



## COMMUNITY AND CORPORATE AFFAIRS COMMITTEE AGENDA

**Meeting #:** CCA-03-2020  
**Date:** Tuesday, February 18, 2020, 1:30 p.m.  
**Location:** Halton Hills Town Hall, Council Chambers  
1 Halton Hills Drive  
**Members:** Mayor R. Bonnette, (Ex-Officio), Councillor A. Lawlor, Chair,  
Councillor C. Somerville, Councillor J. Fogal, Councillor J. Hurst,  
Councillor T. Brown, Councillor W. Farrow-Reed

### Pages

1. CALL TO ORDER
2. DISCLOSURE OF PECUNIARY INTEREST
3. COMMITTEE DELEGATIONS/PRESENTATIONS
  - a. Beverley King, Manager of Community and Adult Services  
Beverley King, Manager of Community and Adult Services presentation to Committee regarding Truth and Reconciliation. (refer to Item 4a of this agenda)
4. REPORTS & MEMORANDUMS FROM OFFICIALS  
Vet Reports to be considered by the Community and Corporate Affairs Committee  
Reports will be automatically held when there is a presentation or delegation on the matter.
  - a. MEMORANDUM NO. LIB-2020-0002 (AUTOMATIC HOLD) 3  
LIBRARY SERVICES MEMORANDUM NO. LIB-2020-0002 dated January 24, 2020 regarding Truth and Reconciliation.
  - b. REPORT NO. CORPSERV-2020-0007 12  
CORPORATE SERVICES REPORT NO. CORPSERV-2020-0007 dated January 31, 2020 regarding Tax Software Award of Single Source Contract.

- c. **REPORT NO. CORPSERV-2020-0010** 16  
CORPORATE SERVICES REPORT NO. CORPSERV-2020-0010 dated January 31, 2020 regarding Ministry of Municipal Affairs and Housing 2018 Financial Indicator Review.
- d. **REPORT NO. CORPSERV-2020-0011** 26  
CORPORATE SERVICES REPORT NO. CORPSERV-2020-0011 dated January 31, 2020 regarding 2020 Halton Court Services Business Plan and Budget.
5. **CLOSED SESSION**  
**Committee to Convene into Closed Session if necessary.**
6. **RECONVENE INTO OPEN SESSION**  
Motion to approve items pertaining to Closed Session.
7. **ADJOURNMENT**

## MEMORANDUM

**TO:** Chair and Members of the Community and Corporate Affairs Committee

**FROM:** Beverley King, Manager of Community and Adult Services

**DATE:** January 24, 2020

**MEMORANDUM NO.:** MEM-LIB-2020-0002

**RE:** Truth and Reconciliation

### PURPOSE OF THE MEMORANDUM:

The purpose of this memorandum is to inform Community and Corporate Affairs Committee of the Council of the Library's commitment to Truth and Reconciliation efforts.

### BACKGROUND:

Indigenous people are individuals with a direct connection to the original people of North America. Indigenous is used as a collective term to acknowledge three unique and distinct groups within Canada: Inuit, Métis and First Nations.<sup>1</sup> The Inuit are Indigenous people who live primarily in Inuit Nunangat, a Canadian Inuit term that refers to the land, water and ice that make up their homeland in Northern Canada. The Métis are groups of people who can trace their descent to both the First Nations people and early, primarily French settlers to Canada. First Nations describes the original people of Canada who have lived primarily south of the Arctic Circle. There are more than 50 different Nations across Canada, each with their own distinct language and culture, and spread among more than 630 First Nations communities from coast to coast.

The Halton Hills Public Library (HHPL) is on the treaty lands of the Mississaugas of the Credit First Nations (MCFN). Treaty 19, also known as the Ajetance Purcahse was signed on October 28, 1818 by representatives of the Crown and Anishinaabe peoples.

According to the 2016 Census, 1,025 people (1.7%) identified as Aboriginal in Halton Hills. This includes those who are First Nations (North American Indian), Métis, or Inuk (Inuit) and/or those who are Registered or Treaty Indians and/or those who have membership in a First Nation or Indian band. There were 150 people who identified as having Aboriginal ancestry which refers to whether a person has ancestry associated

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<sup>1</sup> AIRS Inform Canada I&R Training Manual 2019

with the Aboriginal peoples of Canada that is First Nations (North American Indian), Métis, and Inuit.

The Truth and Reconciliation Commission of Canada released a final report in December 2015 that contained 94 calls to action<sup>2</sup> including calls to redress the legacy of residential schools and advance the process of Canadian reconciliation.

Of the 93 calls to action, call 69 refers directly to libraries:

Library and Archives Canada must respect and respond to the inalienable right of Indigenous peoples to know the truth of the residential school experience and legacy. We call upon Library and Archives Canada to:

- i. Fully adopt and implement the *United Nations Declaration on the Rights of Indigenous Peoples* and the *United Nations Joint-Orientlicher Principles*, as related to Aboriginal peoples' inalienable right to know the truth about what happened and why, with regard to human rights violations committed against them in the residential schools.
- ii. Ensure that its record holdings related to residential schools are accessible to the public.
- iii. Commit more resources to its public education materials and programming on residential schools.

Members of the Canadian Federation of Library Associations (CFLA) recognized that all libraries, archives and cultural memory institutions in Canada must participate in reconciliation efforts. On April 24, 2017, the CFLA's Truth and Reconciliation (TRC) Committee released its initial report that includes a set of 10 recommendations<sup>3</sup> to support and guide these efforts. These recommendations have informed HHPL's approach to TRC.

The Library officially took up the call to action in 2016 when it applied for and received a Community Foundation of Halton North grant to support Canada 150 programming in 2017. The program was called Celebrating our Indigenous Roots. Since then, the Library has continued to incorporate strategies for Indigenous initiatives into the Library's strategic plan. Throughout the journey, Indigenous leaders have all stressed the importance of asking questions and taking time to learn the appropriate traditions and ceremonies to ensure that staff are respectful of their culture and beliefs. Although progress may feel slow, the Library has adhered to this advice and as a result, staff are developing meaningful and respectful relationships with the Indigenous community. HHPL has also learned from the experiences of other Library systems and communities and used this knowledge to inform decision making.

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<sup>2</sup> [http://trc.ca/assets/pdf/Calls\\_to\\_Action\\_English2.pdf](http://trc.ca/assets/pdf/Calls_to_Action_English2.pdf)

<sup>3</sup> <http://cfla-fcab.ca/wp-content/uploads/2017/04/Truth-and-Reconciliation-Committee-Report-and-Recommendations.pdf>

## COMMENTS:

Many public libraries drafted recommendations to help inform the direction of their library. Halton Hills Public Library has divided those initiatives into the following categories modeled on those established by Toronto Public Library:

1. Breaking Down Organizational Barriers
2. Indigenizing Library Spaces: Physical and Virtual
3. Incorporating Indigenous Content into Programming
4. Improving Access to Indigenous Content through Collections
5. Enabling and Empowering Indigenous Communities
6. Building Capacity and Staff Competency

### Breaking Down Organizational Barriers

In order to break down organizational barriers, Halton Hills Public Library must first conduct their own research on their treaty lands and then connect with their Indigenous community through appropriate channels. Lessons learned from larger Library systems have been unanimous that senior leaders must be involved in leading organizational change. Many systems hired junior staff dedicated to establishing programs and developing relationships with First Nation communities, however, these staff members were unable to make organizational decisions to move the relationships forward. Senior leaders were required to be involved in the processes to maintain respectful consultation and advance their organizations truth and reconciliation objectives.

The Mayor of Halton Hills is the appropriate first contact for Chief Stacey Laforme of the MCFN. That does not preclude the Library from establishing their own relationship, but it does limit what the Library can do to break down barriers in the larger municipality.

The Library will:

1. *Identify the appropriate committees where the Library can connect with Indigenous community associations and leaders to help the Library break down barriers to access, drive inclusion and create community connections through cultural experiences.*

Without a formal friendship centre in Halton Region, the Library is working closely with the Halton Information Providers network to develop relationships with the Oakville Partnership on Truth and Reconciliation and joint Halton School Board's Indigenous Education Advisory Committee. These relationships take time and commitment to develop and maintain.

Through the teaching of Chief Stacey Laforme, Kim Wheatley, Carolyn King and many other local Indigenous community leaders, the Library is now more fully aware of the cultural practices that should be observed when hosting Indigenous leaders, performers, artists and authors. For example two leaders graciously explained to one staff member the cultural significance of the tobacco offering and then taught the appropriate way to prepare and present the offering. It is also important to note that not all Indigenous people accept tobacco offerings so

asking the appropriate cultural practice is critical to ensure understanding and maintaining respect.

Through these local community connections, the Library was invited to be part of the Moccasin Identifier Project and as such, has been able to share the kit with the Town's Economic Development, Innovation and Culture Division and enabled the community to explore the material in the kit during Culture Days.

2. *Make land and treaty acknowledgement statements before meetings, programs and events.*

Currently the Library is using the MCFN land acknowledgement statement as it appears on their website:

We would like to begin by acknowledging that the land on which we gather is part of the Treaty Lands and Territory of the Mississaugas of the Credit

Recognizing that offering land acknowledgements for every meeting, program and event has been viewed as repetitive and the effectiveness is debated within Indigenous advisory committees (specifically those of the Ontario Public Library and Toronto International Film Festival), at this time, HHPL has chosen to make land and treaty acknowledgement statements at larger programs and events. The intention is not to undermine the importance or significance of land and treaty acknowledgements, but instead to ensure that those statements will be more impactful when delivered.

