
Subject: 2020 Year-End Report for Provincial Offences Court

Report to: Joint Board of Management, Niagara Courts

Report date: Thursday, April 8, 2021

Recommendations

That this Report **BE RECEIVED** for information.

Key Facts

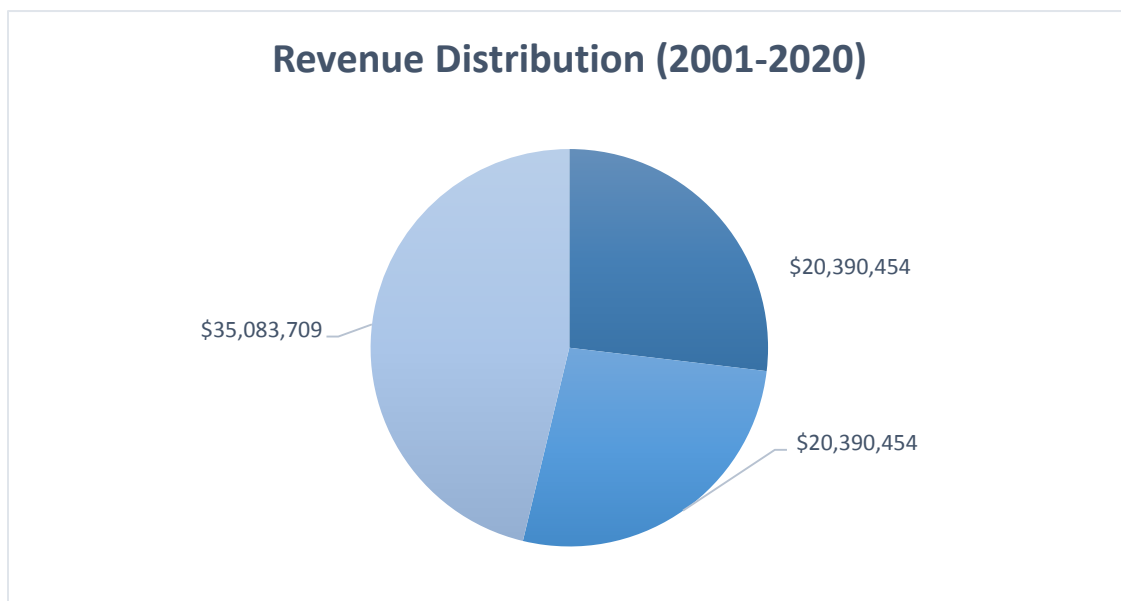
- Pursuant to the Memorandum of Understanding and Local Side Agreement with the Ministry of the Attorney General and the Inter-Municipal Agreement, The Regional Municipality of Niagara (the “Region”) acts as agent on behalf of the 12 local area municipalities (the “LAMs”) to administer the Provincial Offences Court located in Welland.
- Court Services staff administers violations under the Highway Traffic Act, the Trespass to Property Act, the Liquor License Act, municipal by-laws, other provincial and federal offences and more serious matters such as charges under the Compulsory Automobile Insurance Act, the Environmental Protection Act, the Fire Prevention and Protection Act and the Alcohol & Gaming Control Act
- In 2020, there was a 30% (\$2,172,956) decrease in gross revenue over 2019, as well as a 24% (8582) decrease in charges laid.
- The impacts to revenue and expenditures in 2020 can be largely attributed to COVID-19 and the reductions in charges laid, expenses and changes in business as a result.

Financial Considerations

- In 2020:
 - Gross revenue was \$5,067,391, representing a 30% (\$2,172,956) decrease over 2019.
 - Gross expenditures were \$4,724,196 representing a 24% decrease (\$1,467,132) over 2019.
 - Net revenue of \$343,195 is expected to be distributed based on the unaudited operating statements for 2020, as per the Inter-Municipal Agreement. First and second quarter payments were distributed based on the budgeted allocations, this has resulted in an overpayment to the

LAMs. This overpayment will be adjusted through the final distribution to local area municipalities in Q1 2021.

- The Region assumed responsibility for the administration of the Provincial Offences Court in 2001 and since then:
 - The Region has received \$20,390,454 in net revenue, and as per the Inter-Municipal Agreement, the LAMs have shared \$20,390,454 in net revenue (based on unaudited 2020 results).
 - The Region has paid the Province \$35,083,709 inclusive of victim fine surcharges, adjudication fees, part III prosecution charges, dedicated fines, oversight charges, and ICON processing charges



Source of Data: Year End Operating Statements

Analysis

Revenue

Gross revenue in 2020 was \$5,067,391, a 30% (\$2,172,956) decrease over 2019. Gross revenue is typically impacted by a variety of factors, including but not limited to, applications for extension of time to pay, license suspension and charges laid. In addition to these factors, the COVID-19 pandemic also had a significant impact on 2020 gross revenue. The Extension of Time to Pay order made by the Chief Justice of Ontario, the adjournment of in-person court matters, as well as the pandemic's impact

to the economy and individuals' ability to complete payment all contributed to a decrease in revenue.

