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**Subject:** 2018 Year-End Report for Provincial Offences Court

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

**Report date:** Thursday, March 21, 2019

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## Recommendations

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

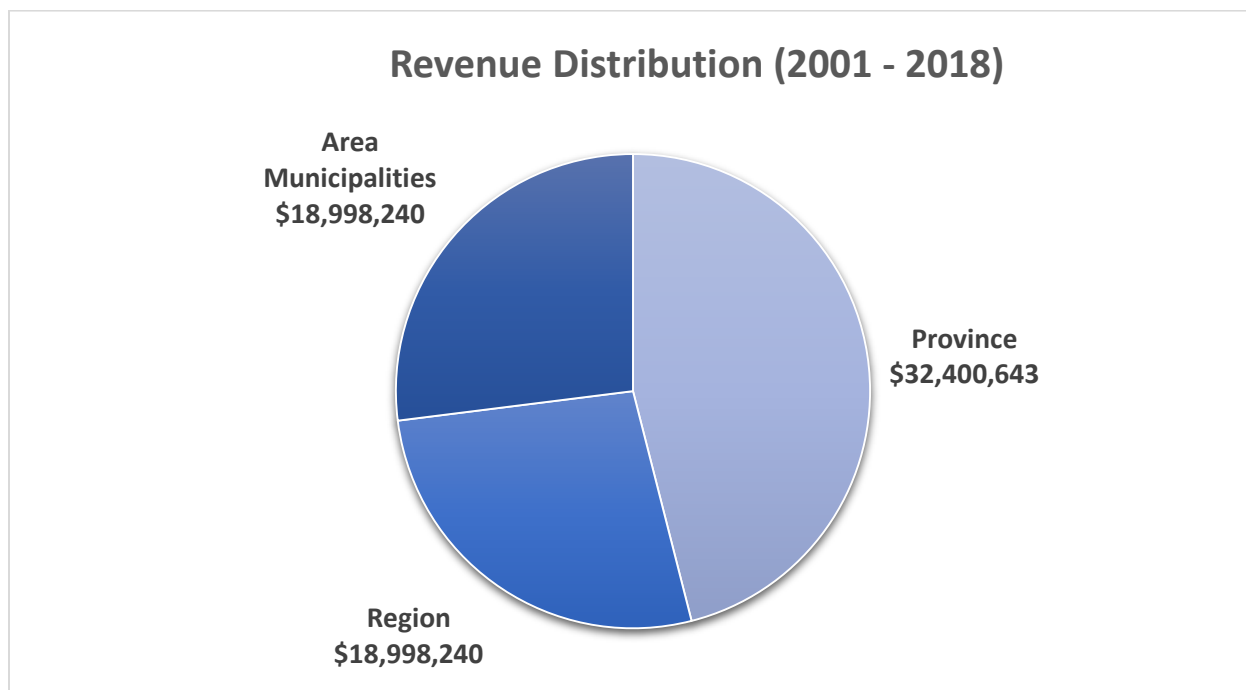
## Key Facts

- 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 Courts located in St. Catharines and 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 2018, there was a 7.8% (\$530,488) increase in gross revenue despite a 7.9% (4438) decrease in charges laid.

## Financial Considerations

- In 2018:
  - Gross revenue was \$7,343,696, representing a 7.8% increase (\$530,488) over 2017.
  - Gross expenditures were \$6,402,771, representing a 1.3% increase (\$79,446) over 2017.Net revenue of \$1,881,852 is expected to be distributed based on the unaudited operating statements for 2018, as per the Inter-Municipal Agreement.
- The Region assumed responsibility for the administration of the Provincial Offences Court in 2001 and since then:
  - The Region has received \$18,998,240 in net revenue, and as per the Inter-Municipal Agreement, the LAMs have shared \$18,998,240 in net revenue.

- The Region has paid the Province \$32,443,650, 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 2018 was \$7,343,696, a 7.8% (\$530,488) increase over 2017. Gross revenue is impacted by a variety of factors, including but not limited to, applications for extension of time to pay, license suspension and charges laid.

- Applications for extension of time to pay fines:
  - The number of applications from 2017 to 2018 has remained consistent. There is a correlation between extension requests and diminishing revenue, as defendants usually file for extensions for economic reasons.
- Suspension of driver's licenses:
  - The number of suspensions increased from 2017 to 2018. Suspensions occur when certain fines are not paid by the due 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.

