



THE REGIONAL MUNICIPALITY OF NIAGARA
JOINT BOARD OF MANAGEMENT - NIAGARA COURTS
AGENDA

JBM 03-2019

Thursday, May 30, 2019

3:30 p.m.

Campbell East (CE) 101

Niagara Region Headquarters, Campbell East

1815 Sir Isaac Brock Way, Thorold, ON

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
3. <u>PRESENTATIONS</u>	
4. <u>DELEGATIONS</u>	
5. <u>ITEMS FOR CONSIDERATION</u>	
5.1 <u>JBM-C 5-2019</u> Court Services - St. Catharines	3 - 12
5.2 <u>JBM-C 6-2019</u> Approval of Court Services 2018 Audited Schedule of Revenue, Expenses and Funds Available for Distribution	13 - 22
6. <u>CONSENT ITEMS FOR INFORMATION</u>	
6.1 <u>JBM-C 7-2019</u> 1st Quarter Variance Analysis and Forecast to December 31, 2019	23 - 26

6.2 JBM 02-2019
Joint Board of Management - Niagara Courts
Meeting Minutes
March 21, 2019

27 - 29

7. OTHER BUSINESS

8. NEXT MEETING

The next meeting will be held at the call of the Chair.

9. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisory Coordinator at 905-980-6000 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Subject: Court Services – St. Catharines

Report to: The Joint Board of Management, Niagara Region Courts

Report date: Thursday, May 30, 2019

Recommendations

That staff **BE DIRECTED** to consolidate all Provincial Offences Court services in Niagara Region by closing the Provincial Offences Court Facility located at 71 King Street, St. Catharines upon expiry of existing lease (October 31, 2019).

Key Facts

- Niagara Region's (the "Region") Court Services Division oversees the Provincial Offences Court on behalf of the Region and the 12 Local Area Municipalities (the "LAMs").
- On an annual basis, the net revenue from the Court is divided among all of the LAMs, each of which use the revenue to fund other municipal services at their discretion.
- In 2012, Council approved Corporate Services Committee Report 66-2012 to close the leased Courthouse in Niagara Falls and the courtroom in Fort Erie.
- The Court Services Division currently operates two Provincial Offences Court Facilities located at:
 - 445 East Main Street, Welland (new facility); and
 - 71 King Street, St. Catharines (leased since 2000)
- The new facility in Welland opened in 2017, with capacity for growth.
- The current term of the lease agreement for the St. Catharines facility will expire October 31, 2019 with no further extension rights.
- The Region pays the lessor in monthly instalments for the lease of the St. Catharines facility. In 2018, the lease cost the Region \$82,491 and in 2019, the cost from January to October 31, 2019 will be \$85,659.
- Starting October 1, 2018, the new Court Master Plan implemented by the Local Administrative Justice of Peace (the "LAJP") directed all matters to be scheduled at the Welland facility.
- Two Court Services Division employees are dedicated to the St. Catharines facility to operate the counter service, which includes assisting a defendant with setting a trial or early resolution meeting, extensions or re-openings, appeal documents and fine payments. Other than requesting a trial, none of these requests are required to be made in person. Fine payments can also be made over the phone, online, by mail, at any provincial offences courthouse in Ontario, and if the defendant's licence is suspended, the fine can be paid at any Service Ontario location.

- All information regarding a defendant's provincial offence matter can be accessed online.
- Greater operational efficiencies for the Court Services Division and cost savings would be realized by having all resources and employees in one location.

Background

When the Region assumed responsibility for the administration of the Provincial Offences Court on January 29, 2001, court operations were administered from three permanent leased facilities. The facilities were located at 4635 Queen Street in Niagara Falls, 3 Cross Street in Welland, and 71 King Street in St. Catharines. In addition, there was a per diem licence agreement in place to use a court facility in Fort Erie when required.

The court facilities were not purpose built courthouses and did not meet the Ministry of the Attorney General ("MAG") or *Accessibility for Ontario with Disabilities Act* ("AODA") standards, and had physical/mechanical deficiencies as well as security concerns. On April 25, 2012, Council **APPROVED** CSD-66-2012, which recommended consolidating the three permanent leased facilities mentioned above into two courthouse facilities; one courthouse remained in St. Catharines and the other in Welland.

At the Council Meeting of July 2, 2015, Council **RECEIVED** Report CSD 53-2015 dated June 3, 2015 respecting the Provincial Offences Court - Courthouse Project Implications and **APPROVED** the following recommendations:

That staff **BE DIRECTED** to proceed with Option 1 (2+1 courtrooms) at 20 Duncan Street, Welland (now known as 445 Main Street) forthwith at an anticipated cost of \$12.4M (including land) and,

That Council **DEFER** any further decision with regard to a second facility at King and Carlisle, St. Catharines until after the Province determines whether an Administrative Monetary Penalty (AMPS) for Part 1 offences will be implemented.

The following year, Council was advised through Corporate Services Committee Report CSD 07-2016 at the January 27, 2016 meeting that MAG had decided not to proceed with the AMPS program. However, it has stated that it will proceed with a modernization initiative of the existing court system. In this regard Bill 177 passed by the Province on December 14, 2017 allows the Attorney General to enter into agreements with municipalities to transfer responsibility for certain prosecutions, namely Part 3 offences under the *Provincial Offences Act* that are currently prosecuted under MAG by Provincial prosecutors.

On October 23, 2017, the Court Services Division successfully moved into the Welland Courthouse at 445 Main Street. The project was substantially completed on time and

under budget, and once the project is closed, the excess capital levy funds will be returned to the Capital Variance Project and to the Court Services reserve.

The construction of the new Welland Courthouse has continued to increase operational efficiencies, allowing for improved and timely access to justice, including time to trial. Furthermore, the Welland courthouse is in complete compliance with MAG and AODA standards.

At the time the reports cited above were presented to Council, Court Services was experiencing a significant increase in the number of charges filed by the enforcement agencies. There was a concern regarding time to trial and 11(b) *Charter* challenges. Section 11(b) of the *Charter* guarantees an accused the right to a trial within a reasonable period; an unreasonable delay can result in an accused's charges being dismissed. Staff considered this pressing factor when it reviewed Council's recommendation for expanding and for multiple courthouse facilities. Court Services wanted to ensure there was enough court space and court time available for access to justice. However, since 2013, as outlined in more detail below, the charges laid by enforcement agencies have been consistently decreasing, and as a result, the time to trial achieved today no longer raises any 11(b) *Charter* concerns. In light of this and in staff's review of the relevant considerations including, customer service, access to justice, operational impacts and financial implications as outlined below, it is recommended that Court Services be consolidated into one facility at the Welland Courthouse.

Analysis

Staff wanted to ensure that the recommendation to Council took into account a variety of considerations including, customer service, access to justice, best practices, financial and operational considerations.

Customer Service

On October 1, 2018, a new Court Master Plan was implemented by the LAJP, directing all matters to be scheduled at the Welland Courthouse. As a result, the St. Catharines site is currently underutilized and the majority of the approximately 4,913 square foot leased space, made up of one courtroom, two intake rooms, three offices and the counter, is vacant.

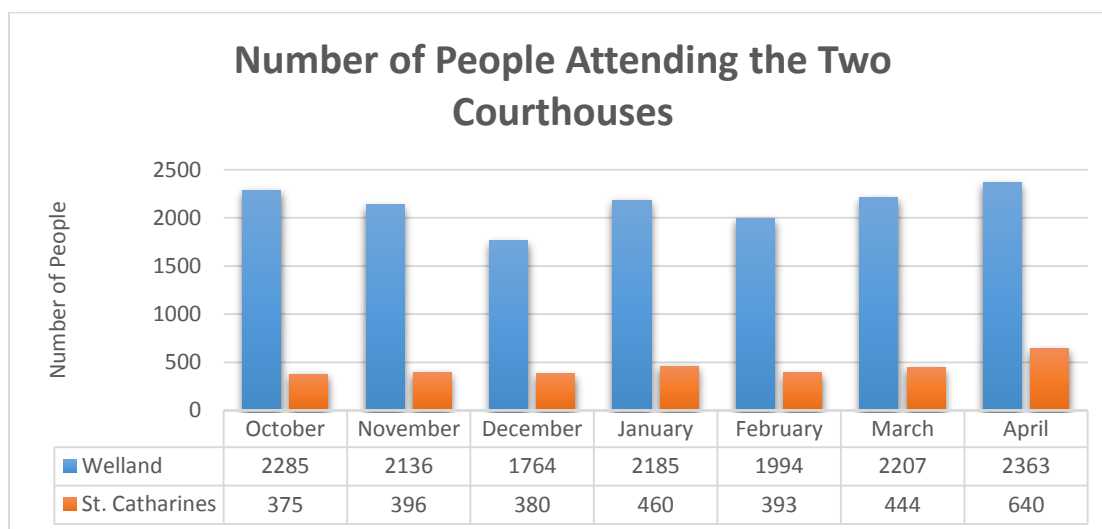
Two Court Services staff work at this location, utilizing only the counter to answer phones, set a trial or early resolution meeting, provide documents for an extension or re-opening, provide appeal documents, and accept defendants' fine payments. Other than requesting a trial, all of these services could be provided through other means, including email. For example, there are a variety of means other than attendance at the St. Catharines facility through which a defendant can pay their fine, including making

payments online, by phone, through the mail, at any provincial offences courthouse in Ontario (including at the Welland Courthouse) and if the defendant's licence is suspended, the fine can be paid at any Service Ontario location. Furthermore, the location provides limited onsite parking, for both employees and the public.

With regard to customer access, the Welland location is serviced by public transit and has ample parking. The Niagara Region Transit, Route 70 offers weekday services between St. Catharines and Welland Transit, which is located at 160 East Main Street, approximately 150 metres from the Welland Courthouse. There are two accessible Service Ontario locations in St. Catharines: 301 St. Paul Street, approximately 550 metres from the St. Catharines Courthouse and 350 Scott Street, approximately 3.9 kilometres from the St. Catharines Courthouse.

There would be improved service levels to the public as a result of the concentration of judicial and administrative services. In one location, there would be reduced confusion for defendants over which courthouse to attend. The proposed consolidation has been consistently supported by the primary stakeholders, including enforcement agencies and the Local Administrative Justice of the Peace in light of the fact they would also benefit from the resulting operational efficiencies.

As seen in the chart below, between October 1, 2018 and April 30, 2019, an average of 441 (17%) people per month utilized the counter service at the St. Catharines facility, compared to 2,133 (83%) people who utilized the Welland Courthouse. The Welland Courthouse has the capacity to service all customers from the St. Catharines facility.



Although there may be some impact to customers related to travel time with the closure of the St. Catharines facility, both a mitigation and communication strategy would be put in place to minimize any negative impacts.

Access to Justice

An important consideration for consolidation is ensuring that access to justice is preserved. This requires Court Services to uphold a defendant's right to trial within a reasonable time.

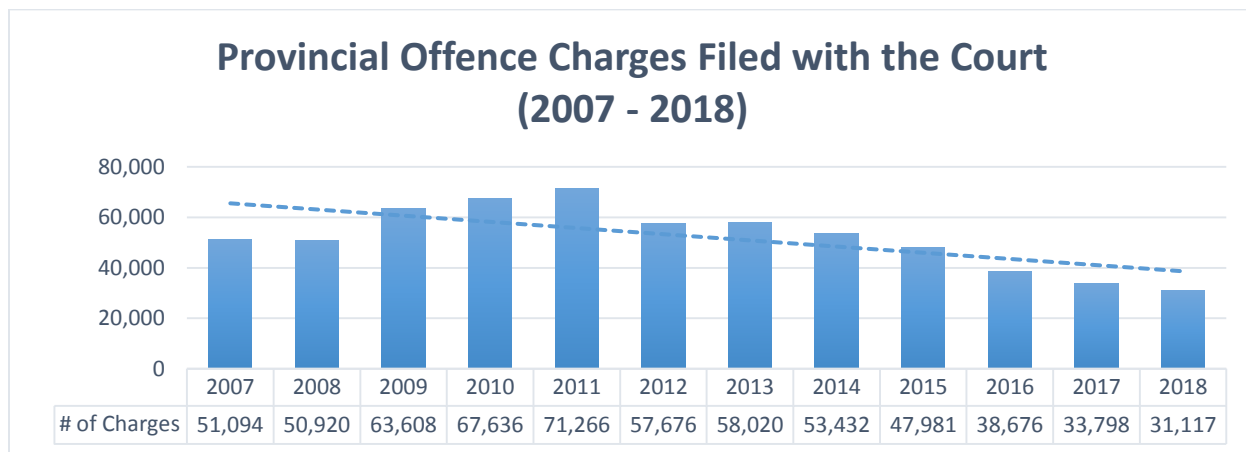
Since the new Court Master Plan was implemented, the courtroom at the St. Catharines Courthouse is available for long trials or to manage the overflow of matters scheduled at the Welland Courthouse. However, it has remained unused for the past seven (7) months since the implementation of the new LAJP Court Master Plan. The change to the LAJP Court Master Plan has allowed Court Services to review the impact on court utilization (capacity) and charges based on the continuous trends since 2011.

As outlined in the charts below Court Services is experiencing a consistent decrease in charges laid by enforcement agencies, allowing for additional capacity in all courtrooms in the Welland Courthouse, ensuring that trials are scheduled within a reasonable time.

Consideration of where a defendant resides is not a relevant factor when setting a matter for trial, as there is no right to be tried in one's own community for the purposes of a Provincial Offence charge.

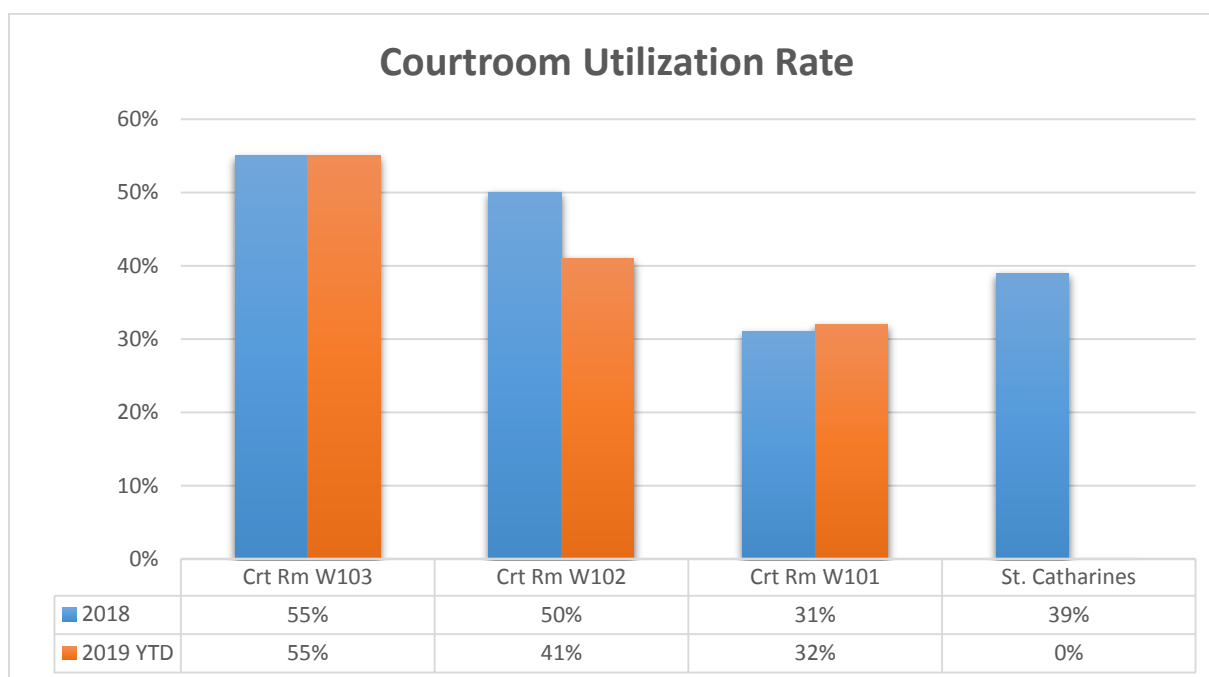
Provincial Offences Charges Filed with the Court

The chart below demonstrates that since 2011, Court Services has seen an overall decrease in charges laid by enforcement agencies. There was a decrease of 2,681, or 8% in the total charges laid between 2017 and 2018, which has also contributed to a decrease in courtroom utilization. This trend reinforces that the Region can accommodate the current charges in the Welland Courthouse, and it indicates that the Welland Courthouse has the capacity to absorb the potential download of Part 3 charges from the Province of Ontario pursuant to Bill 177 (for which the targeted implementation timeline was 2 years but the required agreements have not yet been finalized).

