



City Budget
2013

Court Services
Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for the City.

2013 Operating Budget

2013 OPERATING BUDGET ANALYST NOTES BRIEFING NOTES

BUDGET COMMITTEE, NOVEMBER 29, 2012

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PART I: RECOMMENDATIONS

**2013 Recommended Operating Budget
(In \$000s)**

(In \$000s)	2012		2013 Recommended Operating Budget			Change - 2013 Recommended Operating Budget v. 2012 Appvd. Budget		FY Incremental Outlook	
	Approved Budget	Projected Actual	2013 Rec. Base	2013 Rec. New/Enhanced	2013 Rec. Budget	\$	%	2014	2015
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	52,324.3	54,579.9	54,790.9		54,790.9	2,466.6	4.7%	412.3	660.8
REVENUE	66,228.9	68,555.8	68,695.5		68,695.5	2,466.6	3.7%	320.5	505.0
NET EXP.	(13,904.6)	(13,975.9)	(13,904.6)		(13,904.6)	(0.0)	0.0%	91.8	155.8
Approved Positions	284.0	267.0	284.0		284.0	0.0	0.0%		

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

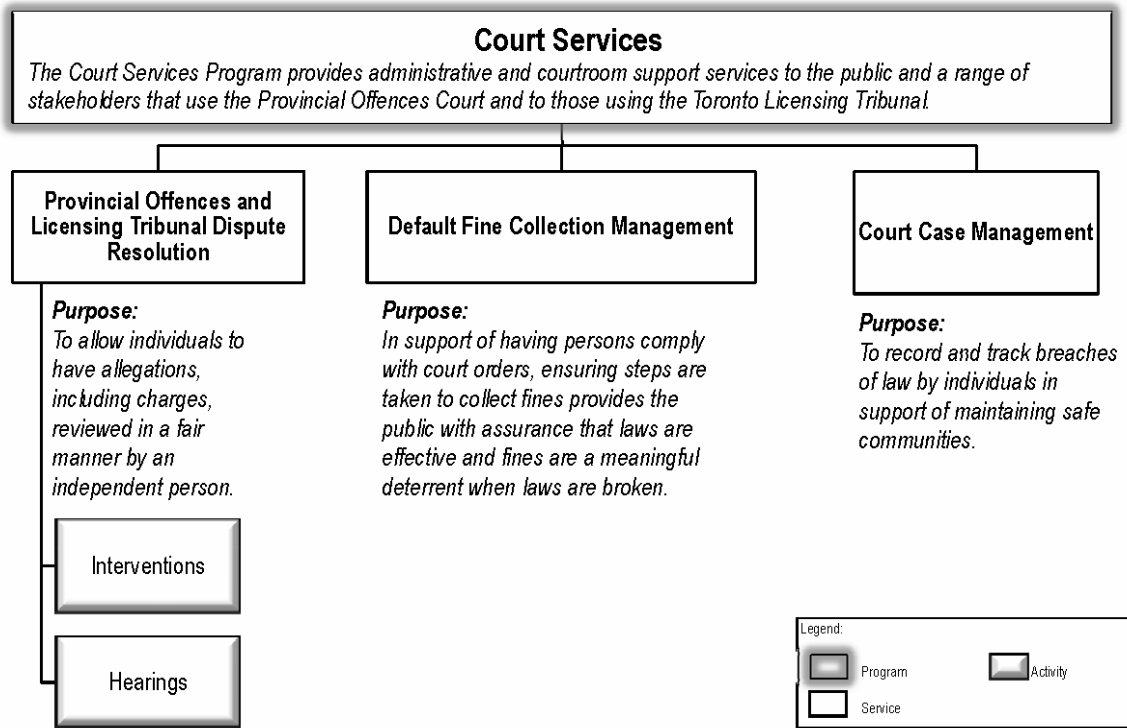
1. City Council approve the 2013 Recommended Operating Budget for Court Services of \$54.791 million gross and (\$13.905) million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Finance and Administration	33,299.1	27,368.1
Court Administration	11,190.1	(51,073.0)
Court Support	5,947.7	5,947.7
Planning and Liaison	3,852.6	3,852.6
Licensing Tribunal	501.4	0.0
Total Program Budget	<u><u>54,790.9</u></u>	<u><u>(13,904.6)</u></u>

2. Court Services' services and 2013 proposed service levels, as outlined on pages 3 and 4 and associated staff complement of 284 positions be approved; and
3. City Council approve the 2013 Recommended User Fee Changes for Court Services identified in Appendix 6 (iii) for inclusion in the Municipal Code Chapter 441 "Fees and Charges".

PART II: 2013 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



Service Customer

Provincial Offences and Licensing Tribunal Dispute Resolution

- Persons alleged to have behaved in a manner that are in conflict with the law (Defendant)
- Prosecutors
- Paralegal representatives
- Witnesses
- Enforcement officers
- Judicial officers
- Interpreters

Default Fine Collection Management

- Persons who are required to pay a court imposed fine
- The City- who must offset program costs from fine revenue collected
- The public who benefit from the anticipated change in behaviour by those who have had to pay fines.