- Charges laid:
  - The number of charges laid has continued to decrease on an annual basis since 2014.

### 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 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.

Court Services continues to see positive benefits from the amalgamation of court operations from three court locations to two, one being the new Welland courthouse. Administrative and prosecution staff have benefited from a reduced reliance on the labour pool and not needing to operate out of multiple locations.

### Costs

Gross expenditures in 2018 was \$6,402,771, a 1.3% increase over 2017.

Costs are 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 (average of 4 appearances per case). These factors increase costs to administer through the court system from filing to completion.

To offset the decrease in the number of charges laid, and maintain or decrease overall costs Court Services has continued to undertake a number of cost saving strategies:

- A reduction in personnel costs due to the vacancy management of 3 positions throughout portions of the year;
- Reduced use of part-time staff to backfill absences;
- The new court master plan reduced adjudication costs by consolidating all matters to the new courthouse in Welland as of October 1, 2018 with the full benefit being realized in 2019;
- Court Services has continued to utilize video conferencing in the courtrooms to connect with interpreters and as a result, a further reduction of \$12,000 over the initial \$20,000 in savings in 2017 for interpreter costs was realized;
- Greater use of online video for meetings and video conferencing for appearances; and

- The benefit of the 2017 implementation of e-ticketing will continue to be realized beyond 2018 as more agencies transition to e-ticketing.

It is important to note that some of the savings outlined above were somewhat offset by increases in costs such as:

- Per diem prosecutors required to manage vacancies;
- Increase in Part III prosecution costs as a result of corrections by the Ministry in the number of hours that are charged;
- Unanticipated IT costs for software licenses; and
- Larger amount of collections costs than forecasted as a result of increased enforcement efforts and activity.

The amounts paid to other POA courts for fees collected on their behalf varies from year to year and the amount is difficult to predict. This expense was lower than forecasted in 2018 by approximately \$54,000.

#### Customer Service

The average time to trial decreased from 5.5 months in 2017 to 5.0 months.

The prosecution unit continues to provide French language services to Provincial Offences Courts for trials in neighbouring municipalities on occasion on a fee for service basis or 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 frequently asked questions and answers are displayed on digital screens in the public waiting area to assist members of the public with information regarding court procedures. Furthermore, Court Services has implemented the online initiative spearheaded by the Ministry of the Attorney General to allow the public to look up the status of their matter before the court.

A customer service survey was completed in 2018 and resulted in 98.7% customer satisfaction.

#### Delinquent Fine Enforcement

In 2018, \$2,932,487 in delinquent fines was collected, an increase of \$177,760 from 2017. On average, 578 new cases were added to the delinquent fines portfolio each month in 2018, up from an average of 548 cases per month from 2017. This represents a 5.5% increase or 360 cases more than were added in 2017. This increase in delinquent cases occurred despite a decrease of 7.9% in the number of charges filed in 2018.

As of December 31, 2018, approximately 79% of all fines outstanding were delinquent. Delinquency occurs when the time to pay a fine has expired and the fine or part of a fine remains unpaid. The balance or approximately 21% of all fines outstanding is on cases where there is a conviction and a fine amount assessed however not delinquent because there was time to pay granted or a subsequent extension of time to pay was granted.

A partnership was created between the Region and 11 of the LAMs in the “add to tax roll” program, which has proven to be an effective enforcement initiative since its implementation in 2014. \$1,188,702 has been added to tax rolls in the Region and to date \$775,356 has been collected, which is a 65% collection rate. In 2018, \$175,108 of that amount was collected.

Staff utilize several other enforcement methods. These include the suspension of driver’s license, use of third party collection agencies, and civil enforcement. Civil enforcement includes the garnishment of wages and the filing of Writs of Execution to secure property owned by the debtor.

Through ongoing investigative and collection efforts by staff in 2018, an additional \$641,322 was secured through the filing of 206 Writs of Execution (2017 - \$417,328, 208 Writs of Execution filed). \$182,540 has already been collected from these new Writs of Execution filed in 2018. 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 1-2018      2018 Year-End Report for the Provincial Offences Court

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**Prepared by:**

Monica Ciriello  
Manager, Court Services  
Enterprise Resource Management  
Services

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**Recommended by:**

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

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**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.*