

P2022-0111-3.4. Toronto Police Service Parking Enforcement Unit – 2022 Operating Budget Request

The Board was in receipt of a report dated December 31, 2021 from James Ramer, Chief of Police.

Recommendations:

- 1) Approve the Toronto Police Service Parking Enforcement Unit's 2022 net operating budget request of \$50.9 Million (M), a \$1.6M or 3.3% increase over the 2021 approved budget; and
- 2) Forward this report to the City of Toronto (City's) Budget Committee for consideration and to the City's Chief Financial Officer and Treasurer for information.

The following Motion was moved, and a recorded vote was held.

MOTION

- (1) Approve the Toronto Police Service Parking Enforcement Unit's 2022 net operating budget request of \$50.9 Million (M), a \$1.6M or 3.3% increase over the 2021 approved Budget, with the exception of any proposed budget allocation for items involving Rogers Communications Inc.; (*Approved*)**

Result: Approved	
Yes: 7	Jim Hart (Chair), Frances Nunziata (Vice-Chair), Mayor John Tory, Councillor Michael Ford, Ainsworth Morgan, Lisa Kostakis and Ann Morgan
No: 0	

Abstain: 0	
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(2) Approve the Toronto Police Service Parking Enforcement Unit’s 2022 net operating budget request with respect to all items involving Rogers Communications Inc.; and, *(Approved)*

Result: Approved	
Yes: 6	Jim Hart (Chair), Frances Nunziata (Vice-Chair), Councillor Michael Ford, Ainsworth Morgan, Lisa Kostakis and Ann Morgan
No: 0	
Abstain:1	Mayor John Tory

(3) Forward this report to the City of Toronto (City’s) Budget Committee for consideration and to the City’s Chief Financial Officer and Treasurer for information. *(Approved)*

Result: Approved	
Yes: 7	Jim Hart (Chair), Frances Nunziata (Vice-Chair), Mayor John Tory, Councillor Michael Ford, Ainsworth Morgan, Lisa Kostakis and Ann Morgan
No: 0	
Abstain: 0	



Toronto Police Services Board Report

December 31, 2021

To: Toronto Police Services Board

From: James Ramer
Chief of Police

**Subject: Toronto Police Service Parking Enforcement Unit – 2022
Operating Budget Request**

Recommendation(s):

It is recommended that the Toronto Police Services Board (Board):

- (1) approve the Toronto Police Service Parking Enforcement Unit's 2022 net operating budget request of \$50.9 Million (M), a \$1.6M or 3.3% increase over the 2021 approved budget; and
- (2) forward this report to the City of Toronto (City's) Budget Committee for consideration and to the City's Chief Financial Officer and Treasurer for information.

Financial Implications:

The Parking Enforcement Unit (P.E.U.) 2022 net operating budget request is \$50.9M net (\$52.0M gross), which is a \$1.6M or 3.3% increase over the 2021 approved operating budget.

Background / Purpose:

The purpose of this report is to provide the Board with the P.E.U.'s recommended 2022 operating budget request for its consideration and approval. The report includes information on the level of funding required in 2022 to provide parking enforcement services to the City.

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.'s operating budget is separate from the Service's operating budget, and is included in the City's consolidated Parking Tag Enforcement Operations budget, 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 (M.L.E.O.) training and oversight;
2. City Revenue Processing – responsible for processing and collecting fines for all parking tickets issued in the city;
3. City Court Services, Judicial Processing – responsible for supporting and administering the Administrative Penalty Tribunal. Council appointed Hearing Officers have final authority in the review of Screening Officer decisions; and
4. City Legal Services – responsible for administering the dispute review process at screening offices.

Given that the P.E.U. budget enforcement assumptions are considered in the development of the above budgets; the request has been reviewed with the City Financial Planning Division to ensure consistency across the various budgets.

Parking Enforcement Unit Responsibilities:

The P.E.U. is staffed to help achieve the safe, efficient and orderly flow of traffic. This goal is achieved by developing and meeting strategic enforcement objectives, responding to calls for service from the community and providing a visible presence to promote compliance. Parking Enforcement Officers (P.E.O.s) are deployed to zones throughout the city to patrol for the aforementioned reasons and support effective service delivery. Any shortfall in staffing levels creates resource shortages, which places pressure on the ability to enforce non-compliance with applicable by-laws (tag issuance) and calls for service, both of which can impact traffic flow. The unit takes all possible action, including the use of available premium pay, to mitigate the overall impact on enforcement activities.