The Library recently hosted Chief Stacey Laforme of the MCFN as part of the Local Author Showcase on Culture Days weekend. This event provided an opportunity to speak informally with Chief Stacey and ask for his preferred direction on the land and treaty acknowledgement statement. Chief Stacey prefers that communities within MCFN treaty lands use the official MCFN statement provided.

The Library is welcome to submit a request for a more formal statement to be approved after the Library has thoroughly researched who was on the land and considered the appropriateness of the proposed statement. Library staff are currently researching and considering the appropriate wording for a longer statement.

Indigenizing Library Spaces: Physical and Virtual

1. *Post land and treaty acknowledgement statements in all public branches.*

The MCFN has drafted recommended wording for signage.

Halton Hills Public Library is located on the Treaty Lands and Territory of the Mississaugas of the Credit.

In addition to the MCFN wording, the signs also feature the logo of the MCFN and the Anishinaabe Moccasin as highlighted in the Moccasin Identifier Kit and recommended by Carolyn King and Chief Stacey Laforme. The moccasin is the official recognized symbol for all First Nations communities in Ontario.

2. *Encourage, enable and empower Indigenous peoples to practice their beliefs by removing barriers and restrictions on smudging at Library programs, meetings and events.*

The Library acknowledges that the use of the four sacred medicines (tobacco, sweet grass, sage and cedar) of the First Nation people forms part of First Nation cultures, practice and heritage. In order to achieve this goal, the Library must work closely with appropriate municipal staff to establish protocols to ensure that the use of medicines is done in the safest and most respectful manner. Currently smudging has taken place in the Library and Cultural Centre on an adhoc basis.

3. *Advocate for and support the Town's activities aimed at promoting Indigenous culture. This includes supporting art exhibits and other activities planned by the Economic Development, Innovation and Culture Division.*

The Library will continue to work collaboratively to support and cross-promote Indigenous cultural activities.

4. *Support the issues deemed important by the MCFN by providing spaces for members to meet, share information, and deliver programs through opportunities for co-sponsorship.*

The Library is open to honouring the general terms of our partnership agreements if the situation ever arises that the MCFN requires space for meetings or programs. Considering the historical context of formalized agreements, the Library will not pursue a formal partnership agreement with the MCFN. Currently the Library has only held one program in cooperation with the MCFN. The Library adhered to the MCFN's Logo Usage Policy as presented on their website and respected their request for an honourarium. Indigenous leaders should be compensated for their time when asked to speak or consult.

5. *Engage in local consultation with members of Indigenous communities, through a variety of approaches, both formal and informal, on ways to make the Library more culturally relevant, respectful and welcoming.*

Currently the Library has relied heavily on informal consultations. Formal relationships with the MCFN would be better managed through the Mayor of the Town of Halton Hills.

6. *Consider engaging and consulting with Indigenous agencies and community members in future capital projects if Indigenous design or art will be incorporated.*

The Library has informally suggested that the Economic Development, Innovation and Culture Division and the Recreation and Parks Department consider incorporating Indigenous art as part of the courtyard design outside of the Library and Cultural Centre.

*7. Consider the use of Indigenous names for new building projects where possible.*

The Library has already suggested that a future branch take on an Indigenous name to be approved by the MCFN. For example Esquesing may be appropriate. Esquesing is said to come from a First Nations word meaning “the land of the tall pine,” but is more likely to come from the Mississauga Annishinaabe word ishkwessin meaning “that which lies at the end,” which was the original name for Bronte Creek.<sup>4</sup>

### Incorporating Indigenous Content into Programming

- 1. Incorporate land and treaty acknowledgement statements into introductory remarks at appropriate programs and events. When appropriate use a longer and more formal acknowledgement statement to educate participants on the importance of the statement and to acknowledge that Indigenous nations were vibrant and active on Turtle Island, the lands and territories now called “Canada”, thousands of years before confederation in 1867.*

The land and treaty acknowledgement statement has been incorporated into larger programs and event. A longer and more formal statement is being considered.

- 2. Continuously revisit programming with Indigenous content to ensure that programs remain fresh and relevant. Programs should be offered year round, not just during Aboriginal Month in June.*

Since the Canada 150 programming in 2017, the Library has continued to develop programs with Indigenous content. For example the Library hosted Chief Stacey Laforme as part of the Local Authors Showcase on Culture Days.

- 3. Support established Indigenous programs by integrating them into those of the Library.*

For example, Library staff members were encouraged to participate in Orange Shirt Day on September 30. Through participation staff members were able to raise awareness of the initiative and educate patrons through conversations. Similarly, the Library was included as a pilot site for the Moccasin Identifier Kit

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<sup>4</sup> <http://images.burlington.halinet.on.ca/9469/data>



and as such, has ensured that the kit is being used in programs in the community to raise awareness of Indigenous culture and heritage.

#### Improving Access to Indigenous Content through Collections

1. *Ensure that the Library's collection has a thorough representation of Indigenous content especially on the topics of Truth and Reconciliation, treaties, and residential schools. Collections should also be representative of the achievements, successes, and accomplishments of Indigenous communities by making available and accessible the rich diversity of Indigenous writers, authors and illustrators.*

A review of the Indigenous collection was completed in 2018 to ensure the collection is accurate with appropriate terminology, non-stereotypical depictions and imagery and an authentic voice.

2. *Ensure that children's materials with Indigenous content are well represented in the collection, and that the Indigenous content in children's collections is culturally relevant, appropriate, and respectful. Indigenous children should see themselves and their cultures reflected positively in the collection.*

A review of the children's collection was completed in 2018. Current collection development policies ensure that collections meet this objective.

3. *Incorporate Indigenous content into displays. Focal displays should be considered year-round, not just during Aboriginal Month in June.*

The Library strives to include Indigenous authors in general Library displays throughout the year.

4. *Consider updating cataloguing and classification practices to include more culturally relevant terminology that reflects Indigenous perspectives of knowledge.*

HHPL is currently monitoring the work of Toronto Public Library (TPL) which has followed the lead of many academic libraries in updating their cataloguing and classification processes. As discussed, most recently at Ontario Public Library's Community Led Think Tank during a presentation on Decolonizing Collections, there is no formal practice to follow at this time, but libraries are encouraged to make changes based on what updates would best suit their community. Adoption of a similar process (to that of TPL) that has already been established in consultation with the MCFN would help facilitate MCFN approval.

### Enabling and Empowering Indigenous Communities

1. *Continue to consult local Indigenous community members to ensure that their cultural practices and interests are reflective in HHPL's programs and services.*

Library staff have established mutually respectful relationships with several local community leaders. These leaders have been consulted informally on everything from programs to land recognition signage.

### Building Capacity and Staff Competency

1. *Provide staff with professional development opportunities and resources to augment their knowledge and understanding of Indigenous communities.*

The Library hosted a KARIOS Blanket Exercise for staff on November 25. Staff members were also provided with educational material and shirts in advance of Orange Shirt Day. Staff members are also encouraged to participate in local Indigenous cultural events such as the Indigenous Water Ceremony and Anishinaabe Relationships to the Natural World Hike held as part of Culture Days. Workshops and even online courses such as the University of Alberta's Indigenous Canada MOOC (Massive Open Online Course) are available to staff who would like to learn more. The Library is committed to providing an inclusive and welcoming environment to support Indigenous staff.

2. *Establish protocols and best practices for staff engaging with Elders and Indigenous Leaders to ensure appropriate practices are exercised.*

Protocols and best practices should be established in collaboration with the Town of Halton Hills. Currently informal practices are being shared between the Library and Economic Development, Innovation and Culture Division. Culture

Protocols and best practices should be established in consultation with Elders.

**CONCLUSION:**

The Library is committed to the process of reconciliation with First Nations communities. We acknowledge that our work takes place on the treaty lands of the Mississaugas of the Credit.

Reviewed and approved by,

A handwritten signature in black ink, appearing to read 'Geoff Cannon', with a stylized flourish at the end.

Geoff Cannon, Chief Librarian

A handwritten signature in black ink, appearing to read 'Brent Marshall', with a stylized flourish at the end.

Brent Marshall, Chief Administrative Officer



## **REPORT**

**REPORT TO:** Chair and Members of the Community and Corporate Affairs Committee

**REPORT FROM:** Wendy O'Donnell, CPA, CGA, Deputy Treasurer  
Murray Colquhoun, Director of Information Technology Services

**DATE:** January 31, 2020

**REPORT NO.:** CORPSERV-2020-0007

**RE:** Tax Software Award of Single Source Contract

### **RECOMMENDATION:**

THAT Report No. CORPSERV-2020-0007, dated January 31, 2020 regarding Tax Software Award of Single Source Contract, be received;

AND FURTHER THAT the Senior Manager of Purchasing & Risk Management be authorized to issue a single source purchase order to CentralSquare Canada, 150 Water Street South, Suite 101, Cambridge ON, N1R 3E2 to an upset limit of \$350,000 plus HST for the implementation of the Tempest Tax software;

AND FURTHER THAT the Senior Manager of Purchasing & Risk Management be authorized to issue a single source purchase order to CentralSquare Canada, 150 Water Street South, Suite 101, Cambridge ON N1R 3E2 for annual hosting maintenance in the amount of \$91,350 plus HST for the second year and subject price negotiations and satisfactory performance for each year thereafter;

AND FURTHER THAT Council pre-approves an additional \$72,000 increase to the 2021 operating budget for annual hosting maintenance and support;

AND FURTHER THAT the Mayor and Clerk be authorized to execute the necessary contracts and any ancillary documents.

