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October 29, 2024

Regional Chair Bradley and Council  
Regional Municipality of Niagara Region  
1815 Sir Isaac Brock Way  
Thorold, ON L2V 4T7

Dear Regional Chair Bradley and Council

**RE: Court Services 2025 Proposed Operating Budget**

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Please be advised that at its meeting of October 24, 2024 The Joint Board of Management, Niagara Courts passed the following motion:

That Report JBM-C 7-2024, dated October 24, 2024, respecting Court Services 2025 Operating Budget, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the 2025 Court Services gross base operating budget of \$12,777,778 and net base revenue of \$218,342 (increase in net revenue of \$136,545 or 166.9% over the 2024 net operating budget) as outlined in Appendix 3 to Report JBM-C 7-2024, **BE APPROVED**;
2. That an increase of \$118,888 (or 245.4%) over the 2024 net operating budget **BE APPROVED** to support program changes for the transfer of Part III and Part IX prosecution and a digital evidence management system (DEMS); and
3. That the total 2025 Court Services gross operating budget of 12,896,666 and net revenue of \$99,454, as outlined in Appendix 3 to Report JBM-C 7-2024, **BE APPROVED** and **BE RECOMMENDED** to Niagara Region Council as part of the 2025 operating budget deliberations.

I would ask that this information be placed on the agenda for the Regional Budget Review committee of the Whole meeting scheduled for November 14, 2024. The presentation materials will be provided in advance of the meeting.

Sincerely,



Miranda Vink  
Manager, Court Services

**Subject:** Court Services 2025 Operating Budget

**Report to:** Joint Board of Management

**Report date:** Thursday, October 17, 2024

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## Recommendations

1. That the 2025 Court Services gross base operating budget of \$12,777,778 and net base revenue of \$218,342 (increase in net revenue of \$136,545 or 166.9% over the 2024 net operating budget) as outlined in Appendix 3 to Report JBM-C 7-2024, **BE APPROVED**;
2. That an increase of \$118,888 (or 245.4%) over the 2024 net operating budget **BE APPROVED** to support program changes for the transfer of Part III and Part IX prosecution and a digital evidence management system (DEMS); and
3. That the total 2025 Court Services gross operating budget of 12,896,666 and net revenue of \$99,454, as outlined in Appendix 3 to Report JBM-C 7-2024, **BE APPROVED** and **BE RECOMMENDED** to Niagara Region Council as part of the 2025 operating budget deliberations.

## Key Facts

- The purpose of this report is to seek approval for the proposed 2025 operating budget as outlined in Appendix 3 to Report JBM-C 7-2024. The budget has been prepared in consideration with the budget requirements as outlined in the Niagara Region Courts Inter-Municipal agreement.
- Court Services staff administer a high volume of charges under the Highway Traffic Act, the Trespass to Property Act, the Liquor Licence and Control Act, municipal by-laws, other provincial and federal legislation including more serious matters such as charges under the Compulsory Automobile Insurance Act, the Environmental Protection Act, and the Fire Prevention and Protection Act.
- There are several external factors, not within the control of Court Services, that impact revenue. These external factors and trends are discussed throughout the report and have been considered when preparing the 2025 operating budget.

- The proposed 2025 budget includes business cases for two proposed program changes; the transfer of Part III and Part IX prosecutions, as well as the procurement of a Digital Evidence Management System, as outlined in Appendices 4 and 5 to Report JBM-C 7-2024.
- Should the Joint Board of Management (JBM) and Regional Council approve the Court Services 2025 operating budget including the program changes, the budgeted distribution of net revenue will total \$961,969 (\$99,454 from Base Operations and \$862,515 from Vision Zero (VZ) Operations) for the Local Area Municipalities (LAMs) and \$961,969 for the Region.

### **Financial Considerations**

Court Services is budgeting a 2025 net operating revenue including program changes, before distribution to LAMs but after indirect allocations, of \$1,923,938, which after the 50% allocation to the LAMs, will result in \$961,969 net revenue to the Region. Of this net revenue, \$862,515 is driven by the Vision Zero operations and is allocated to the Region's Transportation division to reinvest into road safety programs as per the Amendment to the Inter-Municipal Agreement. The remaining budgeted net revenue of \$99,454 represents an overall increase in the net revenues of \$17,658 or 21.6% from 2024, as outlined in Appendix 3 to Report JBM-C 7-2024.

Appendix 3 to Report JBM-C 7-2024 provides a summary of the consolidated operating budget, while Appendices 1 and 2 to Report JBM-C 7-2024 segregate the base operations (non-Vision Zero) and the Vision Zero operations, respectively.

The VZ Road Safety Program was initially approved in 2020, subject to successful negotiations with the LAMs for an amendment to the Inter-Municipal Agreement with respect to the sharing of both program revenues and costs, that was completed in 2022. As a result, in 2022, the installation of certain automated traffic enforcement devices on specific Regional roads was approved to proceed. The VZ program is comprised of several traffic safety initiatives led by the Region's Transportation Services department including red light cameras (RLC) and automated speed enforcement (ASE) for which the related Highway Traffic Act charges and resulting fine revenue is processed through the Provincial Offences Court. The VZ program launched, with a phased-in approach, in September 2023 with the installation of ASE, followed by the installation of RLC in March 2024.

The 2024 VZ budget was prepared ahead of the launch of the program and therefore included many assumptions pertaining to anticipated operations. With the launch of

ASE in September 2023 and RLC in March 2024 the full impact of the programs on operations is not yet known. The 2025 VZ operating budget has been updated based on factors impacting 2024 actual results. It is anticipated that, as the program continues to expand and actual operating results are realized, future budgets will be updated to better reflect operations.

