.) application which is used by the Service to manage towed vehicles. However, replacement will not be completed until early 2022. The total cost of the replacement is expected to be under \$0.9M (0.5M in 2021 and \$0.4M in 2022).

Materials and Supplies:

- Additional funding of \$0.1 million is required due to an increase in the cost of parking tags.

Services and Rents:

- Additional funding of \$0.2 million is required for computer maintenance costs to support handheld devices, towing module and V.I.P. module.

Contributions to Capital:

- Contributions to Capital category represents funding required to replace vehicles and the hand held ticketing devices. There is no change to this funding in 2022.

Contributions to Reserves:

- Contributions to Reserves represent contributions to the Sick Pay Gratuity Reserve and Central Sick Bank Reserve.

Other Revenue Changes:

- Revenues consist of recoveries from tow companies for costs associated with pounds operations, and in-year recoveries from the TTC to cover premium pay costs associated with the enforcement of TTC right of ways. Pounds recoveries are expected to be the same as the 2021 projected actual mainly due to the continuing impact of the COVID-19 pandemic. Recoveries from the TTC fluctuate from year to year have a net zero budget impact.

2023 & 2024 OUTLOOKS**Table 3: 2023 and 2024 Outlooks**

(\$000s)	2021 Projection	2022 Budget	2023 Outlook	2024 Outlook
Revenues	1,400.0	1,115.7	1,115.7	1,115.7
Gross Expenditures	50,005.3	51,971.8	53,540.2	54,131.6
Net Expenditures	48,605.3	50,856.1	52,424.5	53,015.9
Approved Positions	N/A	394.0	394.0	394.0

Key drivers

The 2023 Outlook with total gross expenditures of \$53.540 million reflects an anticipated \$1.568 million or 3.02 per cent increase in gross expenditures above the 2022 Operating Budget; The 2024 Outlooks expects a further increase of \$0.591 million or 1.10 per cent above 2023 gross expenditures.

These changes arise from the following:

- 2023 portion of the 2019 to 2023 collective agreement with the Toronto Police Association; and
- Inflationary increases for materials and supplies.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

In \$ Thousands				
COVID-19 Impacts	2021 Net	2022		
		Revenues	Gross	Net
Revenue Loss				
Pounds Towing Recoveries	226.5	(198.8)		198.8
Sub-Total	226.5	(198.8)		198.8
Total COVID-19 Impact	226.5	(198.8)		198.8

Appendix 2

2022 Balancing Actions

N/A

Appendix 3

Summary of 2022 Service Changes

N/A

Appendix 4

Summary of 2022 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2022 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

**2022 Capital Budget;
2023 - 2031 Capital Plan Including Carry Forward Funding**

N/A

Appendix 6a

2022 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 6b

2023 - 2031 Capital Plan

N/A

Appendix 7

Reporting on Major Capital Projects: Status Update

N/A

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

2022 User Fee Changes

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2022 Operating Budget

Program Specific Reserve / Reserve Funds

While some years are showing a negative ending balance, it is anticipated that one time funding injection / changing priorities and revised expenditures will adjust the balance.

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2022	2023	2024
		\$	\$	\$
Beginning Balance		10,891.3	7,108.0	3,324.7
Police Central Sick Bank	XR1701			
<i>Withdrawals (-) TPS</i>		(5,700.0)	(5,700.0)	(5,700.0)
<i>Withdrawals (-) Parking</i>		(180.1)	(180.1)	(180.1)
<i>Contributions (+) Service - TPS</i>		1,916.7	1,916.7	1,916.7
<i>Contributions (+) Parking</i>		180.1	180.1	180.1
Total Reserve / Reserve Fund Draws / Contributions		7,108.0	3,324.7	(458.6)
Balance at Year-End		7,108.0	3,324.7	(458.6)

* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2022	2023	2024
		\$	\$	\$
Beginning Balance		24,972.2	12,208.5	3,649.5
Vehicle and Equipment Reserve Funds	XQ1701			
<i>Withdrawals (-)</i>		(35,523.6)	(35,819.0)	(36,342.0)
<i>Contributions (+) TPS</i>		20,766.0	25,266.0	29,266.0
<i>Contributions (+) Parking</i>		1,994.0	1,994.0	1,994.0
Total Reserve / Reserve Fund Draws / Contributions		12,208.5	3,649.5	(1,432.5)
Balance at Year-End		12,208.5	3,649.5	(1,432.5)

* Based on 9-month 2021 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2022	2023	2024
		\$	\$	\$
Beginning Balance		31,376.0	29,373.0	27,566.0
Sick Pay Gratuity Reserve	XR1007			
<i>Withdrawals (-) TPS</i>		(17,030.3)	(17,030.3)	(17,030.3)
<i>Withdrawals (-) Parking</i>		(544.6)	(544.6)	(544.6)
<i>Contributions (+) TPS</i>		12,282.6	12,282.6	12,282.6
<i>Contributions (+) Parking</i>		544.6	544.6	544.6
Total Reserve / Reserve Fund Draws / Contributions		26,628.3	24,625.3	22,818.3
Other Program / Agency Net Withdrawals & Contributions		2,744.7	2,940.7	2,950.7
Balance at Year-End		29,373.0	27,566.0	25,769.0

* Based on 9-month 2021 Reserve Fund Variance Report

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).