



PUBLIC REPORT

December 5, 2023

To: Chair and Members
Toronto Police Services Board

From: Myron Demkiw
Chief of Police

Subject: **Toronto Police Service Parking Enforcement Unit – 2024
Operating Budget Request**

Purpose: Information Purposes Only Seeking Decision

Recommendation(s):

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

- (1) approve the Toronto Police Service Parking Enforcement Unit's (P.E.U.) 2024 net operating budget request of \$51.3 Million (M), a 0% increase over the 2023 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 P.E.U. 2024 net operating budget request is \$51.3M net (\$52.8M gross), which is a \$0% increase over the 2023 approved operating budget.

Summary:

The purpose of this report is to provide the Board with the P.E.U.'s recommended 2024 operating budget request for its consideration and approval. The report includes information on the level of funding required in 2024 to provide parking enforcement services to the 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 Office of the Controller – Revenue Services – responsible for processing payments, mailing notices, and overseeing the collection of outstanding penalties, including the plate denial process and managing programs for habitual and out-of-province offenders to improve overall collection success rates;
3. City Court Services – Courts and Tribunal Administration – schedules and supports hearings in respect to disputed parking offences including post-conviction disputes related to pre-August 2017 convictions; 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.'s main goal is to help achieve the safe, efficient and orderly flow of traffic. This is accomplished 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.

Maintaining adequate staffing levels is crucial to P.E.U.'s ability to enforce compliance with applicable by-laws (tag issuance) and attend 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 of staffing changes on enforcement activities.

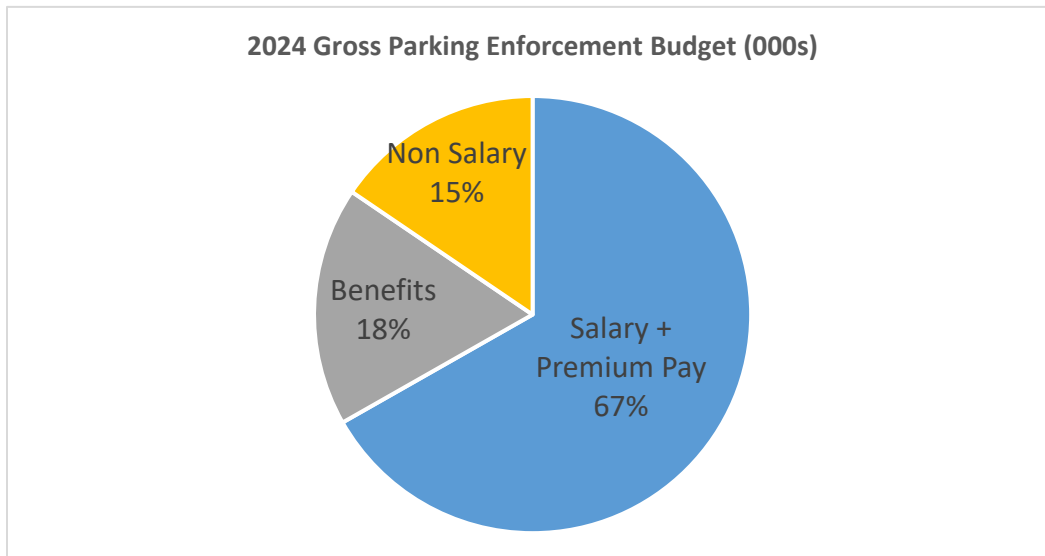
Parking Tag Revenues:

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.

2024 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 2024 net operating budget request of \$51.3M (\$52.8M 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 2024 Operating Budget Request.

Category (\$000s)	2023 Budget	2024 Request	\$ Increase / (Decrease) over 2023	% Increase / (Decrease) over 2023
2023 Net Budget - \$51,340.9				
(a) Impact of 2024 Collective Agreement	\$0.0	\$0.0	\$0.0	0.0%
(b) Salary Requirements	\$34,132.9	\$33,344.4	(\$788.5)	-1.5%
(c) Premium Pay	\$1,941.6	\$1,941.6	\$0.0	0.0%
(d) Statutory Deductions and Employee Benefits	\$8,810.6	\$9,361.8	\$551.2	1.1%
(e) Reserve Contributions	\$2,718.7	\$2,993.1	\$274.4	0.5%
(f) Other Expenditures	\$5,035.5	\$5,198.4	\$162.9	0.3%
2024 Gross Budget Request	\$52,639.3	\$52,839.3	\$200.0	0.4%
(g) Revenues	(\$1,298.4)	(\$1,498.4)	(\$200.0)	-0.4%
2024 Net Budget Request	\$51,340.9	\$51,340.9	\$0.0	0.0%

Summary of 2024 Budget Request Changes by Category

(a) Impact of 2024 Collective Agreement (\$0M)

The current collective agreement with the Toronto Police Association (T.P.A.) and the Senior Officers' Organization (S.O.O.) is set to expire on December 31, 2023, and as a result, there is no agreement yet in place for the 2024 Parking Enforcement members. As the cost of the salary settlement is not known at this time, the impact is not included in the 2024 P.E.U. Operating Budget Request and the City will make an estimated provision in its corporate accounts for this purpose.

