

# Budget Review Committee of the Whole

**Court Services**

December 10, 2020

# Program/Service Definition

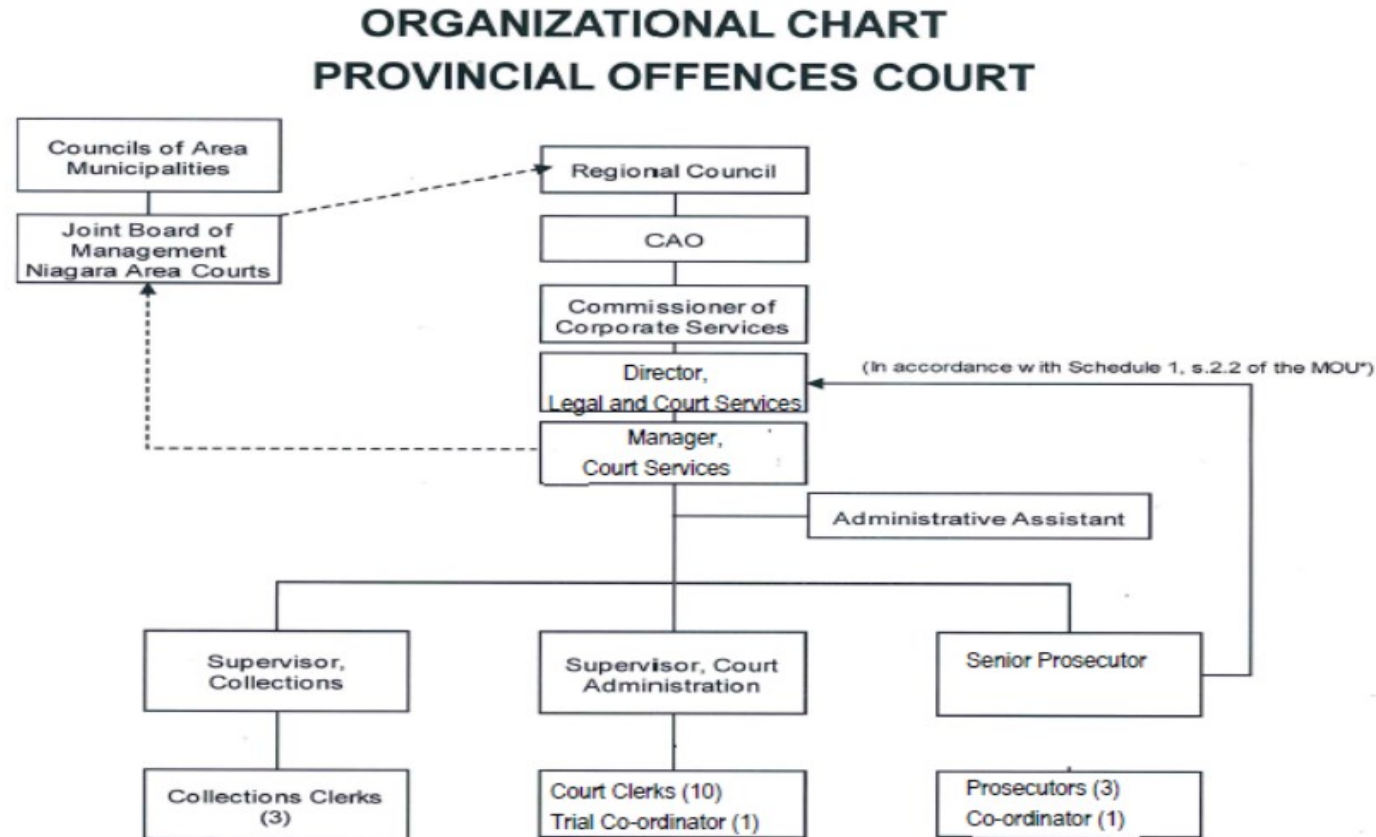
## Court Services

- POA Transferred on January 29, 2001
- Region is the Agent on behalf of Local Area Municipalities
- Responsible for administration of the POA program including Courts Administration, Prosecutions and Collections
- Pursuant to POA Transfer Agreements (MOU & LSA) and Inter-Municipal Agreement