Court Case Management

- Persons alleged to have behaved in a manner that are in conflict with the law (Defendant)
- Prosecutors
 - Paralegal Representatives
 - Witnesses
 - Enforcement officers
 - Judicial officers
 - Interpreters

2013 Recommended Service Levels

The 2013 proposed service levels and activities for Court Services are summarized in the table below:

Service Types and Service Levels

Service	Activity	Type	Sub-Type	Approved 2012 Service Levels	Proposed 2013 Service Levels
Court Case Management		Provincial Offences - Non-Parking		Receive incoming charges within 57 days	Receive incoming charges within 57 days
		Provincial Offences - Parking		Receive incoming charges within 60 - 75 days	Receive incoming charges within 60 - 75 days
Default Fine Collection Management		Processing payments		24 hours of receipt	24 hours of receipt
Provincial Offences and Licensing Tribunal Dispute Resolution	Hearings	Trial Court		7 - 16 months time to trial	7 - 16 months time to trial
		Appeals Court		60 - 120 days of appeal notification	60 - 120 days of appeal notification
	Interventions	Intake Court		1 - 3 days of receipt of application	1 - 3 days of receipt of application
		Licensing Tribunal		Hearing held within 30 days of request	Hearing held within 30 days of request

2013 Service Deliverables

The 2013 Recommended Operating Budget of \$54.791 million gross and (\$13.905 million) net revenues for Court Services will provide funding to continue to support efficient court administration and services to the public using the Provincial Offences Courts in City of Toronto, namely:

- Continue to work towards addressing trial delays and reduce wait times from 12 months to the Provincial average of 9 months, by fully utilizing all 30 courtrooms and 10 intake rooms;
- Continue to manage court cases, resulting in approximately 720,000 new yearly charges with ticketable offences filed within seven days, in accordance with Provincial legislation;
- Process over 500,000 trials regarding Provincial Offences matters and 300,000 other hearings;
- Continue to process payments from fines within 24 hours of receipt, with over 400,000 payments processed annually;
- Continue to support Toronto Licensing Tribunal, resulting in over 200 applications filed each year;
- Continue to provide counter service in French, English, as well as over 40 other languages providing interpretation services during a hearing;
- Process 35% of all provincial offences charges filed in Ontario courts;
- Co-ordinate over 28,000 language interpreter requests to provide translation to persons requiring service; and
- Continue to serve approximately 70,000 individuals at public counters and in trial courts and respond to over 8,500 phone calls and 1,500 email enquiries per month.

PART III: RECOMMENDED BASE BUDGET

**2013 Recommended Base Budget
(In \$000s)**

(In \$000s)	2012 Approved Budget	2013 Rec'd Base	Change		FY Incremental Outlook	
			2013 Recommended Base vs. 2012 Appvd. Budget		2014	2015
	\$	\$	\$	%	\$	\$
GROSS EXP.	52,324.3	54,790.9	2,466.6	4.7%	412.3	660.8
REVENUE	66,228.9	68,695.5	2,466.6	3.7%	320.5	505.0
NET EXP.	(13,904.6)	(13,904.6)	0.0	0.0%	91.8	155.8
Approved Positions	284.0	284.0				

2013 Recommended Base Budget

The 2013 Recommended Base Budget of \$54.791 million gross and (\$13.905 million) net revenue is at the same level as the 2012 Approved Budget of (\$13.905 million) net revenue.

- The 2013 Recommended Base Budget, prior to recommended service change savings of (\$3.084 million) net revenues, includes a net pressure of \$3.084 million or 22.2% below the 2012 Approved Budget.
- The net increase of \$3.084 million in the 2013 Recommended Base Budget is reduced by recommended service change savings of \$3.084 million reflecting a decrease of 22.2% compared to the 2012 Approved Budget.
- The result of the changes noted above is a 2013 Recommended Base Budget for Court Services that is at the same level as the budget target of a 0% increase from the 2012 Approved Budget.
- The Program's total staff complement will remain at the same level as the 2012 approved complement of 284 permanent positions.

**2013 Recommended Staff Complement
Base Budget Summary**

Changes	Staff Complement
2012 Approved Complement	284.0
- 2012 In-year Adjustments	
2012 Approved Staff Complement	284.0
2013 Recommended Staff Complement Changes	
- 2013 Service Change Adjustments	
Total 2013 Recommended Complement	284.0

**2013 Recommended Service Change Summary
(In \$000s)**

Description	2013 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Budget	2014		2015	
					Net Expenditure	Position Change	Net Expenditure	Position Change
Base Changes:								
Base Expenditure Changes								
Reductions to reflect actuals		(425.2)	(425.2)	(3.1%)				
Base Expenditure Changes		(425.2)	(425.2)	(3.1%)				
Base Revenue Changes								
Increase in fine revenues			(2,270.0)	(16.3%)				
Increase in provincial funding for Court Security			(316.6)	(2.3%)				
Increase in user fees			(72.0)	(0.5%)				
Base Revenue Changes			(2,658.6)	(19.1%)				
Sub-Total Base Budget Changes		(425.2)	(3,083.8)	(22.2%)				
Total Service Changes		(425.2)	(3,083.8)	(22.2%)				

2013 Recommended Service Changes

The 2013 recommended service changes consist of base expenditure savings of \$0.425 million and revenue increases of \$2.659 million, totaling a \$3.084 million or 22.2% decrease from the 2012 Approved Budget. When combined with incremental base budget pressures of \$3.084 million or 22.2%, the 2013 Recommended Base Budget for the Court Services is at the same level as the 2012 Approved Budget of (\$13.905 million) net revenue.

