



## Parking Tags Enforcement and Operations

### 2014 OPERATING BUDGET OVERVIEW

#### What We Do

Parking Tags Enforcement and Operations provides safe and efficient free flow traffic by responding to local neighbourhood parking concerns, 7 days a week, 24 hours a day. Furthermore, the Program collects and processes fines for issued parking infraction tickets.

#### 2014 Budget Highlights

| (In \$000s)        | 2013 Budget | 2014 Budget | Change  |      |
|--------------------|-------------|-------------|---------|------|
|                    |             |             | \$      | %    |
| Gross Expenditures | 59,137.2    | 61,383.2    | 2,246.0 | 3.8% |
| Gross Revenue      | 82,134.1    | 84,380.2    | 2,246.1 | 2.7% |
| Net Expenditures   | (22,996.9)  | (22,997.0)  | (0.1)   |      |

The 2014 Operating Budget of \$61.383 million is \$2.246 million or 3.8% over the 2013 Approved Budget primarily due to increases in salaries and benefits and alignment of services and rents to reflect actual experience. Offsetting these pressures are new revenue streams as a result of changes to Provincial legislation and City by-laws.

#### Contents

|                                     |    |
|-------------------------------------|----|
| I: Overview                         | 1  |
| II: Council Approved Budget         | 4  |
| III: 2014 Service Overview and Plan | 5  |
| IV: 2014 Operating Budget           | 9  |
| V: Issues for Discussion            | 17 |

#### Appendices:

|  |     |
|--|-----|
| 1) 2013 Service Performance                          | 19  |
| 2) Operating Budget by Expense Category              | 21  |
| 3) Summary of 2014 Service Changes                   | N/A |
| 4) Summary of 2014 New & Enhanced Service Changes    | N/A |
| 5) Inflows/Outflows to/from Reserves & Reserve Funds | 23  |
| 6) 2014 User Fee Rate Changes                        | N/A |

### Fast Facts

- Parking Enforcement Officers are hired and trained as a class consisting of between 20 and 30 Officers.
- Approximately 2.800 million tickets are issued every year, of which 300,000 tickets are disputed in court.
- Approximately 25,000 vehicles are towed each year in relation to parking and enforcement violations.

### Trends

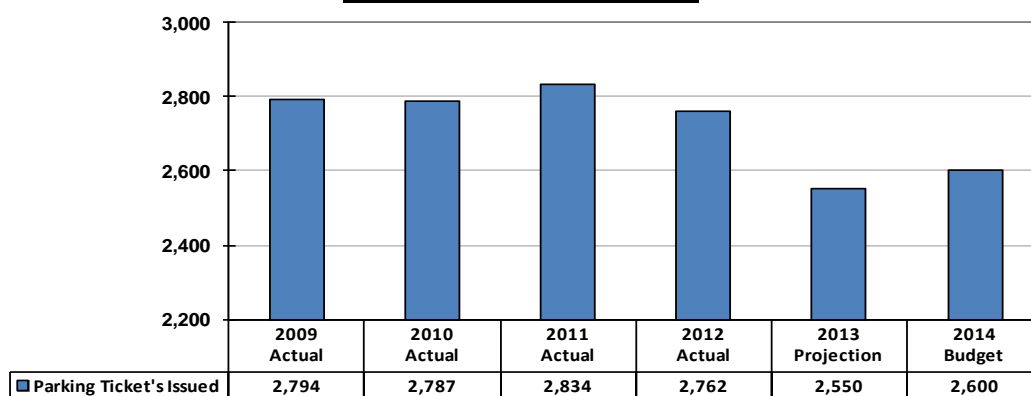
- The number of parking tickets being issued is projected to decrease over the next three years due to new City by-laws.
- Approximately one out of every four tickets issued is cancelled under the new Parking Cancellation Guideline By-law.

### Our Service Deliverables for 2014

Parking Tags Enforcement and Operations is comprised of 4 inter-related services, each of which promotes the safe and efficient free flow of traffic. The 2014 Operating Budget will provide funding to the following services:

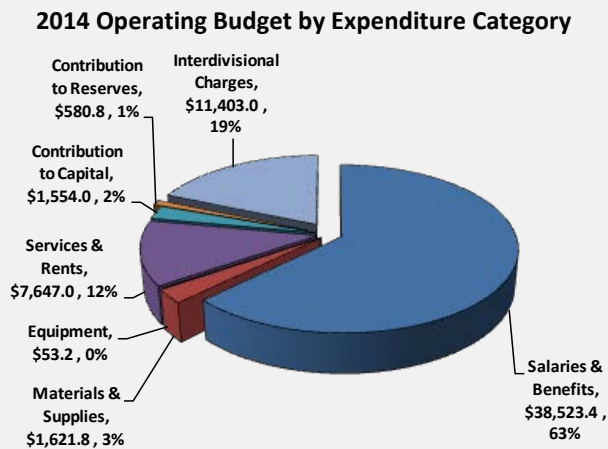
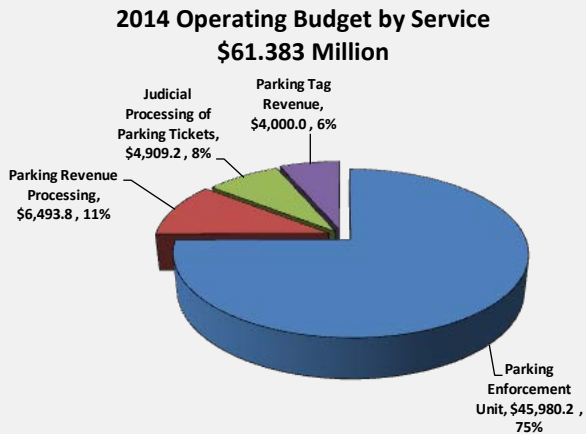
- The Parking Enforcement Unit ensures the safe and orderly flow of traffic and regulates parking by enforcing the Parking By-laws through the issuance of parking tickets to illegally parked vehicles and the training of Municipal Law Enforcement Officers (MLEO's) who are empowered to issue parking tickets on private and municipal properties.
- Revenue Services is responsible for the processing and collection of fines for all parking tickets issued in the City of Toronto. The service level provided meets the regulations established under the Provincial Offences Act.
- Court Services schedules and supports Part II (Parking Ticket) Trials of the Provincial Offences Act. This includes the receipt and file maintenance of all parking infraction trial requests that are delivered to court for adjudication purposes and managing default convictions.
- Parking Ticket Revenues are included in the Non-Program Revenue Budget to track revenues generated by parking tickets issued in order to support parking by-law initiatives and other related City programs.