### PROGRAM IS:

- Self-funding not reliant on Levy
- Net Revenue sharing Region 50% and LAMS 50%

# POA Organizational Chart



# Joint Board of Management

## Membership – Municipal Staff Appointed (7 Members)

- 4 Permanent
  - Niagara Falls, Niagara Region, St. Catharines, and Welland
- 3 Rotate yearly
  - Fort Erie, Grimsby, Lincoln, Niagara-on-the lake, Pelham, Port Colborne, Thorold, Wainfleet, and West Lincoln

## Role

- Co-ordinate performance of the Transfer Agreements
- Provide advice to the Agent
- Approve program

# 2021 Organization Overview

## Court Services Goals:

- To achieve excellence in leadership, collaboration & relationships working as One Team
- To foster engagement through open communication, empowerment and innovation, and
- To deliver fair, accessible & respectful customer service while preserving the integrity of the Judicial process.

## 2021 Objectives:

- Leverage technology
- Streamline Court Services
- Build stakeholder relationships
- Enforce orders of the Court

# 2021 Organization Overview

## 2021 COVID-19 Impacts:

### Present & Future of Court Proceedings

- Remote court proceedings commenced July 6, 2020 for Early Resolution & Judicial Pre-Trial
- As of October 19, 2020 all court matters with the exception of trials are occurring remotely
- Continued emphasis on remote court matters where eligible, combined with the re-introduction of in-person court matters on or around January 25, 2021
  - Pending direction from the Ministry of the Attorney General regarding how to proceed with trials in-person and remotely
- Implementation of resources (technology, PPE, sanitization) to assist in hybrid service delivery

# 2021 Organization Overview

## 2021 COVID-19 Impacts (cont'd):

### Revenue Implications

- Infraction Revenue

- The extension of time limitations and the pause on enforcement as a result of Provincial and Judicial Orders has resulted in **more than 4000 Part 1 charges** sitting on “Fail To Respond” (FTR) dockets awaiting conviction.
- This pause is scheduled to be lifted on **February 26, 2021**
- FTR convictions entered in February 2021 **will become due and payable in March 2021**
- The current value **exceeds \$700K** (as of October 31, 2020)

# 2021 Organization Overview

## 2021 COVID-19 Impacts (cont'd):

### Revenue Implications

- Delinquent Revenue
  - **Over 3000 cases are pending suspension**
  - The pause on suspensions as a result of Provincial and Judicial Orders will be **lifted February 26, 2021**
  - The current value of the cases eligible for suspension **exceeds \$3.7 million dollars** (as of October 31, 2020)
  - Historically 1/3 of defendants will pay once suspended = **\$1.9 million dollars**
  - Enforcement activities that were paused will **recommence in February 2021** with revenue realized thereafter.