The 2025 operating budget assumes a full year (12 months) of operations of both ASE and RLC. Staff will continue to review the actual operating results of VZ throughout 2025 and will make any necessary adjustments to the 2026 and future year budgets based on actual results and trends experienced.

### **Analysis**

The Court Services operation generates revenue and continues to be self-funded, and therefore is not reliant on the levy budget. Pursuant to the Inter-Municipal Agreement, as amended, net revenue is shared with 50% going to the Region and 50% going to the LAMs. For the purposes of budgeting, reporting, and distribution to LAMS, base and VZ operations are separately tracked.

In preparation of the 2025 operating budget, staff reviewed 2022 and 2023 actuals and 2024 year-to-date operating results, as well as the 5-year average and long-term trends. Staff considered these trends and factors when preparing the 2025 operating budget. Adjustments were made to the assumptions in the budget where historical trending indicated that changes may be required.

### **Base Operations**

For base operations, the 2025 net operating revenue including program changes, before distribution to LAMs is \$198,908. After the 50% allocation to the LAMs, this will result in \$99,454 net revenue to the Region. The budgeted net revenue represents an overall increase in the net revenues of \$17,658 or 21.6% from 2024 as outlined in Appendix 1 to Report JBM-C 7-2024. Significant items driving the 2025 budget are outlined below.

### **Infraction Revenue**

- Judicial resourcing challenges continue to impact the volume of matters that can be seen by the courts, based on court closures or adjournments.

- As of September 5, 2024, Court Services has experienced 2 court closures due to lack of judicial resources, impacting matters for 18 defendants. Although 2024 closures are lower than 2021 through 2023 rates, it is important to note that since 2021, closures have occurred at a greater rate during Q4 on an annual basis (therefore the total closures for 2024 are unknown at the time of writing this report). An extended wait time for trial results in a longer timeline between the charges laid and an outcome (infraction revenue) being realized.
- As a result of the judicial resourcing challenges, in addition to closures of scheduled court dates, Court Services' is currently operating only 1.5 of the three available courtrooms based on judicial resources available. There is no indication that additional judicial resources will be available in the first quarter or beyond in 2025.
- Charging volumes by enforcement agencies in 2022 were at historical all-time lows since the transfer of Provincial Offences Court operations in 2001. Base charging volumes continue to remain far below pre-2020 averages and there has been a 3% decrease in charging volumes experienced from January to August 2024 compared to the same period in 2023.
- In recognizing recent trends related to one-time large-value fine payments for infraction revenue, as well as conservative trending to 2023 revenue, the 2025 infraction revenue budget has been increased by \$504,000 or 19.4% for base operations.

### **Delinquent Revenue**

- As of August 2024, the average number of monthly new base delinquent cases is 786 per month, which represents an 18% increase over 2023. Rates of delinquency still remain significantly higher than the monthly average of 592 from 2019 to 2021.
- Although the number of delinquent cases has remained higher the past 2 years, this does not necessarily correlate into a direct increase in delinquent fine revenue as Court Services operates on a cash basis and revenue is only recorded when it is collected/paid. The volume of delinquent cases is high, however Court Services' ability to collect upon these charges is decreasing due to economic factors.
- Court Services Collections staff continue to utilize all enforcement tools available including collection notices, driver's licence suspensions, plate denials, referral to

third party collection agencies and credit reporting, civil enforcement (Garnishments and Writs of Seizure and Sale), as well Add to Tax Roll, to collect the unpaid fines.

- Based on the factors noted above, base delinquent revenue is budgeted to increase \$50,000 over 2024 or 1.9% for base operations.

## **Expenses**

While charging volumes are low, workload remains very high. In consulting with our peers across Ontario, we know that this is a common shared experience with other POA courthouses across the province. Workload impacts include:

- The September 2023 transfer of signing authority to the Clerk of the Court from the Justice of the Peace under Bill 177; the Clerk of the Court are now responsible for the processing and approval of reopenings. Further, Court Services has experienced a continued increased rate of reopening requests, despite an overall reduction in charging volumes:
  - 2024 January to August YTD – 911 reopenings
  - 2021-2023 – average 1020 reopenings annually
  - 2020 – 548 reopenings
  - 2019 – 768 reopenings
- Virtual and hybrid courts are more complex and require additional supports to run a virtual/hybrid courtroom.
- A higher rate of delinquency means more time dedicated to collection efforts, processing extensions of time to pay, investigating opportunities for writs, liens, and add to tax roll.

## **Program Changes**

### **1. Transfer of Part III and Part IX Prosecution Matters**

As part of the transfer of responsibility for the administration and prosecution of POA matters pursuant to an agreement with the Province in 2000, only the responsibility for the prosecution of Part I POA charges was transferred to the Region. The Province retained the prosecution of the Part III and Part IX charges; which are more serious charges with higher penalties.

In 2018 the Province enacted Bill 177: Stronger, Fairer Ontario (Budget Measures) Act, which permits the Province to enter into an agreement with Municipalities to

download responsibility for the prosecution of Part III POA charges. Pursuant to Bill 177, the Ministry of the Attorney General (MAG) is now seeking to transfer these matters from the Crown to municipalities on a voluntary basis, with the timing of individual transfers across the Province being informed by local site readiness and capacity.

A business case was brought forward for consideration as part of the 2024 budget process. At that time, staff had recommended not to proceed with the voluntary transfer. Conversations with the Crown Attorney's office have remained ongoing since that time. Staff are submitting a business case for the 2025 budget, recommending the transfer at this time, in light of the increased number of municipalities who have engaged in the voluntary transfer (and experienced operational benefits as a result) and the risks of the Province implementing a mid-year rate change related to Crown Prosecutions and/or mandating the transfer to municipalities.

The proposed transfer is a budgeted increase of \$217,990, of which 50% of the net expense is allocated to the LAMs through the distribution. Court Services is requesting an increase of two permanent full-time equivalent (FTE) employees.

Further details of the Transfer of Part III and Part IX Prosecution Matters can be found within the operating business case (#BC005), which has been attached as Appendix 4 to Report JBM-C 7-2024.

## 2. Digital Evidence Management System (DEMS)

The proposed program change is \$19,000 for the implementation of the Digital Evidence Management System, of which 50% of the net expense is allocated to the LAMs through the distribution. Court Services seeks to procure the DEMS technology to support the administration of the Provincial Offences Court program. Considering the substantial increase in digital evidence in recent years, obtaining a DEMS license for Court Services will allow prosecution to achieve significant efficiencies in meeting the legislative as well as technical requirements of digital evidence management, enhancing and modernizing the administration of Provincial Offences Court, and customer service. Using the same platform as our partners (NRPS, OPP) will also facilitate collaboration and create efficiencies in engagement with those enforcement agencies.

Further details of DEMS can be found within the operating business case (#BC075), which has been attached as Appendix 5 to Report JBM-C 7-2024.

## **Vision Zero**

The total net revenue relating to the VZ operations is \$0 (2024 - \$0) as shown in Appendix 2 to Report JBM-C 7-2024. Net revenue from VZ operations of \$1,725,030 is distributed as \$862,515 to the LAMs and \$862,515 allocation between departments to the Region's Transportation division to reinvest into road safety programs as per the Amendment to the Inter-Municipal Agreement.

The 2025 VZ budget reflects the changes that have occurred, or that are anticipated to occur, based on limited realized operating results within the VZ program. Additionally, as per PW 11-2024, the increased capacity of the Joint Processing Centre is anticipated to result in an increase from 45,000 tickets (40,000 ASE and 5,000 RLC) to 65,000 tickets (60,000 ASE and 5,000 RLC) in 2025. Other significant items driving the 2025 budget are outlined below.

## **Infraction Revenue**

The 2025 infraction revenue budget has been set at \$5,914,000 an increase of \$1,774,000 or 42.8% over the 2024 budget. The 2024 budget was established ahead of the launch of the VZ program and therefore included a significant number of assumptions built into revenue calculations including the estimated infraction revenue per ticket. Based on realized operations so far within the VZ program, the average revenue per ticket has been adjusted within the calculations included in the budget, resulting in an adjustment to budgeted infraction revenues within the program.

## **Delinquent Revenue**

Court Services Collections staff began receiving Vision Zero delinquent cases in January 2024. As of August 2024, the average number of new Vision Zero delinquent cases are 628 per month.

The 2025 delinquent budget revenue has been set at \$1,341,000 which is an increase of \$762,000 or 131.6% from the 2024 budget. The 2024 budget was established ahead of the launch of the VZ program and therefore included a number of assumptions. Based on limited realized operating results of the program, it is estimated that delinquent revenues will be higher than previously anticipated on an annual basis.



## **Expenses**

As of October 2024, Court Services has completed recruitment of 7 of the 12 approved VZ FTEs (which were approved as part of the 2020 operating budget). Based on realized experience to date, it is not anticipated that all 12 of the approved FTEs will be required for the administration and prosecution of VZ charges. As such, Court Services will be reducing the total maximum VZ FTEs from 12 to 10. This would also assist in creating a net-zero change in total Court Services FTEs, if the proposed business case for the transfer of Part III prosecutions is approved, as a result of introducing two new FTEs in the base operating budget to support the transfer of Part III prosecutions. With Niagara Region's Transportation Division having received approval to update their agreement with the Joint Processing Centre to increase the annual number of ASE charges from 45,000 to 60,000 annually, the recruitment of the remaining three VZ FTEs will continue on a gradual basis as required as the long-term operational impacts of the VZ continue to be realized.

## **Niagara Region Courts Inter-Municipal Agreement**

The budget has been prepared in consideration with the budget requirements as outlined in the Niagara Region Courts Inter-Municipal agreement. The Niagara Region Courts Inter-Municipal Agreement (the "Inter-Municipal Agreement") provides that:

### **Section 7 – Budget 7.1**

The Manager, on behalf of the Agent, shall prepare an annual budget for the Program setting out estimated operating and capital costs, and projected revenue from fines, fees, applicable grants, subsidies and other revenues. The budget shall be submitted to the Board for approval.

### **Section 8 – Apportionment of Costs and Revenue**

8.1 The Agent shall be entitled to recover its costs from the gross revenues generated by the transfer of POA administration. Gross revenues shall not include Part II Parking revenues, as otherwise provided for in Section 6 of this Agreement.

8.2 The Region shall receive 50% of the net revenues.

8.3 All Municipalities, with the exception of the Region, shall receive 50% of net revenues, and it shall be distributed on the basis of assessment.

## **Alternatives Reviewed**

Any reduction of expenditures as outlined in Appendix 1 to Report JBM-C 7-2024 could result in the Niagara Region not being able to meet its obligations under the Memorandum of Understanding with the Ministry of the Attorney General to properly administer the Provincial Offences Court (including increased legislative duties imposed pursuant to Bill 177). This may result in charges being dismissed for lack of prosecution, loss of revenue as well as reputational risk.

Should the business case related to DEMS not be supported for 2025 implementation, Court Services' ability to efficiently prosecute cases and provide timely access to disclosure will be impacted given the increasing volume of digital evidence and lack of existing technology to manage it, which could in turn compromise program delivery obligations set forth as the administrator of POA on behalf of the MAG.

