



STAFF REPORT ACTION REQUIRED

Funding Agreement for Court Security

Date:	January 25, 2012
To:	City Council
From:	City Manager
Wards:	All
Reference Number:	P:\2012\Internal Services\Cf\Cc12007cf (AFS #15184)

SUMMARY

The Province of Ontario committed to phasing in funding of \$125 million per year, province-wide, to offset municipal costs for court security, starting in 2012. In order to begin the transfer of funds, the Ontario Ministry of Community Safety and Correctional Services requires the City to enter into an agreement to receive funds under the Court Security and Prisoner Transportation (CSPT) Program for the three-year period from January 1, 2012 to December 31, 2014. Subsequent periods will be addressed through future agreements.

RECOMMENDATIONS

The City Manager recommends that:

1. The Deputy City Manager and Chief Financial Officer and the City Clerk be authorized to execute the agreement between the City and Her Majesty the Queen in Right of Ontario for funding under the Court Security and Prisoner Transportation Program for,
 - a. the period January 1, 2012 to December 31, 2014; and
 - b. each subsequent period provided the nature of the agreement and/or guidelines for eligibility are not altered in a material way.
2. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

Execution of the funding agreement under the Court Security and Prisoner Transportation (CSPT) Program will enable the City to receive funds from the Province for the three-year period beginning January 1, 2012, in the following annual amounts:

	2012	2013	2014	2012-2014 total
Total	\$6,615,524.52	\$13,231,049.05	\$19,846,573.57	\$39,693,147.14

These funds will allow the City to offset its costs of paying for court security and prisoner transportation services. The 2012 amount of \$6.616 per agreement is marginally favourable to the \$6.608M approved budget provisions in the 2012 operating budget (Toronto Police Service and Services Board: \$6.292M, Court Services: \$0.316M).

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

Since the late 1980s, Ontario municipalities in which provincial courts are located have been responsible for the related security costs, as mandated under the *Police Services Act*. In Toronto, court security is delivered by Toronto Police Service, including to those courts administered by the City's Court Services Division.

Municipally funded court security costs vary across the province depending on the locations, activity levels and service areas of the courts, largely beyond municipal control. In 2006, the Province agreed to review court security as part of the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR). The final report, released in the fall of 2008, identified a new approach to the funding and delivery of services in Ontario, including Court Security, along with Ontario Drug Benefits (ODB), Ontario Disability Support Payments (ODSP), and Ontario Works (OW).

Starting in 2012, the Province will begin phasing-in \$125 million annual funding to municipalities to offset eligible court security (including prisoner transportation) costs (province-wide). The following schedule shows the phase-in timing of the uploading:

	2012	2013	2014	2015	2016	2017	2018
Phase-in percentage toward the provincial maximum	14%	29%	43%	57%	71%	86%	100%
Province-wide amounts of upload (\$M)	17.50	36.25	53.75	71.25	88.75	107.50	125.00

As agreed in the PMFSDR, the Ministry of the Attorney General and the Ministry of Community Safety and Correctional Services have been working with the City of

Toronto, Association of Municipalities of Ontario and other stakeholders on two streams of work:

- Collection of current court security costs and data as the basis for a funding allocation model and a funding agreement; and
- Development of court security standards, associated costs, and related governance

Work on the funding allocation model concluded in 2011. The City was presented with a funding agreement to enable the flow of funds from the Province to the City for the initial three-year period beginning in 2012. Work on court security standards is ongoing.

COMMENTS

The agreement between the Province and the City for court security cost upload (the "Agreement") provides for the transfer of provincial funding to the City. The amount the City will receive is based on its proportionate share of total eligible municipal court security-related costs, as confirmed in the 2010 Court Security Information Survey, as well as the phase-in timeline.

The Agreement is for a term of three years which allows for an update to the City's share of costs prior to subsequent agreement(s). It contains provisions for City reports to the Province on use of the funds, record-keeping on their use, right of the Province to audit the City records, and City indemnification of the Province for anything that arises from the use of the funds that is not the result of the Province's negligence or misconduct. These terms are consistent with typical funding agreements with the Province. The Agreement also sets out the criteria for eligible services and activities.

The annual transfers are to be provided in two instalments. Except for 2012, the full annual funding is subject to Ministry approval of the City's annual reporting on the use of funds for the preceding year.

Staff has previously expressed concerns to the Province with regard to a section of the Agreement which provides for withholding of funds under the Agreement if the City is in breach of any other agreement with the Province and fails to rectify the breach after notice is given. The response from the Province was that the clause will not be changed.

It is recommended staff be authorized to execute the Agreement for the period January 1, 2012 to December 31, 2014 to allow funds to be received for the 2012 allocation immediately. As well, in order to expedite the process and enable the flow of funds without interruption, it is recommended that staff be authorized to execute future agreement(s) for each subsequent period, provided the nature of the agreement and/or guidelines for eligibility are not altered in a material way.

The City Solicitor was consulted in the preparation of this report and concurs with the recommendations herein.

CONTACT

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SIGNATURE

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