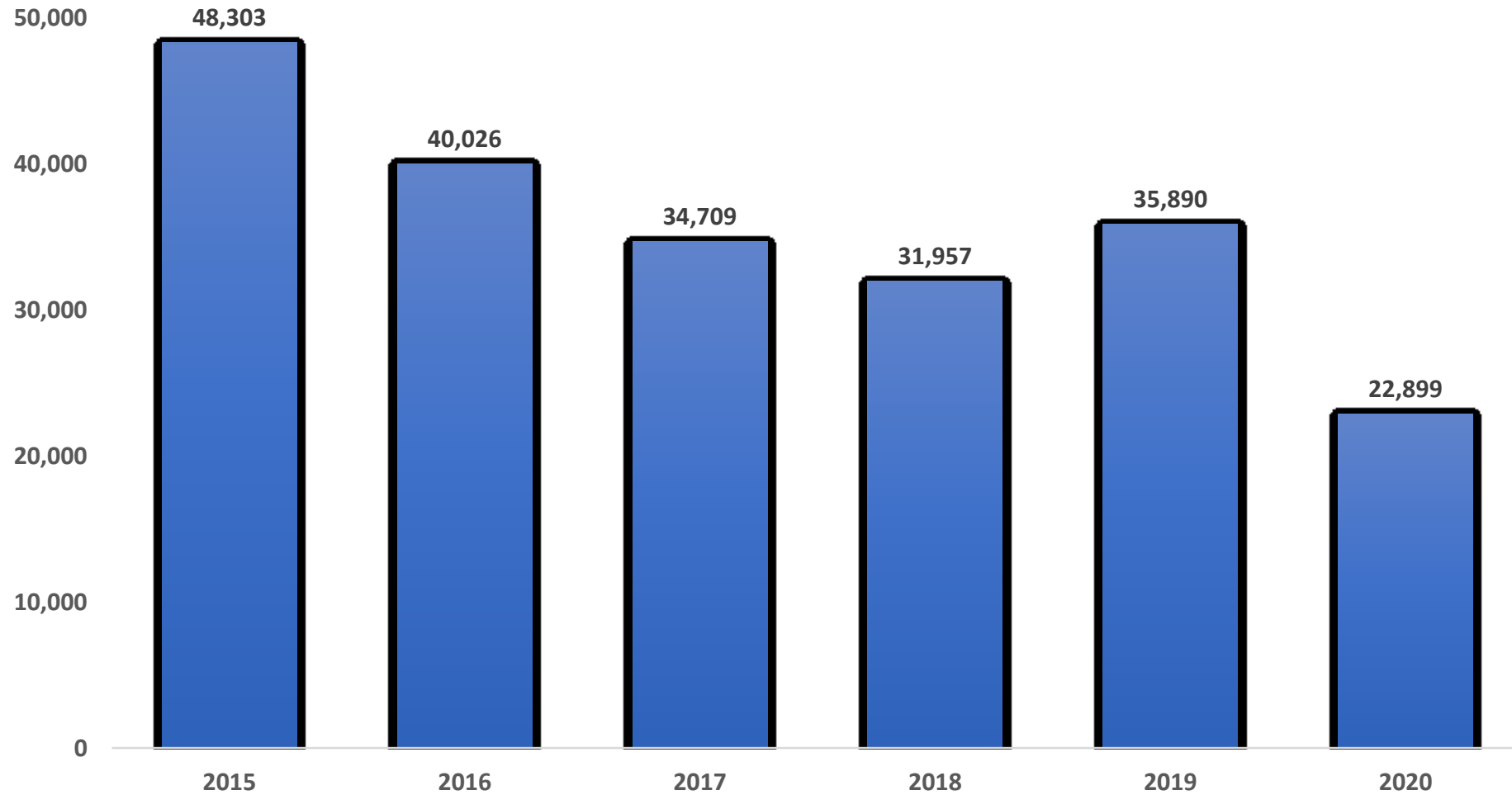


# 2021 Organization Overview

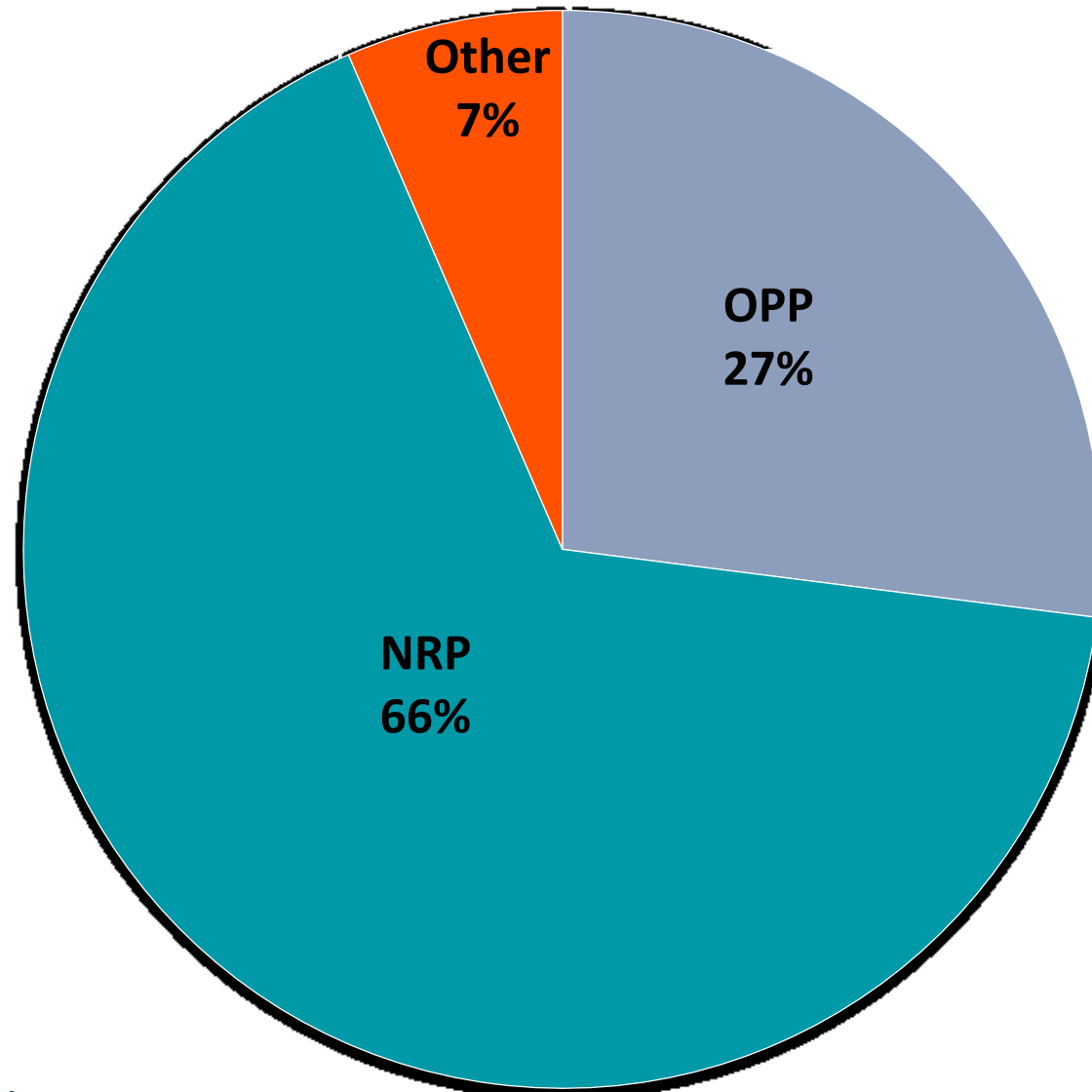
Vision Zero Road Safety Program - \$0 net revenue

- Program approved in 2020 contingent on amendments to the Inter-municipal Agreement
- Engagement with LAMs ongoing
- No changes to 2021 budget assumption as expect similar timelines for implementation
- 2022 budget will be updated based on 2021 actual results

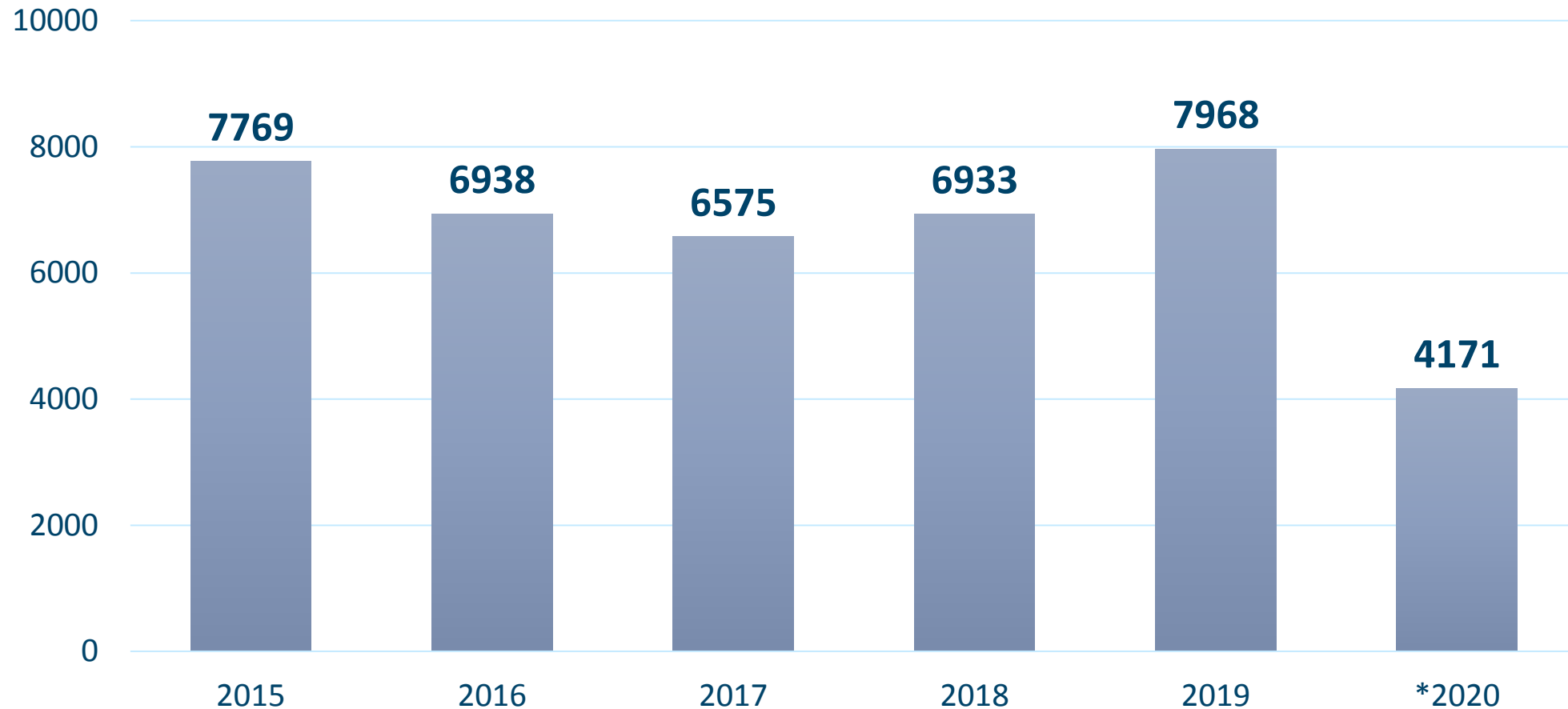
# Annual Charging Volumes (2020 Q3)



