



TOWN OF  
**HALTON HILLS**  
*Working Together Working for You!*

## REPORT

---

**TO:** Mayor Lawlor and Members of Council

**FROM:** Joseph Vandermeer, CPA, CGA  
Deputy Treasurer & Senior Manager of Accounting and  
Taxation

**DATE:** February 17, 2023

**REPORT NO.:** CS-2023-004

**SUBJECT:** Halton Court Services 2023 Budget and Business Plan

---

### RECOMMENDATION:

THAT Report No. CS-2023-004 dated February 17, 2023 regarding the Halton Court Services 2023 Business Plan and Budget be received;

AND FURTHER THAT the Halton Court Services 2023 Business Plan and Budget as attached in Appendices A and B to this report be approved.

### KEY POINTS:

The following are key points for consideration with respect to this report:

- 2023 revenue distribution for the Town of Halton Hills is projected to be \$77,798.
- The projected balance of the Halton Court Services Capital Reserve Fund at the end of 2022 is \$397,264 and the Municipal Partners are proposing the minimum contribution of \$50,000 be made to this reserve in 2023.
- The computer renewal program requires a withdrawal from the Capital Reserve for computer hard/soft replacements.

### BACKGROUND AND DISCUSSION:

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 Intermunicipal Agreement was entered into between the local municipalities and the

Region of Halton established 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 CAO's 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 allocates 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 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, Town of Oakville, and the 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.

### Overview of 2022's Financial Performance

The actual net results for 2022 are expected to fall short of the budget by \$1.59M. This shortfall reflects an approximate reduction in gross revenue of \$1.8M which is offset by an approximate \$242k decrease in expenditures. The shortfall in gross revenues is primarily due to:

- A decrease in number of charges which continues to be pandemic related
- A backlog in matters being heard, compounded by a lack of judicial resources

The Town's share of the 2022 revenue was \$94,383, which is a shortfall of \$12,717 against the year two budgeted amount of \$107,100. In 2021 Council approved a four-year plan to reduce the reliance on this revenue stream from the operating budget.

### 2023 Budget and Business Plan

The 2023 Business Plan was completed in September 2022 and was built on the actual results reported by Halton Court Services at the end of June 2022.

On October 27<sup>th</sup>, 2022, the Joint Management Board for Halton Court Services received and approved the 2023 Business Plan and Budget for the Provincial Offences Court in Halton. The following four recommendations were adopted:

1. Recommendation: Approve the 2023 Halton Court Services budget as presented.
2. Recommendation: A contribution of \$50,000 from net revenues is to be made to the Capital Reserve Fund during 2023 to ensure that requirements of the Reserve Fund Policy are met.
3. Recommendation: Withdraw \$69,000 from the Capital Reserve Fund for computer hard/soft replacements for the computer renewal program.
4. Recommendation: Authorize the Mayors and Clerks of the respective municipal partners, being The Corporation of the City of Burlington, the Corporation of the Town of Oakville, The Corporation of the Town of Halton Hills, and the Corporation of the Town of Milton, to execute any required documents and/or agreements to give effect to the transfer of Part III Provincial Offences Act prosecutions subject to the satisfaction of the Joint Management Board.

### Overall Revenues

Halton Court Services have prepared a 2023 budget with projected gross revenues budgeted at **\$8.6 million** as compared to the **\$10.0 million** originally budgeted for during 2022.

Although population continues to grow at a fair rate across Halton, the number of charges filed has been impacted by the pandemic for the last several years. While other regions show a strong correlation between population growth and increased local enforcement, many regions continue to show similar impacts from the pandemic. An increase over the projected total for 2022 (50,000) of 52,000 charges is projected for 2023, having taken into consideration the ongoing pandemic waves and with the hope that enforcement practices will increase from pandemic lows.

### Overall Expenditures

Total expenditures in 2023 are budgeted at **\$6.8 million** compared to the **\$6.7 million** originally budgeted for 2022. This represents an overall increase of 1.6% in expenditures.

See *Appendix B* for a copy of the overall 2023 HCS Budget.

### 2022 Emerging Issues

#### **1. On-going Pandemic Recovery**

The pandemic continued to effect court operations across the province as staffing resources were affected across all aspects including judicial resources, enforcement, and within HCS, which affected not only charge volumes but also court proceedings. As the pandemic continues in waves those impacts are expected to continue.