**Parking Ticket Issuance Trend**



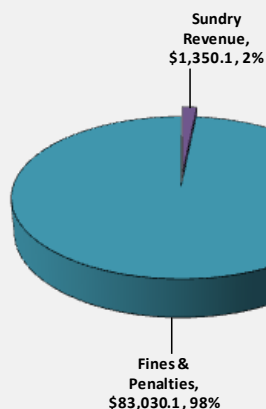
## 2014 Budget Expenditures &amp; Funding

## Where the money goes:



## Where the money comes from:

**2014 Operating Budget Funding Source**  
\$84.380 Million



## Our Key Challenges and Priority Actions

- Responding to changes in Provincial Legislation such as the Provincial Offences Act and City By-laws.
  - Continuous training for Parking Enforcement Officers to keep current on By-law amendments.
- Responding to Parking Ticket Cancellation Guideline originally approved in June 2010.
  - Responding to parking concerns of the community and working in co-operation with City Councillors and Transportation Services.
  - Language interpretation services to support police investigations.
- Maintain free flow of traffic through rush hour route enforcement.
  - Implementation of the Fixed Fine System for parking disputes and Rush Hour Route Fines during peak City travel times.
  - Responding to public emergencies/needs in addition to supporting stolen vehicle recovery, special events, and towing.

## II: COUNCIL APPROVED BUDGET

City Council approved the following recommendations:

1. City Council approve the 2014 Operating Budget for Parking Tags Enforcement and Operations of \$61.383 million gross and (\$22.997 million) net and comprised of the following services:

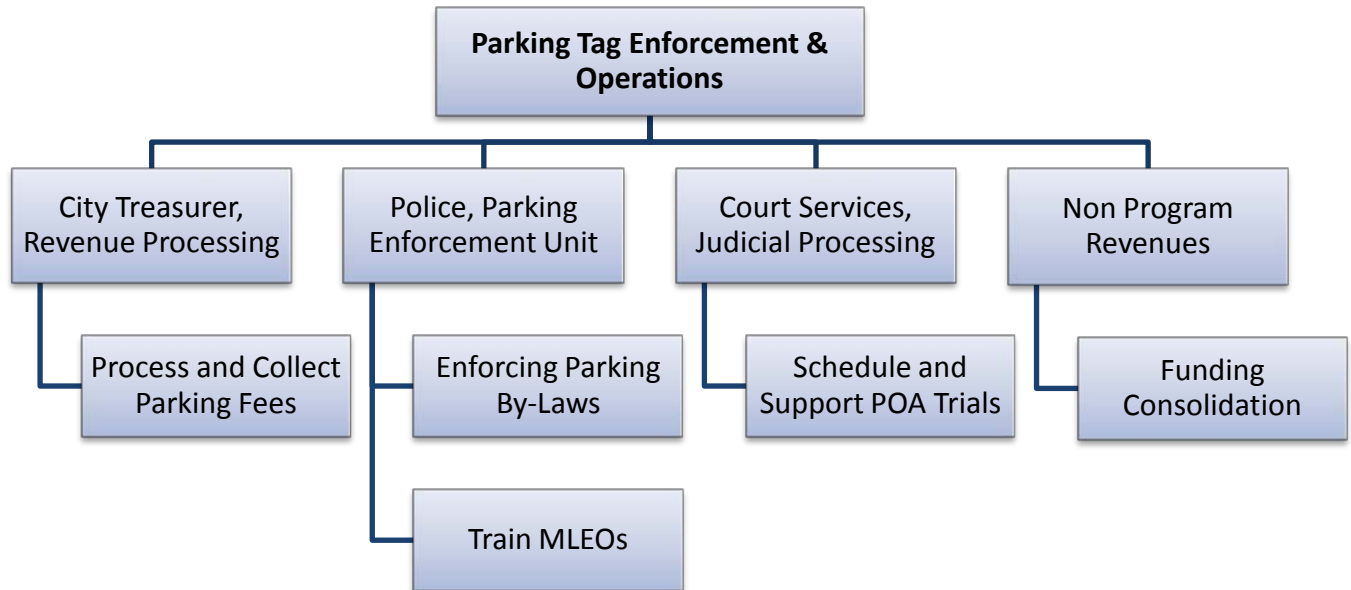
| <u>Service:</u>                        | Gross<br><u>(\$000s)</u> | Net<br><u>(\$000s)</u> |
|--|--------------------------|------------------------|
| Parking Enforcement Unit               | 45.980                   | 44.630                 |
| Parking Revenue Processing             | 6.494                    | 6.494                  |
| Judicial Processing of Parking Tickets | 4.909                    | 4.909                  |
| Parking Tag Revenue                    | 4.000                    | (79.030)               |
| Total Program Budget                   | <u>61.383</u>            | <u>(22.997)</u>        |

2. City Council approve Parking Tags Enforcement and Operations services associated staff complement of 394.0.

### III: 2014 SERVICE OVERVIEW AND PLAN

#### Program Map

Parking Tags Enforcement and Operations strives to provide safe and efficient free flow traffic by responding to local neighbourhood parking concerns, 7 days a week, 24 hours a day:



#### 2014 Service Deliverables

Parking Tags Enforcement & Operations delivers services through four main service areas:

##### *Toronto Police Service, Parking Enforcement Unit*

- The Parking Enforcement Unit ensures the safe and orderly flow of traffic and regulates parking by enforcing the Parking By-laws through the issuance of parking tickets to illegally parked vehicles and the training of Municipal Law Enforcement Officers (MLEO's) who are empowered to write parking tickets on private and municipal properties. The Enforcement program carries out the following activities:
  - Enforce Parking By-laws: Issuance of parking infraction tickets - approximately 2.8 million tickets will be issued in 2013.
  - Parking tag inventory control.
  - Handle complaints against Municipal Law Enforcement Officers.
  - Train Municipal Law Enforcement Officers as required.

##### *Office of the City Treasurer – Revenue Services Division*

- Revenue Services is responsible for the processing and collection of fines for all parking tickets issued in the City of Toronto. The service level provided meets the regulations

established under the Provincial Offences Act. Revenue Services is responsible for the following activities:

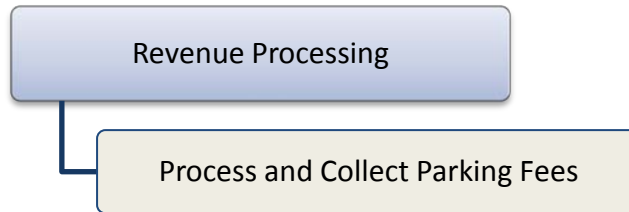
- **Parking Ticket Collection:** Parking tickets are processed within the 75 day period required by the Provincial Offences Act. Processing of parking tickets includes a number of mandated and elaborate steps. This includes the collection of data from the Parking Enforcement Unit on tickets issued each day, retrieval of vehicle ownership information from the Ministry of Transportation for each ticket, timely mailing of required notices for non-payment and compilation of court documents to ensure convictions are registered for non-payment. This Unit also prepares pre-court trial documents for those offenders wishing to dispute their tickets in court. Tickets that cannot be processed within this time period must be dismissed as per legislative requirements.
- **Payment Counter/First Appearance Facilities Operations** operate daily from 8:30 am to 4:30 pm. These First Appearance Facilities are also legislated by the Provincial Offences Act and provide parking ticket appellants a forum for disputing parking tickets, filing trial requests, obtaining judicial documentation and paying parking tickets.