Base Expenditure Changes: (\$0.425 million gross, savings of \$0.425 million net)

Reductions to Reflect Actual Experience

- A line by line review of actual 2012 expenditures has resulted in a reduction of \$0.425 million gross and net mainly in salaries and benefits (\$0.094 million); office materials and supplies, and general office equipment (\$0.047 million), lower transcript charges and training and development expenses (\$0.059 million), and lower payments to the Province for courtroom-related costs including Justice of the Peace services; Provincial prosecutor salaries and enforcement and monitoring costs (\$0.251 million).

Base Revenue Changes: (Revenue of \$2.659 million)

Increase in Fine Revenues

- The Program is projecting a higher collection rate of 72% compared to previous year's rate of 69% on an estimated conviction value of \$85.000 million which will result in an increase in fine revenues of \$2.270 million.

Increase in Provincial Funding for Court Security

- Court Services will receive additional Provincial funding of \$0.317 million to offset the City's costs for court security.
 - The Province is phasing in the funding for court security and related prisoner transportation costs over a period of 7 years starting in 2012.
 - The current court security cost upload agreement between the Province and the City of Toronto is for a term of three years (2012-2014). The subsequent agreements to cover the period 2015-2018 will be reviewed in 2014 for the purpose of updating the distribution of Provincial funding.

Increase in User Fees

- The 2013 Recommended Operating Budget includes an increase of \$0.072 million for the POA Transaction Fee, which is levied for users that wish to pay for traffic tickets on line. The on-line user fee per transaction will be increased by \$0.50 cents from \$3.00 to \$3.50 as identified in Appendix 6 (iii).

2014 and 2015 Outlook**(In \$000s)**

Description	2014 - Incremental Increase					2015 - Incremental Increase					Total Net % Change from 2013
	Gross Expense	Revenue	Net Expense	% Net Change from 2013	# Positions	Gross Expense	Revenue	Net Expense	% Net Change from 2014	# Positions	
Known Impacts											
Upload of Court Security Costs		316.2	(316.2)	2.3%			311.3	(311.3)	2.3%		4.5%
Toronto Licensing Tribunal		4.3	(4.3)	0.0%			5.7	(5.7)	0.0%		0.1%
Progression Pay Increases	20.5		20.5	(0.1%)		21.1		21.1	(0.2%)		(0.3%)
Step Increases	50.1		50.1			18.5		18.5	(0.1%)		(0.5%)
COLA and fringe benefit increases	341.8		341.8	(2.5%)		433.1		433.1	(3.1%)		(5.6%)
SOGI requirements Identified by FMRE						188.0	188.0	0.0	0.0%		0.0%
Sub-Total Known Impacts	412.3	320.5	91.8	(0.7%)		660.8	505.0	155.8	(1.1%)		(1.8%)
Anticipated Impacts											
Sub-Total - Anticipated Additional Impacts											
Total Incremental Impacts	412.3	320.5	91.8	(0.7%)		660.8	505.0	155.8	(1.1%)		(1.8%)

Approval of the 2013 Recommended Base Budget for Court Services will result in a 2014 incremental cost of \$0.092 million net and a 2015 incremental increase of \$0.156 million net to maintain the 2013 level of service.

Future year incremental costs are primarily attributable to the following:

Known impacts

- The uploading of court security costs to the Province will result in additional revenues of \$0.316 million in 2014 and \$0.311 million in 2015. The additional funding results from the phase-in upload of court security costs by the Province to municipalities over a period of 7 years (2012-2018).

- An adjustment to maintain the recovery of Court Services costs for providing administrative support services to the Toronto Licensing Tribunal will increase revenues by \$0.004 and \$0.006 in 2014 and 2015 respectively.
- Progression pay and step increases will result in salary and benefit costs increasing by a total of \$0.071 million in 2014 and \$0.040 million in 2015.
- COLA increase of 1.75% in 2014 and 2.25 % in 2015 will result in an increase in salaries and benefits of \$0.342 million and \$0.433 million respectively.
- State of Good Repair requirements with a total cost of \$0.188 million identified by Facilities Management and Real Estate (FMRE) for City-owned properties occupied by Court Services in 2015, fully funded by the Provincial Offences Courts Stabilization Reserve.

PART V: ISSUES FOR DISCUSSION

2013 and Future Year Issues**2013 Issues***Early Resolution Initiative*

- The implementation of the new early resolution initiative began on March 31, 2012. Through this program, persons receiving tickets can elect to meet with prosecutors either in person or by telephone to discuss the possible reduction of the charge. This request, unlike the prior informal model requiring an in-person visit, can be made by mail when responding to a ticket that was issued. This is expected to reduce the number of trials and associated costs including off-duty police attendance expenses and other related courtroom costs.
- While this is a relatively new program, by September, Court Services had received an average of 2,000 requests per week for early resolution. Of these requests:
 - 76% (or 1,520 requests) were resolved and did not proceed to trial, resulting in a decrease of approximately 20% in the overall trial requests (dropped from 60% to 40%).
 - 9% (or 180) went to trial; and,
 - 15% (or 300) were not resolved and the individual did not show up for his/her trial and was deemed to be convicted.
- While the Early Resolution initiative is projected to reduce the off Duty Police overtime costs, the significant volume of requests to date has resulted in a pressure for Legal Services to provide more prosecution staff. To effectively respond to the high volume of requests, Legal Services is recommending 7 new temporary positions (6 Prosecutors and 1 Legal Assistant) through their 2013 Operating Budget, with a total cost of \$0.694 million in 2013, recommended to be funded by Court Services through a reallocation of \$0.694 million from the Off-Duty Police overtime budget, given that the Early Resolution initiative will reduce the number of trials and officers' appearances.

