



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