*Court Services – Judicial Processing of Parking Tickets*

- Court Services schedules and supports Part II (Parking Ticket) Trials of the Provincial Offences Act. This includes the receipt and file maintenance of all parking infraction trial requests that are delivered to court for adjudication purposes and managing default convictions, including cases that are appeals, re-openings or extensions of times to pay fines. Court Services provides the following activities:
  - Trials and other hearings are for parking tickets issued in the City of Toronto

*Non-Program Revenues – Parking Ticket Revenues*

- Parking Ticket Revenues are included in the Non-Program Revenue Budget to track revenues generated by parking tickets issued in order to support parking by-law initiatives and other related City programs.

**Service Profile: Revenue Processing****What we do**

- Process parking tickets within the 75 day period required by the Provincial Offences Act. Processing of parking tickets includes a number of mandated and elaborate steps. This includes the collection of data from the Parking Enforcement Unit on tickets issued each day, retrieval of vehicle ownership information from the Ministry of Transportation for each ticket, timely mailing of required notices for non-payment and compilation of court documents to ensure convictions are registered for non-payment. This Unit also prepares pre-court trial documents for those offenders wishing to dispute their tickets in court. Tickets that cannot be processed within this time period must be dismissed as per legislative requirements.
- Operate payment counter and first appearance facilities daily from 8:30 am to 4:30 pm. These First Appearance Facilities are also legislated by the Provincial Offences Act and provide parking ticket appellants a forum for disputing parking tickets, filing trial requests, obtaining judicial documentation and paying parking tickets.

**Service Profile: Parking Enforcement Unit****What we do**

- Enforce Parking By-laws by issuing parking infraction tickets - approximately 2.8 million tickets will be issued in 2013.
- Control parking tag inventory.
- Handle complaints against Municipal Law Enforcement Officers.
- Train Municipal Law Enforcement Officers as required.



**Service Profile: Judicial Processing of Parking Tickets**

```
graph TD; A[Judicial Processing of Parking Tickets] --- B[Schedule and Support POA Trials]
```

Judicial Processing of Parking Tickets

Schedule and Support POA Trials

**What we do**

- Hold trials and other hearings for parking tickets that are issued in the City of Toronto.

**Service Profile: Parking Tag Revenue**

```
graph TD; A[Non Program Revenues] --- B[Funding Consolidation]
```

Non Program Revenues

Funding Consolidation

**What we do**

- Provide consolidation and tracking required for revenues generated by parking tickets issued.



## IV: 2014 Total Operating Budget

### 2014 Operating Budget (In \$000s)

| (In \$000s)                                   | 2013               |                     | 2014 Operating Budget |                      |                | 2014 vs. 2013<br>Budget Approved<br>Changes |       | Incremental Change<br>2015 and 2016 Plan |        |         |        |
|---|--------------------|---------------------|-----------------------|----------------------|----------------|---|-------|--|--------|---------|--------|
|   | Approved<br>Budget | Projected<br>Actual | 2014 Base             | 2014<br>New/Enhanced | 2014<br>Budget |   |       | 2015                                     |        | 2016    |        |
| By Service                                    | \$                 | \$                  | \$                    | \$                   | \$             | \$  | %     | \$                                       | %      | \$      | %      |
| <b>Parking Enforcement Unit</b>               |                    |                     |                       |                      |                |   |       |  |        |         |        |
| Gross Expenditures                            | 44,098.9           | 43,798.9            | 45,980.2              |                      | 45,980.2       | 1,881.3                                     | 4.3%  | 200.4                                    | 0.4%   | 202.0   | 0.4%   |
| Revenue                                       | 695.0              | 695.0               | 1,350.1               |                      | 1,350.1        | 655.1                                       | 94.3% |  |        |         |        |
| Net Expenditures                              | 43,403.9           | 43,103.9            | 44,630.1              |                      | 44,630.1       | 1,226.2                                     | 2.8%  | 200.4                                    | 0.4%   | 202.0   | 0.5%   |
| <b>Parking Revenue Processing</b>             |                    |                     |                       |                      |                |   |       |  |        |         |        |
| Gross Expenditures                            | 6,243.7            | 6,243.7             | 6,370.8               | 123.0                | 6,493.8        | 250.1                                       | 4.0%  | 191.1                                    | 2.9%   | 196.9   | 2.9%   |
| Revenue                                       |                    |                     |                       |                      |                |   |       |  |        |         |        |
| Net Expenditures                              | 6,243.7            | 6,243.7             | 6,370.8               | 123.0                | 6,493.8        | 250.1                                       | 4.0%  | 191.1                                    | 2.9%   | 196.9   | 2.9%   |
| <b>Judicial Processing of Parking Tickets</b> |                    |                     |                       |                      |                |   |       |  |        |         |        |
| Gross Expenditures                            | 4,794.5            | 4,794.5             | 4,909.2               |                      | 4,909.2        | 114.7                                       | 2.4%  |  |        |         |        |
| Revenue                                       |                    |                     |                       |                      |                |   |       |  |        |         |        |
| Net Expenditures                              | 4,794.5            | 4,794.5             | 4,909.2               |                      | 4,909.2        | 114.7                                       | 2.4%  |  |        |         |        |
| <b>Parking Tag Revenue</b>                    |                    |                     |                       |                      |                |   |       |  |        |         |        |
| Gross Expenditures                            | 4,000.0            | 3,893.7             | 4,000.0               |                      | 4,000.0        |   |       |  |        |         |        |
| Revenue                                       | 81,439.1           | 78,439.1            | 83,030.1              |                      | 83,030.1       | 1,591.0                                     | 2.0%  | 360.6                                    | 0.4%   | 362.2   | 0.4%   |
| Net Expenditures                              | (77,439.1)         | (74,545.4)          | (79,030.1)            |                      | (79,030.1)     | (1,591.0)                                   | 2.1%  | (360.6)                                  | 0.5%   | (362.2) | 0.5%   |
| <b>Total</b>                                  |                    |                     |                       |                      |                |   |       |  |        |         |        |
| Gross Expenditures                            | 59,137.1           | 58,730.8            | 61,260.2              | 123.0                | 61,383.2       | 2,246.1                                     | 3.8%  | 391.5                                    | 0.6%   | 398.9   | 0.6%   |
| Revenue                                       | 82,134.1           | 79,134.1            | 84,380.2              |                      | 84,380.2       | 2,246.1                                     | 2.7%  | 360.6                                    | 0.4%   | 362.2   | 0.4%   |
| Total Net Expenditures                        | (22,997.0)         | (20,403.3)          | (23,120.0)            | 123.0                | (22,997.0)     |   |       | 30.9                                     | (0.1%) | 36.7    | (0.2%) |
| Approved Positions                            | 394.0              | 411.0               | 394.0                 |                      | 394.0          |   |       |  |        |         |        |

The 2014 Operating Budget for Parking Tags Enforcement and Operations of \$61.383 million gross and (\$22.997) million net is comprised of the following services:

- The **Parking Enforcement Unit** with a 2014 Total Operating Budget of \$45.980 million gross and \$44.630 million net reflects a net increase of \$1.881 million or 4.3% over the 2013 Approved Parking Enforcement Unit Budget.
  - Increases in parking enforcement expenditures are primarily attributable to progression pay and cost of living adjustments totalling \$0.880 million. Economic factors for materials, supplies and equipment increased by \$0.029 million.
  - A thorough line by line review identified \$0.655 million gross, \$0 net, in the Parking Enforcement Unit service to transfer funds from the Toronto Police Central Sick Pay and Sick Pay Gratuity Reserves for Officers assigned to parking duties. This funding has consisted for the past five years and was not reflected appropriately within the Parking Tags Enforcement and Operations budget.
  - Future year incremental costs are mainly attributable to increases in salaries (\$0.200 million in 2015 and \$0.202 million in 2016).

- The ***Parking Revenue Processing*** service with a 2014 Operating Budget of \$6.494 million gross and \$6.494 million net reflects a net increase of \$0.250 million or 4.0% over the 2013 Approved Parking Revenue Processing Budget.
  - Increases in parking expenditures are solely attributable to progression pay and COLA in salary and benefit costs budgeted through an interdivisional charge.
  - Future year incremental costs are solely attributable to increases in salaries and benefits (\$0.191 million in 2015 and \$0.197 million in 2016).
- The ***Judicial Processing of Parking Tickets*** service with a 2014 Operating Budget of \$4.909 million gross and \$4.909 net reflects a net increase of \$0.115 million or 2.4% over the 2013 Approved Judicial Processing Budget.
  - Increases in the judicial processing of parking tickets are solely attributable to progression pay and cost of living adjustments in salary and benefit costs.
  - No future year incremental costs have been projected for this service as Court Services expects to absorb any inflationary costs within their budget.
- The ***Parking Tag Revenue*** service with a 2014 Operating Budget of \$4.000 million gross and (\$79.030) net reflects a net decrease of \$1.591 million or 2.1% below the 2013 Approved Parking Tag Revenue Budget.
  - No future year gross expenditure increases are expected for the two years. Revenue increases of \$0.355 are projected in 2015 and \$0.357 in 2016.

Approval of the 2014 Budget will result in the maintenance of 394.0 full time equivalent positions in the Program's approved staff complement as highlighted below:

**2014 Total Staff Complement**

| Changes   | 2014<br>Budget | 2015<br>Plan | 2016<br>Plan |
|---|----------------|--------------|--------------|
| <b>Opening Complement</b>                         | 394.0          | 394.0        | 394.0        |
| In-year Adjustments                               |                |              |              |
| <b>Adjusted Staff Complement</b>                  | <b>394.0</b>   | <b>394.0</b> | <b>394.0</b> |
| <b>Change in Staff Complement</b>                 |                |              |              |
| - Temporary Complement - capital project delivery |                |              |              |
| - Operating impacts of completed capital projects |                |              |              |
| - Service Change Adjustments                      |                |              |              |
| - New / Enhanced                                  |                |              |              |
| <b>Total</b>                                      | <b>394.0</b>   | <b>394.0</b> | <b>394.0</b> |
| <b>% Change over prior year</b>                   |                |              |              |

**2014 Base Budget  
(In \$000s)**

| (In \$000s)                                   | 2013<br>Budget    | 2014<br>Base      | Change<br>2014 Base vs.<br>2013 Budget |             | Incremental Change |               |                |               |
|---|-------------------|-------------------|--|-------------|--------------------|---------------|----------------|---------------|
|   |                   |                   |  |             | 2015 Plan          |               | 2016 Plan      |               |
| By Service                                    | \$                | \$                | \$                                     | %           | \$                 | %             | \$             | %             |
| <b>Parking Enforcement Unit</b>               |                   |                   |  |             |                    |               |                |               |
| Gross Expenditures                            | 44,098.9          | 45,980.2          | 1,881.3                                | 4.3%        | 200.4              | 0.4%          | 202.0          | 0.4%          |
| Revenue                                       | 695.0             | 1,350.1           | 655.1                                  | 94.3%       |                    |               |                |               |
| <b>Net Expenditures</b>                       | <b>43,403.9</b>   | <b>44,630.1</b>   | <b>1,226.2</b>                         | <b>2.8%</b> | <b>200.4</b>       | <b>0.4%</b>   | <b>202.0</b>   | <b>0.5%</b>   |
| <b>Parking Revenue Processing</b>             |                   |                   |  |             |                    |               |                |               |
| Gross Expenditures                            | 6,243.7           | 6,370.8           | 127.1                                  | 2.0%        | 191.1              | 3.0%          | 196.9          | 3.0%          |
| Revenue                                       |                   |                   |  |             |                    |               |                |               |
| <b>Net Expenditures</b>                       | <b>6,243.7</b>    | <b>6,370.8</b>    | <b>127.1</b>                           | <b>2.0%</b> | <b>191.1</b>       | <b>3.0%</b>   | <b>196.9</b>   | <b>3.0%</b>   |
| <b>Judicial Processing of Parking Tickets</b> |                   |                   |  |             |                    |               |                |               |
| Gross Expenditures                            | 4,794.5           | 4,909.2           | 114.7                                  | 2.4%        |                    |               |                |               |
| Revenue                                       |                   |                   |  |             |                    |               |                |               |
| <b>Net Expenditures</b>                       | <b>4,794.5</b>    | <b>4,909.2</b>    | <b>114.7</b>                           | <b>2.4%</b> |                    |               |                |               |
| <b>Parking Tag Revenue</b>                    |                   |                   |  |             |                    |               |                |               |
| Gross Expenditures                            | 4,000.0           | 4,000.0           |  |             |                    |               |                |               |
| Revenue                                       | 81,439.1          | 83,030.1          | 1,591.0                                | 2.0%        | 360.6              | 0.4%          | 362.2          | 0.4%          |
| <b>Net Expenditures</b>                       | <b>(77,439.1)</b> | <b>(79,030.1)</b> | <b>(1,591.0)</b>                       | <b>2.1%</b> | <b>(360.6)</b>     | <b>0.5%</b>   | <b>(362.2)</b> | <b>0.5%</b>   |
| <b>Total</b>                                  |                   |                   |  |             |                    |               |                |               |
| Gross Expenditures                            | 59,137.1          | 61,260.2          | 2,123.1                                | 3.6%        | 391.5              | 0.6%          | 398.9          | 0.6%          |
| Revenue                                       | 82,134.1          | 84,380.2          | 2,246.1                                | 2.7%        | 360.6              | 0.4%          | 362.2          | 0.4%          |
| <b>Net Expenditures</b>                       | <b>(22,997.0)</b> | <b>(23,120.0)</b> | <b>(123.0)</b>                         | <b>0.5%</b> | <b>30.9</b>        | <b>(0.1%)</b> | <b>36.7</b>    | <b>(0.2%)</b> |
| <b>Approved Positions</b>                     | <b>394.0</b>      | <b>394.0</b>      |  |             |                    |               |                |               |