Off-Duty Police Officers' Overtime Costs

- The Provincial Offences Act currently requires the attendance of police officers in court as the chief witness. Besides staff salaries, one of the largest expenditures for Court Services is the cost of having police officers attend trials. With the number of trials increasing, more time is required to be spent in court by the police, as their absence at trial results in the charge being dismissed. To ensure police officers are present for a trial, City Council approved an initiative in 2006 to pay off-duty police officers overtime wages (time and a half) for their court attendance. This practice was established to address the difficulties officers had in attending at court during on-duty hours due to more pressing operational priorities.
- The costs of having officers appearing in court have been steadily increasing, from \$5.236 million in 2007 to \$7.470 million in 2011 and \$8.831 million projected in 2012. The increase

in costs is the result of both police salary increases and a higher number of appearances due to a greater number of trials scheduled in courts.

- In 2012, the Toronto Police Services (TPS) off-duty charges budget remained at the 2011 level of \$5.6 million, in anticipation of a reduction in costs due to the implementation of Bill 212. The amendment to the Provincial Offences Act included an Early Resolution initiative that would allow individuals who have been charged with an offence to use a simpler process and arrange pre-trial meetings with prosecutors, thus reducing the number of trials and officers' appearances. The implementation of the early resolution process began March 31, 2012, and is anticipated to reduce the number of trials and associated costs including off-duty police attendance expenses and other related costs. As court trials are scheduled one year in advance, the impact of the implementation of the early resolution process will not be apparent until the middle of 2013.
- Court Services' 2013 Recommended Operating Budget for Off-Duty Police overtime is \$7.335 million, an increase of \$1.700 million or 30% to the Off-Duty Police overtime budget in 2012 to align the 2013 Budget with actual costs incurred over the last 6 years. The following table shows actual fines imposed upon conviction and the corresponding overtime costs paid to police officers.

	2007	2008	2009	2010	2011	As of September 2012	2012 Projections	2013 Budget*
Fines Imposed (resulting from Police attendance)	12,464.2	14,375.4	13,195.9	14,773.5	15,458.7	12,189.0	16,285.3	12,845.0
Off-Duty Costs paid to Toronto Police Services	5,235.7	6,115.3	6,974.4	6,851.0	7,469.8	6,836.0	8,831.0	
Budget	2,400.0	5,000.0	6,400.0	5,400.0	5,635.0		5,635.0	7,335.0
Net	7,228.6	8,260.2	6,221.5	7,922.4	7,988.9	5,353.0	7,454.3	

*2013 Budget for "Fines Imposed" is based on reduced number of trials resulting from the Early Resolution Initiative.

- The data above shows that as overtime cost increases, the conviction value increases as well. Police officers that issued the charges are required by law to be present as crown witnesses during the trial and generally the case is lost at trial if the defendant appears and the police officer is not in attendance.
- Court Services staff continue to work with the Toronto Police Service to identify additional opportunities to reduce overtime. Through the assistance of new scheduling technology to optimize officers' time in court, together with the Early Resolution Initiative discussed below, the Program is projecting overtime costs to be in keeping with the 2013 budget of \$7.335 million.
- In addition, Legal Services and Court Services staff are currently working with the Province to determine which offences could be handled without an officer in attendance. The Province is expected to prescribe by regulation the types of offences that can proceed to court without an officer in attendance and evidentiary requirements. This initiative could reduce regular salary and/or overtime costs for Police Officers who are currently required to attend court for trials. The timing of this initiative and the potential reduction in police staffing and/or overtime remain uncertain.

- Provincial legislation relating to court processes provides the Government of Ontario with the authority to pass regulations specifying what offences do not require an officer to be in attendance during court proceedings.
- It is recommended that City Council urge the Provincial Government to implement a regulation establishing offences where a certified statement of the issuing officer, would in most cases, replace the need for an officer to attend court.

Future Year Issues

Increase in Unpaid Fines

- Forecasting revenue from provincial offences fines is based on a combination of factors including enforcement activity, court decisions following trial, prosecutorial discretion and the ability to collect unpaid fines.
- In 1997, the Provincial Auditor recommended, “the Ministry of the Attorney General assess the merits of implementing measures to more vigorously pursue overdue fines.” The level of unpaid fines continues to grow and needs to be addressed by Provincial officials. Again, in 2008, the Provincial Auditor noted that more attention to the level of non-compliance must be given by Provincial officials.
- In April 2012, a Provincial/Municipal Working Group was formed to consider opportunities to address this important issue. The Working Group, which includes representation from numerous GTA municipalities, including Toronto, has met twice to date.
- The Director of Court Services will continue to work with the Province to identify changes to improve the collection of unpaid fines.