**BACKGROUND:**

Since 1998, the Town has used the Vailtech system for the administration of property tax billing and collection. Vailtech is currently used to manage more than 23,000 accounts and over \$127,000,000 in revenue for the Town, Region and School Boards.

The Vailtech system is no longer compatible with many newer technologies; staff has had to implement numerous workarounds to maintain basic operations. In addition, there is lack of support and responsiveness from the vendor. Vailtech has also failed to develop their product over the years and the system is limited with respect to its ability to improve both the staff and taxpayer experience.

Although the system is stable, with minimal imminent risk of failure, the current state is not sustainable and proceeding as-is for an extended period will increase the risk to Revenue and Taxation's ability to manage the Town's assessment base.

Through the 2017 and 2019 Capital Budget process, \$500,000 has been approved for the replacement of the tax software system.

**COMMENTS:**

Work was undertaken in 2019, led by Information Technology Services in partnership with Revenue and Taxation and other key stakeholders, to develop a strategy for the replacement of the Town's tax software system. The current offering of property tax software in the marketplace is extremely limited and two viable alternatives only became available in 2019. The other vendor is the software developed by the City of Mississauga called TXM. This software would meet the Town's needs but is cost prohibitive and not within the approved funding for this project. Since some vendors are not responding to Request for Proposals, significant effort was required to complete a thorough evaluation internally.

Staff is recommending that the Town proceed to work with CentralSquare for the purchase and implementation of their tax software – Tempest. The software's functionality, the vendor's commitment to developing and supporting the product, as well as the cost/benefits expected, contribute to a solution that can meet the Town's current and future needs. This initiative will result in the Town having a modern, dependable property tax software that can deliver better and more efficient services.

Tempest is expected to enable various self-serve/online services for taxpayer; however, the first priority will be to implement a stable tax system to deliver on all of the core functions. If possible, some self-service functions may be implemented at the same time as the new system. Once the system is in place, staff will continue to evaluate and plan for the implementation of additional self-service options.

CentralSquare has committed to an implementation of January 2021 and continue to work with staff on enhancements during 2021 and beyond. The Town currently works with CentralSquare for the Town financial system. Chatham-Kent has entered into a

contract for development and implementation of the Tempest Tax software for a go-live on January 2021 and the City of Windsor is working with CentralSquare on the development of this software.

#### **RELATIONSHIP TO STRATEGIC PLAN:**

This report supports the Strategic Plan as follows:

- Effective, efficient and economic delivery of the Town's existing services

#### **FINANCIAL IMPACT:**

Total approved capital budget for the replacement of the Town's tax software is \$500,000.

The following outlines the estimated costs:

<b>Capital Project</b>	
<b>Tax System</b>	<b>Central Square Proposal</b>
Hosting Maintenance and Support Year 1	\$72,000
Implementation	\$200,000
eServices	\$27,500
Travel	\$17,100
Contingency	\$33,400
<b>TOTAL</b>	<b>\$350,000</b>

The remaining budget funds will be utilized for potential resource backfilling to support the implementation of the system and eService development.

The Operating budget going forward will have an impact of \$72,000 for the hosting maintenance and support of this cloud based system.

#### **CONSULTATION:**

Staff from ITS and Revenue and Taxation worked together to investigate viable options. Staff reviewed software from a variety of municipalities. These site visits occurred in 2019. The Senior Manager of Purchasing and Risk Management worked with the team through the negotiations with the vendor and is in agreement with the award. The Treasurer was consulted on the on the financial impacts of this project.

**SUSTAINABILITY IMPLICATIONS:**

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report is not applicable to the Strategy's implementation.

**COMMUNICATIONS:**

Purchasing staff will advise CentralSquare Canada of the purchase order subsequent to Council's approval of this report.

**CONCLUSION:**

As a long-term solution, it is recommended that the Town implements CentralSquare's Tempest Software as a replacement for the Town's current system. It is recommended that the Town proceeds with a single source acquisition of Tempest.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "Jane Diamanti".

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in black ink, appearing to read "Brent Marshall".

Brent Marshall, Chief Administrative Officer

## **REPORT**

**REPORT TO:** The Chair and Members of the Community and Corporate Affairs Committee

**REPORT FROM:** Dana Stanescu, Accounting Supervisor

**DATE:** January 31, 2020

**REPORT NO.:** CORPSERV-2020-0010

**RE:** Ministry of Municipal Affairs and Housing 2018 Financial Indicator Review

### **RECOMMENDATION:**

THAT Report No. CORPSERV-2020-0010 dated January 31, 2020 regarding the Ministry of Municipal Affairs and Housing 2018 Financial Indicator Review be received as information.

### **BACKGROUND:**

Each year, the Ministry of Municipal Affairs and Housing (Ministry) distributes a Financial Indicator Review, based on results reported in the Town's Financial Information Return (FIR) and Financial Statements. It also includes the comparative median and average results of other non-rural, lower-tier municipalities in Southern Ontario. The 2018 Financial Indicator Review is based on the information reported in the 2018 FIR, which was presented to the Community and Corporate Affairs Committee on July 8, 2019.

The Ministry has made three changes to the indicator calculations for 2018 and those indicators were re-named in order to make them easier to understand.

1. Net Financial Assets or Net Debt indicator changed to include Own Source Revenues which reflect only those revenues that municipalities have control over.
2. Debt Servicing Cost changed to remove Donated Tangible Capital Assets (TCAs) from Total Revenues, as Donated TCAs are not true revenues in the sense that there are no cash transactions associated with them, and they are not consistent year-over-year, therefore impacting the ability to make annual comparisons.



3. Annual Surplus/Deficit indicator has been updated to remove Donated TCAs and include only Own Source Revenues to maintain consistency with the other changes detailed above for other indicators.

Own Source Revenues include revenues from Property Taxes, User Fees and Service Charges (i.e. business licenses, parks and facilities rentals, recreation programs, fees for development agreements and applications, etc.).

The remaining 2018 published indicators are calculated in the same way as prior years.

In May 2009, the Public Sector Accounting Board (PSAB) released a Statement of Recommended Practice (SORP) that provided guidance on how public sector bodies should report on indicators of financial condition. Consistent with this, the Ministry has divided the indicators into sustainability and flexibility categories:

- a. The sustainability indicators measure the degree to which a government can maintain its existing financial obligations both with respect to its service commitments to the public and financial commitments to creditors, employees and others without increasing the debt or tax burden. It also describes the impact that the level of debt could have on service provision. For example, if a government's net debt is increasing faster than its own purpose taxation and user fees, there is heightened risk around the maintenance of service levels.
- b. The flexibility indicators measure the degree to which a government can change its debt or tax burden to meet its existing financial obligations both with respect to its service commitments to the public and financial commitments to creditors, employees and others. It provides insight into how a government manages its finances. Increases in current borrowing reduce future flexibility to respond to developing adverse economic circumstances. Similarly, increases in taxation, user fees and service charges, reduce the ability of a government to do this in the future as citizens and businesses have a limit to what they are willing to pay.

The Town has incorporated some of the relevant Financial Indicators into the Long Range Financial Plan and monitors compliance with these indicators prior to making financial decisions.

#### **COMMENTS:**

Appendix A lists the results of the seven indicators that the Ministry is measuring. The 2018 review also includes the previous four years from 2014 through 2017 for purposes of comparison. Additional notes on how each of the indicators is calculated and supplementary information is also included.

The Ministry assigns a risk factor to each of the indicators and rates results on a low, moderate or high risk category. The Town falls into the low risk category in all but one of the indicators. The "Debt Servicing Cost as a Percentage of Total Revenues (Less

Donated TCAs)” is categorized with a moderate level of risk and has been in the moderate risk category for the past few years.

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	2014	5.0%	3.4%	3.6%	MODERATE
		2015	5.9%	3.7%	3.4%	MODERATE
		2016	5.6%	3.4%	3.5%	MODERATE
		2017	5.9%	3.1%	3.4%	MODERATE
		2018	6.1%	3.0%	3.4%	MODERATE

The Long Range Financial Plan presented to Council in January 2019, does not anticipate this indicator to be in the low risk category until 2024 as shown in the extract below.

PROVINCIAL INDICATORS	2017	2017 Risk		2019	2022	2024	2028	2028 Risk
Total Reserves & Discretionary Reserve Funds as a % of Municipal Expenses	65.5%	Low	Keep above +20%	37.0%	36.6%	40.7%	41.6%	Low
Debt Servicing Cost as a % of Total Revenues	5.8%	Mod	Keep below +5%	5.6%	6.5%	4.6%	4.9%	Low

The following section reviews each of the 7 financial indicators in detail.

## Sustainability Indicators

### 1. Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied

This ratio is a measure of outstanding taxes receivable as a percentage of total taxes that are levied in the year. The Town has only 4.6% of taxes that are considered due and payable to the Town as at December 31, 2018. This ratio indicates that the Town is in a favourable position when compared to the other municipalities. The Ministry classifies this result as low risk and is indicative of tax payers paying their taxes in a timely manner.