The 2014 Base Budget of \$61.260 million gross and (\$23.120 million) net is \$0.123 million or 0.5% under the 2013 Approved Budget of (\$22.997) million net and provides \$2.123 million in funding for base budget increases which have been offset by \$2.246 million in service revenue increases.

Key cost drivers resulting in base budget pressures of \$1.468 million are detailed in the table below:

**Key Cost Drivers  
(In \$000s)**

| (In \$000s)  | 2014<br>Base Budget |
|--|---------------------|
| <b>Gross Expenditure Changes</b>   |                     |
| <b>Economic Factors</b>  |                     |
| Materials, Supplies and Equipment (i.e. handheld devices) inflationary costs       | 28.6                |
| Services and Rents Inflationary Increases (rent, indirect costs, etc.)             | 221.2               |
| Reduction in Revenue and reduced contribution to Reserves (Toronto Police Service) | 95.9                |
| <b>COLA and Progression Pay</b>  |                     |
| Toronto Police Service Progression Pay, COLA and Fringe Benefit Increases          | 880.4               |
| Court and Revenue Services' Progression Pay, COLA and Fringe Benefit Increases     | 241.8               |
| <b>Total Changes</b>   | <b>1,467.9</b>      |
| <b>Net Expenditures</b>  | <b>1,467.9</b>      |

Service changes consisting of \$1.591 million net are detailed in the table below:

**2014 Service Change Summary by Program**  
(In \$000s)

| Description (\$000s)  | 2014 Service Changes |            |             |                           | Net Incremental Impact |      |             |      |
|---|----------------------|------------|-------------|---------------------------|------------------------|------|-------------|------|
|   | Position Change      | Gross Exp. | Net Expense | % Change over 2013 Budget | 2015                   |      | 2016        |      |
|   |                      |            |             |                           | Net Expense            | Pos. | Net Expense | Pos. |
|   | #                    | \$         | \$          | %                         | \$                     | #    | \$          | #    |
| <b>Base Revenue Changes</b>   |                      |            |             |                           |                        |      |             |      |
| <i>Parking Tag Issuance, By-Law Amendments and Provincial Legislation</i> |                      |            | (1,591.0)   | 1.9%                      |                        |      |             |      |
| <b>Base Revenue Change</b>  |                      |            | (1,591.0)   | 1.9%                      |                        |      |             |      |
| <b>Total Changes</b>  |                      |            | (1,591.0)   | 6.9%                      |                        |      |             |      |

The 2014 service changes consist of base expenditure and base revenue changes of (\$1.591 million) net; bring the 2014 Base Budget to (\$0.123 million) or 0.5% under the 2013 Approved Budget of (\$22.997).

There is no net incremental impact on the 2015 and 2016 Operating Budgets. The 2014 service changes are discussed below:

**Base Revenue Changes: (\$0 million gross, (1.591 million) net)**

*Projected Changes to Revenue Associated with Parking Ticket Issuance, By-Law Amendments and Provincial Legislation*

- Following a review of parking ticket revenue projections, and following further consultation with the Toronto Police Service Parking Enforcement Unit, the 2014 budget estimate for parking ticket revenues has increased by \$1.591 million. The increase primarily relates to an increase in fines for rush-hour periods and the implementation of the Habitual Offender Program.
- At its meeting on February 6 and 7, 2012, City Council approved an increase of \$90.00 to No Standing, No Stopping and No Parking fines issued during rush-hour periods. The fines move from the current \$60.00 to \$150.00 and have recently obtained approval of the Set Fine Order by the Senior Regional Justice.
- The Habitual Offender Program, proposed to be implemented in 2014, is an initiative to assist with parking ticket collection. It is premised on a model whereby towing of vehicles occurs in cases where the owner has three (3) or more outstanding tickets, and those tickets remain unpaid for at least 120 days following the latest due date.
- The Fixed Fine System has established a set fine amount which applies when a parking ticket recipient requests a trial, and the trial results in a conviction. Individuals are now unable to receive any incentive to file a trial request on basis of seeking a reduced fine which is projected to reduce trial requests.

## 2014 New / Enhanced Service Priority Actions

(In \$000s)

| Description                  | July 6, 1905       |                  |               | Net Incremental Impact |             |                  |             |
|------------------------------|--------------------|------------------|---------------|------------------------|-------------|------------------|-------------|
|                              | Gross Expenditures | Net Expenditures | New Positions | 2015 Plan              |             | 2016 Plan        |             |
|                              |                    |                  |               | Net Expenditures       | # Positions | Net Expenditures | # Positions |
| Enhanced Services Priorities |                    |                  |               |                        |             |                  |             |
| I&T Support for Parking      | 123.0              | 123.0            |               |                        |             |                  |             |
| <b>Sub-Total</b>             | <b>123.0</b>       | <b>123.0</b>     |               |                        |             |                  |             |
| <b>Total</b>                 | <b>123.0</b>       | <b>123.0</b>     |               |                        |             |                  |             |

## Enhanced Service Priorities

*I&T Support for Parking*

- The Program requires the addition of one permanent full time position within Corporate I&T to provide ongoing IT support for Court Services and Revenue Services systems essential in tracking and managing parking tickets and court scheduling (PTMS, Parking Ticket Management System). This will result in an increase of \$0.123 million gross and \$0.123 million net to the Parking Tags Enforcement and Operations Operating Budget.