# 2020 Charges by Enforcement Agency



# New Delinquent Fines Volumes (2020 Q3)



\*Although noted as newly delinquent, as a result of the Chief Justice order, time to pay was extended and enforcement paused. The extension of time and pause on enforcement activities is scheduled to expire February 26, 2021 at which time all cases will be considered delinquent and enforcement may resume.

# 2021 Operating Budget

## Year-Over-Year Base Budget

**Recommended budget** – in alignment with Council’s budget planning direction of Base budget increases of 2% (to be shared equally with 1% to operating and 1% to support capital renewal costs), before addressing the impacts of COVID-19 for Regional Departments, ABC’s and Rate programs

- Base Operating Budget Increase of **1.0%** - Net revenue decrease for the Region of \$7,344 and \$7,344 to the LAMs
- Capital Financing Budget Increase of **1.0%** - Net expenditure increase for the Region of \$7,344 and \$7,344 to the LAMs

	Gross Expense	Gross Revenue	Net Revenue to be allocated	50% Allocation	\$ Change	% Change
<b>2020 Budget</b>	<b>7,390,911</b>	<b>(8,859,747)</b>	<b>(1,468,836)</b>	<b>(734,418)</b>		
2021 Base	7,400,143	(8,924,747)	(1,524,604)	<b>(762,302)</b>	(27,884)	3.8%
2021 Mitigations	(79,544)	-	(79,544)	<b>(39,772)</b>	(39,772)	5.3%
2021 One-time	150,000	-	150,000	<b>75,000</b>	75,000	-10.2%
<b>Sub-total 2021 Base Services</b>	<b>7,470,599</b>	<b>(8,924,747)</b>	<b>(1,454,148)</b>	<b>(727,074)</b>	<b>7,344</b>	<b>-1.0%</b>
2021 Capital financing	14,688	-	14,688	<b>7,344</b>	7,344	-1.0%
<b>Sub-total 2021 Budget before COVID</b>	<b>7,485,287</b>	<b>(8,924,747)</b>	<b>(1,439,460)</b>	<b>(719,730)</b>	<b>14,688</b>	<b>-2.0%</b>
2021 COVID	79,112	-	79,112	<b>39,556</b>	39,556	-5.4%
<b>Total 2021 Budget</b>	<b>7,564,399</b>	<b>(8,924,747)</b>	<b>(1,360,348)</b>	<b>(680,174)</b>	<b>54,244</b>	<b>-7.4%</b>