The small increase of 0.6% in this ratio compared to the prior year is a direct result of larger supplementary taxes processed towards the end of 2018 (\$850K) that were due for payment in January 2019, therefore inflating the taxes receivable balance. Supplementary taxes are processed as a result of periodic property reassessments conducted by MPAC, and added to the tax roll upon receipt of updated valuations.

### 2. Net Financial Assets or Net Debt as % of Own Source Revenues

Net Financial Assets or Net Debt is calculated by subtracting the Town’s liabilities from its assets. The Town is in a net financial asset position, as the value of assets exceeds its liabilities. When the net financial asset value is divided by the sum of own source revenues for 2018 the Town’s ratio is 124.8% and falls into the low risk category.

The ratio has improved over the past five years due to higher short-term investment balances. This is directly attributable to positive reserves resulting from the timing of receipt of debenture revenues, outgoing capital expenditures and repayment of outstanding debt.

### **3. Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses**

This indicator measures the balance in the Town's reserves to current operating expenses (including amortization), and is used to determine whether there are sufficient funds set aside to cover unplanned expenses.

Total reserves are currently sitting at 67.7% of 2018 operating expenses indicating a low level of risk and a continued positive trend. For the current reporting year this is slightly higher than 2017 and remains higher than the municipal comparators. The positive trend for 2018 is due to a greater increase in reserves and discretionary reserve fund balances when compared to the increase in operating expenses.

### **4. Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)**

Total cash on hand as at December 31, 2018 and the book value of the short-term investments with the Region are the numerators for this ratio. The denominator is driven by the Accounts Payable balance outstanding at year end, otherwise known as current liabilities. This is a measure of the Town's liquidity or the ability to pay out of cash the current invoices that are waiting to be paid.

At the end of 2018, the Town was in a position to pay those outstanding invoices 5.25 times. Available cash on hand was \$77.4M, an increase of \$2.8M over 2017, while current liabilities remained steady at \$14.7M over the previous year. These factors resulted in the higher ratio for 2018.

## **Flexibility Indicators**

### **5. Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)**

This indicator measures the current portion of long-term debt which consists of principal and interest for the operating year and compares it with annual revenues less donated TCAs to determine how much of those revenues are being used to repay debt.

In 2018, the Town used 6.1% of its annual operating revenues to cover debt costs, an increase over the prior year. This falls into the moderate risk category. Analysis of the indicator shows that the debt principal and interest charges increased year over year by 4% due to in-year adjustments of \$323,000 relating to the early repayment of the Town's loan with the HDSB. This loan somewhat skews the results of this

indicator. Operating revenues only increased by 2% over last year, thereby resulting in the elevated percentage for this indicator.

#### **6. Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)**

This indicator measures the cost of accumulated amortization against the historical cost of the Town's assets. The ratio indicates that based on accounting useful life, 45.7% of the depreciable assets have been used. This is categorized with a low level of risk. The level has remained constant over the 5-year comparative period; however, it is on average higher than the comparator municipalities.

It is important to consider that this ratio uses historical capital asset book value, not current replacement cost. Additionally, the amortization rates are based on accounting useful life, not actual remaining life based on the current condition of the asset. The Town's asset management plan involves collecting data on the condition of the assets. This information, combined with an optimal maintenance and replacement program, is used instead to determine when an asset should be replaced and is incorporated annually into the Town's budget process.

#### **7. Annual Surplus/(Deficit) as a % of Own Source Revenues**

This indicator measures the ability of the Town to cover operational costs and have funds available for other purposes. In 2018, the ratio fell to 6.2% from 11.0% in the previous year. Although it still remains in the low risk category, it varies from the median and average results of the Town's comparators.

The Town's 2018 annual surplus was significantly lower than in prior years and is the main driver for this indicator. Several factors have contributed to this change. Firstly, increased expenses from the capital budget are reducing the surplus, relating to costs that could not be capitalized as assets. Secondly, the 2018 results were impacted by the recording of a loss on disposal of assets from the fixed asset data cleansing project. Lastly, the 2018 results of the consolidated entity Halton Hills Community Energy Corporation were considerably lower than in prior years therefore impacting the amount of revenue that the Town could recognize.

#### **RELATIONSHIP TO STRATEGIC PLAN:**

The recommendations within this report support Council's strategic priority regarding financial sustainability:

Establish sustainable financing, asset management and master plans to acquire, operate, maintain, renew and replace infrastructure.

#### **FINANCIAL IMPACT:**

There is no financial impact directly related to this report.

**CONSULTATION:**

A detailed review of the Statement of Financial position by Finance staff was required to explain the reasons for movements in financial results over the 5-year comparative period.

**PUBLIC ENGAGEMENT:**

There has been no public engagement by the Town with respect to this report.

**SUSTAINABILITY IMPLICATIONS:**

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report is not applicable to the Strategy's implementation.

**COMMUNICATIONS:**

There is no communications impact associated with this report.

**CONCLUSION:**

The Financial Indicator Review is an important but not a complete picture of municipal financial health. It can be used as a tool to identify potential problem areas associated with the financial status of the Town. Based on the financial indicators, the Town falls into the low challenge category in all but one of the indicators. The “Debt Servicing Cost as a Percentage of Total Revenues (Less Donated TCAs)” is categorized at a moderate level of risk, and is being carefully managed through the LRFP.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "M. J. Leighton".

Moya Jane Leighton, Town Treasurer and Director of Accounting

A handwritten signature in black ink, appearing to read "Jane Diamanti".

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in black ink, appearing to read "Brent Marshall".

Brent Marshall, Chief Administrative Officer

# FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

## Halton Hills T

Date Prepared:	23-Oct-19
MSO Office:	Central
Prepared By:	Savroop Johal
Tier	LT

2018 Households:	21,975
2018 Population	61,161
2019 MFCI Index	n/a

Median Household Income:	106,349
Taxable Residential Assessment as a % of Total Taxable Assessment:	79.3%
Own Purpose Taxation:	48,248,939

## SUSTAINABILITY INDICATORS

Indicator	Ranges	Actuals	South - LT - Regions - Non-Rural		Level of Risk
			Median	Average	
Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied	Low: < 10% Mod: 10% to 15% High: > 15%	2014	5.2%	6.0%	LOW
		2015	4.7%	5.3%	LOW
		2016	4.2%	4.9%	LOW
		2017	4.0%	5.3%	LOW
		2018	4.6%	4.7%	LOW
Net Financial Assets or Net Debt as % of Own Source Revenues	Low: > -50% Mod: -50% to -100% High: < -100%	2014	83.3%	72.5%	LOW
		2015	78.9%	76.3%	LOW
		2016	99.9%	78.3%	LOW
		2017	112.4%	79.3%	LOW
		2018	124.8%	81.8%	LOW
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Low: > 20% Mod: 10% to 20% High: < 10%	2014	42.7%	46.3%	LOW
		2015	50.3%	51.1%	LOW
		2016	62.4%	51.1%	LOW
		2017	65.5%	55.9%	LOW
		2018	67.7%	54.4%	LOW
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	Low: > 0.5:1 Mod: 0.5:1 to 0.25:1 High: < 0.25:1	2014	4.44:1	2.1:1	LOW
		2015	3.39:1	2.14:1	LOW
		2016	4.46:1	2.36:1	LOW
		2017	5.05:1	2.19:1	LOW
		2018	5.25:1	2.18:1	LOW

## FLEXIBILITY INDICATORS

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	2014	5.0%	3.4%	3.6%	MODERATE
		2015	5.9%	3.7%	3.4%	MODERATE
		2016	5.6%	3.4%	3.5%	MODERATE
		2017	5.9%	3.1%	3.4%	MODERATE
		2018	6.1%	3.0%	3.4%	MODERATE
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	2014	43.4%	35.9%	34.1%	LOW
		2015	42.4%	36.8%	34.6%	LOW
		2016	43.6%	37.5%	35.3%	LOW
		2017	45.3%	38.0%	37.5%	LOW
		2018	45.7%	37.7%	36.9%	LOW
Annual Surplus / (Deficit) as a % of Own Source Revenues	Low: > -1% Mod: -1% to -30% High: < -30%	2014	14.1%	2.3%	7.2%	LOW
		2015	21.6%	7.6%	9.7%	LOW
		2016	24.7%	9.9%	10.5%	LOW
		2017	11.0%	14.2%	15.3%	LOW
		2018	6.2%	11.2%	12.5%	LOW

\*\*\*\*\*  
The data and information contained in this document is for informational purposes only. It is not an opinion about a municipality and is not intended to be used on its own - it should be used in conjunction with other financial information and resources available. It may be used, for example, to support a variety of strategic and policy discussions.  
\*\*\*\*\*

# FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

Halton Hills T

## NOTES

*Financial Information Returns ("FIRs") are a standard set of year-end reports submitted by municipalities to the Province which capture certain financial information. On an annual basis, Ministry staff prepare certain financial indicators for each municipality, based on the information contained in the FIRs. It is important to remember that these financial indicators provide a snapshot at a particular moment in time and should not be considered in isolation, but supported with other relevant information sources. In keeping with our Financial Information Return review process and follow-up, Ministry staff may routinely contact and discuss this information with municipal officials.*

### Supplementary Indicators of Sustainability and Flexibility

The following is a summary, adapted from the Chartered Professional Accountants of Canada Statement of Recommended Practice (SORP) 4.