COVID-19:

The impact of the pandemic resulted in reduced parking tag enforcement activity during 2021. While tag issuance has increased in the second half of 2021, issuance is still approximately only 80% of pre-pandemic levels. The P.E.U. tag issuance goal for 2022 is 1.8M, as compared to a goal of 2.2M tags prior to the COVID-19 pandemic. However, the impacts of COVID-19 are difficult to predict as businesses may be subjected to renewed closures and many people may continue to work from home, which could impact enforcement. Parking tag issuance is monitored by the City on a weekly basis, and the City has taken into account reductions in enforcement activities and associated revenues in the City's overall financial position, due to COVID-19.

Parking Tag Revenues:

Although the P.E.U. is responsible for enforcement activities, actual revenues from tag issuance 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, as well as changes to fines and programs. All of these factors have an impact on enforcement operations, the number of tags issued, public behaviour and the overall amount of revenues collected.

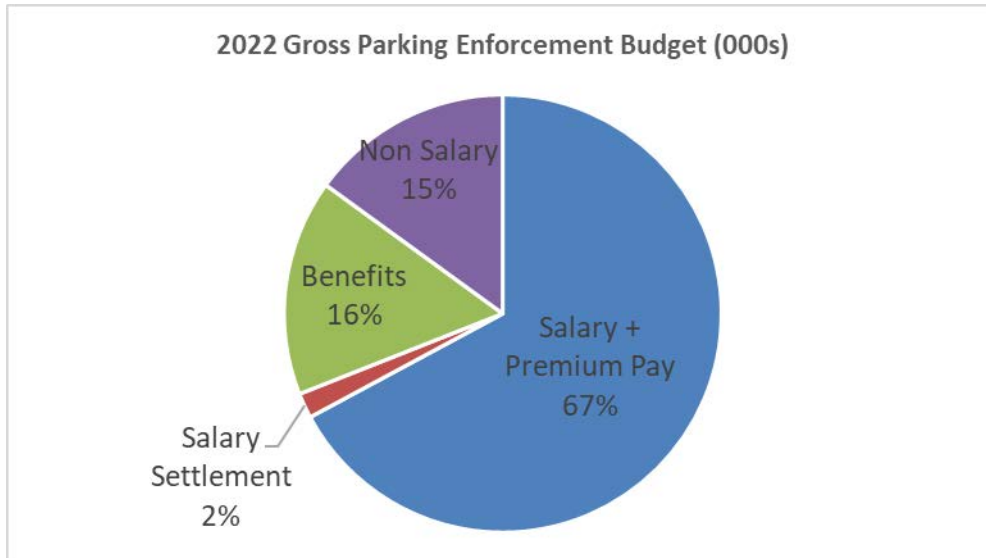
2022 Budget Considerations:

In preparing the 2022 operating budget for the P.E.U., the continuing impacts of COVID-19 were taken into account. In addition, the budget provides for the completion of the replacement of the unit’s aging Vehicle Impound System (V.I.P).

2022 Operating Budget Request:

On a gross basis, 85% of P.E.U.’s budget is for salaries, premium pay and benefits. The remaining 15% 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.

The 2022 net operating budget request of \$50.9M (\$52.0M gross) includes the funding required to maintain an average deployed strength of 365 P.E.O.s, as well as services and equipment required to effectively support operations.



The following summarizes the key cost drivers included in the 2022 Operating Budget Request.

	Request \$000s	\$ Increase / (Decrease) over 2021	% Increase / (Decrease) over 2021
2021 Net Budget - \$49,228,800			
(a) Impact of 2022 Salary Settlement	\$965.7	\$965.7	2.0%

	Request \$000s	\$ Increase / (Decrease) over 2021	% Increase / (Decrease) over 2021
(b) Salary Requirements	\$33,107.7	\$65.4	0.1%
(c) Premium Pay	\$1,857.9	\$600.0	1.2%
(d) Statutory Deductions and Employee Benefits	\$8,323.5	\$140.7	0.3%
(e) Reserve Contributions	\$2,718.7	(\$94.7)	(0.2%)
(f) Other Expenditures	\$4,998.3	(\$248.6)	(0.5%)
2022 Gross Budget Request	\$51,971.8	\$1,428.5	2.9%
(g) Revenues	(\$1,115.7)	\$198.8	0.4%
2022 Net Budget Request	\$50,856.1	\$1,627.3	3.3%

Summary of 2022 Budget Request Changes by Category

(a) Impact of 2022 Collective Agreement (\$1.0M)

The 2022 impact of the 2019 to 2023 salary settlement with the Toronto Police Association (T.P.A.) is approximately \$1.0M, or 2.0%, representing the largest component of the unit’s overall budget increase.

