



REPORT

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

REPORT FROM: Moya Leighton, CPA, CGA
Treasurer/Manager of Accounting

DATE: February 4, 2019

REPORT NO.: CORPSERV-2019-0019

RE: 2019 Halton Court Services Business Plan and Budget

RECOMMENDATION:

THAT Report CORPSERV-2019-0019 dated February 4, 2019 regarding 2019 Halton Court Services Business Plan and Budget be received;

AND FURTHER THAT the 2019 Halton Court Services Business Plan and Budget as attached as Schedule 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 receive and approve the quarterly financial statements, annual Business Plan and Budget. The funding formula, whereby the net revenues are shared with the Municipal Partners, 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 keeping with the Inter-municipal Agreement between the Town of Halton Hills, City of Burlington, Town of Milton, the 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.

COMMENTS:

Update on 2018 Budget Year

The overall 2018 budget is projected to have a favourable variance of 19.1% as per page 4 of schedule A.

The Town's portion of the revenue sharing formula for 2018's revenues has fallen slightly since 2017 to 4.55% (see page 6 of Schedule A). However, the overall amount of revenues to be distributed has risen since the prior year, resulting in an estimated 2018 distribution of \$267,557 for the Town of Halton Hills.

2019 Budget Year

On November 15, 2018, the Joint Management Board (JMB) for Halton Court Services (HCS) received and approved the 2019 Business Plan and Budget for the Provincial Offences Courts in Halton. The following recommendations were adopted:

1. Recommendation: Approve the 2019 Halton Court Services budget as presented.
2. Recommendation: Contribute \$50,000 from net revenues to the Reserve Fund during 2019 to ensure that requirements of the Reserve Fund Policy are met.
3. Recommendation: Approve \$70,000 for replacement of all computer hardware as per the City's life-cycle replacement schedule. Costs to be funded through the Reserve Fund.
4. Recommendation: Approve \$32,750 in capital spending for the undertaking of final steps in the Growth Management Plan during 2019 for professional project management expertise and internal consulting and support. All costs to be funded through the Reserve Fund.

2019 revenues are expected to increase by 10.6%, and this is attributable primarily to the increasing average fine value. Fine volume, with the exception of red light camera charges has dropped by 19% over a two year period. It is estimated that Halton Hills will receive \$211,832 in a share of revenues, based on the 2018 weighted average assessment (see page 8 of schedule A).

2019 expenditures have increased by 26.5%, mainly due to \$620K of additional rent for the new courthouse and the holdover rent of one month for the Milton courthouse and four months of rent for the Burlington courthouse.

The Business Plan addresses two emerging issues related to legislative changes and these are outlined on page 11 of Schedule A.

An update on the transition to the new POA courthouse is provided on page 12 of Schedule A.

The proposed 2019 Business plan and budget have been reviewed and approved by the Joint Management Board (JMB) and the Area Treasurers for Halton Court Services (HCS). Both the CAO and Town Treasurer recommend that Council approve the 2019 Halton Court Service Business Plan and Budget.

RELATIONSHIP TO STRATEGIC PLAN:

This report supports the strategic objective:

Council's current "Top Eight" priorities, 2014-2018 – Effective, efficient and economical delivery of the Town's existing services.

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 2019 POA Budget estimates revenue of approximately \$211,832, for Halton Hills based on the 2018 weighted average assessment.

CONSULTATION:

The Business Plan and Operating Budget (Schedule A) were reviewed by the Area Treasurers on October 11, 2018 and the CAOs which form the Joint Management Board (JMB) on November 15, 2018.

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 (HCS).

CONCLUSION:

The 2019 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 2019 Halton Court Services Business Plan and Budget (Schedule A).

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "Jane Diamanti". The script is cursive and fluid.

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in black ink, appearing to read "Brent Marshall". The script is cursive and fluid.

Brent Marshall, Chief Administrative Officer