*More detailed information is available on page 9 of Appendix A – 2023 HCS Business Plan.*

## **2. Bill 177 Implementation**

The Ministry of the Attorney General (MAG) proclaimed some portions of Bill 177 on November 1, 2021, which allowed for the HCS Administration staff to assume processes formerly performed by the justice of the peace which has allowed for backlogs to be eliminated in:

- Extension for Time to Pay Applications – HCS now approves applications for more time to pay fines which eliminates the wait times for review by a justice of the peace and improves customer service.
- Fail to Respond Docket Review – HCS Administration now holds responsibility for reviewing Certificates of Offence to ensure they are proper on their faces and registers convictions daily removing all delays in this process.

Processes that are still waiting to be acclaimed:

- Early Resolution Process Adjustments – Moving much of the process away from the justice of the peace, however, in the proposed current format it is cumbersome on administration and confusing to defendants.
- Reopening Applications – HCS Administration will be able to review and approve these applications similar to the Extension of Time to Pay Applications which will remove the process from the justice of the peace and remove delays and provide better customer service.

*More detailed information is available on page 10 of Appendix A – 2023 HCS Business Plan.*

## **3. Transfer of Part III POA Prosecutions to Municipalities – Update**

As reported previously, the Municipal Partners were advised by Ministry of the Attorney General (MAG) in August 2017 that the province intends to transfer the responsibility for prosecution of Part Three POA matters to municipalities.

A Transitional Planning Working Group (TPWG) was formed in early 2020 to bring together municipalities across Ontario and MAG to ensure essential components are put in place for an effective transition from planning to implementation stage.

In March 2021 MAG advised that it would need additional internal approvals in order to achieve consistency among the current MOU, the proposed interim agreement and amending transfer agreement to facilitate certain requirements of the Criminal Law Division and the Provincial Offences Act.

In January of 2022 three smaller municipalities accepted transfer of Part 3 matters. In anticipation of a more widespread transfer of the Part III matters, in April of 2022 MAG provided materials and high-level training to prosecutors with respect to Part III matters. The sessions were recorded and since then access has been provided to those who attended the session, as well as provided to the Prosecutors' Association so that their membership has access to the materials. The prosecutions team at Halton Court services participated in the training. Following the training, the City of Kingston accepted transfer of the Part III matters, the City of Guelph and Durham region are in negotiations currently and the City of Mississauga is anticipated to accept transfer in November of 2022.

While Halton Court Services staff received contact from the Crown's office with the indication the Agreement amending the Memorandum of Understanding and Local Side Agreement will be shared with us shortly, to date we await its receipt. For that reason, the anticipated earliest date for the transfer of Part III matters is being moved from July 2022 to no earlier than July 1, 2023, with corresponding shift in the budget to the funding of the additional prosecutor position required to prosecute those charges.

HCS staff will report back to the Joint Management Board in 2023 as to the status on the following:

- i. amending the Memorandum of Understanding and Local Side Agreement to reflect the transfer of Part III POA prosecutions from MAG to the municipal partnership with a transfer date no earlier than July 1, 2023,
- ii. the staffing implications required to manage the download of responsibility from the province for the prosecution of Part III offences, and
- iii. the financial implications of the transfer of the prosecution of Part III offences including mitigation opportunities.

To facilitate the transfer of the Part III prosecutions once the arrangement is negotiated, authority is sought for execution of any corresponding agreements to effect the transfer.

#### **4. Conversion of one part-time Case Administrator to full-time position**

Halton Court Services currently employs one full-time and one part-time Case Administrator.

The 2021 Business Plan and Budget approved the conversion of the existing one part-time Case Administrator to one full-time position to manage the transfer of responsibility from the province for the case administration of Part III offence, subject to a report back to the Joint Management Board respecting staffing implications to manage the transfer. Given the delay in the transfer of Part III offences, the staffing implications have not yet been reported on and the recruitment to fill this part-time role has not yet occurred. The exact date for the transfer remains unknown.

The current part-time Case Administrator has indicated her intention to retire at the end of the year 2022, and therefore an opportunity arose to fill this role with one full-time Case Administration (representing the existing part-time role and an additional part-time role addressed in the 2021 budget which remains unfilled). The recruitment for this full-time role will commence once the retirement date is set, which is anticipated to be this fall, in order to ensure continuity of operations.