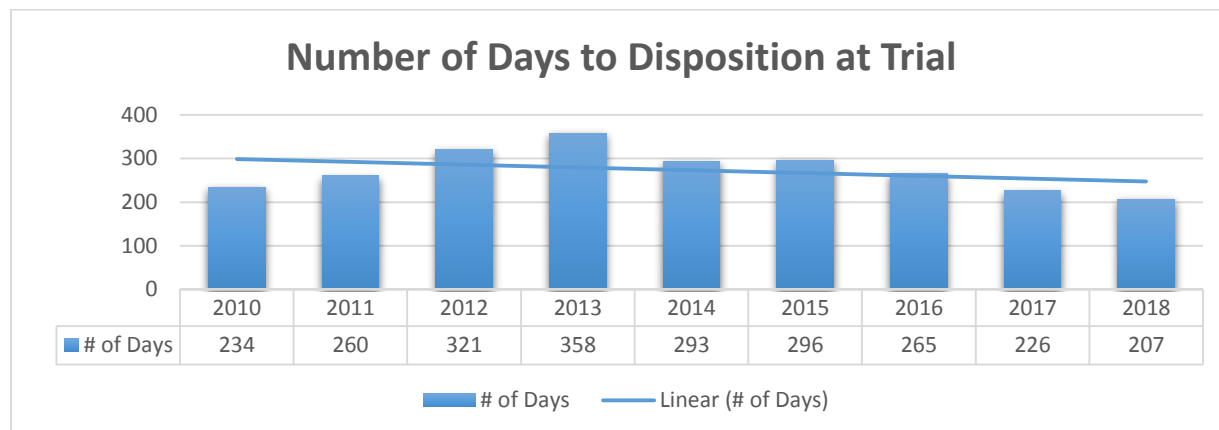


Courtroom Utilization

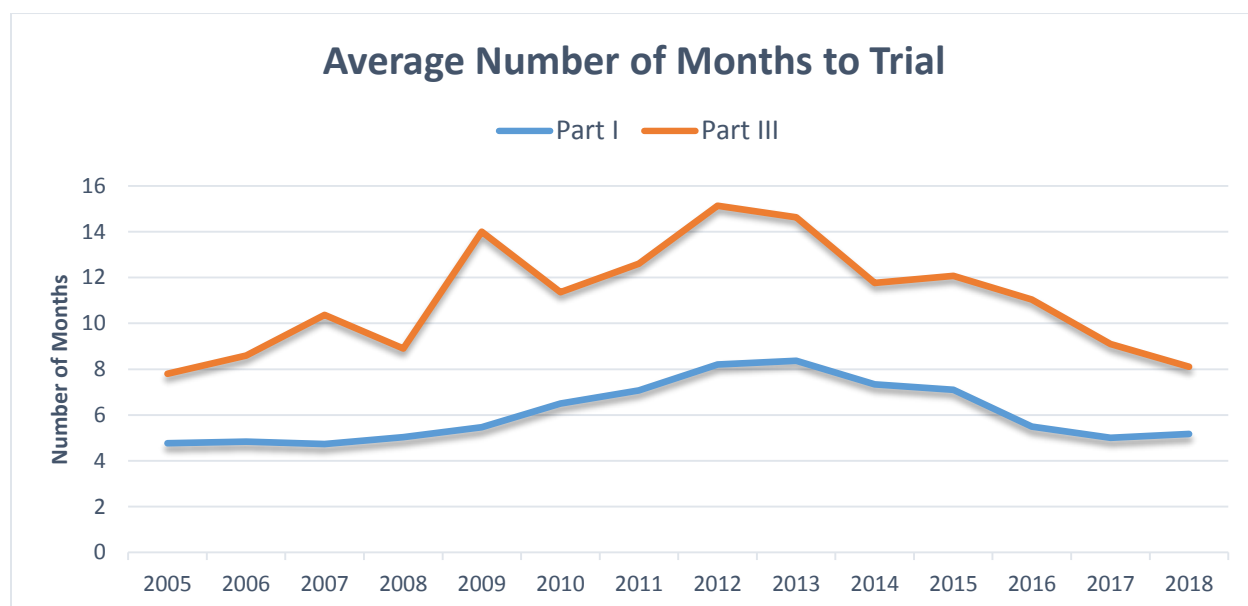
The chart below outlines the total courtroom hours utilized at both the Welland Courthouse and the St. Catharines facility during 2018. It reveals that the Welland Courthouse had capacity to absorb the additional matters beginning in October, and it maintained capacity for the intake court and the two courtrooms for the remainder of the year. The trend of capacity for court utilization remains consistent leading into 2019. Therefore, if there were an increase in charges or a Part 3 download from the Province, the Welland Courthouse has the ability to accommodate and schedule these matters before the court in a timely manner.



Number of Days to Disposition at Trial



The chart above demonstrates that since 2015, time to trial has continually decreased. In addition, there has been an 8.4% decrease in time to trial since the opening of the new Welland Courthouse in 2017. This verifies Court Services' ability to provide timely access to justice to defendants in the Region, from a single facility.



When staff presented CSD 66-2012 time to trial was continually increasing, which raised the risk of an 11(b) *Charter* challenge. Generally speaking, case law suggests that there is a risk of an 11(b) *Charter* challenge for a Part 1 charge if it takes over 12 months to set a trial, and 18 months for a Part 3.

The chart demonstrates that the risk of an 11(b) *Charter* challenge has dissipated since 2015, as trials are continually heard in a timely manner. In 2018, time to trial for Part 1 matters was approximately 5 months and for Part 3 matters it was approximately 8 months. The time to trial trend shows a continuing decrease. This time to trial ensures public confidence in the justice system and allows citizens timely access to justice.

Regional Comparison

The following regions in Ontario have consolidated to one centralized location to administer provincial offence matters:

- The provincial offences court in the Region of Waterloo¹ is located in Kitchener;
- The provincial offences court in the Region of Halton² is located in Burlington;
- The provincial offences court in the Regional Municipality of Durham³ is located in Whitby; and
- The provincial offences court in the District Municipality of Muskoka⁴ is located in Bracebridge.