Core Service Review and Efficiency Study Implementation

- A Service Efficiency Review of Court Services was completed in October 2012. The study focused on service improvements, legislative process requirements and the use of technology to improve operations.
- The Director of Court Services is currently in the process of reviewing the study's recommendations and will note changes implemented through the 2014 Operating Budget process.

Appendix 1

2012 Performance

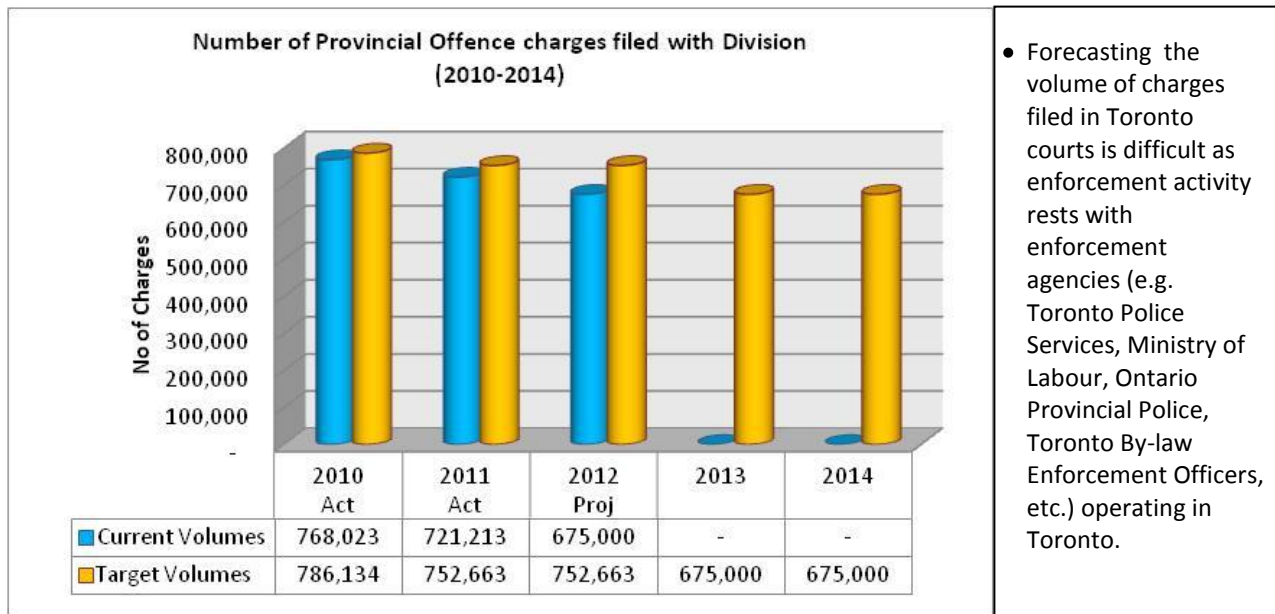
2012 Key Accomplishments

In 2012, Court Services achieved the following results:

- ✓ Implemented the Early Resolution Initiative.
 - Following extensive discussion with Ministry of Attorney General staff and various stakeholders, the Province passed the Good Government Act on December 15, 2009. This Act includes several amendments to the Provincial Offences Act that should assist in streamlining court operations over the next couple of years providing better access to the public through the introduction of electronic and other processes to conduct a variety of transactions.
 - In March 2012, Court Services implemented the Early Resolution process whereby persons receiving tickets can elect to meet with prosecutors either in person or by telephone to discuss the possible reduction of the charge. This initiative is anticipated to reduce the number of trials and associated costs including off-duty police attendance expenses and other related courtroom costs.
- ✓ Continued to pursue payment of unpaid fees through the property tax roll sanction and through Court Services' Collection Officers.
 - As of August 2012, \$2.600 million has been recorded as revenue collected by using the property tax roll sanction since its introduction in 2010. (Garnishments imposed on property owners with fines that have gone into default.)
 - As of August 2012, \$4.100 million has been recorded as revenues of newly defaulted accounts by the Program's Collection Officers.
- ✓ Served approximately 70,000 individuals at Court Services' public counters and in trial courts each month, Court Services' public enquiry line answered over 8,500 phone calls and 1,500 email enquiries per month. Court Services is working with 311 to develop a plan to migrate their tier one (basic enquiry) calls to the 311 program to provide the public with greater access to general program information.
- ✓ Continued to work with Toronto Police Services to identify opportunities to optimize officer's time in court, including the use of new scheduling technology to reduce costs.