Should the business case related to the transfer of Part III and Part IX Prosecutions not be approved, there will be a lost opportunity to realize efficiencies and improvements in court utilization and customer service and the risk of MAG implementing a mid-year rate change related to Crown Prosecutions and/or mandating the transfer to municipalities, resulting in mid-year budget changes.

## **Relationship to Council Strategic Priorities**

Court Services aims to continually support Regional Council's Effective Region and Equitable Region objectives as they pertain to the administration of the Provincial Offences Court program as core service to residents and visitors to the region and the overall goals of enhanced program effectiveness, court modernization fiscal responsibility and supporting community safety across Niagara.

## **Other Pertinent Reports**

- [PW 64-2019 – Public Works – Vision Zero Road Safety Program](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=277bcf05-71ce-4d77-867e-5e839b3f87be&Agenda=Agenda&lang=English&Item=13&Tab=attachments)  
(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=277bcf05-71ce-4d77-867e-5e839b3f87be&Agenda=Agenda&lang=English&Item=13&Tab=attachments>)

- [PW 11-2024 – Vision Zero: Automated Speed Enforcement Preliminary Results and Next Steps](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=f1a449da-56b7-47e5-a046-29635f575803&Agenda=Merged&lang=English&Item=20&Tab=attachments>)

- [JBM-C 6-2024 – 2<sup>nd</sup> Quarter Variance Analysis and Forecast to December 31, 2024](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=67d9a7ac-2c91-4dfe-bedc-6c6c78fc233e&Agenda=Agenda&lang=English&Item=10&Tab=attachments>)

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**Prepared by:**

Miranda Vink  
Associate Director, Court Services  
Corporate Services

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**Recommended by:**

Dan Carnegie  
Commissioner  
Corporate Services

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**Submitted by:**

Ron Tripp, P.Eng.  
Chief Administrative Officer

This report was prepared in consultation with Adam Niece, Program Financial Specialist, Renee Muzzell, Manager, Program Financial Support and reviewed by Donna Gibbs, Director Legal and Court Services and Melanie Steele, Associate Director, Reporting and Analysis.

**Appendices**

- Appendix 1 Schedule of Expenditures and Revenue – Base Operations - 2025 Budget
- Appendix 2 Schedule of Expenditures and Revenue – VZ Operations - 2025 Budget
- Appendix 3 Schedule of Expenditures and Revenue – Total Program Operations –  
2025 Budget
- Appendix 4 Operating Business Case – Transfer of Part III and Part IX Matters
- Appendix 5 Operating Business Case – Digital Evidence Management System  
(DEMS)

**Schedule of Expenditures and Revenue - Base Operations - 2025 Budget**

Object of Expenditure	2024 Base Budget (\$)	2025 Base Budget (\$)	Base Budget Variance (\$)	Base Budget Variance (%)	Proposed Program Changes	Revised 2025 Base Budget	Revised Base Budget Variance (\$)	Revised Base Budget Variance (%)	Note
Labour Related Costs	2,095,707	2,238,208	142,501	6.8%	251,990	2,490,198	394,491	18.8%	(2)
Administrative	1,166,580	1,474,270	307,690	26.4%	(42,000)	1,432,270	265,690	22.8%	(3)
Operational & Supply	220,796	356,092	135,296	61.3%	(117,889)	238,203	17,407	7.9%	(1)
Occupancy & Infrastructure	0	0	0	0.0%	0	0	0	0.0%	
Equipment, Vehicles, Technology	23,850	22,200	(1,650)	(6.9%)	24,000	46,200	22,350	93.7%	
Financial Expenditures	179,000	174,000	(5,000)	(2.8%)	0	174,000	(5,000)	(2.8%)	
Transfers To Funds	200,000	200,000	0	0.0%	0	200,000	0	0.0%	(4)
Allocation Between Departments	(2,778)	(1,360)	1,418	(51.0%)	0	(1,360)	1,418	(51.0%)	
Gross Expenditure Subtotal	3,883,155	4,463,410	580,255	14.9%	116,101	4,579,511	696,356	17.9%	
Other Revenue	(5,189,800)	(5,740,800)	(551,000)	10.6%	0	(5,740,800)	(551,000)	10.6%	(6)
Gross Revenue Subtotal	(5,189,800)	(5,740,800)	(551,000)	10.6%	0	(5,740,800)	(551,000)	10.6%	
Net Expenditure (revenue) before indirect allocations	(1,306,645)	(1,277,390)	29,255	(2.2%)	116,101	(1,161,289)	145,356	(11.1%)	
Indirect Allocation	659,178	624,748	(34,430)	(5.2%)	2,787	627,535	(31,643)	(4.8%)	
Capital Financing Allocation	565,671	434,300	(131,371)	(23.2%)	0	434,300	(131,371)	(23.2%)	
Allocation Subtotal	1,224,849	1,059,048	(165,801)	(13.5%)	2,787	1,061,835	(163,014)	(13.3%)	(5)
Net Expenditure (revenue) after indirect allocations	(81,796)	(218,342)	(136,546)	166.9%	118,888	(99,454)	(17,658)	21.6%	
FTE - Reg	23	23	0	0.0%	2	25	2	8.7%	

**Notes:**

(1) Distribution (recovery) from LAM is included in this object of expenditure and is calculated as 50% of the net expenditure (revenue) after indirect allocations. In 2024 total budgeted distribution to LAMs was \$81,796. In 2025 total budgeted distribution to LAMs is \$218,342. If the program changes are accepted, the distribution to LAMs will decrease to \$99,454.