Financial Considerations

The total operating costs of the St. Catharines Courthouse for 2018 were \$97,022, which includes \$82,491 for lease costs and the balance for maintenance-related costs. The annualized costs for 2019 are expected to be higher, as the lease amount has increased 9% for the period of November 2018 to October 2019. At the current lease rate, the total operating cost for 2019 is anticipated to be \$85,659 for January to October. Any savings realized in the Court Services budget from allowing the lease to expire and ceasing operations in St. Catharines may provide opportunities to increase the overall net revenue and corresponding distributions shared equally between the Region and the LAMS.

It should be noted that the St. Catharines facility was included in the local side agreement with the Province at the time of transfer. The facility was not purpose built and is in need of infrastructure investments due to the minimal maintenance and improvements that have occurred over the years. These include upgrades to improve functionality and accessibility as required by MAG and AODA. The Region despite leasing the facility would pay the cost of any improvements. The facility does not meet MAG Standards for size and height requirements. If the Region completed any substantial renovations it would be required to meet MAG standards, which likely could not be achieved in the current facility.

¹ Kitchener, Cambridge, and Waterloo.

² Burlington, Halton Hills, Milton and Oakville.

³ Oshawa, Whitby, Ajax, Clarington, Pickering, Scugog, Uxbridge and Brock.

⁴ Huntsville, Bracebridge, Gravenhurst, Muskoka Lakes, Lake of Bays and Georgian Bay.

With the consolidation of the Court Services operations into one courthouse, the uninitiated capital project for the building of a new courthouse in St. Catharines, approved in the 2011 capital budget, is recommended for closure. If Council chooses to pursue the building of a second facility in St. Catharines in the future, a new budget request can be submitted with a business case at that time.

Operational Impacts

Closing the St. Catharines Courthouse would allow Court Services to fully consolidate into one Courthouse, which will increase internal operational efficiencies.

Further benefits would include:

- Improved service levels to the general public due to concentration of courtroom, judicial, prosecution and administrative services and reduction of duplication;
- Flexibility and improved employee coverage during unexpected workload issues and vacation or sick leaves, as the two employees dedicated to St. Catharines would be reallocated to the Welland Courthouse;
- More efficient work distribution and no requirement to fax/transport/duplicate court information;
- Reduced confusion for the general public regarding appropriate location;
- Multiple courtrooms, judicial officials, prosecutors and other resources in one location will permit “real time” transfer of cases from busy courts to less busy courts, facilitating the earlier resolution of all matters and maximizing court utilization;
- Potentially more streamlined organization structure for Court Services Division;
- Reduced duplication in equipment and resource needs. This includes items such as photocopiers, fax machines, IT servers and printers;
- Reduced fiscal costs of operating a leased facility;
- Reduced parking and travel (including courier) costs and time, as there is no need to travel between sites; and,
- Increased revenue distribution to the LAMs as a result of cost savings

Conclusion

The lease at the St. Catharines Courthouse should be permitted to expire, and the Provincial Offence Courts in Niagara Region should be consolidated into one facility, being the Welland Courthouse.

Other Pertinent Reports

JBM-C 3-2018 March 29, 2018
CSD 53-2015 June 3, 2015
CSD 07-2016 January 26, 2016

Prepared by:

Monica Ciriello
Manager, Court Services
Enterprise Resource Management
Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Enterprise Resource Management
Services

Submitted by:

Ron Tripp, P. Eng.
Acting, Chief Administrative Officer

This report was prepared in consultation with Sara Mota, Program Financial Specialist, and reviewed by Donna Gibbs, Director, Legal and Court Services.

Subject: Approval of Court Services 2018 Audited Schedule of Revenue, Expenses and Funds Available for Distribution

Report to: The Joint Board of Management, Niagara Region Courts

Report date: Thursday, May 30, 2019

Recommendations

1. That the draft audited schedule of revenues, expenses and funds available for distribution for the year ended December 31, 2018 for The Regional Municipality of Niagara Court Services ("Court Services") (Appendix 1) **BE APPROVED**
2. That staff **BE DIRECTED** to co-ordinate with the auditor to finalize the statements as presented; and
3. That this report **BE FORWARDED** to the Region's Audit Committee and to The Ministry of the Attorney General as per the Memorandum of Understanding, for information.

Key Facts

- The purpose of the report is to obtain approval of the audited schedule of revenue, expenses and funds available for distribution in accordance with the Niagara Region Courts Inter-municipal Agreement dated April 26, 2000.
- Court Services received an unmodified audit opinion.
- In accordance with AC-C 32-2018 dated June 18, 2018, respecting the Audit Committee Terms of Reference, re "agencies, boards and commission (ABC) financial statements", financial schedules are approved by the governing bodies of the reporting ABC and then referred to Audit Committee for information.

Financial Considerations

The draft audited schedule of revenues, expenses and funds available for distribution has been prepared in compliance with legislation and in accordance with the financial reporting provisions in the Niagara Region Courts Inter-municipal Agreement dated April 26, 2000.

A copy of the draft audited schedule of revenues, expenses and funds available for distribution for the year ended December 31, 2018 is attached (Appendix 1).

Analysis

The audit of the financial information in the schedule of revenue, expense and funds available for distribution was completed by the Region's auditors, Deloitte. The auditors have indicated that, in their opinion, the financial information in the schedule for the year ended December 31, 2018 is prepared, in all material respects, in accordance with the financial reporting provisions in the Niagara Region Courts Inter-municipal Agreement dated April 26, 2000.

The approval of the audited schedules of the Region's agencies, boards, and commissions (the ABC's) rests with the governing body of the reporting ABC. Upon approval by the Joint Board of Management, Niagara Region Courts, staff will be authorized to sign the auditor's representation letter to obtain the auditors' signed report.

Alternatives Reviewed

The consolidated financial statements are prepared in accordance with the Niagara Region Courts Inter-municipal Agreement dated April 26, 2000 and therefore no alternative is available.