# 2021 Operating Budget

## Base budget changes

- Increase in gross revenue (\$65,000)
  - Based on current trends, estimated increase in delinquent revenue
- Decrease in Personnel costs (\$1,205)
  - No change in FTEs – decrease related to decrease in benefits cost allocations
- Increase in Administrative costs \$4,355
  - Increase in office supplies and employee tuition/education materials offset by decrease in records storage.
- Increase in Collection Charges \$65,000
  - Aligns with projected delinquent revenue increases – paid to collection agencies
- Decrease in Indirect Allocations (\$60,772)
  - Cost savings in utilities and allocated IT
- No change in Transfer to Capital Reserve
  - **NOTE** – no change to base budget of \$200,000 – see further details regarding cost mitigation strategy

# 2021 Operating Budget

## One-Time Capital Reserve Transfer

- One-Time Capital Reserve Transfer of \$150,000
  - IT Scheduling Software Update
  - Transfer to Capital Levy Reserve (Approved Funding Source in 2021 Capital Budget)
  - Was approved by JBM for consideration as part of the 2021 Capital Budget as outlined in JBM-C 6-2020

# 2021 Operating Budget

## Budget Mitigations

- Decrease in Transfer to Reserve from proposed \$200,000 base by **\$56,638**
  - This mitigation strategy will likely cause a budget pressure in 2022/2023
- A salary gapping estimate has been incorporated into the budget with an impact of **\$19,047** for 2021.
  - The salary gapping estimate is calculated as 1% of applicable compensation related accounts.
- Applicable business cases have been attached to the 2021 Budget Report



# 2021 Operating Budget

## COVID-19 Budget Changes

Net COVID related cost of **\$79,112 (5.4%)**

### **Additional Expenses \$84,112**

- Additional Part III Prosecution Time due to virtual court services - \$14,550
- Janitorial supplies, PPE, Mailing Services - \$6,562
- iPads to assist in screening and document cameras/scanners to support virtual court - \$13,000
- Welland Courthouse Cleaning (COVID) - \$50,000