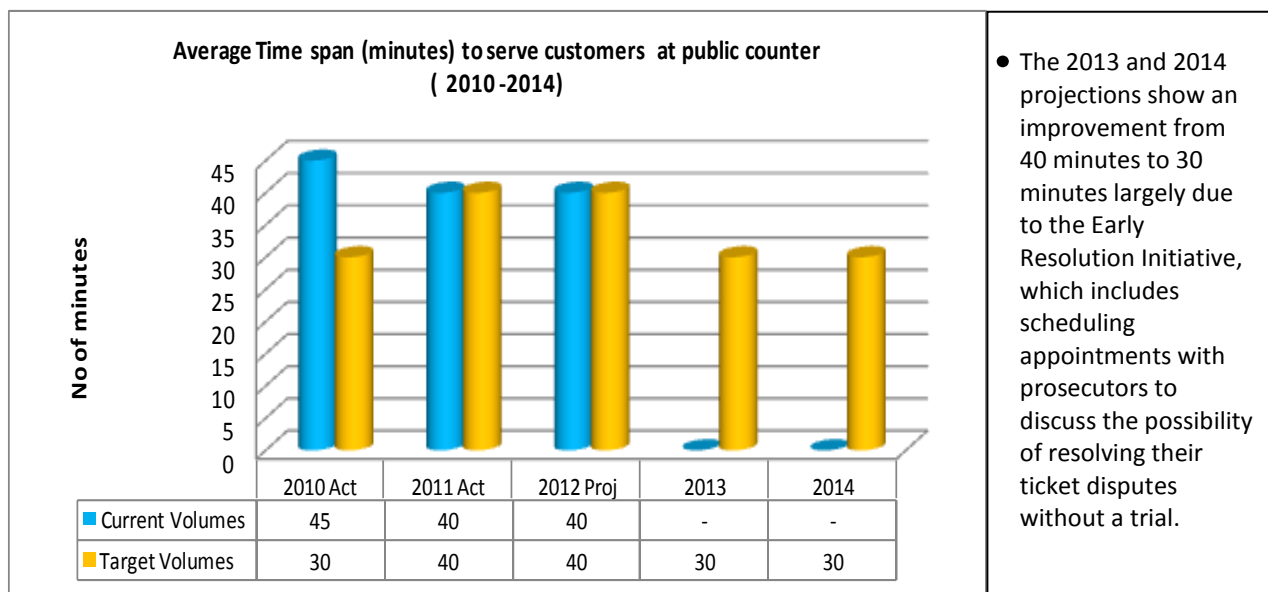
2012 Performance

Efficiency Measure – Provincial Charges filed in Toronto



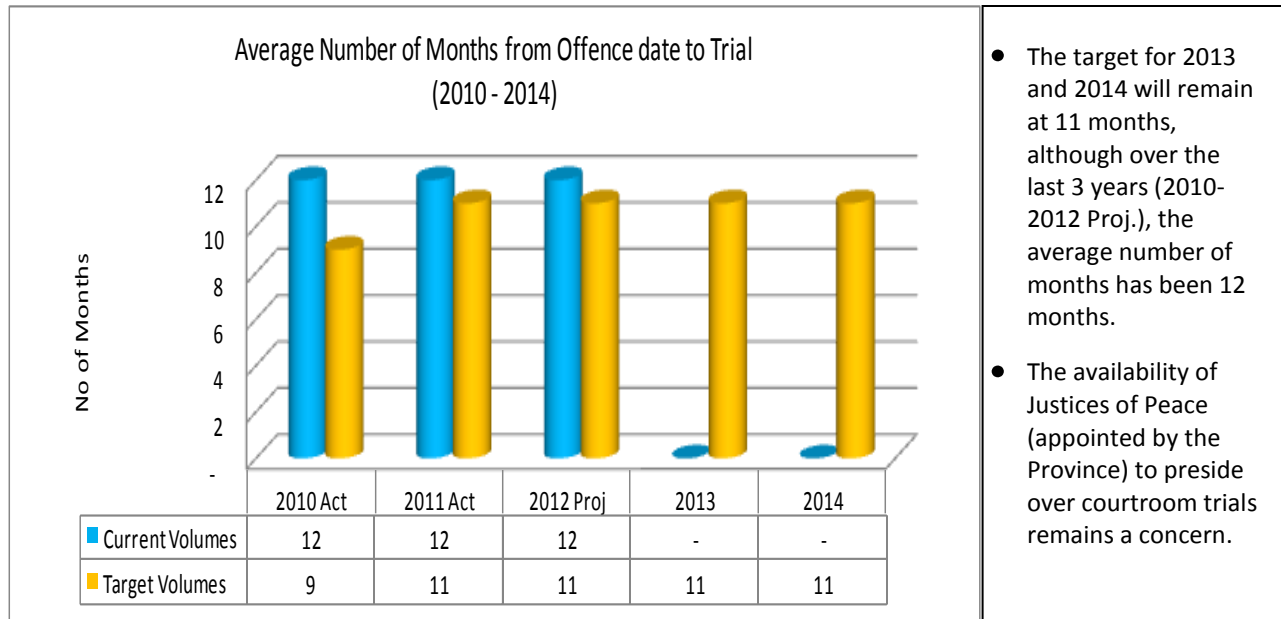
- The 2013 and 2014 targets are based on the projected number of charges in 2012.

Customer Service – Average Time to Serve a Customer at Court Counters.



- The chart shows that the average number of minutes it takes to serve a customer at a counter has improved from 45 minutes in 2010 to 40 minutes in 2011 and 2012 primarily due to the implementation of the in-basket initiative where clients dropped off their application without having to go to the counter.

Community Impact – Number of Months for Offences to go on Trial



- The target for 2013 and 2014 will remain at 11 months, although over the last 3 years (2010-2012 Proj.), the average number of months has been 12 months.
- The availability of Justices of Peace (appointed by the Province) to preside over courtroom trials remains a concern.

- The Early Resolution process together with the favorable review by the Ministry of Attorney General on recommendations presented last fall by the Law Commission of Ontario and implementation of new legislation will help to reduce trial volumes as well as improve the average number of months from 12 to 11 months in 2013 and 2014.

2012 Budget Variance Analysis

2012 Budget Variance Review (In \$000s)

(In \$000s)	2010	2011	2012	2012	2012 Approved Budget vs Projected Actual Variance	
	Actuals	Actuals	Approved Budget	Projected Actuals*	\$	%
	\$	\$	\$	\$	\$	%
Gross Expenditures	48,248.0	51,355.3	52,324.3	54,579.9	2,255.6	4.3
Revenues	65,932.0	70,678.4	66,228.9	68,555.8	2,326.9	3.5
Net Expenditures	(17,684.0)	(19,323.1)	(13,904.6)	(13,975.9)	(71.3)	0.5
Approved Positions	293.0	290.0	284.0	267.0	(17.0)	(6.0)

* Based on the 3rd Quarter Operating Budget Variance Report.

2012 Experience

- As of September 30, 2012, Court Services is projecting a favourable year-end net variance of \$0.071 million or 0.5 % above the 2012 Approved Operating Budget of (\$13.905 million) net revenue.
- The projected year-end net variance of \$0.071 million is primarily due to savings of \$0.909 million in salaries and benefits and higher than expected fine revenues of \$2.327 million offset by projected over-expenditure of \$3.196 million for Toronto Police Services off-duty court attendance charges.

Impact of 2012 Operating Variance on the 2013 Recommended Budget

- The over-expenditure in police overtime costs is not expected to continue as the 2013 Recommended Operating budget has been increased to align budgeted TPS overtime costs with actual expenditure. In addition, the early resolution initiative implemented in March 2012 is expected to reduce overtime costs in the latter part of 2013.
- The savings resulting from staff vacancies will not continue in 2013 as the hiring process for a number of vacant positions is underway and anticipated to be completed by year-end 2012.
- The increase in fine revenue volumes in 2012 has been addressed as the 2013 Recommended Operating Budget includes a higher collection rate of 72% in 2013 from 69% in 2012 to align with actual experience.

Appendix 2

2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2010	2011	2012	2012	2013	2013 Change from		2014	2015
	Actual	Actual	Budget	Projected Actual	Recommended Budget	2012 Approved Budget	%	Outlook	Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	18,021.8	19,496.9	21,119.9	20,210.9	21,311.6	191.7	0.9%	21,723.9	22,196.7
Materials and Supplies	159.9	116.0	206.3	154.2	179.4	(26.9)	(13.0%)	179.4	179.4
Equipment	145.2	96.0	91.7	78.6	71.7	(20.0)	(21.8%)	71.7	71.7
Services & Rents	9,383.3	9,285.2	10,115.9	9,942.1	10,026.8	(89.2)	(0.9%)	10,026.8	10,214.8
Contributions to Capital	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	67.1	69.7	70.6	70.6	70.6	0.0	0.0%	70.6	70.6
Other Expenditures	1,627.7	1,865.5	1,989.5	1,934.5	1,989.5	0.0	0.0%	1,989.5	1,989.5
Interdivisional Charges	18,843.0	20,426.1	18,730.4	22,188.9	21,141.4	2,411.0	12.9%	21,141.4	21,141.4
TOTAL GROSS EXPENDITURES	48,248.0	51,355.3	52,324.3	54,579.8	54,790.9	2,466.6	4.7%	55,203.3	55,864.0
Interdivisional Recoveries	4,687.9	5,051.0	5,149.1	5,149.1	5,295.9	146.8	2.9%	5,300.2	5,305.9
Provincial Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	407.3	430.2	432.0	432.0	504.0	72.0	16.7%	504.0	504.0
Transfers from Capital Fund	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve/Res Funds	0.0	788.4	338.8	338.8	0.0	(338.8)	(100.0%)	0.0	188.0
Other Revenues	60,836.7	64,408.8	60,309.0	62,635.9	62,895.6	2,586.6	4.3%	63,211.8	63,523.2
TOTAL REVENUE	65,932.0	70,678.4	66,228.9	68,555.8	68,695.5	2,466.6	3.7%	69,016.1	69,521.1
TOTAL NET EXPENDITURES	(17,684.0)	(19,323.1)	(13,904.6)	(13,976.0)	(13,904.6)	(0.0)	0.0%	(13,812.8)	(13,657.0)
APPROVED POSITIONS	293.0	290.0	284.0	284.0	284.0	0.0	0.0%	284.0	284.0

2013 Key Cost Drivers

Salaries and Benefits comprise the largest expenditure category at 38.9% of total expenditures, followed by Interdivisional Charges at 38.6%, Services and Rents at 18%, with Materials and Supplies and Other Expenditures at 4.5%.

Salaries and Benefits

- The 2013 budget for salaries and benefits of \$21.312 million, reflects an increase of \$0.192 million or 0.9% compared to the 2012 Budget of \$ 21.120 million mainly due to COLA (union), progression pay, step increases, OMERS increase of 0.9% and associated fringe benefit changes totaling \$0.291 million partially offset by adjustment to salaries based on actual staff of \$0.094 million.

Materials and Supplies and Equipment

- The 2013 budget for materials and supplies and equipment is \$0.047 million or 16% lower than the 2012 approved budget as a result of a detailed review of expenditure line items to reflect actual experience.