(b) Salary Requirements (\$33.1M)

To maintain the P.E.O. staffing levels, the P.E.O. staffing budget assumes one class of 24 in April of 2022. This hiring strategy is required due to P.E.O.s increasingly filling vacancies in other areas of the Service. The hiring strategy will also help mitigate reduced enforcement activities. It is important to note that parking enforcement officer separations will be monitored in 2022 and the number of recruits and the timing of the April class will be adjusted accordingly.

(c) Premium Pay (\$1.9M)

Nearly all premium pay at the P.E.U. is utilized to staff enforcement activities at special events and directed enforcement initiatives 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 2022 is \$1.9M. This budget represents a 1.2% increase over P.E.U.’s total 2021 budget. This premium pay budget is still \$0.6M less than the pre COVID-19 funding levels and recognizes that some restrictions have been lifted and will result in greater enforcement activities.

(d) Statutory Payroll Deductions and Employee Benefits (\$8.3M)

This category of expenditure represents an increase of \$140,700 or 0.3% over P.E.U.'s total 2021 budget. Employee benefits are comprised of statutory payroll deductions and requirements as per the collective agreements. Benefits have increased due to an increase in statutory benefit rates.

(e) Reserve Contributions (\$2.7M):

The 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 reserve, while the Service manages the Vehicle and Equipment and Central Sick Bank reserve. The total 2022 budget for contributions to the reserves is \$2.7M. This represents a \$0.1M decrease from 2021, or a 0.2% decrease over P.E.U.'s total 2021 budget. This reduction is a result of the P.E.U. no longer having to contribute to the City's Insurance reserve.

(f) Other Expenditures (\$5.0M)

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 or reduced from the 2021 level. Increases have only been included where considered mandatory, and one-time reductions have been taken into account where applicable. The requested budget includes remaining funding of \$0.3M to complete the replacement the Vehicle Impound Program (V.I.P.) during 2022. Funding of \$1.0M was included in the 2021 operating budget to replace the V.I.P. in 2021; however, replacement will not be completed until early 2022. The total cost of the replacement is expected to be under \$0.9M. This year over year reduction has been partially offset by increased maintenance costs and an increase in the cost of parking tags, resulting in a net decrease of \$0.2M in this category, or 0.5% over P.E.U.s total 2021 budget.

(g) Revenues (\$1.1M)

Revenue is comprised of draws from reserves and towing/pound administrative recoveries. The decrease (\$199K) is a result of a decrease in projected tows, which is mainly attributable to the continuing impacts of COVID-19.

2023 and 2024 Outlooks:

City Finance has requested that budget outlooks for 2023 and 2024 be provided for each budget. Based on known pressures and inflationary increases, the current estimate for 2023 is \$52.4M (a \$1.6M or 3.1% increase over 2022) and for 2024 is \$53.0M (a \$0.6M or 1.1% increase over 2023). The majority of the increase in 2023 relates to the collective agreement impacts.

Conclusion:

The P.E.U.'s 2022 net operating budget request is \$50.9M (\$52.0M gross), which is a 3.3% increase over the 2021 approved budget.

The 2022 budget request includes the funding required to meet the P.E.U.'s 2022 collective agreement obligations. It also includes funds for the completion of the replacement of the unit's aging V.I.P. This budget request will allow the P.E.U. to provide strategic enforcement activities to promote compliance and improve the traffic flow within the City, but may be affected by continuing or new COVID-19 impacts.

Deputy Chief Peter Yuen, Community Safety Command, and Chief Administrative Officer Tony Veneziano, will be in attendance to answer any questions the Board may have regarding this report.

Respectfully submitted,

James Ramer, M.O.M.
Chief of Police

*original copy with signature on file in Board office