- A government (including a municipality) may choose to report supplementary information on financial condition, to expand on and help explain the government's financial statements.
- Supplementary assessment of a government's financial condition needs to consider the elements of sustainability and flexibility.
- Sustainability in this context may be seen as the degree to which a municipality can maintain its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others without inappropriately increasing the debt or tax burden relative to the economy within which it operates.
- Sustainability is an important element to include in an assessment of financial condition because it may help to describe a government's ability to manage its financial and service commitments and debt burden. It may also help to describe the impact that the level of debt could have on service provision.
- Flexibility is the degree to which a government can change its debt or tax level on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.
- Flexibility provides insights into how a government manages its finances. Increasing taxation or user fees may reduce a municipality's flexibility to respond when adverse circumstances develop if the municipality approaches the limit that citizens and businesses are willing to bear.  
A municipality may temporarily use current borrowing, subject to the requirements set out in the Municipal Act to meet expenses and certain other amounts required in the year, until taxes are collected and other revenues are received. Municipal current borrowing cannot be carried over the long term or converted to long term borrowing except in very limited circumstances.
- For each element of financial condition, the report on indicators of financial condition should include municipality-specific indicators and municipality-related indicators. It may be useful to also include economy-wide information when discussing financial condition.

### Additional Notes on what Financial Indicators may indicate:

**Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied** - Shows how much of the taxes billed are not collected.

**Net Financial Assets or Net Debt as % of Own Source Revenues** - Indicates how much property tax and user fee revenue is servicing debt.

**Reserves and Reserve Funds as a % of Municipal Expenses** - Indicates how much money is set aside for future needs and contingencies.

**Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)** - Indicates how much cash and liquid investments could be available to cover current obligations.

**Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)** - Indicates how much of each dollar raised in revenue is spent on paying down existing debt.

**Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)** - Indicates how much of the assets' life expectancy has been consumed.

**Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues** - Indicates the municipality's ability to cover its operational costs and have funds available for other purposes (e.g. reserves, debt repayment, etc.)

**The Northern and Rural Municipal Fiscal Circumstances Index (MFICI)** is used by the Ministry of Finance to calculate the "Northern and Rural Fiscal Circumstances Grant" aimed at northern as well as single and lower-tier rural municipalities. The index measures a municipality's fiscal circumstances. The MFICI is determined by six indicators: Weighted Assessment per Household, Median Household Income, Average Annual Change in Assessment (New Construction), Employment Rate, Ratio of Working Age to Dependent Population, and Per Cent of Population Above Low-Income Threshold. A lower MFICI corresponds to relatively positive fiscal circumstances, whereas a higher MFICI corresponds to more challenging fiscal circumstances. (Note: the MFICI index is only available for northern and rural municipalities)



# FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

Halton Hills T

## CALCULATIONS

Total Taxes Rec. less Allowance for Uncollectibles as % of Total Taxes Levied

SLC 70 0699 01 / (SLC 26 9199 03 - SLC 72 2899 09)

Net Financial Assets or Net Debt as % of Own Source Revenues

SLC 70 9945 01 / (SLC 10 9910 01 - SLC 10 0699 01 - SLC 10 0899 01 -  
SLC 10 1098 01 - SLC 10 1099 01 - SLC 10 1811 01 - SLC 10 1812 01 - SLC 10 1813 01 -  
SLC 10 1814 01 - SLC 10 1830 01 - SLC 10 1831 01 - SLC 12 1850 04)

Total Reserves and Reserve Funds as a % of Municipal Expenses

(SLC 60 2099 02+SLC 60 2099 03)/(SLC 40 9910 11-SLC 12 9910 03-SLC 12 9910 07)

Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)

SLC 70 0299 01 / (SLC 70 2099 01 + SLC 70 2299 01)

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)

(SLC 74 3099 01 + SLC 74 3099 02) / (SLC 10 9910 01 - SLC 10 1831 01)

Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)

SLC 51 9910 10 / SLC 51 9910 06

Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues

(SLC 10 2099 01 - SLC 10 1831 01) / (SLC 10 9910 01 - SLC 10 0699 01 -  
SLC 10 0899 01 - SLC 10 1098 01 - SLC 10 1099 01 - SLC 10 1811 01 - SLC 10 1812 01 -  
SLC 10 1813 01 - SLC 10 1814 01 - SLC 10 1830 01 - SLC 10 1831 01 - SLC 12 1850 04)



## **REPORT**

**REPORT TO:** The Chair and Members of Community and Corporate Affairs Committee

**REPORT FROM:** Moya Leighton CPA, CGA, MBA  
Town Treasurer & Director of Accounting

**DATE:** January 31, 2020

**REPORT NO.:** CORPSERV-2020-0011

**RE:** 2020 Halton Court Services Business Plan and Budget

### **RECOMMENDATION:**

THAT Report CORPSERV-2020-0011 dated January 31, 2020 regarding 2020 Halton Court Services Business Plan and Budget be received;

AND FURTHER THAT the 2020 Halton Court Services Business Plan and Budget as attached in Appendix A to this report be approved.

### **BACKGROUND:**

On February 19, 2001, the administration of the Provincial Offences Act (POA) was transferred from the Province to the municipalities in the Region of Halton. An Inter-municipal Agreement was entered into between the local municipalities and the Region of Halton establishing Halton Court Services (HCS) for delivering the court services of the Provincial Offences Courts.

The agreement provides for the establishment of a Joint Management Board (JMB), comprised of the CAOs of the participating municipalities, to oversee the management and operation of Halton Court Services. The agreement also outlines the funding formula, whereby net revenues are shared with the Municipal Partners and allocate 50% of the revenues to the Region of Halton with the remaining 50% of the net revenues distributed to local Municipal Partners based on the proportion of annual assessment relative to the Regional base.

In 2007, the City of Burlington was named as the service provider on behalf of Halton Court Services as part of the implementation of a two phase streamlining initiative program, now referred to as the Growth Management Plan. The role of Halton Court Services is to accept charges after they have been filed and to ensure that the

administration of justice is carried out on behalf of the Province. Detailed analysis and explanations related to enforcement agency programs, targets and safety statistics are not provided to Halton Court Services. Instead, this information resides with each individual local enforcement agency, and is not collated or analyzed on a Regional basis.

In keeping with the Inter-municipal Agreement between the Town of Halton Hills, City of Burlington, Town of Milton, the Town of Oakville and Region of Halton, the Town is required to provide its approval of the proposed annual Business Plan and Budget for HCS and these documents are reviewed annually by the Area Treasurers and the Joint Management Board.

## **COMMENTS:**

### Overview of 2019's Financial Performance

The 2020 Business Plan was completed in October 2019 and was built on the performance of Halton Court Services up to the end of June 2019.

The actual results for 2019 are expected to fall short of the budget by \$355,000. This shortfall is mainly due to an estimated 16% drop in the number of red light camera charges and a reduction of \$100,000 in parking revenues as there is free parking at the new Halton POA court.

The Town's share of the revenue in 2019 will remain at the budgeted amount of \$214,159 even though net revenues have declined. The Area Treasurers' directed that funds be withdrawn from the Municipal Partner Revenue Stabilization Fund to offset the impact of unpredictability in fine revenues.

### 2020 Budget Year

On November 21, 2020 the Joint Management Board for Halton Court Services received and approved the 2020 Business Plan and Budget for the Provincial Offences Courts in Halton. The following recommendations were adopted:

1. Recommendation: Approve the 2020 Halton Court Services budget as presented
2. Recommendation: Contribute \$50,000 from net revenues to the Reserve Fund during 2020 to ensure that requirements of the Reserve Fund Policy are met
3. Recommendation: Approve \$27,000 for computer hardware and software requirements. Costs to be funded through the Reserve Fund

The revenues for 2020 are expected to decrease by 1.8% over the 2019 budget attributable to the decline in overall gross revenues of approximately \$60,000 and the removal of \$100,000 generated by pay-parking at the previous courthouse. It is estimated that Halton Hills will receive \$214,159 in a share of revenues, based on the 2019 weighted average assessment.

The 2020 expenditures have decreased by 2.8% mainly due to an over estimation of facility-related costs projected in the 2019 budget for the new court house and savings of approximately \$150,000 due to lower prosecution costs as a result of the closure of a large number of court rooms.

The Business Plan addresses two emerging issues, related to the transfer of Part III POA prosecutions to municipalities and Bill 107 which is part of an initiative on the Modernization of POA Courts. Details of these issues are outlined on page 13 of Appendix A.

The growth management plan in Section III of Appendix A provides an update on the new courthouse project. Occupancy took place in February of 2019 and the project was completed within the approved budget.

Both the CAO and the Town Treasurer recommend that Council approve the 2020 Halton Court Services Business Plan and Budget.

#### **RELATIONSHIP TO STRATEGIC PLAN:**

This report supports the following strategic objectives:

- Establish sustainable financing, asset management and master plans to acquire, operate, maintain, renew and replace infrastructure.
- Continue to provide timely and transparent communications with the Town's residents and business owners.

#### **FINANCIAL IMPACT:**

Halton Hills' share of the POA revenues is based upon 50% of the net revenues being divided among the local municipalities proportionately to the ratio of the regional assessment base. The 2020 POA Budget estimates revenue of approximately \$214,159, for Halton Hills based on the 2019 weighted average assessment.

#### **CONSULTATION:**

The Business Plan and Budget (Appendix A) were reviewed by the Area Treasurers on October 10, 2019 and the CAOs which form the Joint Management Board on November 21, 2019.

**PUBLIC ENGAGEMENT:**

There has been no public engagement with respect to this report by the Town.

