

2026 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 address 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.

For further information about the Parking Enforcement Unit, please visit: [Parking Enforcement- Toronto Police Service](#)

Program/Agency:**Colin Stairs**

Interim Chief Administrative Officer

Tel: (416) 808-8000

Email: Colin.Stairs@tps.ca**Corporate:****Evan Choy**

Manager, Financial Planning

Tel: (416) 397-1961

Email: Evan.Choy@toronto.ca

What Service We Provide

Who We Serve:

- Vehicle Drivers
- Private Properties
- Municipal Properties

What We Deliver:

The PEU 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; and
- Fostering crime prevention by providing a radio equipped, highly visible, uniformed presence in our communities.

Resources (gross 2026 operating budget): \$66.2 million

Budget at a Glance

2026 OPERATING BUDGET

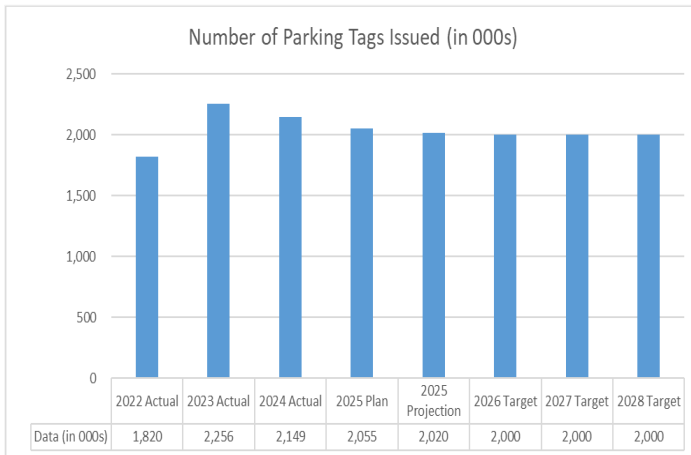
In \$ Millions	2026	2027	2028
Revenues	\$2.3	\$2.3	\$2.3
Gross Expenditures	\$66.2	\$68.5	\$71.0
Net Expenditures	\$63.9	\$66.2	\$68.7
Approved Positions	394.0	394.0	394.0

2026-2035 10-YEAR CAPITAL PLAN

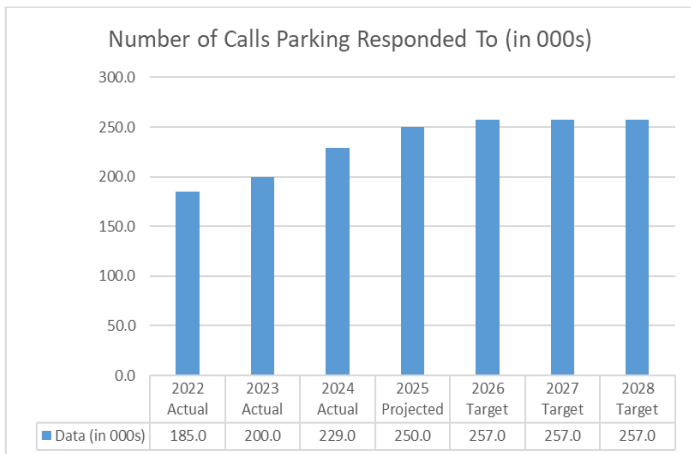
In \$ Millions	2026	2027-2035	Total
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Toronto Police Service Parking Enforcement Unit does not have a Capital Budget and Plan. Any capital requirements are included in Toronto Police Service’s Capital Program.

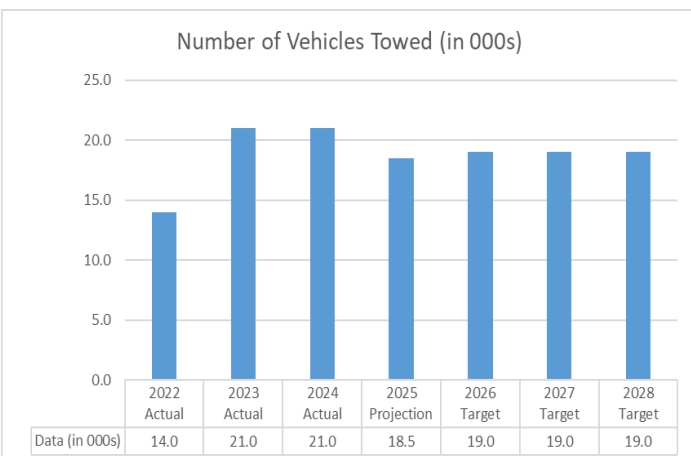
How Well We Are Doing – Behind the Numbers



- The parking tag revenues are budgeted and collected by the City.
- Similar to the 2024 trend, a further decrease in tag issuance is anticipated in 2025, driven by improved compliance due to higher fines for violations.
- This trend is expected to continue in 2026.



- Calls attended by the PEU have increased year over year since the pandemic, with 2025 projected actuals exceeding pre-pandemic levels.
- The trend is expected to continue in 2026 due to increased vehicle traffic.



- The projected number of vehicles towed in 2025 is anticipated to decrease year over year due to increased compliance stemming from higher fines.
- The 2026 target is anticipated to increase slightly due to increased vehicle traffic.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Accelerated Hiring and Training - Hiring, training and onboarding have been accelerated to ensure optimal staffing levels. This is supported by proactive monitoring and a robust recruitment process.
- Improved Compliance - Increased penalty amounts have led to higher compliance, resulting in fewer issued parking tags and vehicle tows.
- Strategic Collaboration - Partnered with Toronto Police Service Traffic Services unit to address congestion management.
- Targeted Enforcement - Enhanced focus on rush hour routes and bike lane enforcement to enforce traffic flow and safety.

Key Challenges and Risks

- Employee Turnover - The PEU is considered a recruitment source for Police Cadets and Special Constable classes leading to ongoing employee turnover.
- Reduced On-Street Parking - Initiatives such as CafeTO, BikeTO, Car-Share permits, and increased bicycle lanes have reduced available on-street parking impacting rush-hour enforcement and parking tag issuance.
- Operational Constraints - The location of towing pounds creates lengthy travel times when enforcing parking regulations in the City's core, limiting the number of cars that can be towed.
- Event Driven Disruptions - Staff redeployment for 2026 FIFA World Cup may challenge regular operations, with uncertainty around the full impact of the event on parking enforcement.
- Rising Service Demand - Increased demand for parking enforcement and for non-enforcement activities including forestry, downtown safety plan and construction-related needs.

Priority Actions

- Enhanced Enforcement - Increased enforcement on rush-hour routes and bicycle lanes to maintain traffic flow and safety.
- Ensuring compliance with the City's parking by-laws is key to maintaining a safe and efficient flow of traffic.
- Review service levels and assess resources and processes to meet customer demand and maintain service standards.
- Maintain sufficient staffing to support community needs, calls for service, and service delivery.
- Modernization Initiatives includes technology-driven solutions to improve effectiveness and efficiency of Parking Enforcement operations, such as:
 - Replacement of the Vehicle Impound Program (VIP) and the use of Automated License Plate Recognition (ALPR) technology and digital chalking for timing related violations.
 - Equipping Parking Enforcement officers with Connected Officer devices (Mobile responder) to enhance the PEU's communication and service delivery.
- Modernization of Municipal Law Enforcement Officer (MLEO) enforcement by targeting larger MLEO companies and moving them to the digital space to enhance operational efficiency.

CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

- The 2026 Operating Budget for the Toronto Police Service Parking Enforcement Unit of \$66.2 million gross, \$2.3 million revenue and \$63.9 million net for the following service:

Service:	Gross Expenditures (\$000s)	Revenues (\$000s)	Net Expenditures (\$000s)
Toronto Police Service Parking Enforcement Unit	66,199.3	2,289.9	63,909.4
Total Program Budget	66,199.3	2,289.9	63,909.4

- The 2026 staff complement for the Toronto Police Service Parking Enforcement Unit comprised of 394.0 operating positions.

2026 OPERATING BUDGET

2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

(In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/Enhanced	2026 Budget	Change vs. 2025 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Parking Tags Enforcement	1,378.4	2,145.3	2,145.3	2,289.9		2,289.9	144.6	6.7%
Total Revenues	1,378.4	2,145.3	2,145.3	2,289.9		2,289.9	144.6	6.7%
Gross Expenditures								
Parking Tags Enforcement	54,364.1	61,524.8	58,265.6	66,199.3		66,199.3	4,674.5	7.6%
Total Gross Expenditures	54,364.1	61,524.8	58,265.6	66,199.3		66,199.3	4,674.5	7.6%
Net Expenditures	52,985.7	59,379.5	56,120.3	63,909.4		63,909.4	4,529.9	7.6%
Approved Positions**	394.0	394.0	N/A	394.0		394.0	0.0	0.0%

*2025 Projection based on 9-Month Variance

**Year-over-year comparison based on approved positions

KEY DRIVERS

Total 2026 Budget expenditures of \$66.2 million gross reflect an increase of \$4.7 million in spending above the 2025 Budget, predominantly arising from:

- Increase in salaries and benefits of \$1.8 million, including step progression and rising benefits costs.
- Increase due to Collective Bargaining Agreement impacts of \$1.5 million.
- Increase in various other expenditures of \$1.4 million, including higher chargebacks from the Toronto Police Service for corporate and IT support, reserve contributions for vehicles and benefits, and equipment and technology upgrades.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in the Parking Enforcement Unit's 2026 Operating Budget do not have any significant equity impacts.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for the Parking Enforcement Unit of \$63.9 million is \$4.5 million or 7.6% greater than the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

Table 2: 2026 Key Cost Drivers

(In \$000s)	2026				2027 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	2,145.3	58,265.6	56,120.3	N/A	N/A
2025 Budget	2,145.3	61,524.8	59,379.5	394.0	N/A
Key Cost Drivers:					
<i>Salaries & Benefits</i>					
Salaries and benefits		1,834.6	1,834.6		593.8
<i>Other Changes</i>					
Chargeback from the Service for indirect costs		942.5	942.5		
Reserve contributions		262.2	262.2		
Other non-salary adjustments		178.9	178.9		330.9
Revenue adjustments	144.6		(144.6)		
Sub-Total - Key Cost Drivers	144.6	3,218.2	3,073.6		924.7
Total 2026 Base Budget	2,289.9	64,743.0	62,453.1	394.0	924.7
2026 Budget without Collective Bargaining Agreement (CBA)	2,289.9	64,743.0	62,453.1	394.0	924.7
Change from 2025 Budget (\$)	144.6	3,218.2	3,073.6		N/A
Change from 2025 Budget (%)	6.7%	5.2%	5.2%		N/A
CBA		1,456.3	1,456.3		1,345.2
2026 Budget	2,289.9	66,199.3	63,909.4	394.0	2,269.9
Change from 2025 Budget (\$)	144.6	4,674.5	4,529.9		N/A
Change from 2025 Budget (%)	6.7%	7.6%	7.6%		N/A

*Based on 9-Month Variance

**Year-over-year comparison based on approved positions

Key Base Drivers:

Salaries and Benefits:

- Salaries and benefits increase of \$1.8 million due to step progression, increases to statutory benefit rates and inflationary impacts for contractual group benefits, and increases in costs charged back to the PEU from the Toronto Police Service for communications operators as a result of a higher volume of dispatched calls for service related to parking violations.

Other Changes:

- Increase in chargebacks to the PEU from the Toronto Police Service of \$0.9 million for its portion of indirect costs to support the unit, including corporate and information technology services for upcoming modernization projects such as VIP and ALPR.
- Increase in reserve contributions of \$0.3 million to the Vehicle and Equipment Reserve to support the necessary replacement of vehicles and equipment, as well as the Central Sick Bank Reserve and Post Retirement Reserve, driven by rising benefit costs.
- Increase in non-salary adjustments of \$0.2 million to address equipment and supplies requirements, including the addition of 100 new Connected Officer devices in 2026 to enhance the Unit's operational capabilities and service delivery.
- Increase in revenue of \$0.1 million from higher towing recoveries and Toronto Transit Commission enforcement, offset by decreasing revenue from the City's Traffic Direction Pilot Program, which will be fully moved to the Toronto Police Service in 2026.

Collective Bargaining Agreement (CBA) Increases:

- CBA increases on salaries and benefits are anticipated to be \$1.5 million.

2027 AND 2028 OUTLOOK**Table 5: 2027 and 2028 Outlook**

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Total Revenues	2,289.9		
Gross Expenditures			
Collective Bargaining Agreement (CBA)		1,345.2	1,537.6
Other Salary and Benefit Adjustments		593.8	611.6
Inflationary Impacts		330.9	341.0
Total Gross Expenditures	66,199.3	2,269.9	2,490.2
Net Expenditures	63,909.4	2,269.9	2,490.2
Approved Positions	394.0	0.0	0.0

Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$68.5 million reflects an anticipated \$2.3 million or 3.4% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$2.5 million or 3.6% above the 2027 Outlook.

These changes arise from the following:

- Collective Bargaining Agreement;
- Increases in statutory benefit costs and inflationary impacts for contractual group benefits; and
- Inflationary increases for equipment, supplies and indirect costs.