Relationship to Council Strategic Priorities

Council's strategic priority of advancing organizational excellence was achieved through receiving an unmodified audit opinion on the financial statements and no management letter points.

Other Pertinent Reports

None

Prepared by:

Beth Brens, CPA, CA
Acting Associate Director, Reporting &
Analysis
Enterprise Resource Management
Services

Recommended by:

Todd Harrison
Commissioner
Enterprise Resource Management
Services

Submitted by:

Ron Tripp, P.Eng.
Acting, Chief Administrative Officer

*This report was prepared in consultation with Sara Mota, Program Financial Specialist,
Enterprise Resource Management Services.*

Appendices

Appendix 1	Draft 2018 Schedule of Revenue, Expenses and Funds Available for Distribution	Page 4
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Schedule of revenues, expenses and funds available for distribution

The Regional Municipality of Niagara Court Services

December 31, 2018

DRAFT

The Regional Municipality of Niagara Court Services

December 31, 2018

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DRAFT

Independent Auditor's Report

To the Board Members of The Regional Municipality of Niagara Court Services

Opinion

We have audited the accompanying schedule of revenues, expenses and funds available for distribution of The Regional Municipality of Niagara Court Services (the "Court Services") for the year ended December 31, 2018 and notes to the schedule (collectively referred to as the "schedule").

In our opinion, the accompanying schedule of the Court Services for the year ended December 31, 2018, is prepared, in all material respects, in accordance with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Court Services in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Court Services in complying with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Board of Directors for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the basis of accounting as described in Note 1, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

The Board of Directors are responsible for overseeing the Court Services' financial reporting process.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this schedule.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court Services' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants
Licensed Public Accountants
May 16, 2019

D R A F T

The Regional Municipality of Niagara

Court Services

Schedule of revenues, expenses and funds available for distribution
year ended December 31, 2018

		2018	2017
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Offence receipts	6,741,000	7,347,729	6,815,694
Controllable expenses			
Salaries and benefits	2,003,317	1,756,743	1,868,881
Program support costs (Note 4)	1,307,383	1,306,159	983,220
Collection charges	110,000	167,256	143,660
Legal	51,500	80,348	80,167
Payment processing costs	66,500	74,299	73,254
Ticket data capture	5,000	-	10,637
Telephone	7,600	8,628	33,826
Business forms	5,400	3,573	11,888
Building and equipment rental	500	253	7,381
Office and administration	47,836	57,623	76,616
	3,605,036	3,454,882	3,289,530
Uncontrollable expenses			
Payments to other municipalities/provinces	300,000	265,523	319,370
Victim fine surcharge	1,000,000	1,048,736	1,050,557
Adjudication	528,000	421,308	551,802
Dedicated fines	25,000	17,001	43,008
Other provincial expenses	194,000	213,923	201,279
	2,047,000	1,966,491	2,166,016
Total expenses	5,652,036	5,421,373	5,455,546
Excess of revenues over expenses	1,088,964	1,926,356	1,360,148
Change in employee benefits and other liabilities	-	(657)	(16,953)
Transfer to Niagara Region (Note 2)	-	(43,847)	(363,428)
Funds available for distribution (Note 3)	1,088,964	1,881,852	979,767

The accompanying notes to the schedule are an integral part of this financial statement.

The Regional Municipality of Niagara Court Services

Notes to the schedule

December 31, 2018

1. Significant accounting policies

The schedule of revenues, expenses and funds available for distribution of The Regional Municipality of Niagara Court Services has been prepared by management in accordance with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000 (the "agreement").

Significant accounting policies are as follows:

Revenues

Revenues are recorded on a cash basis.

Expenses

Court Services follows the accrual method of accounting for controllable expenses. Controllable expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Uncontrollable expenses are recorded on a cash basis.

Capital assets

Capital assets and amortization of capital assets are not reported as expenses on the statement of receipts and expenses and funds available for distribution.

Transfers to reserves

Transfers to reserves are based on approval by the Board, as provided for in section 8.6 of the agreement.

Employee future benefits

Court Services provides certain employee benefits which will require funding in future periods. These benefits include sick leave, life insurance, extended health and dental benefits for early retirees.

The costs of sick leave, life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long term inflation rates and discount rates. The cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

2. Transfer to Niagara Region

Court Services transferred \$43,847 (2017 - \$363,428) to the Niagara Region Capital Program.

The Niagara Region currently holds \$1,650,000 (2017- \$1,650,000) in a Court Services Facility Renewal reserve to be used by Court Services on future capital projects.

The Regional Municipality of Niagara Court Services

Notes to the schedule

December 31, 2018

3. Distribution to area municipalities

Court Services revenue distribution by municipality is as follows:

	Budget	2018	2017
	\$	\$	\$
Region of Niagara	544,482	940,926	489,883
Niagara Falls	105,633	182,546	94,263
Port Colborne	17,870	30,882	16,428
St. Catharines	140,236	242,344	127,995
Thorold	21,213	36,658	19,185
Welland	44,365	76,667	40,471
Fort Erie	35,490	61,331	32,564
Grimsby	41,094	71,015	36,302
Lincoln	35,068	60,602	31,260
Niagara-on-the-Lake	48,618	84,018	42,840
Pelham	25,157	43,474	22,527
Wainfleet	9,977	17,242	8,940
West Lincoln	19,760	34,147	17,109
	1,088,964	1,881,852	979,767

Included in the current year funds available for distribution of \$1,881,852 is an amount of \$792,888, which is in excess of the budgeted funds available for distribution of \$1,088,964. The current year funds available for distribution has been split between the local area municipalities and the Region in accordance with the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000.

4. Program support costs

Court Services records direct operating expenses to their respective activity. In addition, in 2013, the Niagara Region established its first consolidated cost allocation policy with a guiding principle of more closely aligning indirect costs with the support programs and services as defined by the Province in the Financial Information Return (FIR). The new methodology allocates these indirect costs to end programs/services based on usage drivers.

