
2015 OPERATING BUDGET BRIEFING NOTE

Court Services - Revenue, Costs and Court Processes

Issue/Background:

At its meeting held on February 4th, 2015 the Budget Committee requested Court Services provide briefing notes on the following four items:

- A more detailed analysis of fine revenues of \$33.174 million, including the assumptions behind the projected increased revenue from the passage of Bill 31, retroactive and future
- A breakdown of costs and fee revenue for the Toronto Licensing Tribunal
- Analysis of current and alternative dispute resolution for Provincial Offences Act and Toronto Licensing by-law cases, including comparisons with prosecution costs, and
- Ratio or other analysis of court use compared to capacity.

Key Points:

- The 2015 Recommended Operating Budget includes a fine revenue budget of \$33.174 million generated from a total of 460,000 charges filed by Toronto Police Service and other enforcement agencies as shown in the table below:

Agency	# of Charges	Gross Revenue (\$ millions)
Toronto Police Service	400,000	24.364
Red Light Camera	27,800	5.461
OPP	13,400	1.144
Other	18,800	2.205
Total	460,000	33.174

Note: The average cost by enforcement agency is based on actual historical experience.

- Toronto Police Service accounts for \$24.364 million or 73.4% of total fine revenues from an estimated 400,000 charges, followed by \$5.461 million or 16.5% from an estimated 27,800 charges from the City's Red Light Camera Program; \$1.144 million or 3.4% from an estimated 13,400 charges filed by the OPP operating in Toronto, and \$2.205 million or 6.7% from an estimated 18,800 charges filed by enforcement officers in other City Programs, Provincial government ministries and other agencies.

The estimated charge volumes projected by enforcement agency is consistent with past levels with the exception of the Toronto Police Service. The estimate of 400,000 tickets assumes that Toronto Police will be returning to 2013 activity levels reflecting an increase of 140,848 charges from 2014 actual charges of 259,152, with an estimated value of \$8.5 million.

- In addition to the \$33.174 million in fine revenues, Court Services is projecting an additional \$12.0 million in one-time revenues to be collected from approximately \$246.0 million of defaulted traffic related tickets as a result of Bill 31.
 - These traffic related tickets, assuming Bill 31 passes and upon implementation by Ministry of Transportation staff, will be filed against vehicle licence plates owned by those individuals who have not paid these fines.
 - The \$12.0 million represents about 5% of the total amount or about 15% of the fines in default for 5 years or less. Recognizing that the use of this sanction in respect of these types is new, a cautious approach to the estimated total to be collected is recommended.
 - Assuming that many of these individuals own and operate a motor vehicle, it is estimated the use of this sanction could increase the collection of traffic tickets fines in future years by \$5.0 million annually, or about 1/3 the value of defaulted fines, should the unpaid fine values of traffic tickets remain at an average of \$15.0 million as experienced between 2010- 2013.
 - The reduced issuance of traffic tickets in 2014 reduced the level of unpaid fines to just under \$10.0 million. Should there be fewer defaulted fines in future years, the \$5.0 million yearly amount would also be lower.
- Court Services provides administrative support for the Toronto Licensing Tribunal with a total budget of \$0.556 million gross and \$0 net included in the 2015 Recommended Operating Budget.
 - The gross budget of \$0.556 million consists of \$0.353 million for salaries and benefits paid to City staff (4 positions), \$0.118 million for expenses paid to Council appointed members of the Tribunal and \$0.085 million for other operating costs. These costs are recovered from Municipal Licensing and Services (MLS).
 - No user fee revenues are generated by Court Services for providing this service to the public.
- *Analysis of current and alternative dispute resolution for Provincial Offences Act and Toronto Licensing by-law cases, including comparisons with prosecution costs.*
 - Dispute resolution processes for matters governed under the Provincial Offences Act are prescribed based on the type of proceeding:
 - For ticketable non-parking offences, that do include tickets issued by Municipal Licensing staff and other enforcement officers, where an out of court payment option exists, a recipient has 3 choices:

1. Pay the fine;
 2. Ask to meet with a prosecutor to discuss the ticket and potentially resolve the dispute without a trial-saving time and court resources; and
 3. Ask the court office to schedule a trial where the dispute is heard by a justice of the peace.
- For charges where a summons is issued, the option to pay a fine without going to court does not exist. This normally happens when it is a serious charge and the fine is likely, upon conviction, to exceed \$500. A court date is provided where the person is required to appear and answer to the charge.
 - For parking tickets, individuals can either contact City Revenue Services staff if they have a dispute about the parking ticket that may result in it being cancelled under Revenue Services' Ticket Cancellation Guidelines; pay the fine out of court which is processed by the Revenue Services division; or ask for a court date that is then processed by Court Services.
 - A growing number of municipalities have adopted administrative dispute resolution processes to address parking and, in some cases, other municipal by-law infractions. The framework for this system exists in Provincial regulations under the Municipal Act and the City of Toronto Act (COTA). The intent of this alternative dispute mechanism is to provide individuals with access to a process which is quicker, more accessible and less complex than the court system for minor disputes.
 - The regulation currently includes a penalty limit of \$100 for parking infractions and excludes tickets issued relating to disabled parking. As many Toronto parking tickets exceed \$100, including tickets for rush hour routes, it is impractical to reduce fine values to take advantage of this administrative model. City staff has asked the Province to review the regulation under COTA to address these concerns and the provincial staff recently advised they are considering our comments.
 - In early 2014, in an effort to address the limited availability of court time available, the Cities of Brampton and Mississauga, adopted the use of the alternative dispute resolution program for parking tickets. The City of Oshawa has, for several years, adopted this model.
 - A full analysis of the cost of such a program has not been undertaken by City staff. However, initial indicators from those municipalities who have adopted this model are positive in terms of addressing the volume of charges and in decreasing the time required to resolve these disputes.
- *Ratio or other analysis of court use compared to capacity.*
 - The 2015 Recommended Operating Budget continues to support the operation of 30 courtrooms presided over by justices of the peace.
 - The significant reduction in traffic tickets in 2013/2014 has provided an opportunity to address three long standing concerns: the shortage of court time/space to schedule other

Provincial Offence matters, the historic shortage of court time to schedule parking ticket trials, and the over scheduling of cases into courts .

- By re-allocating courtroom trial space that was previously used for traffic tickets (12 courtrooms out of 30 in 2012), going forward 6 courtrooms will be reassigned to other cases as outlined below:
 - Additional court time is being provided for more serious provincial offences that are often complex, including public safety charges, have faced lengthy delays;
 - Provincial offences courts hear a range of offences under many statutes and City bylaws including those prosecuted by the City Prosecutions office, Provincial prosecutors from the Ministry of the Attorney General, other Ministries, regulatory bodies and agencies. These cases often require many days of trial time and the judiciary have approved a new court plan that provides additional courtroom capacity to support this demand. Whereas a minor traffic ticket can generally be resolved within six months, serious charges can often take more than one year before they are concluded with the primary reason for delay being the availability of a courtroom. Additional time is being allocated for these matters to reduce the time needed to completed these cases and enable the Courts to deal with these issues in a timely fashion.
 - Second, increased capacity is being provided to allocate more court time for parking ticket trials allowing for greater certainty that individuals getting a parking ticket will have the opportunity to appear at a court hearing. This has been problematic in past years where the dispute rate exceeded the limited courtroom capacity allocated causing individuals not to receive a court date within a reasonable amount of time. This resulted in defendants bringing successful Charter applications to have their matters dismissed due to the delay.
 - Third, the large volume of charges previously scheduled into each courtroom frequently (about 20% of the time) resulted in individuals having to return to court on another day as their case could not be completed because there was not enough time to hear all the cases scheduled. By reducing the volume of cases per court session, there will be fewer instances where individuals are inconvenienced and more cases should be concluded on the scheduled date. This has been a long standing request of stakeholders that is now being built into the 2015 court calendars.

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Date: February 10, 2015