**SUSTAINABILITY IMPLICATIONS:**

The sustainability implications of the recommendations of this report were reviewed against the requirements of the Town's Sustainability Implications Worksheet. The Worksheet is completed for substantial non-administrative reports, major projects, studies, policies and initiatives that are relevant to advancing the Town's economic, cultural, environmental and social well-being and quality of life. Since this report is none of the latter, the Sustainability Implications section is not applicable.

**COMMUNICATIONS:**

The final Council recommendations will be forwarded to staff at the Halton Court Services.

**CONCLUSION:**

The 2020 Halton Court Services Business Plan and Budget have been forwarded to each Council representing the five Municipal Partners, for adoption.

It is recommended that Council for the Town of Halton Hills approve the 2020 Halton Court Services Business Plan and Budget (Appendix A)

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "Jane Diamanti".

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in black ink, appearing to read "Brent Marshall".

Brent Marshall, Chief Administrative Officer

**ONTARIO COURT OF JUSTICE  
PROVINCIAL OFFENCES OFFICE**

**HALTON COURT SERVICES**

**2020 BUSINESS PLAN AND  
BUDGET**

**City of Burlington  
Town of Halton Hills  
Town of Milton  
Town of Oakville  
Regional Municipality of Halton**

**October 2020**

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## **RECOMMENDATIONS**

1. **Recommendation:** Approve the 2020 Halton Court Services budget as presented.
2. **Recommendation:** Contribute \$50,000 from net revenues to the Reserve Fund during 2020 to ensure that requirements of the Reserve Fund Policy are met.
3. **Recommendation:** Approve \$27,000 for computer hardware and software requirements. Costs to be funded through the Reserve Fund.



## SECTION I

### OVERVIEW OF 2019 PERFORMANCE

#### 1. BUDGET PERFORMANCE

##### Revenues to End of June

The Municipal Partners had budgeted gross revenues of \$11.1 million for 2019. The chart below summarizes results by end of June and projections for the remainder of the year.

There is an expected shortfall of approximately \$355,000 in net revenue; reflecting an approximate reduction in gross revenue of \$855,000 and offset by an approximate \$400,000 decrease in expenditures. The shortfall in gross revenues is primarily due to an approximate 16% decrease in number of red light camera charges and reduction of \$100,000 in parking revenue following the decision to not charge for parking at the new Halton POA court. Further details regarding the reduction in red light camera charges are provided below.

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#### COMPARISON OF OVERALL PERFORMANCE TO BUDGET for the year ending December 31, 2019

	2019 Budget	Actual June 30/19	Actual % of Budget	Projection Dec 31/19	Projection % of Budget
Gross Revenue	(\$11,099,390)	(\$5,081,103)	45.8%	(\$10,245,038)	92.3%
Operations	\$6,393,750	\$3,083,244	48.2%	\$5,895,233	92.2%
Reserve Fund Contribution	\$50,000	\$25,000	50.0%	\$50,000	100.0%
Net Revenue	(\$4,655,640)	(\$1,972,859)	42.4%	(\$4,299,805)	92.4%

##### Proposed Recommendations to Offset Increasing Cost of Court Operations

The Municipal Partners have raised concerns about the ongoing increase and long-term cost implications related to the operation of the Halton POA court. This concern is shared by all POA courts across the province as overhead costs, including significant increases in cost recoveries by the province, continue to rise while the majority of POA fines and fees have not increased since 1994.

In response, the Municipal Court Managers Association (MCMA) representing all POA court Managers formed a POA Costs and Fees Working Group to review fees set out in Section 1 of Ontario Regulation 945 and to investigate and consider collections related fees that are not currently covered by regulation. The MCMA forwarded a report to the Ministry of the Attorney General in January 2017 which:

- highlighted these shared concerns;

- stressed the need for current fees to be increased to align with the actual and current costs of operating the POA program;
- provided recommendations for adjusting court fees;
- identified the actual and current costs for administering POA collection processes;
- included recommendations for the addition of new fees related to the collection of defaulted POA fines.

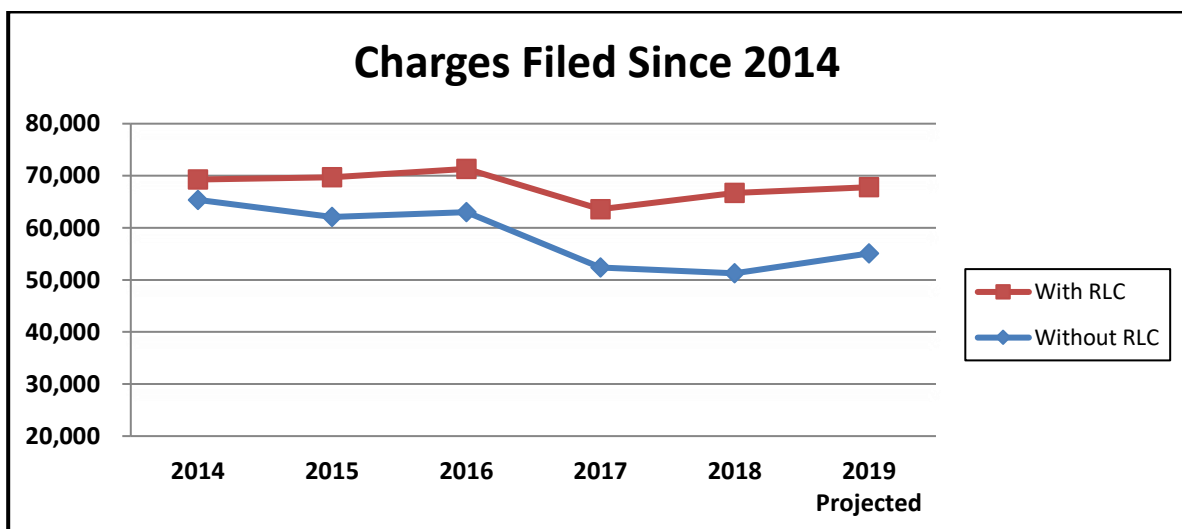
All recommendations were supported by detailed analysis and rationale. The MCMA Board has followed up several times with the province on the status of this Report and has recently been advised that it has been transferred to their constitutional lawyers for review.

The Manager of Court Administration is currently serving on the Committee and will keep the Municipal Partners apprised of the status of the Report with a view to provide information about how any changes to the fees may influence long-term trends for the overall court operation.

## 2. OPERATIONAL PERFORMANCE

### Provincial Offences Charges

By end of June the total number of filed charges reached 55.9% (35,209 charges) of the projected 64,000 total for 2019. It is projected that charges will reach 67,780 charges by year-end primarily due to an increase in number of OPP and HRPS. The following chart illustrates the trend in number of filed charges over the last few years:



### Charges Filed by Major Enforcement Agencies

	2014	2015	2016	2017	2018	2019 Projected	% Difference ('14 to '19)
<b>BY-LAWS</b>	342	212	232	215	228	205	<b>-40.1%</b>
<b>HRPS</b>	49,289	48,350	49,940	43,759	42,850	44,000	<b>-10.7%</b>
<b>MTO</b>	5,687	4,242	4,378	2,466	2,783	2,530	<b>-55.5%</b>
<b>OPP</b>	8,038	8,707	7,960	5,496	5,011	7,700	<b>-4.2%</b>
<b>RED LIGHT CAMERA</b>	3,924	7,586	8,322	11,205	15,415	12,690	<b>223.4%</b>
<b>MINISTRIES/HALTON REGION</b>	2,014	601	485	435	394	660	<b>-67.2%</b>
<b>TOTAL CHARGES</b>	<b>69,294</b>	<b>69,698</b>	<b>71,317</b>	<b>63,577</b>	<b>66,681</b>	<b>67,785</b>	<b>-2.2%</b>

#### Explanation for Lack of Increase in Overall Number of Charges in Halton

- Expectations that traffic enforcement by HRPS would align with Halton Region's population growth has not been realized. This assumption was based on the experience of other GTA regions that were facing a significant increase in population. HRPS charges have decreased by 10.7% since 2014.
- MTO advised that they are experiencing a staffing issue and expect that enforcement will increase once staff has reached full complement.
- It is expected that the number of red light camera charges will see a decrease of approximately 16% during 2019. Halton Region staff advised the decrease is due to the success of the program; that is, there is a direct correlation between safer driving habits by Halton residents and a reduction in the number of angle/t-bone collisions. Staff advised that there was an expectation that over time there would be a reduction in infractions which leads to less revenue. In addition, one camera has been inoperable during 2019 due to construction at the intersection.

### 3. AUDITS

#### External Audit

KPMG performed an audit of HCS during March 2019 for the period ended December 31, 2018. There were no items of concern to report to the Partnership by way of an auditors' management letter. KPMG maintains a practice of issuing qualified opinions for all of its POA court clients due to the inability to review cash procedures at other POA courts accepting fine payments on behalf of HCS, and to review controls of the provincial ICON system utilized by all POA courts across the province.

#### Internal Audit

An internal audit was not conducted during 2018.

#### 4. REVENUE STABILIZATION FUND

Following the request of the Area Treasurers, a Municipal Partner Revenue Stabilization Fund (MPRSF) was created in early 2014 to assist the partners in protecting against the impact of volatility in fine revenue, and to provide a source of funding to stabilize revenue sources annually, including the impacts related to the new court facility. Per policy, an annual review of the MPRSF is carried out by the Area Treasurers.