(3) Administrative: The net increase is largely driven by revisions in the estimate of budgeted Victim Fine Surcharge expenses, an increase in Payticket online services resulting from an increase in contract costs and an increase in credit card fee costs due to higher anticipated credit card payments. These costs increases are net of budgeted decreases in adjudication and other miscellaneous accounts (such as tuition fees, business forms, office supplies, interpreter expenses and external legal expenses).

(4) Transfer to Funds: There is no proposed change in the transfer to reserve funds amount. The 2025 operating budget includes an annual \$200,000 transfer to the Courts Facility Renewal Reserve to fund the future replacement of the courthouse or other capital needs, in accordance with the Corporate Asset Management strategy.

(5) Indirect Allocations and Capital Financing Allocations: The net decrease is mainly driven by program support reductions as well as transfer of some program support costs to the VZ operating budget.

(6) Revenues: The increase is mainly driven by budgeting to trends around one-time large-value fine payments for infraction revenue as well as conservative trending to 2023 revenue.

**Schedule of Expenditures and Revenue - VZ Operations - 2025 Budget**

Object of Expenditure	2024 Vision Zero Budget (\$)	2025 Vision Zero Budget (\$)	Vision Zero Budget Variance (\$)	Vision Zero Budget Variance (%)	Note
Labour Related Costs	896,113	831,398	(64,715)	(7.2%)	(3)
Administrative	1,498,916	1,918,535	419,619	28.0%	(4)
Operational & Supply	197,740	945,765	748,025	378.3%	(1)
Occupancy & Infrastructure	0	0	0	0.0%	
Technology	0	10,500	10,500	0.0%	(5)
Financial Expenditures	0	35,000	35,000	0.0%	(6)
Transfers To Funds	0	0	0	0.0%	
Departments	2,097,212	3,143,205	1,045,993	49.9%	(2)
Gross Expenditure Subtotal	4,689,981	6,884,403	2,194,422	46.8%	
Other Revenue	(4,719,428)	(7,255,320)	(2,535,892)	53.7%	(7)
Gross Revenue Subtotal	(4,719,428)	(7,255,320)	(2,535,892)	53.7%	
Net Expenditure (revenue) before indirect allocations	(29,447)	(370,917)	(341,470)	1,159.6%	
Indirect Allocation	27,706	182,091	154,385	557.2%	
Capital Financing Allocation	1,741	188,826	187,085	10,745.8%	
Allocation Subtotal	29,447	370,917	341,470	1,159.6%	(8)
Net Expenditure (revenue) after indirect allocations	0	0	0	0.0%	
FTE - Reg	12	10	(2)	(16.7%)	

**Notes:**

(1) Distribution (recovery) from LAM is included in this object of expenditure and is calculated as 50% of the net expenditure (revenue) after indirect allocations. In 2024 total budgeted distribution to LAMs was \$0. In 2025 total budgeted distribution to LAMs is \$862,515.

(2) Vision Zero budget includes Allocation Between Departments representing a transfer of net operating revenues to the Niagara Region's Transportation division and is used by the Transportation division to offset budgeted expenditures related to the Vision Zero Road Safety Program in accordance with the Amendment to the Inter-Municipal Agreement.

(3) Labour Related Costs: The net decrease is driven mainly by a reduction of 2 VZ FTEs due to realized experience to date with the administration and prosecution of VZ charges.

(4) Administrative: the increase is mainly due to an increase in Victim Fine Surcharge which is calculated and aligned with VZ revenues. In addition, there is an increase in Payticket online ticket payment services as a result of the newly negotiated contract, as well as increases in ICON charges, credit card payments, interpreter expenses and postage driven by the expansion of the VZ program in 2025.

(5) Equipment, Vehicles and Technology: the increase is due to the inclusion of minor IT costs in the budget in order to purchase IT equipment for VZ FTEs as they are recruited as well as replacement of any necessary IT equipment for existing staff in addition to VZ's allocation of Court Administration Management System (CAMS) as mentioned above in base operations.

(6) Financial Expenditures: the increase is due to inclusion of collections costs in 2025.

(7) Revenues: the increase is due to adjustments made to the high level budget assumption for 2024, as well as an increase in tickets processed.

(8) Indirect Allocations and Capital Financing Allocations: The net increase is mainly driven by an allocation of additional program support costs from base operations that are directly attributable to VZ operations.



**Schedule of Expenditures and Revenue - Total Program Operations - 2025 Budget**

Object of Expenditure	2024 Total Budget (\$)	2025 Total Budget (\$)	Total Combined Variance (\$)	Total Combined Variance (%)	Proposed Program Changes	Revised 2025 Total Budget	Revised Total Budget Variance (\$)	Revised Total Budget Variance (%)	Note
Labour Related Costs	2,991,818	3,069,606	77,788	2.6%	251,990	3,321,596	329,778	11.0%	
Administrative	2,665,496	3,392,805	727,309	27.3%	(42,000)	3,350,805	685,309	25.7%	
Operational & Supply	418,536	1,301,857	883,321	211.1%	(117,889)	1,183,968	765,432	182.9%	(1)
Occupancy & Infrastructure	0	0	0	0.0%	0	0	0	0.0%	
Technology	23,850	32,700	8,850	37.1%	24,000	56,700	32,850	137.7%	
Financial Expenditures	179,000	209,000	30,000	16.8%	0	209,000	30,000	16.8%	
Transfers To Funds	200,000	200,000	0	0.0%	0	200,000	0	0.0%	
Allocation Between Departments	2,094,434	3,141,845	1,047,411	50.0%	0	3,141,845	1,047,411	50.0%	(2)
Gross Expenditure Subtotal	8,573,134	11,347,813	2,774,679	32.4%	116,101	11,463,914	2,890,780	33.7%	
Other Revenue	(9,909,228)	(12,996,120)	(3,086,892)	31.2%	0	(12,996,120)	(3,086,892)	31.2%	
Gross Revenue Subtotal	(9,909,228)	(12,996,120)	(3,086,892)	31.2%	0	(12,996,120)	(3,086,892)	31.2%	
Net Expenditure (revenue) before indirect allocations	(1,336,094)	(1,648,307)	(312,213)	23.4%	116,101	(1,532,206)	(196,112)	14.7%	
Indirect Allocation	686,886	806,837	119,951	17.5%	2,787	809,624	122,738	17.9%	
Capital Financing Allocation	567,412	623,128	55,716	9.8%	0	623,128	55,716	9.8%	
Allocation Subtotal	1,254,298	1,429,965	175,667	14.0%	2,787	1,432,752	178,454	14.2%	
Net Expenditure (revenue) after indirect allocations	(81,796)	(218,342)	(136,545)	166.9%	118,888	(99,454)	(17,658)	21.6%	
FTE - Reg	35	33	(2)	(5.7%)	2	35	0	0.0%	

**Notes:**

(1) Distribution (recovery) from LAM is included in this object of expenditure and is calculated as 50% of the net expenditure (revenue) after indirect allocations. In 2024 total budgeted distribution to LAMs was \$81,796, which is comprised of a \$81,796 distribution for base budget operations and \$0 for Vision Zero.

In 2025 total budgeted distribution to LAMs is \$1,080,857, which is comprised of budgeted distribution to LAMs for base budget operations of \$218,342 and \$862,515 for Vision Zero. If the program change recommendations are accepted, the distribution to LAMs will decrease to \$961,969 comprised of base budget operations of \$99,454 and \$862,515 for Vision Zero.

(2) Vision Zero budget includes Allocation Between Departments representing a transfer of net operating revenues to the Niagara Region's Transportation division and is used by the Transportation division to offset budgeted expenditures related to the Vision Zero Road Safety Program in accordance with the Amendment to the Inter-Municipal Agreement.

# Transfer of Part III and Part IX Prosecution

**Type:** Growth/New Programs

**Department:** Corporate Services

**Committee Report:** JBM-C 7-2024

**Case Start Date:** 2025-01-01

## Alignment to Council’s Strategic Priorities

Effective Region	Green Resilient Region	Equitable Region	Prosperous Region
100%	0%	0%	0%

Through the transfer of Part III and Part IX Prosecutions, Court Services aims to support Regional Council’s Effective Region objective by enhancing customer service and maximizing the efficient use of court time and resources as a continuous improvement initiative.

## Description

As part of the transfer of responsibility for the administration and prosecution of Provincial Offences Act (POA) matters pursuant to an agreement with the Province in 2000, only the responsibility for the prosecution of Part I POA charges was transferred to the Region. The Province retained the prosecution of the Part III and Part IX charges; which are more serious charges with higher penalties.

In 2018 the Province enacted Bill 177: Stronger, Fairer Ontario (Budget Measures) Act, which permits the Province to enter into an agreement with Municipalities to download responsibility for the prosecution of Part III POA charges. Pursuant to Bill 177, the Ministry of the Attorney General (MAG) is now seeking to transfer these matters from the Crown to municipalities on a voluntary basis, with the timing of individual transfers across the Province being informed by local site readiness and capacity.

Court Services is currently billed \$109/hr for in-court Part III provincial prosecution services. The Region does not pay the Province for any appeals court appearances, judicial pre-trials, or “out of court” work or related administrative support undertaken for the prosecution of those charges.

The Crown Attorney’s office in Niagara currently uses 2 FTEs: 1 for the Provincial Prosecutor position and 1 to perform Prosecution Assistant support. The Crown’s office also regularly utilizes 2 articling students to assist with managing prosecution and workload. The Crown’s office have provided the following averages to illustrate the Part III related workload:

1500 Disclosure Requests Completed Annually by Crown Prosecution Assistant  
115 days of court annually by Crown Prosecutor

At the current time, Regional Prosecution Team complete the following:  
2457 Disclosure Requests Completed Annually by Prosecution Coordinator  
136 days of court annually per Regional Prosecutor (not inclusive of appeals, judicial pre-trials and conflict court matters)

Based on the known workload of Part III transfers related to annual disclosure requests and number of court appearances, the current Prosecution resources would be insufficient and unable to absorb this additional work.

From 2019 to 2023, Niagara received an annual volume of 3,465 Part III cases which would fall under the Crown's prosecution responsibilities. Based on the same 5 year period, the average annual expense of Part III Prosecution by the local Crown's office is \$44,246 per year.

In order to operationalize the program within Court Services, Staff propose that a restructuring of the Prosecution Team would be required to address the additional workload, including the addition of 2 net new permanent FTEs (further details below).

The total estimated net operating impact for 2025 would be \$217,990, half funded by the LAMs and half funded by Regional Levy netting to \$108,995; being the combined salaries and associated costs of restructuring the Prosecution Team and adding 2 net new FTEs (1 Prosecutor II FTE and 1 Prosecution Coordinator FTE) including minor IT purchases, training and education costs, and membership and licensing fees, with these expenses partially offset by savings of approximately \$42,000 annually in administration costs. The net reduction in administration costs is a result of the removal of in-court time of the Provincial Prosecutor (budgeted at \$50,000 in 2024) as a result of the transfer to POA and is partially offset by membership dues and fees, professional development costs and office supplies.

