



TOWN OF
HALTON HILLS
Working Together Working for You!

REPORT

TO: Mayor Lawlor and Members of Council

FROM: Joseph Vandermeer, Deputy Treasurer

DATE: April 14, 2025

REPORT NO.: CS-2025-011

SUBJECT: Halton Court Services 2025 Budget and Business Plan

RECOMMENDATION:

THAT Report No. CS-2025-011 dated April 14, 2025, regarding the Halton Court Services 2025 Business Plan and Budget be received;

AND FURTHER THAT the Halton Court Services 2025 Business Plan and Budget as attached in Appendix A to this report be approved.

KEY POINTS:

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

- The 2025 revenue distribution for the Town of Halton Hills is projected to be \$84,738.
- The projected balance of the Halton Court Services Capital Reserve Fund at the end of 2024 is \$445,582.
- The Stabilization Reserve Fund for the Halton Court Services is projected to be \$792,492 at the end of 2024.

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 which 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 2024 Financial Performance

The following financial results relate to the end of the second quarter (June 30, 2024):

- Gross revenues of \$4,583,610 (51.6% of budget)
- Overall expenditures \$3,464,069 (49.4% of budget)
- Year-to-date net revenue of \$1,119,540 (59.8% of budget)

The net revenue to the end of 2024 is projected to be \$1,891,805 which is approximately 1.0% higher than budget.

2025 Budget and Business Plan

The 2025 Budget and Business Plan was completed in September 2024 and built on the actual results reported by Halton Court Services at the end of June 2024.

On November 26th, 2024, the Joint Management Board for Halton Court Services received and approved the 2025 Business Plan and Budget for the Provincial Offences Court in Halton. The following four recommendations were adopted:

1. **Recommendation:** Approve the 2025 Halton Court Services budget as presented.
2. **Recommendation:** Write off defaulted fines totaling \$46,348 that have accumulated during 2024 where it has been determined there are no viable means of collection.
3. **Recommendation:** A contribution of \$50,000 from net revenues is to be made to the Capital Reserve Fund during 2025 to ensure that requirements of the Reserve Fund Policy are maintained.
4. **Recommendation:** Within the parameters of existing Burlington Procurement By-law and other applicable Burlington policies, and provided no expense beyond that approved as part of the existing budget is expended, that the Manager of Prosecutions and the Manager of Court Administration, as the case may be, be authorized to approve and execute any and all agreements necessary for the proper administration of Halton Court Services and the continued administration of Justice, in such form as is approved by the City Solicitor for The Corporation of The City of Burlington.

Overall Revenues

Halton Court Services have prepared a 2025 budget with projected gross revenues budgeted at \$9.09 million as compared to the \$8.86 million originally budgeted during 2024. This represents an overall increase of 2.40% in revenues.

Overall Expenditures

Total expenditures in 2025 are budgeted at \$7.18 million compared to the \$7.01 million originally budgeted for 2024. This represents an overall increase of 2.30% in expenditures.

See Appendix A for a copy of the overall 2025 HCS Budget (Pg 13)

Audits

KPMG performed an audit of HCS for the period ended December 31, 2023. 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 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.

2025 Emerging Issues

1. Justice of the Peace shortages

The shortage in judicial resources is anticipated to see improvements in 2025 due to Justice of the Peace appointments made in 2024 which allowed for an additional court opening on Wednesdays in 2025 and the possibility of even more courts added as the year progresses, and as even more Justice of the Peace appointments are made.

2. Backlog

There are currently approximately 13,000 (last year at this time it was 19,000) Part I charges that require court dates and HCS Administration continues to collaborate with HCS Prosecution to make every effort to have matters scheduled in a timely fashion and have scheduled early resolution meetings outside of court sitting days which allow meetings to take place with prosecution and only those that require a Justice of the Peace for either plea resolution or trial to be scheduled into court sittings, thereby maximizing the court sittings allotted to HCS.

3. Increased Workload Demands Relating to Video:

Workload demands with respect to review of video for disclosure have increased significantly. In the past, video disclosure was reviewed and redacted before it was forwarded to Halton Court Services as part of the evidentiary package for further handling and disclosure to the defendants. Currently, Halton Regional Police send all video content directly to HCS without prior vetting of the video content. The task of reviewing and vetting the video content prior to sending it as part of the disclosure package, accordingly, rests with the Prosecution Unit. Similar process is involved related to statements taken via audio, which requires review by the Prosecution Unit. The process is extremely time consuming and requires a lot of back and forth where issues noted or, in case of audio statements, where transcript request is required. Change in the format of the evidence has also increased the steps and time required in accessing the footage for the review.

4. Delegated Authority:

In the administration of Halton Court Services, matters arise that, on occasion, require formal agreements (contracts) to be executed. In recent years, these agreements included, but were not limited to, software agreements relating to the use of CAMS, Axon documentary disclosure service, the use of legal research engines such as Westlaw / Quicklaw, agreements with educational institutions in relation to student internship placements, agreement with the Region relating to articling placements, and agreement with per diem French prosecutor who assists HCS in prosecuting matters requiring a French speaking prosecutor.

When it is anticipated that an agreement will be required, Municipal Partners engage Burlington Legal Services staff for the review and negotiation of the agreement. That review includes the determination of what authority Municipal Partners will rely on for the execution of such agreements. Ultimately, staff have found that the authority is often scattered and rests with various Burlington positions, including the City Solicitor, Procurement Manager, Chief Information Officer, and/or others.

Municipal Partners propose that the authority to enter into any and all agreements necessary for the proper administration of Halton Court Services and the continued administration of Justice be delegated to the Manager of Prosecutions and/or the Manager of Court Administration, as the case may be (the subject matter of the agreement would determine which of the Manager's will execute the agreement). Delegating authority in this manner is vital for enhancing organizational efficiency and responsiveness. It will allow staff to address day-to-day operation tasks, such as managing contracts, vendor relationships, and facility needs, without requiring the involvement of unrelated parties in the decision making and the execution of the contracts, which on occasion has been the case. This proposed delegation will reduce bottlenecks, speed up and clarify the process, and ensure the court's services are managed effectively. This proposed delegation will not alter the process of reporting to and seeking direction from the Joint Management Board in all cases that have significant implications or budgetary impacts.

5. External Service Review from 2023

To date, Halton Court Services Administration has implemented and completed numerous recommendations that came out of KPMG's 2023 service review. We will continue to implement additional recommendations as we strive to increase efficiency within court operations.

6. Sustainability Review

At its November 20, 2023 meeting, the Joint Management Board requested that the Area Treasurers undertake a review of the long term sustainability of the Provincial Offences Court given the ongoing reduced judicial resources provided by the Province to the Court and potential changes resulting from the Administrative Penalty Program. The JMB provided authorization to the Area Treasurers for funding this further study from HCS Revenues and directed the Area Treasurers report back to JMB with the study results.

See Appendix A for a copy of the overall 2025 HCS Business Plan and Budget and more information regarding the Sustainability Review (Pg 11-12)

At the November 26, 2024 Joint Management Board Meeting there was a vote not to pursue the sustainability review at this time and no further action will be taken on this matter.

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 revenue is based upon 50% of the net revenues being divided among the local municipalities proportionately to the ratio of the regional assessment base. The 2025 POA Budget estimates a revenue distribution of approximately \$84,738 for the Town based on the 2024 weighted average assessment.

Reviewed and approved by,

Moya Jane Leighton, Treasurer

Laura Lancaster, Commissioner of Corporate Services

Damian Szybalski, Commissioner of Community Services and Acting Chief
Administrative Officer