##### Flat-Lining Net Revenue Distribution

Net revenue surplus was transferred to the MPRSF between 2013 and 2017. Interest is allocated to the MPRSF on an annual basis.

Given the healthy balance of the MPRSF and long-term projections of a small impact on net revenue, the Area Treasurers directed that contributions to the MPRSF end as of 2018. As mentioned previously, projections for 2019 net revenue reflect a reduction in budgeted net revenues and, consequently, the Area Treasurers have directed that funds totaling \$355,835 be drawn from the MPRSF in order to meet the 2019 net revenue budget of \$4,655,640. It was agreed that this minimum net revenue value would be implemented during 2020.

*Refer to Section II for the MPRSF chart which includes the amounts to be transferred during 2019 and 2020 and outlines the status of the MPRSF for the next five years.*

#### 5. REVENUE SHARING

According to the established revenue-sharing agreement between the Municipal Partners and the Region of Halton, the Region receives 50% while the Municipal Partners receive a percentage of the 50% balance based on annual assessment rates.

Following is a five-year overview of net revenue distribution since 2015 including the estimated annual distribution for 2019:

---

##### Historical Annual Revenue Sharing % Based on Tax Assessment

	2015	2016	2017	2018	2019*
<b>Burlington</b>	16.25%	16.10%	16.00%	15.85%	15.70%
<b>Halton Hills</b>	4.70%	4.65%	4.65%	4.55%	4.60%
<b>Milton</b>	8.05%	8.15%	8.20%	8.30%	8.35%
<b>Oakville</b>	21.00%	21.10%	21.15%	21.30%	21.35%
<b>Region of Halton</b>	50.00%	50.00%	50.00%	50.00%	50.00%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### Historical Annual Revenue Distribution to Partnership

	2015	2016	2017	2018	2019*
<b>Burlington</b>	628,669	622,866	618,997	963,448	730,935
<b>Halton Hills</b>	181,830	179,896	179,896	276,573	214,159
<b>Milton</b>	311,433	315,301	317,236	504,518	388,746
<b>Oakville</b>	812,434	816,303	818,237	1,294,728	993,979
<b>Region of Halton</b>	1,934,367	1,934,367	1,934,367	3,039,267	2,327,820
<b>TOTAL</b>	<b>\$3,868,733</b>	<b>\$3,868,733</b>	<b>\$3,868,733</b>	<b>\$6,078,534</b>	<b>\$4,655,640**</b>

\*2019 budget to be realized.

\*\* Net revenue includes transfer of funds from the Municipal Partner Revenue Stabilization Fund to meet budget and to provide a stabilized source of funding to the municipal partnership (*referenced on page 7*).

## SECTION II

### 2020 OPERATING BUDGET AND PROGRAM CHANGES

#### 1. 2020 BUDGET

The following chart provides a summary of total revenues and expenditures projected for 2020 as compared to the 2019 budget:

#### COMPARISON OF 2020 BUDGET TO 2019 BUDGET

	REVENUE			EXPENSES		
	2019 Budget	2020 Budget	% Difference	2019 Budget	2020 Budget	% Difference
Administration	(\$8,748,640)	(\$8,352,298)	-4.5%	\$5,188,206	\$4,927,600	-5.0%
Collections	(\$2,350,750)	(\$2,550,750)	8.5%	\$381,336	\$420,850	10.4%
Prosecution	0	0	0.0%	\$824,205	\$867,700	5.3%
TOTAL	(\$11,099,390)	(\$10,903,048)	-1.8%	\$6,393,736	\$6,216,150	-2.8%

#### Overall Revenues

The Municipal Partners are projecting gross revenues based on the projected revenue for 2019.

Although population continues to grow at a fair rate across Halton, the number of charges filed by local enforcement agencies has remained steady for the last several years. This is contrary to the experience of other regions, where there was a strong correlation between population growth and increased local enforcement. A total of 69,200 charges is projected for 2020 with the expectation that, except for red light camera charges, enforcement practices will continue at the current rate for other enforcement agencies. There is an expected increase of approximately 2,200 red light camera charges due to the recent addition of three cameras and the reinstatement of one camera. Gross revenue for HCS in 2020 is budgeted at **\$10.9 million** as compared to **\$11.1 million** during 2019.

The **1.8% decrease in revenue** over the 2019 budget can be attributed primarily to the slight decrease in overall gross revenues of approximately \$60,000 and the removal of \$100,000 generated by pay-parking at the courthouse.

#### Overall Expenditures

Total expenditures in 2020 are budgeted at **\$6.2 million** compared to the **\$6.4 million** budgeted for 2019. This represents an overall **decrease of 2.8% in expenditures**. Most of this decrease can be attributed to:

- an over estimation for facility-related costs projected for the 2019 budget including utilities and operating systems; and
- reduction of approximately \$150,00 for judicial and provincial prosecution costs due to the large number of courtroom closures. The Regional Senior Justice of the Peace office has advised that there will a total of 304 courtrooms closed during 2020 due to lack of judicial resources.

See Appendix A for copy of the overall 2020 POA Budget.

**Recommendation #1: Approve the 2020 Halton Court Services budget as presented.**

## 2. WRITING-OFF OF UN-COLLECTABLE FINES

In accordance with the Write-Off Policy, the Municipal Partners are seeking approval from the Area Treasurers and the Joint Management Board to write-off those defaulted fines that have accumulated during 2019 where it has been determined there are no viable means of collection. Write-offs scheduled during 2020 will total approximately 1,136 cases with a total value of approximately \$433,181.

## 3. REVENUE STABILIZATION FUND

### Revenue Sharing

The following chart outlines the share of revenues for the Municipal Partners and the Region based on 2019 weighted average assessment. Disbursements will be reconciled to reflect 2020 values once information becomes available in early 2020:

2020 REQUISITIONS BASED ON 2019 WEIGHTED AVERAGE ASSESSMENT	
Region	(\$2,327,820)
Burlington	(\$730,935)
Halton Hills	(\$214,159)
Milton	(\$388,746)
Oakville	(\$993,979)
<b>Total</b>	<b>(\$4,655,640)</b>

### Stabilization Fund

The Area Treasurers drafted a Municipal Partner Revenue Stabilization Fund (MPRSF) and policy in 2014 to assist the partners in protecting against the impact of volatility in fine revenue and to provide a source of funding to stabilize revenue sources annually.

Net revenue in excess of budget for the years 2013 to 2017 was transferred to the MPRSF. Interest is allocated to the MPRSF on an annual basis. The Area Treasurers directed that

contributions to the MPRSF end as of 2018. Per policy, an annual review of the MPRSF will continue to be carried out by the Area Treasurers.

The Area Treasurers have directed that funds will be drawn from the Stabilization Fund during 2019 and 2020 when there is a shortfall of actual net revenues as compared to the 2019 net revenue budget. A number of variables will have an impact on net revenue including MAG's decision about increasing court fees (see page 4 for further information) and the possible trend of declining revenue. The following chart provides an overview of the MPRSF over the next five years:

<b>STABILIZATION FUND</b>				
<b>Year</b>	<b>Net Revenue Over Budget</b>	<b>Use of Funds (Admin Fee)</b>	<b>Interest</b>	<b>Balance</b>
<b>2013</b>	\$359,155			\$359,155
<b>2014</b>	\$1,186,072	(\$413)	\$23,642	\$1,568,456
<b>2015</b>	\$766,402	(\$464)	\$26,977	\$2,361,371
<b>2016</b>	\$1,031,976	(\$770)	\$39,893	\$3,432,470
<b>2017</b>	\$1,456,422	(\$1,171)	\$59,914	\$4,947,636
<b>2018</b>	\$0	(\$2,485)	\$102,416	\$5,047,567
<b>2019*</b>	\$0	(\$358,444)	\$105,999	\$4,795,121
<b>2020*</b>	\$0	(\$21,482)	\$100,698	\$4,874,337
<b>2021*</b>	\$0	(\$2,877)	\$102,361	\$4,973,822
<b>2022*</b>	\$0	(\$3,021)	\$104,450	\$5,075,251
<b>2023*</b>	\$0	(\$3,172)	\$106,580	\$5,178,660
<b>2024*</b>	\$0	(\$3,330)	\$108,752	\$5,284,082
<b>*Projected</b>				

#### **4. RESERVE FUND**

##### **Expenditures During 2019**

Approval was received in the 2019 Business Plan for an additional project management expense of \$22,570 during 2019.

The additional cost for project consulting services totaled \$46,000 by end of project. This increased cost of \$23,430 was necessary to:

- Provide for the additional millwork design after move in.



- Provide project management support for the additional duration of the project resulting from the delayed procurement and issues with the security system.

### Contribution During 2020

The Municipal Partners regularly conduct an annual review of the Reserve Fund to ensure that future capital cost requirements are reflected and that the required minimum balance of \$300,000 is maintained. The Municipal Partners are recommending that the minimum contribution of \$50,000 continue to be made to the Reserve Fund during 2020.

### Expenditures During 2020

The Municipal Partners are recommending that a total of \$27,000 in expenditures during 2020 be approved for:

- Installation of software for Remote Interpretation Initiative; and
- ICON Server Upgrade Project – the legacy circuits are obsolete, and the server will be rebuilt to be compatible with the new operating system (Windows 2016). This will serve the Municipal Partners for a minimum of ten years.