The current Prosecution Team Structure (Base Budget, Non-VZ FTEs) is as follows:

- 3 Prosecutor FTEs
- 1 Prosecution Coordinator FTE

In order to support a program change of this magnitude, an enhanced Prosecution team structure is required and would include the introduction of a Prosecutor I role and a Prosecutor II role, through the conversion of 3 existing FTEs in addition to adding 2 net new FTEs as follows;

- Add 1 Prosecution Coordinator FTE
- Add 1 Prosecutor II FTE
- Convert 1 existing Prosecutor FTE to Prosecutor II role
- Convert 2 Prosecutor FTEs to Prosecutor I role

The proposed changes would then result in the following new Prosecution Team Structure (Base Budget, Non-VZ FTEs):

- 2 Prosecutor I FTEs
- 2 Prosecutor II FTEs
- 2 Prosecution Coordinator FTEs

Part III prosecutions are more complex and require more time than Part I ("ticket") charges to review and prepare for trial. Part III matters also require more experience and different skillsets as responsibilities include addressing more serious matters and dealing with victims. Responsibility for Part III prosecutions would be shared between the Prosecutor II roles and the Manager Prosecution and Collections. The Prosecutor I role would be a repurposing of the current Prosecutor role, which would be responsible for the prosecutions of Part I matters (no change).

An additional Prosecution Coordinator will be required to support in the preparation of approximately 1500 disclosure requests annually, in addition to the preparation of files and materials for court appearances.

This proposed restructuring represents a lower level of resources than is currently utilized by the Crowns' office to perform the same work, given that the Crown's office also utilizes two articling students per year, as well as two additional law students every summer to assist with POA Part III prosecution and administration in addition to the 2 FTEs.

## **Business Reasons**

Primary benefits anticipated following the transfer of these prosecutions are enhancements to customer service, program consistency and more efficient use of court time. For example, currently, Part III defendants attend court matters at 445 East Main Street, however the Crown Prosecutor (CP) does not work onsite. Defendants must contact CP directly for information related to their case and may only obtain disclosure at the Criminal Courthouse location during specific dates and times; whereas upon transfer, defendants would be able to obtain disclosure or contact staff at the POA Courthouse in Welland at any time during normal business hours; streamlining service to one team, one building with enhanced hours. Additionally, this transfer would increase Court Services' scope of control over the prosecution and management of such cases; including the opportunity to achieve consistency in outcomes and efficiencies in use of court time.

Staff have engaged in consultation with other municipalities who have completed transfer and have confirmed the positive benefits of this program change, including enhancements related to program consistency, customer service and optimization of court time. In light of the increased number of municipalities have engaged in the transfer have experienced benefits as a result, staff recommend moving forward with voluntary transfer to mitigate potential risk of future mandatory transfer and mid-year budget change.

The revenues from any fines associated with Part III matters are already included in revenues received by POA Court Services. As such there would be no additional revenue associated with this transfer. The transfer is essentially a download of prosecution services from the Province to the Region. The transfer would eliminate the existing budgeted expense of the hourly fee of \$109/hour for the Crown Prosecutor. However, the Crown's office presently utilizes 2 FTEs to support these prosecutions and current fees do not include time spent in appeals court, time spent in Judicial Pre-Trials (JPT), or any out of court time; file preparation, trial preparation, pre-trials, etc. which would need to be completed by Staff upon transfer. The Crown's office also utilizes two articling students per year, as well as two additional law students every summer to assist with POA Part III prosecution and administration, which are also not included in these current fees.

### **Risk Assessment Description:**

The transfer of these prosecutions could not be successfully absorbed with existing FTEs based on the significant workload increase in terms of case numbers and case complexity. The transfer at this time is voluntary, therefore staff would not proceed to take on this transfer absent additional staffing resources in the event that this business case is not approved; however failing to proceed would be a lost opportunity to realize efficiencies in court time and improvements in customer service.

Should the Region not opt into the voluntary transfer, there is no known immediate financial impact based on information currently available. Court Services has continued to have ongoing communication with the local Crown Attorney and is aware that there is potential for a significant increase in fees charged to municipalities to reflect actual cost recovery. It is also possible that the Province may make the transfer mandatory at a later date, potentially resulting in unplanned mid-year budget impact and/or decreased flexibility in terms of start date based on site readiness (and resulting operational pressures of implementation). However, to date, there has not been any formal communication regarding pending changes to the fees paid to the Province for prosecution, or regarding mandatory transfer of Part III Prosecutions from the Province.

## Financial and Staffing Impacts

<b>Object of Expenditure</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Labour Related Costs	\$251,990	\$256,429	\$267,629
Administrative	(42,000)	(42,816)	(43,648)
Operational & Supply	(107,995)	(107,306)	(113,025)
Occupancy & Infrastructure	-	-	-
Equipment, Vehicles, Technology	7,000	1,000	1,020
Community Assistance	-	-	-
Financial Expenditures	-	-	-
Transfer to Reserve	-	-	-
<b>Gross Expenditures</b>	<b>\$108,995</b>	<b>\$107,307</b>	<b>\$113,026</b>
Other Revenue	-	-	-
Federal and Provincial Grants	-	-	-
By-Law Charges & Sales	-	-	-
Transfer from Reserve	-	-	-
<b>Gross Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Impact</b>	<b>\$108,995</b>	<b>\$107,307</b>	<b>\$113,026</b>
Permanent FTEs	2.0	2.0	2.0
Temporary FTEs	-	-	-

*\*total annual budget impact*

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**Prepared by:**  
Miranda Vink  
Associate Director, Court Services

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**Reviewed by:**  
Adam Niece  
Program Financial Specialist