**2015 and 2016 Plan  
(In \$000s)**

| Description (\$000s)                                      | 2015 - Incremental Increase |              |                |             |             | 2016 - Incremental Increase |              |                |             |             |
|---|-----------------------------|--------------|----------------|-------------|-------------|-----------------------------|--------------|----------------|-------------|-------------|
|   | Gross Expense               | Revenue      | Net Expense    | % Change    | # Positions | Gross Expense               | Revenue      | Net Expense    | % Change    | # Positions |
| <b>Known Impacts:</b>                                     |                             |              |                |             |             |                             |              |                |             |             |
| Progression Pay, Step Increases, COLA and Fringe Benefits | 50.0                        |              | 50.0           | 0.1%        |             | 50.0                        |              | 50.0           | 0.1%        |             |
| Materials including fuel and handheld costs               | 33.0                        |              | 33.0           | 0.1%        |             | 34.0                        |              | 34.0           | 0.1%        |             |
| Facility Rent and Contracted Services                     | 86.3                        |              | 86.3           | 0.1%        |             | 86.3                        |              | 86.3           | 0.1%        |             |
| Contributions to Capital and Reserve Funds                | 31.1                        |              | 31.1           | 0.1%        |             | 31.7                        |              | 31.7           | 0.1%        |             |
| Increases in Interdivisional Charges                      | 191.1                       |              | 191.1          | 0.3%        |             | 196.9                       |              | 196.9          | 0.3%        |             |
| <b>Sub-Total</b>  | <b>391.5</b>                |              | <b>391.5</b>   | <b>0.6%</b> |             | <b>398.9</b>                |              | <b>398.9</b>   | <b>0.6%</b> |             |
| <b>Anticipated Impacts:</b>                               |                             |              |                |             |             |                             |              |                |             |             |
| Parking Tag Revenue                                       |                             | 360.6        | (360.6)        | 0.4%        |             |                             | 362.2        | (362.2)        | 0.4%        |             |
| <b>Sub-Total</b>  |                             | <b>360.6</b> | <b>(360.6)</b> | <b>0.4%</b> |             |                             | <b>362.2</b> | <b>(362.2)</b> | <b>0.4%</b> |             |
| <b>Total Incremental Impact</b>                           | <b>391.5</b>                | <b>360.6</b> | <b>30.9</b>    | <b>0.1%</b> |             | <b>398.9</b>                | <b>362.2</b> | <b>36.7</b>    | <b>0.2%</b> |             |

Approval of the 2014 Budget for Parking Tags Enforcement and Operations will result incremental costs of \$0.031 million in 2015 and \$0.037 in 2016 to maintain the 2014 level of service.

Future year incremental costs are primarily attributable to the following:

**Known Impacts**

- For 2015, the incremental expenditures are project to be \$1.473 million. This includes:
  - Step, progression pay and cost of living increases for Revenue Services (\$0.191 million).
  - Salary increases for the Parking Enforcement Unit (0.050 million).
  - An inflationary increase for fuel, handheld device costs and computer hardware (\$0.033 million).
  - An inflationary expenditure increase for Facility Rent and Contracted Services (\$0.086 million).
  - Additional contributions to Capital and Reserve Funds (\$0.031 million).
- For 2016, the incremental expenditures are projected to be \$1.514 million. This includes:
  - Step and progression pay for Revenue Services (\$0.197 million).
  - Salary increases for the Parking Enforcement Unit (\$0.050 million).
  - An inflationary increase for fuel, handheld device costs and computer hardware (\$0.034 million).
  - An inflationary expenditure increase for Facility Rent and Contracted Services (\$0.086 million).
  - Additional contributions to Capital and Reserve Funds (\$0.032 million).



**Anticipated Impacts**

- For 2015, the incremental revenue increases are projected to be \$0.361 million based on the continuation of the Habitual Offender Program, Fixed Fine System and the increase to Rush Hour Route fines.
- For 2016, the incremental expenditures are projected to be \$0.362 million.

## V: ISSUES FOR DISCUSSION

### 2014 Issues

The Parking Tags Enforcement and Operations Program's strategic priorities include ensuring the free flow of traffic and creating more amiable conditions for business owners and their customers pertaining to parking on City streets and parking lots. Key issues facing the Parking Tags Enforcement and Operations Budget include:

#### *Implementation of a Fixed Fine System for Parking Tickets*

- On September 21 and 22, 2011, City Council adopted a report entitled: "Implementation of a Fixed Fine System for Parking Tickets." This established a fixed fine amount equal to the presently established set fine amount which applies when a parking ticket recipient requests a trial, and the trial results in a conviction. It is expected that this change will result in lower court requests and reduce the current backlog of trials. The Senior Regional Justice of the Ontario Court of Justice is expected to approve the established by-law by yearend. The fixed fine system will take effect during the first quarter of 2014.

#### *Relieving Rush Hour Congestion Due to Unlawful Stopping, Standing and Parking*

- On February 6 and 7, 2012 Council adopted a report entitled: "Relieving Rush Hour Congestion Due to Unlawful Stopping, Standing and Parking" that amended City by-laws to create new offences prohibiting stopping, standing, or parking a vehicle during all or any portion of the rush hour periods. A set fine amount of \$150.00 for such offences has been established. It is currently unknown how parking ticket revenue will be affected, as it is difficult to predict the degree the increased fine amounts will act as a deterrent, and how the volume of tickets issued for such offences may change. The Senior Regional Justice of the Ontario Court of Justice is expected to approve the established by-law by yearend. The set fine amount will take effect in the first quarter of 2014.

#### *Review of Parking Ticket Cancellation Guidelines*

- A report entitled: "Review of Parking Ticket Cancellation Guidelines" recommending changes to the grace period for time-limited parking offences was adopted by City Council on July 11, 12 and 13<sup>th</sup>, 2012 and implemented in August 2012. This report recommended changes to the parking ticket cancellation guidelines used by Revenue Services staff in assessing whether a parking ticket may be cancelled. Council approved that the current 5-minute grace period for time-limited parking ticket offences (e.g., pay-and display tickets) be changed to 10 minutes, to take effect July 2010. It is projected that approximately 0.706 million parking tickets will be cancelled in 2013 with this trend continuing through 2014.

**Future Year Issues***Courier/Delivery Vehicle Parking Permit – Approval and Program Implementation*

- On January 4, 2012, the Public Works and Infrastructure Committee considered a report entitled: "Courier/Delivery Vehicle Parking Permit – Approval and Program Implementation" which addressed the significant number of parking tickets issued to courier and delivery vehicles, and proposed a strategy for a permitting system for such vehicles. The Committee referred the item to Transportation Services and will be considered in conjunction with three different studies: downtown traffic, rush hour route and curb space demand. The completion of the study is expected in the third quarter of 2014.

The Parking Tags Enforcement and Operations Program responds to local neighbourhood parking concerns, 7 days a week, 24 hours a day, and promotes the safe and efficient free flow of traffic. It will require a minimum of one year to determine the relative impacts of the Fixed Fine System, Rush Hour Route Set Fines, and Parking Ticket Cancellations as these are new initiatives. The Program will monitor the initiatives on an ongoing basis to determine their impacts.

