



Court Services

I: 2014 OPERATING BUDGET OVERVIEW

What We Do

Court Services provides administrative and court room support services to the general public and a range of stakeholders that use the Provincial Offences Court and to those using the Toronto Licensing Tribunal.

2014 Budget Highlights

The total cost to deliver this Program to Toronto residents in 2014 is \$53.814 million as shown below.

(In \$000s)	Approved 2013 Budget	Recommended 2014 Budget	Change	
			\$	%
Gross Expenditures	55,130.1	53,814.3	(1,315.8)	(2.4%)
Gross Revenue	68,913.3	67,597.5	(1,315.8)	(1.9%)
Net Expenditures	(13,783.2)	(13,783.2)	(0.0)	0.0%

Court Services faces a significant challenge in 2014 with declining volumes of charges issued by various enforcement agencies while maintaining fine revenues at the same level as 2013. Changes in enforcement decisions along with improved access and changes to court processes expected in 2014 have the potential to maintain net revenues.

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Fast Facts

- Administers Provincial Offences Act (POA) court services through 30 courtrooms and 10 intake rooms in 4 locations across the City. Provincial offences include a range of offences under Provincial legislation including City of Toronto bylaws.
- Receives and processes approximately 700,000 provincial offence charges (including parking charges) laid in the City of Toronto;
- Collects unpaid court ordered fines using prescribed sanctions including driver licence suspension, use of collection agencies, attachment of default fines to property tax roll, denial of licence plate renewal and civil court processes.

Trends

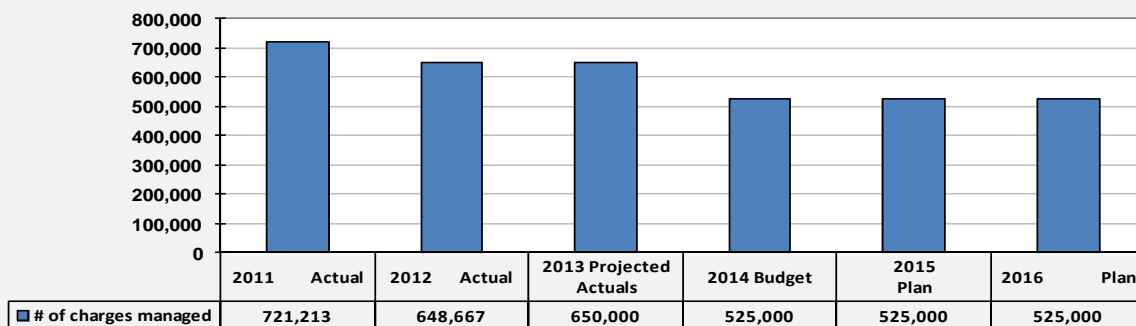
- A declining trend in the volume of provincial offences charges filed by enforcement agencies in the past 18 months.
- Level of unpaid fines continues to grow averaging \$2.000 million a month.

Our Service Deliverables for 2014

Court Services provides administrative and courtroom support to the Ontario Court of Justice related to Provincial Offences Act charges filed in Toronto that performs legislated responsibilities as outlined in the Transfer Agreement signed by the City and Attorney General of Ontario. The 2014 Recommended Operating Budget will:

- Provide Court Services with the ability to work towards addressing trial delays and reduce wait times from 12 months to the Provincial average of 7 months, by fully utilizing all 30 courtrooms and 10 intake rooms;
- Support the Toronto Licensing Tribunal, resulting in over 200 hearing applications filed each year;
- Support the City Solicitor's staff efforts in the recovery of unpaid fines;
- Manage court cases to their conclusion and process an estimated 525,000 charges expected to be filed in 2014 in accordance with Provincial legislation;
- Process approximately 30% of all Provincial Offences charges filed in Ontario courts;
- Serve approximately 73,000 individuals at public counters and in trial courts and respond to over 12,500 phone calls and 1,400 email enquiries per month; and
- Continue to process an estimated 250,000 payments from fines within 24 hours of receipt.