### **Cost Savings - \$5,000**

- Reduced meals, mileage and travel - \$5,000

Business case has been attached to the 2021 Budget Report

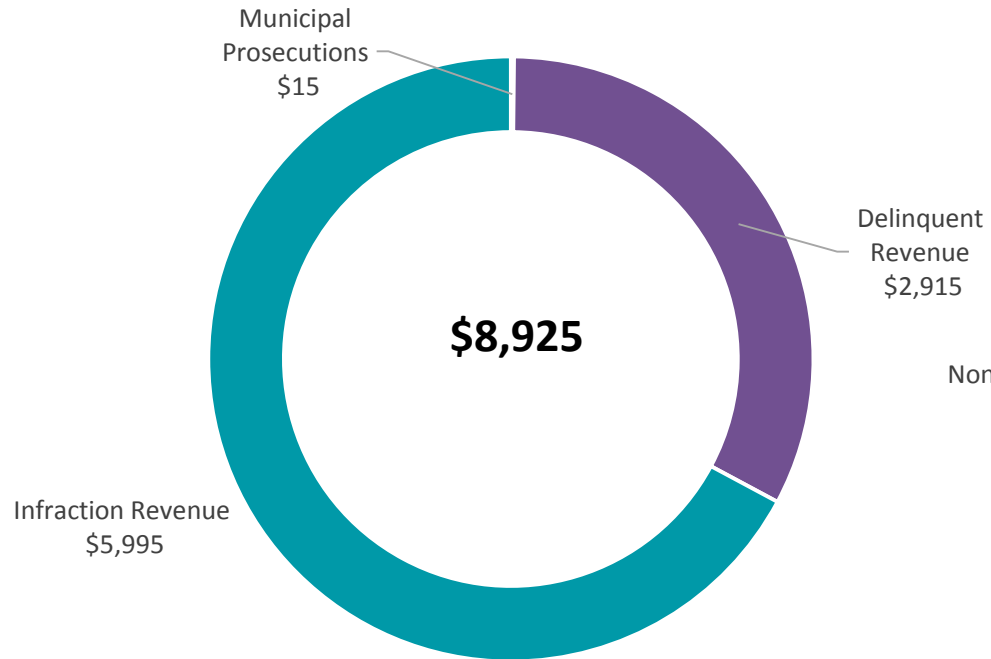
# 2021 Operating Budget

## Capital Financing

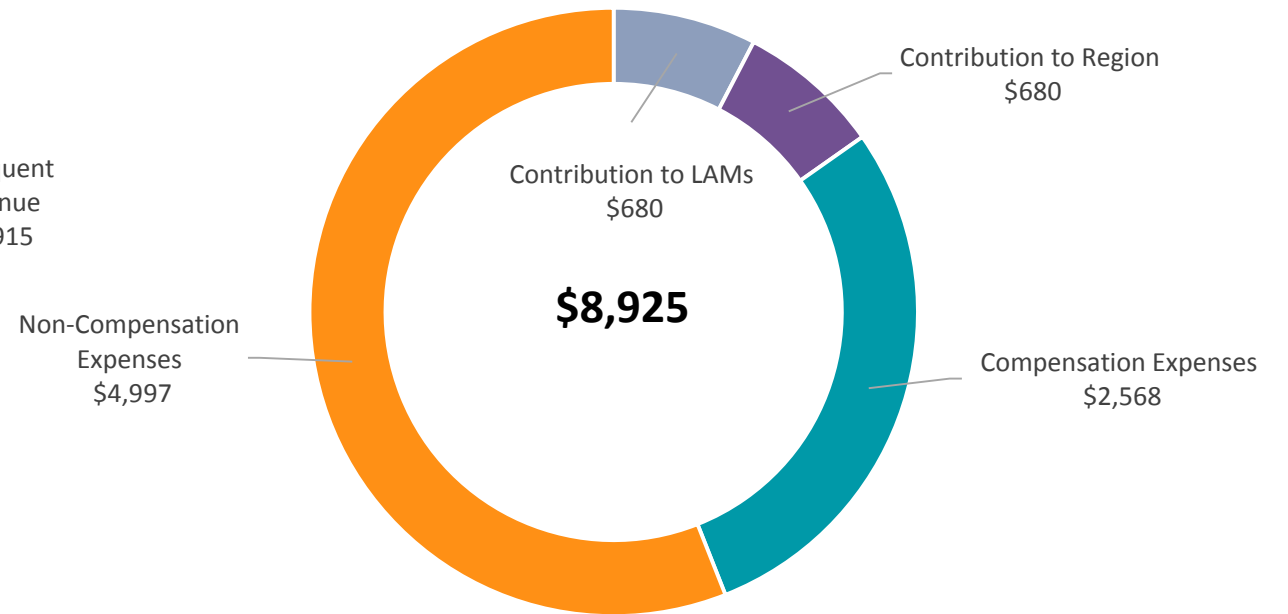
- Per CSD 41-2020 (2021 Budget Planning) the strategy for the 2021 budget was to present a budget at 2%.
  - 2% be shared equally with 1% to operating and 1% to support capital renewal costs
- Increase in the budget to account for increased funding to the capital program (increase transfer to the courts capital reserve) equal to **1% (\$14,688)**
- Business case has been attached to the 2021 Budget Report

# 2021 Budget Summary

Where the Money Comes From (in 000's)



Where the Money Goes (in 000s)



# Risks and Opportunities

- Charging volume decrease after March 16, 2020, however increase in charging volumes was noted throughout 2019 and in Jan-Feb 2020
- Volume of delinquent fines continuing to increase
- Impacts of COVID-19 pandemic on ability to conduct high volume of court matters
- Impact of pandemic-related courthouse building closure and adjournment of court matters, resulting in significant backlog
- Impacts of COVID-19 pandemic and local economy on ability to pay fines
- Unknown impacts of Vision Zero (VZ) implementation
- Manage operating costs/efficiency gains
- Utilize all methods to enforce the orders of the Court
- Leverage technology wherever possible to achieve hybrid in-person/remote service delivery

# Risks and Opportunities

- Impacts of ICON Modernization Project – software update planning announced by MAG. Consultations are currently underway, implementation timelines and full details/impact not yet known.
  - Updates to ICON will impact CAMs software, which is already under review for modernization, between municipal partners
- Potential changes to Administrative Monetary Penalty System (AMPS) – MTO looking at developing an AMPS regime potentially by mid-2022 for ASE, RLC and ASBC.
- Part III Prosecution Transfer - launch dates and business implications remain unknown
- Bill 177 – Modernization related to Courts Administration – launch dates and business implications remain undetermined

**Questions?**

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