## Appendix 1

### 2013 Service Accomplishments

#### 2013 Key Accomplishments

In 2013, Parking Tags Enforcement and Operations achieved the following results:

- ✓ Implementation of all Ombudsman Recommendations from the Ombudsman's review of Parking Ticket Operations:
  - Completion of changes to the parking tickets, enhancements to web and fax service, changes to the Cancellation Guidelines including grace period changes and implementation of greater transparency for ticket disputes including installation of monitors in each of the First Appearance Facilities to scroll parking ticket dispute information and making available hard copies of the Cancellation Guidelines to customers.
- ✓ Development of a Habitual Offender Program, scheduled for implementation in early 2014 for parking ticket offenders who have 3 or more parking tickets outstanding. This program will authorize the Toronto Police - Parking Enforcement Unit to tow vehicles identified as a Habitual Offender.
- ✓ Participation in the launch of the "Pay by Cell" Project with the Toronto Parking Authority. This Project will allow drivers to pay parking meters with cell phones or smart phones and is expected to launch in early 2014.
- ✓ Requests for procurement and hiring of a new print vendor for all parking ticket notices and forms.
- ✓ Issuance of 2,550,000 parking tickets is expected by Parking Enforcement Officers (PEO), Municipal Law Enforcement Officers (MLEO) and Police Constables (PC) in 2013.
- ✓ Processing of 2,550,000 parking tickets, 350,000 trial requests, over 100,000 investigations completed related to parking ticket disputes.
- ✓ Handled 144,000 calls from citizens requesting parking enforcement services in the community.
- ✓ Located a total of 540 stolen vehicles from January 1 to October 31, 2013.
- ✓ Towed 19,558 vehicles from January 1 to October 31, 2013.

## 2013 Financial Performance

**2013 Budget Variance Analysis**  
(In \$000s)

|                    | 2011<br>Actuals | 2012<br>Actuals | 2013<br>Budget | 2013<br>Projected<br>Actuals* | 2013 Approved Budget vs.<br>Projected Actual Variance |        |
|--------------------|-----------------|-----------------|----------------|-------------------------------|---|--------|
| (\$000s)           | \$              | \$              | \$             | \$                            | \$  | %      |
| Gross Expenditures | 55,990.1        | 53,800.9        | 59,137.2       | 58,731.0                      | (406.2)   | (0.7)  |
| Revenues           | 84,180.0        | 94,641.2        | 82,134.1       | 79,134.1                      | (3,000.0)   | (3.7)  |
| Net Expenditures   | (28,189.9)      | (40,840.3)      | (22,996.9)     | (20,403.1)                    | 2,593.8   | (11.3) |
| Approved Positions | 395.0           | 394.0           | 394.0          | 411.0                         | 17.0  | 4.3    |

\* Based on the 3rd Quarter Operating Budget Variance Report

## 2013 Experience

- The projected year-end variance for Parking Tags Enforcement and Operations as of the third quarter is unfavourable by \$2.594 million or 11.3% of the 2013 Approved Operating Budget of (\$22.997) million.
- The variance is primarily due to 200,000 or 7.1% fewer parking tickets being issued than planned as a result of the implementation of City By-law parking ticket cancellation guidelines and additional Parking Enforcement Officer training held to maintain the staffing complement.

## Impact of 2013 Operating Variance on the 2014 Budget

- Being on budget at year-end is dependent on maintaining parking ticket issuance and collection rates as projected for the year. Both of these revenue determinants in 2013 are dependent on the new Parking Ticket Cancellation Guidelines and the extension of the grace period to ten minutes. Cancellation numbers for 2013 are anticipated to be higher and it is projected that up to 706,000 tickets will be cancelled this year, with this trend continuing through 2014. The projected revenue was adjusted accordingly taking into account the cancellation guidelines in addition to the Habitual Offender Program, Rush-Hour-Route Fines and Fixed Fine System.

## Appendix 2

### 2014 Total Operating Budget by Expenditure Category

#### Program Summary by Expenditure Category (In \$000s)

| Category of Expense                | 2011              | 2012              | 2013              | 2013              | 2014              | 2014 Change from |             | 2015              | 2016              |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------|-------------------|-------------------|
|                                    | Actual            | Actual            | Budget            | Projected         | Budget            | 2013 Approved    |             | Plan              | Plan              |
|                                    | \$                | \$                | \$                | \$                | \$                | \$               | %           | \$                | \$                |
| Salaries and Benefits              | 34,997.4          | 36,101.6          | 37,643.0          | 37,343.0          | 38,523.4          | 880.4            | 2.3%        | 38,573.4          | 38,623.4          |
| Materials and Supplies             | 1,259.7           | 1,256.8           | 1,586.2           | 1,586.2           | 1,621.8           | 35.6             | 2.2%        | 1,653.8           | 1,686.8           |
| Equipment                          | 79.5              | 11.1              | 60.2              | 60.2              | 53.2              | (7.0)            | (11.6%)     | 54.2              | 55.2              |
| Services & Rents                   | 7,165.6           | 3,326.9           | 6,505.8           | 6,399.5           | 7,647.0           | 1,141.2          | 17.5%       | 7,733.3           | 7,819.6           |
| Contributions to Capital           | 1,554.0           | 1,554.0           | 1,554.0           | 1,554.0           | 1,554.0           |                  | 0.0%        | 1,585.1           | 1,616.8           |
| Contributions to Reserve/Res Funds | 169.0             | 749.8             | 749.8             | 749.8             | 580.8             | (169.0)          | (22.5%)     | 580.8             | 580.8             |
| Other Expenditures                 |                   |                   |                   |                   |                   |                  |             |                   |                   |
| Interdivisional Charges            | 10,764.9          | 10,800.7          | 11,038.2          | 11,038.3          | 11,403.0          | 364.8            | 3.3%        | 11,594.1          | 11,791.0          |
| <b>Total Gross Expenditures</b>    | <b>55,990.1</b>   | <b>53,800.9</b>   | <b>59,137.2</b>   | <b>58,731.0</b>   | <b>61,383.2</b>   | <b>2,246.0</b>   | <b>3.8%</b> | <b>61,774.7</b>   | <b>62,173.6</b>   |
| Interdivisional Recoveries         |                   |                   |                   |                   |                   |                  |             |                   |                   |
| Provincial Subsidies               |                   |                   |                   |                   |                   |                  |             |                   |                   |
| Federal Subsidies                  |                   |                   |                   |                   |                   |                  |             |                   |                   |
| Other Subsidies                    |                   |                   |                   |                   |                   |                  |             |                   |                   |
| User Fees & Donations              |                   |                   |                   |                   |                   |                  |             |                   |                   |
| Transfers from Capital Fund        |                   |                   |                   |                   |                   |                  |             |                   |                   |
| Contribution from Reserve Funds    |                   |                   |                   |                   |                   |                  |             |                   |                   |
| Contribution from Reserve          |                   |                   |                   |                   |                   |                  |             |                   |                   |
| Sundry Revenues                    | 84,180.0          | 94,641.2          | 82,134.1          | 79,134.1          | 84,380.2          | 2,246.1          | 2.7%        | 84,740.8          | 85,103.0          |
| Required Adjustments               |                   |                   |                   |                   |                   |                  |             |                   |                   |
| <b>Total Revenues</b>              | <b>84,180.0</b>   | <b>94,641.2</b>   | <b>82,134.1</b>   | <b>79,134.1</b>   | <b>84,380.2</b>   | <b>2,246.1</b>   | <b>2.7%</b> | <b>84,740.8</b>   | <b>85,103.0</b>   |
| <b>Total Net Expenditures</b>      | <b>(28,189.9)</b> | <b>(40,840.3)</b> | <b>(22,996.9)</b> | <b>(20,403.1)</b> | <b>(22,997.0)</b> |                  |             | <b>(22,966.1)</b> | <b>(22,929.4)</b> |
| <b>Approved Positions</b>          | <b>395.0</b>      | <b>394.0</b>      | <b>394.0</b>      | <b>411.0</b>      | <b>394.0</b>      |                  |             | <b>394.0</b>      | <b>394.0</b>      |