Services and Rents

- The 2013 budget for services and rents of \$10.027 million is \$ 0.089 million or 1% lower than the 2012 Approved Operating Budget mainly as a result of the reversal of one time funding for minor SOGR expenditures of \$0.265 million combined with a reduction in payments to the Province for court services of \$0.251 million, partially offset by an increase of \$0.460 million as the interpreter base fee increased from \$75.00 to \$90.00 (minimum of 3 hours).

Interdivisional Charges

- The 2013 budget for interdivisional charges of \$21.141 million reflects an increase of \$2.411 million or 12.9% compared to the 2012 Budget of \$18.730 million mainly due to an increase of \$1.700 million for Off-Duty Police overtime charges, inflationary increases for rent and maintenance of \$0.358 million; City Legal staff salary and benefit increases of \$0.245 million; and police officer salaries and benefits of \$0.081 million.

Interdivisional Recoveries (IDR)

- The 2013 budget for IDRs of \$5.296 million is \$0.147 million or 2.9% higher than the 2012 Approved Budget mainly due to increased recoveries for courtroom costs such as administration support, court space rental costs and interpreter costs from Parking Tag Operations.

Contribution from Reserve / Reserve Funds

- The 2013 budget for Court Services has been reduced to reflect the reversal of the one-time reserve funding for minor SOGR funding of \$0.265 and a reduction in the contribution from the Appeals Contingency Reserve of \$0.073 million as the reserve is projected to be depleted by year-end 2012.

Revenues from User Fees

- Revenues from user fees increased by \$0.072 million or 16.7%, from \$0.432 million to \$0.504 million as POA Transaction fee will be increased by \$0.50 cents from \$3.00 to \$3.50 on a projected 144,000 on-line transactions annually.

Other Revenues

- The 2013 budget for other revenues of \$62.896 million comprise 91.6% of total revenues. The increase of \$2.587 million reflects the projected increase in fine revenues of \$2.270 million as the collection rate is anticipated to be 72% (69% in 2012) on estimated convictions valued at \$85.0 million and additional Provincial funding of \$0.317 million resulting from the court security cost upload agreement between the Province and the City of Toronto.

The 2013 Recommended Operating Budget of \$54.791 million gross provides funding for the following:

Economic Factors

- Cost of providing the current level of service requires \$0.291 million for labour costs which includes progression pay and step increases, COLA and increase in OMERS.

Other Base Changes

- An increase in courtroom interpreter's base fee from \$75.00 to \$90.00 (3-hour minimum from \$25.00 per hour to \$30.00 per hour consistent with Provincial fee payment schedule) requires an increase in cost of \$0.460 million. Interpreters are independent contractors tested by the Ministry of Attorney General for use across Ontario.
- Higher court security police officer salaries of \$0.081 million combined with increases in overtime costs for mandatory court attendance of off-duty police officers of \$1.700 million resulting in total increase of \$1.781 million.
- Inflationary increases in interdivisional charges from other City Programs of \$0.630 million primarily for rent and maintenance costs require an additional \$0.358 million and \$0.245 million for legal staff salary and benefit increases.

Base Revenue Changes

- A reduction in the contribution from the reserve of \$0.073 million as the Contingency Appeals Reserve Fund is expected to be depleted by the end of 2012. The Contingency Appeal Reserve was established to fund the refunds made to defendants who are successful in their appeal process. Refunds will now be funded within Court Services' operating budget.

Appendix 5

Inflows / Outflows to / from Reserves & Reserve Funds
(In \$000s)

Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2012*	2013	2014	2015
			\$		\$	\$
Provincial Offences Courts Stabilization Reserve	XQ0704	Projected Beginning Balance	5,008.2	5,008.2	4,906.2	1,066.8
		Proposed Withdrawals (-)				
		POA Application Sustainment & Hardware Upgrade		(102.0)	(109.0)	
		St. Lawrence Market Court House (F&RE)			(3,330.4)	
		Moving Expenses			(400.0)	
		SOGR funding				(188.0)
		Contributions (+)				
Balance at Year-End			5,008.2	4,906.2	1,066.8	878.8

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2012*	2013	2014	2015
			\$		\$	\$
Contingency Appeals Reserve	XQ1500	Projected Beginning Balance	19.8			
		Proposed Withdrawals (-)	(19.8)			
		Contributions (+)				
		Balance at Year-End	(0.0)			

* Based on 3rd Quarter Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 31, 2012 *	Proposed Withdrawals (-) / Contributions (+)		
			2013	2014	2015
			\$	\$	\$
Insurance Reserve Fund	XR1010	21,130.4	70.6		
Total Reserve / Reserve Fund Draws / Contributions			70.6		

Appendix 6 (iii)
2013 Recommended User Fee Changes
 Inflation and Other Adjustment

Ref #	User Fee Description	Fee Category	Fee Unit/Basis	2012 Fee (A)	Inflationary Adjusted Fee (B)	Other Adjustments (C)	2013 Recommended Fee (D)	2013 Incremental Revenue
	COURTS SERVICES							
1	On-line payment of Provincial Offences Act Fines - charge to offset cost of providing and maintaining on-line payment functionality.	Full Cost Recovery	Per transaction	\$3.00	N/A	\$0.50	\$3.50	\$72,000
	COURTS SERVICES - TOTAL							\$72,000