- Applications for extension of time to pay fines:
 - The number of applications from 2019 (4685) to 2020 (3540) decreased by 24%. There is typically a correlation between extension requests and revenue, as defendants usually file for extensions for economic reasons. However, in 2020 the Chief Justice of Ontario ordered an Extension of Time to Pay which did not require individuals to submit applications from March 16th through December 2020.
- Suspension of driver's licenses:
 - The number of suspensions decreased from 2019 (4084) to 2020 (982). Suspensions occur when certain fines are not paid by the default date. Revenue is impacted through either a delay in a fine being paid or not paid at all. The opportunity to collect on revenue decreases as time passes. In 2020, license suspensions were paused after March 16, 2020, until the end of 2020 as a result of the Chief Justice of Ontario's order extending time to pay.
- Charges Laid:
 - The number of charges laid decreased by 24% in 2020. While charges increased in 2019 for the first time since 2014; the previous trend showed a decrease on an annual basis.

Year	New POA Offence Number
2014	53,913
2015	48,303
2016	40,026
2017	34,709
2018	31,957
2019	35,890
2020	27,308

Continuous Improvement

Court Services continues to leverage every opportunity to do business differently through innovation and process improvements to reduce cost, maximize revenue and ensure access to justice.

Court Services continues to work in conjunction with the Niagara Regional Police (NRP) after implementing e-ticketing in 2017. The initial cost benefit of e-ticketing was realized in 2018 and will continue to be seen with a reduction in the cost of paper tickets, as well as the number of paper tickets required to be keyed into CAMS and ICON. Within 2020, 97% of tickets issued by NRP were issued electronically via e-ticketing, compared to 95% in 2019 and 89% in 2018.

Court Services announced a staffing restructure project on November 11, 2020, which resulted in the elimination of 1 FTE and the splitting of the Court Clerk role into 3 new positions; Courtroom Clerk, Court Administration Clerk, and Court Customer Service Representative. The definition of these 3 distinct positions will assist in the building and mastering of role-specific skills for Court Services staff. The Supervisor Collections and Special Projects position has also been repurposed to a Business Analyst Court Services role to increase business intelligence capacity and project management expertise. Furthermore, one Court Clerk FTE has been repurposed to a Court Clerk Lead role which will assist in creating consistent onboarding and training mechanisms for new and existing Court Services staff. The full impacts of the staffing restructure are expected to be seen in 2021 upon approval of the Vision Zero initiative, which will see 12 additional FTEs added to the Court Services team.

While the COVID-19 pandemic was not without its challenges, it also provided opportunities for accelerated modernization. In July 2020, Court Services began to expand telephone court processes for Early Resolution matters. In October 2020, all non-trial matters resumed via telephone where eligible. Furthermore, Court Services worked to modernize processes and procedures in order to commence court matters via Zoom, which are scheduled to begin on April 12, 2021. While steps have also been undertaken to prepare the building to eventually resume in-person matters where mandated, it is anticipated that remote and virtual court matters will remain the status quo well beyond the pandemic period.

Costs

Gross expenditures in 2020 were \$4,724,196, a 24% (\$1,467,132) decrease over 2019. Costs are typically impacted by several operational factors, including but not limited to, trial requests, re-opening applications, the need to undertake enforcement to collect on delinquent fines and the number of court appearances to resolution. The average of court appearances to resolution in 2020 was 3.5 appearances per case – a reduction of 10%. However, it should be noted that this number is skewed by the fact that trials did not resume after March 16, 2020, and this number is expected to increase in 2021 when trial dates become available. All of the above-mentioned factors increase costs to administer through the court system, from filing to completion. Gross expenditures were significantly impacted in 2020 because of the COVID-19 pandemic. 2020 also saw an 18% decrease in Early Resolution matters; 5267 in 2020, compared to 6244 in 2019 and 5843 in 2018. This can largely be attributed to the adjournment of Early Resolution matters from March 16 through July 6, 2020, as well as a trend which saw an overall increase of trial requests in 2020 from March through December.