(b) Salary Requirements (\$33.3M)

To maintain the P.E.O. staffing levels, the budget assumes one class of 30 in June 2024, with additional classes to be added as needed once the Service finalizes the timing of its Special Constable and Police Constable recruit classes. This hiring strategy is required due to P.E.O.s increasingly filling vacancies in other areas of the Service, with many becoming Special Constables in every recruit class. The hiring strategy will also help mitigate reduced enforcement activities. It is important to note that parking enforcement officer separations will be monitored in 2024 and the number of recruits and the timing of the classes will be adjusted accordingly to ensure optimal staffing levels.

It is projected that there will be 61 P.E.O. separations which will be managed by new recruit classes. The new recruits start at the lowest 'step' of the salary band when joining the Unit and, as a result, the salary requirements are expected to be lower by \$0.8M compared to last year.

(c) Premium Pay (\$1.9M)

The total premium pay budget request for 2024 is \$1.9M or 0% change from 2023 total budget. Nearly all premium pay is utilized for the staffing of enforcement activities

during special events and targeted enforcement initiatives to address specific problems. The opportunity to reassign on-duty staff for special events is minimal, as it would lead to reduced enforcement in the areas from which they are redeployed. All premium pay expenditures are approved by supervisory staff and carefully monitored.

(d) Statutory Payroll Deductions and Employee Benefits (\$9.4M)

This category of expenditure represents an increase of \$0.6M or 1.1% over 2023 total 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, as well as inflationary impacts for contractual group benefits.

(e) Reserve Contributions (\$3.0M):

The P.E.U. makes contributions to 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 reserve fund and Central Sick Bank reserve.

The 2024 contributions to the reserves and reserve funds is \$3.0M which includes a \$0.3M increased contribution to the Vehicle and Equipment reserve. This increase aims to maintain a healthy reserve balance and ensures sufficient funding for necessary replacement of vehicles and equipment.

(f) Other Expenditures (\$5.2M)

Other expenditure categories include the materials, equipment and services required for day-to-day operational needs. Wherever possible, accounts within this category have been maintained at the 2023 level or reduced. Increases have only been included where considered mandatory.

This category reflects an increase of \$0.2M over 2023 total budget. It includes additional funding of \$0.1M to implement Phase 2 of the Vehicle Impound Program (V.I.P.), and an additional \$0.2M for increased leasing costs for the Parking Enforcement West location. These increases are partially offset by reductions to other areas such as bicycle equipment.

(g) Revenues (\$1.5M)

Revenue is comprised of draws from reserves and towing/pound administrative recoveries. The overall increase of \$0.2M or 0.4% is comprised of anticipated increases in towing/pound recoveries, as parking tag enforcement activity has returned to pre-pandemic levels.

2025 and 2026 Outlooks:

Based on known pressures and inflationary increases, the current estimate for 2025 is \$52.5M (a \$1.1M or 2.17% increase over 2024) and for 2026 is \$53.3M (a \$0.8M or

1.57% increase over 2025). The majority of the increase in 2025 relates to inflationary impacts for contractual group benefits, and increases in statutory benefit costs.

The current agreement with the T.P.A. is set to expire on December 31, 2023 and a new collective agreement will have to be negotiated. The 2025 and 2026 Outlooks do not currently allocate funding for this purpose. The City will make an estimated provision in its corporate accounts to fund the impacts of the collective agreement until a settlement is reached.

Equity Analysis

The changes in the P.E.U.'s 2024 Operating Budget will not have known equity impacts as there are no changes anticipated to service delivery.

Conclusion:

The P.E.U.'s 2024 net operating budget request is \$51.3M (\$52.8M gross), which is a 0% increase over the 2023 approved budget. The 2024 budget request includes the funding required for statutory benefits and inflationary increases to equipment and supplies which are fully offset by increased recoveries. 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.

Deputy Chief Lauren Pogue, Community Safety Command, and 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