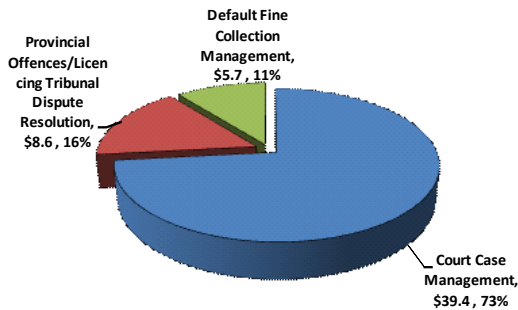
Number of Charges Managed



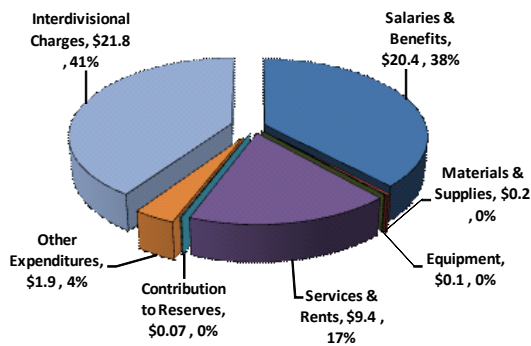
2014 Budget Expenditures & Funding

Where the money goes:

2014 Operating Budget by Service
\$53.814 Million

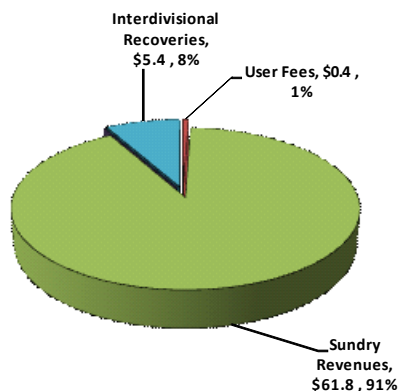


2014 Operating Budget by Expenditure Category



Where the money comes from:

2014 Operating Budget Funding Source
\$67.597 Million



Our Key Challenges and Priority Actions

- A reduction in the volume of charges laid by Toronto Police Services and other enforcement agencies.
 - The greater use of technology, changes in enforcement decisions and improved access to court processes may reduce charges either withdrawn or dismissed and increase net revenues.
- Cost of having police officers attend court has increased from \$5.236 million in 2007 to approximately \$8.200 million projected in 2013.
 - Implementation of the early resolution initiative, improved scheduling of police attendance at court and the use of certified statements are expected to reduce overtime costs.
- Level of unpaid fines continue to grow at an average of \$24.000 million per year
 - Continue to work with the Province to identify changes to legislation to improve collection of unpaid fines.
- Continue to work with Provincial officials on regulatory changes that, upon implementation, can improve program service delivery and results.
- Monitor and respond to caseload fluctuations by adjusting resources and controllable expenditures.

II: RECOMMENDATIONS

Recommendations

The City Manager and Chief Financial Officer recommend that:

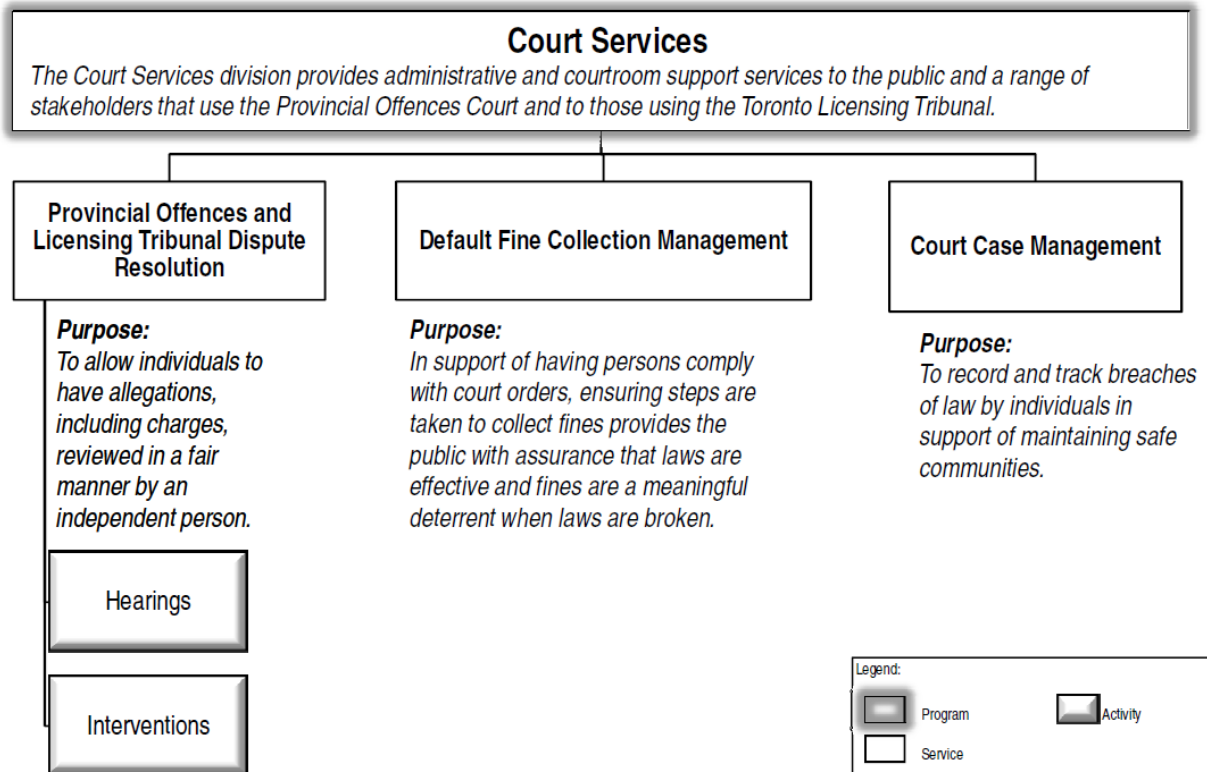
1. City Council approve the 2014 Recommended Operating Budget for Court Services of \$53.814 million gross and (\$13.783 million) net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Court Case Management	39,442.6	(26,558.6)
Provincial Offences/Licensing Tribunal Dispute Resolution	8,625.9	7,653.2
Default Fine Collection Management	5,745.8	5,122.2
Total Program Budget	<u>53,814.3</u>	<u>(13,783.2)</u>

2. City Council approve Court Services' 2014 recommended service levels, as outlined on page 7,9 and 10, and associated staff complement of 282 positions.
3. City Council request the Director of Court Services to continue to work with provincial staff to expedite provincial regulation changes regarding the introduction of certified statements and other court procedures that can reduce operating costs related to court proceedings.
4. City Council request that the Director of Court Services and the Chief of Toronto Police Service report back in time for the 2015 budget process on operating savings for the first six months resulting from the implementation of the e-ticketing system.
5. City Council request the Director of Court Services to report back in time for the 2015 budget process on the operating savings that may result if the Provincial Offences Act (POA) Video Conferencing for Interpreters project included in Court Services' 2014 Recommended Capital Budget is implemented.

III: 2014 SERVICE OVERVIEW AND PLAN

Program Map



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

2014 Service Deliverables

The 2014 Recommended Operating Budget of \$53.814 million gross and \$13.783 net revenues for Court Services will provide funding for the delivery of the following services:

Provincial Offences and Licensing Tribunal Dispute Resolution

- Process approximately 700,000 charges filed including scheduling over 500,000 trials and other hearings;
- Continue to work towards addressing trial delays and reducing wait times from 12 months to the Provincial average of 7 months, by fully utilizing all 30 courtrooms and 10 intake rooms; and
- Continue to support the Toronto Licensing Tribunal, resulting in over 200 hearing applications filed each year.