### 2014 Key Cost Drivers

- Salaries and Benefits is the largest expenditure category and accounts for 62.8% of the total expenditures, followed by Interdivisional Charges at 18.6% and Services and Rents at 12.5%.

#### Salaries and Benefits

- The 2014 Operating Budget for Salaries and Benefits of \$38.523 million is \$0.880 million or 2.3% higher than the 2013 Approved Operating Budget.
  - This increase is attributable to progression pay, cost of living adjustments, step increases and maintaining fringe benefits rate.

#### Materials and Supplies

- The 2014 Operating Budget for Materials and Supplies of \$1.622 million is \$0.036 million or 2.2% higher than the 2013 Approved Operating Budget.
  - This increase is attributable to the replacement of some handheld devices and economic factors.

**Services and Rents**

- The 2014 Operating Budget for Services and Rents of \$7.647 million is \$1.141 million or 17.5% higher than the 2013 Approved Operating Budget.
  - This increase is attributable to the alignment of expenditures to past experience as detailed on page 10.

**Interdivisional Charges**

- The 2014 Operating Budget for interdivisional charges of \$11.403 million is \$0.365 million or 3.3% higher than the 2013 Approved Operating Budget.
  - This is attributable to inflationary costs associated with the processing and collection of fines (\$0.127 million), the judicial processing of parking tickets (\$0.115 million) and the new I&T support for parking ticket and court systems (\$0.123).

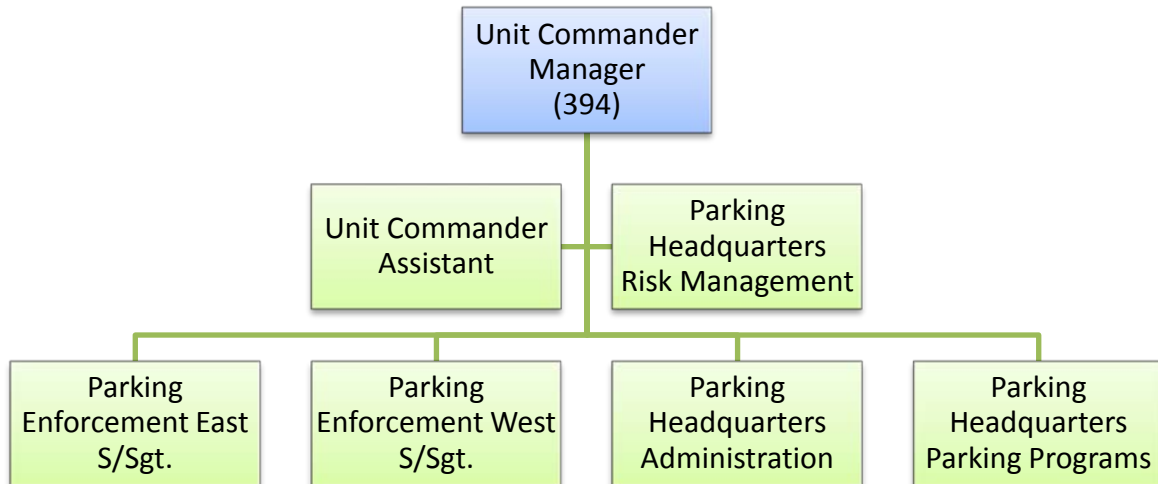
**Sundry Revenue**

- The 2014 Operating Budget for sundry revenue of \$84.380 million is \$2.246 million or 2.7% higher than the 2013 Approved Operating Budget.
  - In 2014, the implementation of fines for rush-hour periods and the proposed implementation of the Habitual Offender Program have projected increases of fine revenue by \$1.326 million.
  - An additional increase of \$0.655 million is attributed to the alignment of revenues to past experience as detailed on page 14.



## Appendix 2 - Continued

### 2014 Organization Chart



### 2013 Full and Part Time Staff

| Category  | Senior Management | Management | Exempt Professional & Clerical | Union | Total |
|-----------|-------------------|------------|--------------------------------|-------|-------|
| Full-Time |                   |            | 1.0                            | 393.0 | 394.0 |
| Part-Time |                   |            |                                |       |       |
| Total     |                   |            |                                | 393.0 | 394.0 |

## Appendix 5

### Inflows/Outflows to/from Reserves & Reserve Funds

#### Program Specific Reserve / Reserve Funds (In \$000s)

| Reserve / Reserve Fund Name (In \$000s)                           | Reserve / Reserve Fund Number | Projected Balance as of Dec. 31, 2013<br>\$ | Proposed Withdrawals (-) / Contributions (+) |                 |                 |
|---|-------------------------------|---|--|-----------------|-----------------|
|   |                               |   | 2014<br>\$                                   | 2015<br>\$      | 2016<br>\$      |
| <b>Projected Beginning Balance</b>                                |                               |   | <b>43,451.0</b>                              | <b>44,085.0</b> | <b>44,762.8</b> |
| Vehicle and Equipment Reserve                                     | XQ1701                        | 6,049.0                                     | 1,554.0                                      | 1,597.8         | 1,642.8         |
| Sick Pay Gratuity Reserve   | XR1007                        | 36,428.0                                    | (486.1)                                      | (486.1)         | (186.1)         |
| Police Central Sick Pay Reserve                                   | XR1701                        | 974.0                                       | (433.9)                                      | (433.9)         | (433.9)         |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | <b>43,451.0</b>                             | <b>44,085.0</b>                              | <b>44,762.8</b> | <b>45,785.6</b> |
| <b>Other program / Agency Net Withdrawals &amp; Contributions</b> |                               |   |  |                 |                 |
| <b>Balance at Year-End</b>  |                               | <b>43,451.0</b>                             | <b>44,085.0</b>                              | <b>44,762.8</b> | <b>45,785.6</b> |