Under this methodology, all departments providing program/service support functions will allocate their costs using drivers specific to each type of expense.

Program support costs which have been allocated are:

	Budget	2018	2017
	\$	\$	\$
Finance services	97,040	100,008	69,977
Human resources services	55,361	47,995	48,149
Organizational performance	58,775	28,325	-
Information technology services	113,605	216,177	113,070
Legal services	18,008	23,233	7,352
Insurance costs	943	976	950
Printing costs	1,593	1,238	800
Mail costs	11,265	17,414	9,708
Communications costs	84	1,307	317
Facilities costs	950,709	869,486	732,897
	1,307,383	1,306,159	983,220

MEMORANDUM

JBM-C 7-2019

Subject: 1st Quarter Variance Analysis and Forecast to December 31, 2019

Date: May 30, 2019

To: Joint Board of Management, Niagara Region Courts

From: Monica Ciriello, Manager, Court Services

As a result of the quarterly forecasting exercise recently undertaken, the following is a summary of the status of the 2019 Court Services budget as at March 31, 2019. The variance analysis is attached as **Appendix 1**.

Revenue is over budget by 7.3% due to higher than anticipated infraction revenue & delinquent fine revenue collected for the first quarter.

Operational expenditures are under budget by 6.8% due to the vacancy management of several positions in Q1, offset by an increase in collections charges paid to third party agencies as a result of increased delinquent revenue received.

Appendix 2 to this memo is the forecast of our revenue and expenses to the end of 2019. At this time, revenue is forecasted to be over budget by 1.8% or \$122,566 by year-end. Total expenditures are expected to come in under budget by 2.5% or \$120,769, resulting in net revenue of \$1,696,242 (\$848,121 for the local area municipalities and \$848,121 for the Niagara Region). This actual year-end result would ultimately affect the net revenue distribution share to the area municipalities, which at this time is forecast to be favourable by approximately \$243,335 and to the Niagara Region by the same amount (**Appendix 3**).

Respectfully submitted and signed by

Monica J. Ciriello
Manager, Court Services

COURT SERVICES

Variance Analysis: January to March 2019

Percentage of Year Elapsed: 25%

	Year To Date				Annual			
	Budget	Actual	Budget vs Actual Variance		Budget	% of Annual Budget Expended	% Over/Under Annual Budget	Analysis of Year to Date Revenue & Expenditure Variance
Expenses								
Compensation	\$ 498,312	\$ 398,503	\$ 99,808	20.0%	\$ 2,039,232	19.5%	-5.5%	Under budget - Vacancy Management
Administrative	461,290	437,568	\$ 23,722	5.1%	1,834,060	23.9%	-1.1%	Under budget due to lower than anticipated Adjudication costs and External Legal Expenses
Operational & Supply	231,759	240,433	\$ -8,674	-3.7%	928,536	25.9%	0.9%	Over budget due to an increase in the amount of fines collected for other POA offices, which are offset in higher revenue below
Equipment, Vehicles & Technology	125	127	\$ -2	-1.2%	500	25.3%	0.3%	On budget
Financial Expenditures	27,000	58,486	\$ -31,486	-116.6%	108,000	54.2%	29.2%	Over budget due to an increase in Collection Charges paid to third party collection agencies as a result of increased delinquent fines received
Total Expenses	1,218,486	1,135,117	83,369	6.8%	4,910,328	23.1%	-1.9%	
Revenue								
Other Revenue	(1,685,000)	(1,807,566)	122,566	-7.3%	(6,740,000)	26.8%	1.8%	Over budget due to higher than anticipated infraction revenue & delinquent fine revenue collected for Q1
Total Revenue	(1,685,000)	(1,807,566)	122,566	-7.3%	(6,740,000)	26.8%	1.8%	
Intercompany Charges								
Intercompany Charges	(2,293)	(858)	(1,435)	62.6%	(9,170)	9.4%	-15.6%	Under budget due to timing of billing for Municipal prosecutions for the Smoke Free Ontario Act, as the work is billed when completed
Net Expenditure/(Revenue) before Indirect Allocation	(468,807)	(673,307)	204,501	-43.6%	(1,838,842)	36.6%	11.6%	
Indirect Allocation								
Indirect Allocation	153,094	169,959	-16,865	-11.0%	681,518	25%	0%	Over budget due to higher than anticipated lease costs for the St. Catharines courthouse, as well as a difference in the the timing of Building Maintenance costs compared to budget allocation
Capital Financing Allocation	73,863	73,862	1	0.0%	552,538	13%	-12%	On Budget
Total Indirect Allocations & Debt	226,957	243,821	-16,864	-7.4%	1,234,056	20%	-5.2%	
Net Expenditure/(Revenue) after Indirect Allocations	\$ (241,850)	\$ (429,486)	187,637	-77.6%	\$ (604,786)	71%	46%	

COURT SERVICES

2019 1st Quarter Forecast: April to December

JBM-C 7-2019

May 30, 2019

Appendix 2

	Annual Budget	Year to Date Actual	Forecast April to December	Total Forecast for 2019	Forecast vs Annual Budget Increase(Decrease)	
Expenses						
Compensation	\$ 2,039,232	\$ 398,503	\$ 1,238,511	\$ 1,637,014	(402,218)	-19.7%
Administrative	1,834,060	437,568	1,395,223	1,832,791	(1,269)	-0.1%
Operational & Supply*	928,536	240,433	938,954	1,179,387	250,851	27.0%
Equipment, Vehicles & Technology	500	127	381.46	508	8	1.6%
Financial Expenditures	108,000	58,486	81,373.01	139,859	31,859	29.5%
Total Expenses	4,910,328	1,135,117	3,654,442	4,789,559	(120,769)	-2.5%
Revenue						
Other Revenue	(6,740,000)	(1,807,566)	(5,055,000)	(6,862,566)	(122,566)	1.8%
Total Revenue	(6,740,000)	(1,807,566)	(5,055,000)	(6,862,566)	(122,566)	1.8%
Intercompany Charges						
Intercompany Charges	(9,170)	(859)	(8,311)	(9,170)	-	0.0%
Net Expenditure/(Revenue) before Indirect Allocation	(1,838,842)	(673,308)	(1,408,869)	(2,082,177)	243,335	13.2%
Indirect Allocations & Debt						
Indirect Allocation	1,234,056	358,845	875,210	1,234,056	-	0.0%
Total Indirect Allocation	1,234,056	358,845	875,210	1,234,056	-	0.0%
Net Expenditure/(Revenue) after Indirect Allocation	\$ (604,786)	\$ (429,487)	\$ (418,634)	\$ (848,121)	243,335	40.2%