## **5. COVID-19 Backlog efforts**

Prosecutions, in coordination with Court Administration, is working to help address the current backlog of cases. The coordination of efforts is key as the number of courts has reduced and continues to be further reduced due to lack of Judicial resources.

To mitigate the further delay caused by lack of resources, Court Administration increased the number of matters on trial dockets, and additional prosecution resources were committed to allow for increased numbers of matters to be scheduled for early resolution.

During the weeks where there are closures, case management courts have been utilized to reach out to defendants whose matters are waiting to be scheduled for trial to offer them an opportunity to resolve their matter prior to trial.

Withdrawal of charges is an unavoidable consequence of the pandemic. In an effort to use court time effectively, tickets issued by officers who are no longer employed for various reasons by Halton Region Police or the OPP are being withdrawn so that matters with officers who are available to attend are set in a priority sequence based on the age of the offence and the type of offence. In addition, a select number of matters largely administrative in nature are also being withdrawn. This measure is being taken in order to decrease the time to trial for more serious matters. This step will allow courts administration to focus on scheduling more serious matters and will aid in saving court time for charter 11(b) arguments and matters being dismissed due to prolonged delay. These measures set against our lack of judicial resources will ensure that Halton Court Services time to trial falls within the acceptable limits established in case law.

## **6. 2022 COVID-19 Impacts**

As the Covid 19 pandemic continues through waves, prosecution team is experiencing and has budgeted for additional contract service costs for per diem prosecutor services. In April of 2022, direction from MAG provided that all matters that are currently not scheduled, are to be scheduled for in-person proceedings with requirement to accommodate virtual proceedings if the defendant requests to attend virtually. Effective April 2022 defendants have the option on how they wish to attend, either in-person or virtually via Zoom when they file their matter with the court. As a result, scheduling currently requires all

prosecutors to be in the Halton Court Services Building on all days on which Court is in session. In anticipation of more staff absences due to more frequent contact with the public and to comply with public health directions and the directions of the City of Burlington, this additional resource is required to ensure coverage of court for the 5-day self-isolation period.

## **7. New Regulations Permit Municipal Use of Administrative Penalties for Automated Speed Enforcement.**

In April of 2022, the provincial government filed Ontario Regulation 355/22 under the Highway Traffic Act which will permit the municipal use of Administrative Monetary Penalties (AMPs) for Automated Speed Enforcement (ASE). It also includes the use of AMPs for other camera based systems such as red lights, streetcars, and school buses. The extension of AMPs for these vehicle-based offences will significantly broaden the tools available to help enforce speed limits and improve road safety.

Municipalities are permitted to use speed cameras in school safety zones or where a council has designated a community safety zone. The use of AMPs provides an alternative to the use of the Provincial Offences Act (POA) and the POA court system. Administrative Monetary Penalties will be administered in the same way as they are for parking offences. The penalties are the same and as they exist within the Provincial Offences Act.

The introduction of AMPs for ASE is not expected to have a revenue impact for HCS as it represents an additional system that operates aside and apart from the regular enforcement conducted by the police.

## **8. Articling Student Program**

In July of 2022 the City of Burlington commenced participation in an articling student program. Halton Region is covering the hiring costs of the four articling students which are being shared on a rotational basis between Halton Region, City of Burlington, Halton Police and the Town of Oakville. The City of Burlington rotation for each student opens the window to litigation experience as students will obtain hands on practical court experience as they learn about Provincial Offences and engage in the everyday activities of the prosecution office.

## **STRATEGIC PLAN ALIGNMENT:**

This report is administrative in nature and does not have an impact on the Town's Strategic Plan.

**RELATIONSHIP TO CLIMATE CHANGE:**

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

**PUBLIC ENGAGEMENT:**

Public Engagement was not needed as this report is administrative in nature.

**INTERNAL CONSULTATION:**

Internal Consultation was not needed as this report is administrative in nature.

**FINANCIAL IMPLICATIONS:**

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 2023 POA Budget estimates a revenue distribution of approximately \$77,798 for the Town based on the 2022 weighted average assessment.

Reviewed and approved by,

Moya Jane Leighton, Director of Finance & Town Treasurer

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer