



PUBLIC REPORT

December 31, 2022

To: Chair and Members
Toronto Police Services Board

From: Myron Demkiw
Chief of Police

Subject: Toronto Police Service Parking Enforcement Unit – 2023
Operating Budget Request

Purpose: Information Purposes Only Seeking Decision

Recommendation(s):

This report recommends that the Toronto Police Services Board (Board):

- (1) approve the Toronto Police Service Parking Enforcement Unit's 2023 net operating budget request of \$51.3 Million (M), a \$0.49M or 0.95% increase over the 2022 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.) 2023 net operating budget request is \$51.3M net (\$52.6M gross), which is a \$0.49M or 0.95% increase over the 2022 approved operating budget.

Summary:

The purpose of this report is to provide the Board with the P.E.U.'s recommended 2023 operating budget request for its consideration and approval. The report includes information on the level of funding required in 2023 to provide parking enforcement services to the City of Toronto (City).

Discussion:

Background

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.

Relevant Board Policies and Compliance

This report is in compliance with the Board's Budget Transparency Policy, approved on July 29, 2021 under Board Minute P2021-0729-3.0.

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 in recent years compared to 2019. While tag issuance has increased in 2022, it is still projected to be 82% of pre-pandemic levels. The P.E.U. tag issuance goal for 2023 is 1.9M, as compared to a pre-pandemic goal of 2.2M tags. This is an increase of approximately 0.1M from 2022 due to anticipated increases in special events and directed enforcement initiatives, however the impacts of COVID-19 are difficult to predict as many people may continue to work from home despite restrictions being lifted, 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.

2023 Budget Considerations:

In preparing the 2023-operating budget for the P.E.U., the continuing trends related to COVID-19 were taken into account.

2023 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 2023 net operating budget request of \$51.3M (\$52.6M gross) includes the funding required to maintain an average deployed strength of 357 P.E.O.s, as well as services and equipment required to effectively support operations.



The following table summarizes the key cost drivers included in the 2023 Operating Budget Request.

	Request \$000s	\$ Increase / (Decrease) over 2022	% Increase / (Decrease) over 2022
2022 Net Budget - \$50,856,100			
(a) Impact of 2023 Salary Settlement	\$739.1	\$739.1	1.5%
(b) Salary Requirements	\$33,524.0	(\$376.5)	-0.7%
(c) Premium Pay	\$1,905.0	\$0.0	0.0%
(d) Statutory Deductions and Employee Benefits	\$8,717.0	\$267.7	0.5%
(e) Reserve Contributions	\$2,718.7	\$0.0	0.0%
(f) Other Expenditures	\$5,035.5	\$37.2	0.1%
2023 Gross Budget Request	\$52,639.3	\$667.5	1.3%
(g) Revenues	(\$1,298.4)	(\$182.7)	-0.4%
2023 Net Budget Request	\$51,340.9	\$484.8	1.0%

Summary of 2023 Budget Request Changes by Category

(a) Impact of 2023 Collective Agreement (\$0.7M)

The 2023 impact of the 2019 to 2023 salary settlement with the Toronto Police Association (T.P.A.) is approximately \$0.7M, or 1.5%, representing the largest component of the unit's overall budget increase.

(b) Salary Requirements (\$33.5M)

To maintain the P.E.O. staffing levels, the P.E.O. staffing budget assumes one class of 45 in January of 2023, and another class of 25 in June 2023. 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 2023 and the number of recruits and the timing of the June 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 2023 is \$1.9M. This budget represents a 0% change from P.E.U.'s total 2022 budget. This premium pay budget is still \$0.6M less than the pre COVID-19 funding levels and recognizes that restrictions have been lifted and will result in greater enforcement activities.

(d) Statutory Payroll Deductions and Employee Benefits (\$8.7M)

This category of expenditure represents an increase of \$0.3M or 0.5% over P.E.U.'s total 2022 budget. Employee benefits are comprised of statutory payroll deductions and requirements as per the collective agreements. Additional funding is required due to an increase in statutory benefit rates; however, this is partially offset by an increased draw from the Central Sick Bank reserve.

(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 reserves. The total 2023 budget for contributions to the reserves is \$2.7M and is unchanged from 2022.

(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 2022 level. Increases have only been included where considered mandatory, and one-time reductions have been taken into account where applicable. The 2023 request includes \$0.1M required to acquire 50 new bicycles, as well as anticipated cost increases to parking tags, uniforms and gasoline that will require additional funding of \$0.3M. These increases are partially offset by reductions to other areas such as computer hardware and software, resulting in an overall increase of 0.01% over P.E.U.'s total 2022 budget.

(g) Revenues (\$1.2M)

Revenue is comprised of draws from reserves and towing/pound administrative recoveries. The overall increase of \$182K is comprised of an increase to the draw from

the Central Sick Bank Reserve to align with historical expenditures, as well as anticipated increases to towing/pound recoveries as COVID-19 impacts are reduced.

2023 and 2024 Outlooks:

City Finance has requested that budget outlooks for 2024 and 2025 be provided for each budget. Based on known pressures and inflationary increases, the current estimate for 2024 is \$53.7M (a \$1.1M or 2.03% increase over 2023) and for 2025 is \$54.3M (a \$0.6M or 1.24% increase over 2023). The majority of the increase in 2024 relates to annual salary increment, inflationary impacts for contractual group benefits, and increases in statutory benefit costs.

The current agreement with the T.P.A. expires on December 31, 2023 and a new collective agreement will have to be negotiated. No funding is included in the 2024 and 2025 Outlooks, and the City will make an estimated provision in its corporate accounts for the purpose of funding the collective agreement impacts until a settlement is reached.

Equity Analysis

The changes in the Parking Enforcement Unit's 2023 Operating Budget will not have any significant equity impacts.

Conclusion:

The P.E.U.'s 2023 net operating budget request is \$51.3M (\$52.6M gross), which is a 0.95% increase over the 2022 approved budget. The 2023 budget request includes the funding required to meet the P.E.U. 2023 collective agreement obligations. It also includes funds for inflationary increases to equipment and supplies and accounts for some impacts associated to the pandemic. 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. Acting Deputy Chief Lauren Pogue, Community Safety Command, and Acting Chief Administrative Officer Svina Dhaliwal, will be in attendance to answer any questions the Board may have regarding this report.

Respectfully submitted,

Myron Demkiw, M.O.M.
Chief of Police

*copy with original signature on file at Board Office