Court Case Management

- Continue to manage court cases to their conclusion and process an estimated 525,000 charges expected to be filed in 2014 in accordance with Provincial legislation;
- Process approximately 30% of all Provincial Offences charges filed in Ontario courts;
- Continue to serve approximately 73,000 individuals at public counters and in trial courts and respond to over 12,500 phone calls and 1,400 email enquiries per month;
- Continue to process payments from fines within 24 hours of receipt, with an estimated 250,000 payments processed annually;
- Continue to provide counter service in French, English, as well as over 40 other languages providing interpretation services during a hearing; and
- Co-ordinate over 28,000 language interpreter requests to provide translation to persons requiring service.

Default Fine Collection Management

- Continue to use collection agency services to obtain payments relating to defaulted Provincial Offences Act fines;
- Improve staff efforts at collecting outstanding default fines;
- Advocate for implementation of Provincial legislative and regulatory changes to reduce level of unpaid fines and recover defaulted fine collection related costs; and
- Provide support to City Solicitor staff efforts in the recovery of unpaid fines.

Service Profile: Provincial Offences and Licensing Tribunal Dispute Resolution



What we do

Provide administration and courtroom support for hearings related to charges stemming from offences under provincial statutes or Municipal bylaws. Two types of hearings occur within Dispute Resolution services and include:

- Provincial Offences hearings on matters such as breaches under Provincial law, by-laws and regulations with over 500,000 trials per year.
- Administrative hearings for applications under Toronto Licensing by-law. Toronto Licensing Tribunal hears over 200 cases per year.

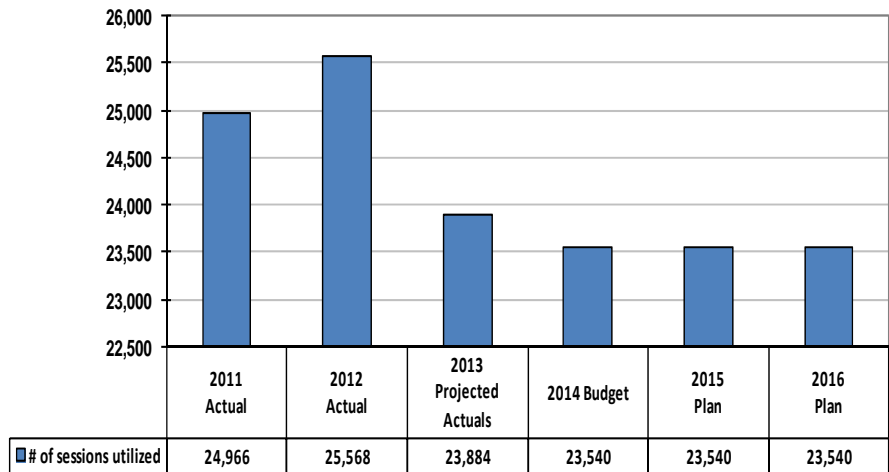
2014 Recommended Service Levels

The 2014 service levels for the Provincial Offences and Licensing Tribunal Dispute Resolution are detailed in the table below:

Activity	Type	Status	Service Levels			
			2011	2012	2013	2014 Recommended
Hearings	Trial Court	Approved	7 - 16 months time to trial			7 - 10 months time to trial
Interventions	Intake Court	Approved	1 - 3 days of receipt of application			1 - 3 days of receipt of
	Appeals Court	Approved	60 - 120 days of appeal notification			60 - 120 days of appeal notification
	Licensing Tribunal	Approved	Hearing held within 30 days of request			Hearing held within 30 days of request
	Processing payments	Approved	24 hours of receipt			24 hours of receipt

Service Performance Measures

Efficiency Measure – Number of Sessions Utilized



- The use of available court sessions is a key indicator of courtroom capacity.
- The effective and efficient use of court sessions ensures the program is able to respond to priority matters requiring court time.
- The reduced usage reflects the reduced volume of sessions anticipated in 2014 to 2016.