- Salary:
 - Court Services saw a decrease in overall salary expenses in 2020 due to the intentional gapping of several staff vacancies throughout the year, the elimination of 1 FTE, as well as a number of staff being out of the workplace on unpaid Infectious Disease Leave. Furthermore, a number of staff were redeployed during 2020 to assist in Regional Long Term Care facilities. Staff salaries during redeployment were charged through Community Services budget as a result, which created salary savings of \$91,431 for Court Services while these individuals were working offsite.
- Collections & Delinquent Fines:
 - The Extension on Time to Pay Order reduced the expenses related to driver's license suspensions as these activities were paused from March 16, 2020 through the remainder of 2020.
- Court Adjournments
 - While Niagara Court Services commenced telephone court matters in July 2020 where eligible, the adjournment of in-person court matters effective March 16 through December 31, 2020 resulted in a significant reduction of expenses related to judicial resources.
- COVID-19 Expenses
 - In order to ensure a safe environment for staff, judiciary and visitors during the COVID-19 pandemic, a number of unforeseen expenses were

required in 2020. A total of \$33,234 spent in 2020 can be attributed to COVID-19 spending including:

- Additional cleaning supports for daytime touchpoint sanitization
- Retrofitting of 3 POA Courtrooms with glass barriers
- Purchase of sanitization supplies including wipes and hand sanitizer
- Purchase of PPE and source control equipment including face shields, gloves and surgical masks
- Increase in postage and printing costs due to repeated delay and adjournments of court matters and the requirement to courier items (such as disclosure) during the courthouse building closure to the public.
- Purchase of stamps to support the processing of court documents during audio court proceedings
- Increase in minor IT equipment costs due to the purchase of an iPad to conduct electronic COVID-19 screening protocols for visitors to the Courthouse upon reopening and various repairs of IT equipment.

Customer Service

It is important to note that time to trial data for 2020 is not available as trials were adjourned and have not resumed since March 16, 2020. As such, there was no available trial time after March 13, 2020. Part 1 trial Scheduling will recommence in 2021, with the first virtual trial via Zoom set for April 12, 2021. The timeline for resumption of Part 3 trials has yet to be determined. There is a significant backlog directly attributed to the pandemic-related adjournments of both Part I and Part III trials. The average time to trial decreased from to 2.0 months in 2019 and 5.0 months in 2018.

The prosecution unit continues to provide French language services to Provincial Offences Courts for trials in neighbouring municipalities on occasion in exchange for prosecutorial resource support in Niagara when required. Staff also continue to work with enforcement agencies to provide guidance in working toward consistent charging and prosecutorial practices.

A variety of information, including service changes, frequently asked questions and answers, were frequently updated on the Court Services website to assist members of the public with information regarding court procedures during the COVID-19 pandemic. While the building remained closed for counter service to the public, staff remained

onsite throughout the duration of the pandemic to address inquiries and payments received by telephone or electronic communication.

Delinquent Fine Enforcement

In 2020, \$2,456,383 in delinquent fines was collected, which represents a 15% decrease (\$444,225) compared to 2019. This decrease is attributed to the COVID-19 pandemic economy as a result of the Extension of Time To Pay Order. On average, 184 new cases were added per month in 2020, compared to 664 new cases in 2019. This decrease in delinquent cases is as direct result of the Chief Justices Order extending time to pay; no new delinquent fines were added to the portfolio in April through to December 2020.

A partnership was created between the Region and all 12 of the LAMs in the “add to tax roll” program, which has proven to be an effective enforcement tool. Since its implementation in 2014, \$1,432,629 has been added to tax rolls in the Region and to date \$1,267,677.78 has been collected, which is an 88% collection rate. In 2020, \$341,217.78 of that amount was collected.

Staff utilize several other enforcement methods. These include the suspension of driver’s license, plate denial, use of third party collection agencies, and civil enforcement. Civil enforcement includes the garnishment of wages, bank accounts and the filing of Writs of Execution to secure property owned by the debtor. During the COVID-19 pandemic and as a result of the Extension of Time to Pay Order, some collections processes were limited from March through December 2020. Collection Agencies continued to work on cases submitted prior to the Extension order.

The filing of writs continued during the pandemic for aged delinquent cases which did not fall within the Extension order. Through ongoing investigative and collection efforts by staff, \$5,509,388 has been secured and \$3,678,537 collected (a 67% collection rate) since implementing the writ process in 2003. It is anticipated that these Writs of Execution will continue to contribute to revenue in future years.

Alternatives Reviewed

N/A.

Relationship to Council Strategic Priorities

The Provincial Offences Court is self-funding and therefore not reliant on the levy budget. 50% of the net revenue is split between the LAMs with the other 50% going to the Region, which could assist with achieving Council's priorities.

Other Pertinent Reports

JBM-C 1-2020 2019 Year-End Report for the Provincial Offences Court

Prepared by:

Miranda Vink
Manager, Court Services
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

This report was prepared in consultation with Blair Hutchings, Program Financial Analyst, and reviewed by Donna Gibbs, Director, Legal and Court Services.