* Operational & Supply Expenses include the forecasted amount to be distributed to the LAM's of \$848,121, which is 50% of the total net revenue of \$1,696,242

2019 Court Distribution to Area Municipalities

2019 Budget					
Estimates versus Actual	Total	March	June	September	December
Budgeted POA Revenues to be distributed:	\$604,786.00	\$151,196.50	\$151,196.50	\$151,196.50	\$151,196.50
Forecasted POA Revenues to be distributed:	\$848,121.00	\$151,196.50	\$151,196.50	\$151,196.50	\$394,531.50
Favourable/(unfavourable) Variance	\$243,335.00	\$0.00	\$0.00	\$0.00	\$243,335.00

Area Municipality	2019	Apportioned	Budget	Budgeted Distribution by Quarter			
	Assessment		Total	March	June	September	December
Niagara Falls	\$11,423,994,476	19.50%	\$165,383.60	\$29,483.32	\$29,483.32	\$29,483.32	\$76,933.64
Port Colborne	\$1,883,392,977	3.21%	\$27,224.69	\$4,853.41	\$4,853.41	\$4,853.41	\$12,664.46
St. Catharines	\$14,860,665,217	25.36%	\$215,083.49	\$38,343.43	\$38,343.43	\$38,343.43	\$100,053.20
Thorold	\$2,327,497,177	3.97%	\$33,670.40	\$6,002.50	\$6,002.50	\$6,002.50	\$15,662.90
Welland	\$4,719,658,916	8.05%	\$68,273.75	\$12,171.32	\$12,171.32	\$12,171.32	\$31,759.79
Fort Erie	\$3,781,255,244	6.45%	\$54,703.79	\$9,752.17	\$9,752.17	\$9,752.17	\$25,447.28
Grimsby	\$4,562,453,495	7.78%	\$65,983.82	\$11,763.09	\$11,763.09	\$11,763.09	\$30,694.55
Lincoln	\$3,794,236,761	6.47%	\$54,873.42	\$9,782.41	\$9,782.41	\$9,782.41	\$25,526.19
NOTL	\$5,294,306,150	9.03%	\$76,585.31	\$13,653.04	\$13,653.04	\$13,653.04	\$35,626.19
Pelham	\$2,698,198,822	4.60%	\$39,013.57	\$6,955.04	\$6,955.04	\$6,955.04	\$18,148.45
Wainfleet	\$1,086,036,827	1.85%	\$15,690.25	\$2,797.14	\$2,797.14	\$2,797.14	\$7,298.83
West Lincoln	\$2,188,974,902	3.73%	\$31,634.91	\$5,639.63	\$5,639.63	\$5,639.63	\$14,716.02
Total	\$58,620,670,964	100.00%	\$848,121.00	\$151,196.50	\$151,196.50	\$151,196.50	\$394,531.50

**THE REGIONAL MUNICIPALITY OF NIAGARA
JOINT BOARD OF MANAGEMENT - NIAGARA COURTS
OPEN SESSION**

**JBM 02-2019
Thursday, March 21, 2019
Campbell East (CE) 103
Niagara Region Headquarters, Campbell East
1815 Sir Isaac Brock Way, Thorold**

Committee: D. Gibbs (Niagara Region), H. Salter (Board Chair), C. Genesse (Pelham), G. Stephenson (Fort Erie)

Absent/Regrets: J. Tosta (Vice Chair), S. Hanson (Port Colborne)

Staff: M. Ciriello, Manager, Court Services, T. Harrison, Commissioner/Treasurer, Enterprise Resource Management Services, K. Lotimer, Legislative Coordinator, S. Mota, Program Financial Specialist

1. CALL TO ORDER

H. Salter, Board Chair, called the meeting to order at 3:30 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

There were no presentations.

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

There were no items for consideration.

6. CONSENT ITEMS FOR INFORMATION

Moved by D. Gibbs
Seconded by C. Genesse

That the following items **BE RECEIVED** for information:

JBM-C 2-2019
Prosecution Update 2019

JBM-C 3-2019
Council Approval of 2019 Budget

JBM-C 4-2019
2018 Year-End Report for Provincial Offences Court

JBM 01-2019
Joint Board of Management - Niagara Courts Meeting Minutes
January 15, 2019

Carried

7. OTHER BUSINESS

7.1 Next Joint Board of Management Meeting

Monica Ciriello, Manager, Court Services, advised Board Members of the necessity to change the date of the Joint Board of Management, Niagara Courts meeting scheduled for Thursday, June 13, 2019, due to the timing of a report regarding the St. Catharines Court House. Proposed dates will be emailed to Board Members and the meeting will be rescheduled to the date that the majority are able to attend to ensure quorum will be achieved.

8. NEXT MEETING

The next meeting will be held at the call of the Chair.

9. **ADJOURNMENT**

There being no further business, the meeting adjourned at 3:41 p.m.

Heather Salter
Board Chair

Kelly Lotimer
Legislative Coordinator

Ann-Marie Norio
Regional Clerk