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**Approved by:**  
Dan Carnegie  
Commissioner of Corporate Services/Treasurer

# Digital Evidence Management System (DEMS)

**Type:** Growth/New Programs

**Department:** Corporate Services

**Committee Report:** JBM-C 7-2024

**Case Start Date:** 2025-01-01

## Alignment to Council’s Strategic Priorities

Effective Region	Green Resilient Region	Equitable Region	Prosperous Region
100%	0%	0%	0%

Court Services will support Regional Council’s Effective Region objective through the procurement of a Digital Evidence Management System (DEMS) that will support the administration of the Provincial Offences Court program as a core service to residents and visitors to the region committed to continuous improvement by achieving enhanced program effectiveness and process modernization. Considering the substantial increase in digital evidence in recent years, obtaining a DEMS license for Court Services will allow prosecution to achieve significant efficiencies in meeting the legislative as well as technical requirements of digital evidence management; enhancing and modernizing the administration of Provincial Offences Court and customer service. Using the same platform as our partners (NRPS, OPP) will also facilitate collaboration and create efficiencies in engagement with those enforcement agencies.

## Description

In 2023, Niagara Regional Police Service (NRPS) introduced DEMS to manage digital evidence, in addition to a rollout of electronic communication devices (i.e. smart phones) to all enforcement officers. These devices allow officers to obtain evidence in a digital manner, in real time; e.g. statements via voice recording at the roadside, photos or videos of an accident site, etc. Consequently, this has resulted in a significant increase in the volume of digital evidence for Provincial Offences matters.

In addition to police evidence, the capacity for civilians to collect and share digital evidence has changed dramatically in recent years; smart phones with photo, video and audio capabilities, doorbell cameras, home security cameras and dashboard cams have become commonplace. The DEMS system is critical to support the management of digital evidence as well as the capacity for law enforcement to share and distribute these electronic files in an efficient and effective manner with the courts as required. This same platform is also used by OPP as well as the Crown Attorney’s office, therefore efficiencies will result from obtaining DEMS for Court Services.



Court Services is also aware that NRPS is planning the intro of body cameras for officers in the next 24-36 months likely resulting in a further increase in the volume of digital evidence captured by officers in turn becoming part of the case file requiring management, maintenance, and storage.

As the DEMS program would strictly support POA charges and would not be applicable to Vision Zero charges, the annual licensing costs for DEMS would be captured solely within Court Services' base budget.

The cost for the software license is \$17,000 annually, based on the number of required users. It is anticipated that the annual cost will remain the same over the next 3 years as a limited number of employees require access to the platform.

## **Business Reasons**

Court Services utilizes several case management systems for the administration of POA offences, including the Integrated Court Offences Network (ICON) and the Court Administration Management System (CAMS). Court Services does not presently have technology which allows for the effective management of digital evidence, meaning that the process of managing digital evidence is time consuming and labour intensive. From 2021 through 2022, Prosecution processed an average of 1,728 disclosure requests per year. Comparably, in 2023 a total of 2,456 requests were processed. As the demand for disclosure increases, in addition to the complexity of digital evidence management, it is not sustainable or efficient to manage the current and anticipated future pressures of digital evidence within current available systems. Obtaining a DEMS license for Court Services will allow prosecution to meet the legislative as well as technical requirements of digital evidence management, e.g. redacting information which cannot be released as part of the evidence disclosure process (such as editing an audio recording of a witness statement to redact their date of birth or address when stated, as legislatively required by MFIPPA). DEMS is a specialized evidence management program which not only stores digital evidence but also provides tools for redaction, transcription of audio or video files, sharing files as part of the disclosure process, etc. all within one system.

Based on current volumes, obtaining this platform will allow Court Services to effectively manage digital evidence as a new and growing area of business within the current staff complement. Court Services will continue to monitor this trend and assess the resulting labour impact.

## **Risk Assessment Description:**

The procurement of this technology will support the efficient management of digital evidence along with mitigating the risks indicated below:

- The preparation of disclosure of evidence in its current and anticipated future state cannot be managed in a timely or effective manner with the technology presently available to staff (and within the current staff complement)
- Lack of effective and efficient management of digital evidence as no specialised software or technology is presently available to Court Services

These risks could compromise Court Services' ability to effectively deliver prosecution services in accordance with the expectations of the public, standards established by Ontario caselaw, and the program delivery obligations set forth as the administrator of POA on behalf of the Ministry of the Attorney General. Without the necessary technology for the coordination, preparation, management and disclosure of digital evidence, the Region faces reputational risk and potential legal challenges.

### Financial and Staffing Impacts

Object of Expenditure	2025	2026	2027
Labour Related Costs			
Administrative			
Operational & Supply	(\$8,500)	(\$8,500)	(\$8,500)
Occupancy & Infrastructure			
Equipment, Vehicles, Technology	\$17,000	\$17,000	\$17,000
Community Assistance			
Financial Expenditures			
Transfer to Reserve			
<b>Gross Expenditures</b>	<b>\$8,500</b>	<b>\$8,500</b>	<b>\$8,500</b>
Other Revenue			
Federal and Provincial Grants			
By-Law Charges & Sales			
Transfer from Reserve			
<b>Gross Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Impact</b>	<b>\$8,500</b>	<b>\$8,500</b>	<b>\$8,500</b>
Permanent FTEs	-	-	-
Temporary FTEs	-	-	-

*\*total annual budget impact*

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**Prepared by:**  
Miranda Vink  
Associate Director, Court Services

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**Reviewed by:**  
Adam Niece  
Program Financial Specialist

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**Approved by:**  
Dan Carnegie  
Commissioner of Corporate Services/Treasurer