### Reserve Fund Forecast

Following is the Capital Budget Forecast for the five-year period 2019 to 2024:

<b>CAPITAL BUDGET FORECAST</b>				
<b>Year</b>	<b>Requirements</b>	<b>Use of Funds</b>	<b>Annual Contributions Including Interest</b>	<b>Projected Year-End Balances</b>
	Balance Forward			<b>\$2,177,884</b>
<b>2018</b>	GMP - internal and external consulting services	(\$267,422)		
	GMP - move/furnishings/fittings/equip	(\$222,330)	\$88,945	\$1,717,514
	GMP - computer equipment	(\$59,563)		
<b>2019</b>	GMP - move/furnishings/fittings/equip	(\$1,388,912)		
	Computer Monitors	(\$7,748)	\$58,263	\$303,540
	GMP - internal and external consulting services	(\$75,577)		
<b>2020</b>	Computer Hardware and Software	(\$27,000)	\$56,071	\$332,611
<b>2021</b>	TBD		\$56,652	\$389,263
<b>2022</b>	TBD		\$57,785	\$447,048
<b>2023</b>	TBD		\$58,941	\$505,989
<b>2024</b>	Computer Hard/Soft Replacements	(\$80,000)	\$60,120	\$486,109

**Recommendation #2:** *A contribution of \$50,000 from net revenues is made to the Reserve Fund during 2020 to ensure that requirements of the Reserve Fund Policy are met.*

**Recommendation #3:** *Approve \$27,000 for computer hardware and software requirements. Costs are to be funded through the Reserve Fund.*

## **5. EMERGING ISSUES**

### **1. Transfer of Part III POA Prosecutions to Municipalities**

As reported in both the 2018 and 2019 Business Plans, the Municipal Partners were advised by the Ministry of the Attorney General (MAG) in August of 2017 that the Province intends to transfer the prosecution of Part III POA matters to municipalities over a two-year period. City of Burlington staff on behalf of the Municipal Partners have attended three meetings to date with the local Crown Attorney for Halton, the latest on January 8, 2019 to receive an update on the transfer.

To date, the City has not received any additional communication from MAG regarding the status of the proposed transfer process. The Municipal Partners will report back if new information from MAG warrants.

### **2. Upcoming Legislation Affecting Court Administration**

As reported in the 2019 Business Plan, *Bill 177* received Royal Assent in December 2017 which is part of the *Modernization of POA Courts Initiative*. *Bill 177* includes a proposal to amend current legislation to allow for the transfer of authority and scope of administrative functions from the local judiciary to court administration including: administering and entering convictions for all cases where defendants have failed to select an option; reviewing and granting of all applications for extension of time to pay; and the reviewing and granting of applications for re-openings.

It is expected that these additional responsibilities will require a review of workload distribution to ensure that the Court Administration Unit continues to manage and deliver efficient and effective court services.

It was expected that the province would finalize the regulations related to the various legislated changes to administration functions, forms and responsibilities. The 2018 provincial election resulted in a delay of this proposed program and Court Administration has been advised that the program is on hold until further notice. The Municipal Partners will report back when new information is received from MAG.

## SECTION III

### GROWTH MANAGEMENT PLAN

#### **Background**

Identifying a number of outstanding growth-related issues since 2006, including a need for additional courtrooms and auxiliary space and the increasing demand for operational efficiencies, the Municipal Partners approved a service delivery model that consolidates court services into one facility with increased space provisions for long-term accommodation requirements. Consequently, a plan was undertaken to procure a landlord for the delivery of a design-build-lease POA courthouse at 4085 Palladium Way, Burlington with a target date for occupancy of January 1, 2019:

- RFP-216-15 was issued in December 2015.
- The Municipal Partners approved the awarding of RFP-216-15 to the recommended proponent in May 2016 and the proceeding of negotiations of a 30-year lease.
- Lease Agreement and transfer of land finalized in March 2017. A public announcement and stakeholders advised in April 2017.
- Input and sign-off from key stakeholders (judiciary, prosecution, Halton Region Police and Halton's Crown Attorney) received in April 2017.
- Detailed design phase including: floor plans, superstructure, building permits, municipal approvals and project timelines completed in October 2017.
- Construction started in September 2017.

#### **Update**

- A slight delay in construction deadline resulted in a decision to move the target date for occupancy to February 1, 2019
- Project was 77% complete by mid-August 2019.
- City staff completed procurement processes for a number of capital expenses related to the move and transition to the new courthouse including: acquisition of all computer devices, A/V equipment, courtroom millwork, furnishings and security system.
- A detailed communication plan was created and implemented throughout each phase of the project.
- A strategic move plan was implemented and the commissioning, fitting up and relocating of records and systems was completed during the last phase. The move included both courthouses (Milton and Burlington) on two separate dates and there was a requirement to decommission the majority of equipment and furnishings at the two prior locations.
- An Official Opening was held at the new home of Halton Court Services at 4085 Palladium Way, Burlington on April 23, 2019. Invitees and guests included:
  - Members of Council and CM/CAOs from four partnering municipalities and Halton Region
  - Key stakeholders including MAG partners, HRPS and local enforcement agencies, judiciary and user groups

- Building owner and contractor
- Media

### LAST PHASE OF NEW COURTHOUSE PROJECT

PROJECT DELIVERABLE	FORECAST
Substantial Completion	November 4, 2018
Turnover	November 4, 2018
Commission/Fit-ups/Installation	Nov 4, 2018 – Jan 15, 2019
Move Starts	January 19, 2019 (Milton) February 2, 2019 (Burlington)
Move Complete	February 2, 2019

The Project Team provided ongoing status reports to the Joint Management Board throughout the remainder of the project timeline.

#### Schedule Status

Occupancy was carried out according to schedule (February 1, 2019) and the move was a success. Halton Court Services was operating and open to the public on February 5<sup>th</sup> and court was scheduled and running in all five courtrooms on February 6<sup>th</sup>.

A few building deficiencies, incomplete systems installation (security and A/V) and operational issues were identified from the outset. Many have been resolved and staff continue to work with the contractor (Buttcon) and various sub-contractors to address outstanding issues and expect to have everything rectified by the end of the year.

#### Budget Status

The cost of construction for the Halton Courthouse project was borne by the landlord and is passed on to the municipal partnership through lease payments. The Municipal Partners had an approved project costs budget of \$1.6 million for millwork, furnishings, IT, audio visual, security, communications, move and other related costs.

Although there were unexpected expenditures during the last phase and post-move, the project team is pleased to report that the project budget is slightly under budget. The table below shows the project performance (budget, actual and variance) for each of the project expenditures.

<b>Project Expenditure</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Furniture</b>	496,400	387,136	-22.0%
<b>Courtroom Millwork*</b>	269,300	426,828	58.5%
<b>IT/Comm/AV</b>	365,000	316,278	-13.3%
<b>Security System**</b>	150,000	226,791	51.2%
<b>Move</b>	30,000	27,083	-9.7%
<b>Contractor Site Supervision***</b>	0	70,418	100.0%
<b>Miscellaneous****</b>	53,000	141,643	167.3%
<b>Contingency/Net HST</b>	236,300		
<b>TOTAL</b>	<b>\$ 1,600,000</b>	<b>\$ 1,596,177</b>	<b>-0.2%</b>

\*Courtroom Millwork: The judiciary were not entirely satisfied with the courtroom millwork resulting in a need for modifications to address their concerns. The courtroom public bench seating was designed according to MAG standards with an upholstered seat and 3" thick seat pad. The City specifications did not include padded seating and the architects did not re-design the proportions of the millwork benches accordingly. The resulting bench seats were too low, and the seat angle was too steep. An option was presented by the architect which required modifications to all of the benches.

\*\*Security System: The City did not have standard requirements for security systems at the time the Tenant Statement of Requirements was developed. The City was in the process of developing standards and expected to finalize them well before the security system work was required. Therefore, the security systems were not included in the scope of work and, without defined standards, the budget was based on a guess at what the security scope and cost would be. Additional scope identified during the installation of the security systems included:

- An interconnection to the voice paging system to facilitate voice paging of duress alarms.
- A secondary security panel at the staff entrance.
- An upgraded network video recorder to accommodate requirements of the HRPS.
- A security system lock-out over-ride to allow staff to lock a courtroom when not in use.

\*\*\*Contractor Site Supervision: The project budget did not include the requirement to compensate the contractor for site supervision costs upon substantial completion in early November. Site supervision continued for approximately one month after opening due to a number of deficiencies and incomplete systems installation (e.g. A/V and Security) to monitor and supervise all subcontractors on site.

\*\*\*\*Miscellaneous: Project costs include a variety of miscellaneous costs that were not anticipated, and which consumed a fair percentage of the contingency including:

- Restitution of the Milton courthouse was not expected based on early discussions with Landlord and, as the end of lease approached, the Landlord sought restitution costs as permitted by the lease. Based on an estimated cost for a defined scope of work, a cost of \$53,000 was negotiated.
- A lack of security standards and specifications resulted in a delayed tender going out. Consequently, the completion of the security system install was delayed until approximately two months after move-in. This required the contracting of a security guard service resulting in a cost of almost \$55,000.
- Additional legal fees were assumed for outside legal counsel to oversee final lease negotiations and review at a cost of \$11,200.
- A change in the scope of the Landlord' work was required to have the Landlord provide a security design to allow for coordination of their work. This requirement was not clearly set out in the Tenant Statement of Requirement. The cost was about \$20,000 but the project benefited because this plan provided more certainty in the door access control tender package.

**APPENDIX A – 2020 OVERALL BUDGET**