APPENDICES

Appendix 1

2026 Operating Budget by Category

Category (In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget	
	\$	\$	\$	\$	\$	%
User Fees and Donations	1,212.6	620.0	620.0	920.0	300.0	48.4%
Contribution From Reserves/Reserve Funds	165.8	1,325.3	1,069.6	1,369.9	44.6	3.4%
Inter-Divisional Recoveries		200.0	455.7		(200.0)	(100.0%)
Total Revenues	1,378.4	2,145.3	2,145.3	2,289.9	144.6	6.7%
Salaries and Benefits	46,725.4	51,875.6	48,452.9	55,166.5	3,290.9	6.3%
Materials and Supplies	1,719.1	2,010.2	2,021.4	2,034.7	24.5	1.2%
Equipment	32.8	53.5	29.3	53.9	0.4	0.7%
Service and Rent	2,893.6	3,409.2	3,585.7	4,505.7	1,096.5	32.2%
Contribution To Capital	2,268.4	3,268.4	3,268.4	3,366.4	98.0	3.0%
Contribution To Reserves/Reserve Funds	724.7	907.9	907.9	1,072.1	164.2	18.1%
Total Gross Expenditures	54,364.1	61,524.8	58,265.6	66,199.3	4,674.5	7.6%
Net Expenditures	52,985.7	59,379.5	56,120.3	63,909.4	4,529.9	7.6%

*Projection based on 9-Month Variance

Appendix 2

Summary of 2026 Service Changes

N/A

Appendix 3

Summary of 2026 New/Enhanced Requests Included in Budget

N/A

Appendix 4a

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 4b

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 5

2026 Capital Budget; 2027-2035 Capital Plan Including Carry Forward

N/A

Appendix 5a

2026 Cash Flow and Future Year Commitments Including Carry Forward

N/A

Appendix 5b

2027-2035 Capital Plan Including Carry Forward

N/A

Appendix 6

Capacity to Deliver Review

N/A

Appendix 7

Summary of Capital Delivery Constraints

N/A

Appendix 8

Inflows and Outflows to/from Reserves and Reserve Funds

2026 Operating Budget

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XR1701 (\$000)	Police Central Sick Pay	Opening Balance	5,283.3	0.0	217.8
		*Contributions (+)			
		Toronto Police Service Parking Enforcement Unit	341.4	341.4	341.4
		Toronto Police Service	1,916.7	7,416.7	7,916.7
		Total Contributions	2,258.1	7,758.1	8,258.1
		*Withdrawals (-)			
		Operating Budget			
		Toronto Police Service Parking Enforcement Unit	(341.4)	(341.4)	(341.4)
		Toronto Police Service	(7,200.0)	(7,200.0)	(7,200.0)
		Total Withdrawals	(7,541.4)	(7,541.4)	(7,541.4)
		Interest Income	0.0	1.1	5.8
Closing Balance	0.0	217.8	940.2		

*While the reserve currently forecasts negative ending balances, it is anticipated that one time funding injection(s) through the year-end process, changing priorities, a revision in expenditures, and/or the actual experience in the agency will adjust the reserve ending balance.

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XQ1701 (\$000)	Vehicle & Equipment Reserve - Police	Opening Balance	8,454.4	150.8	306.2
		*Contributions (+)			
		Toronto Police Service Parking Enforcement Unit	3,366.4	3,366.4	3,366.4
		Toronto Police Service	10,766.0	12,766.0	12,766.0
		Total Contributions	14,132.4	16,132.4	16,132.4
		*Withdrawals (-)			
		Toronto Police Service	(22,436.0)	(15,977.0)	(12,287.0)
		Total Withdrawals	(22,436.0)	(15,977.0)	(12,287.0)
		Interest Income			
		Closing Balance	150.8	306.2	4,151.6

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XR1720 (\$000)	Police Health Care Spending	Opening Balance	3,849.8	0.0	(753.2)
		*Contributions (+)			
		Toronto Police Service Parking Enforcement Unit	186.1	186.1	186.1
		Toronto Police Service	100.0	3,600.0	4,600.0
		Total Contributions	286.1	3,786.1	4,786.1
		*Withdrawals (-)			
		Operating Budget			
		Toronto Police Service Parking Enforcement Unit	(186.1)	(186.1)	(186.1)
		Toronto Police Service	(3,949.8)	(4,353.2)	(4,837.2)
		Total Withdrawals	(4,135.9)	(4,539.3)	(5,023.3)
		Interest Income	0.0	0.0	0.0
Closing Balance	0.0	(753.2)	(990.4)		

*While the reserve currently forecasts negative ending balances, it is anticipated that one time funding injection(s) through the year-end process, changing priorities, a revision in expenditures, and/or the actual experience in the agency will adjust the reserve ending balance.

Appendix 9

Glossary

Approved Position: Permanent or temporary position that support the delivery of City services and service levels in annual budget.

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 Deliver Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency has 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 Service Priorities: 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 provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and/or revenue, which is projected to occur during the implementation of a capital project and/or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

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

Salary and Benefit Adjustments: General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

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

Tax-Supported Budget: Budget funded by property taxes.

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