Service Profile: *Court Case Management*



What we do

Provide administrative services to record and track breaches of laws by individuals in support of maintaining safe communities by:

- completing court administration processes respecting charges issued by enforcement officers and others under Provincial law;
- providing information to the public, creating, updating and maintaining the court record;
- scheduling trials and other hearings, processing payments; and
- identifying unpaid fines for enforcement.

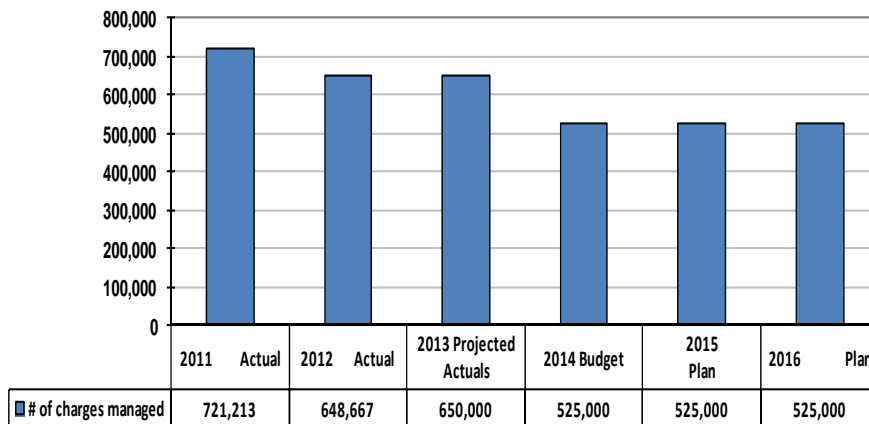
2014 Recommended Service Levels

The 2014 service levels for Court Case Management are detailed in the table below:

Activity	Type	Status	Service Levels			
			2011	2012	2013	2014 Recommended
	Provincial Offences - Non-Parking	Approved	Receive incoming charges within 5-7 days			Receive incoming charges within 5-7 days
	Provincial Offences - Parking	Approved	Receive incoming charges within 60 - 75 days			Receive incoming charges within 60 - 75 days

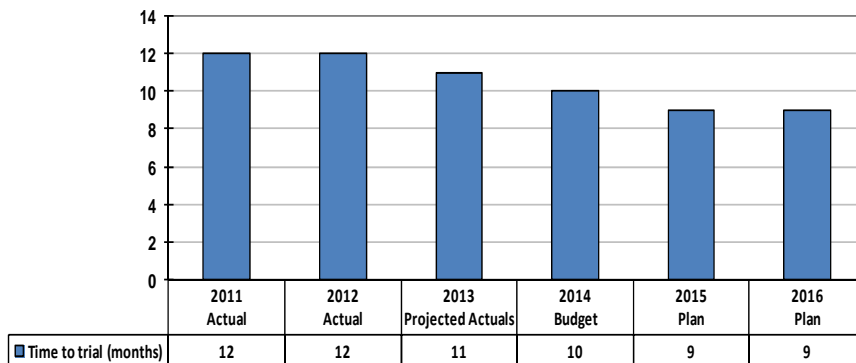
Service Performance Measures

Efficiency Measure – Number of Charges Managed



- A declining trend in the volume of provincial offences charges filed by the Toronto Police Service and other enforcement agencies has been experienced in the past 18 months.
- The volume of charges for 2015 and 2016 is projected to remain at the 2014 level.

Effectiveness Measure – Number of Months to Trial



- The implementation of the Early Resolution Initiative continues to help reduce the average number of months from 11 months to 10 months in 2014, with further improvements anticipated in 2015 and 2016.

Service Profile: *Default Fine Collection Management*



What we do

Provide collection management services for timely collection and processing of outstanding fines and ensuring appropriate action is taken on fines in default.

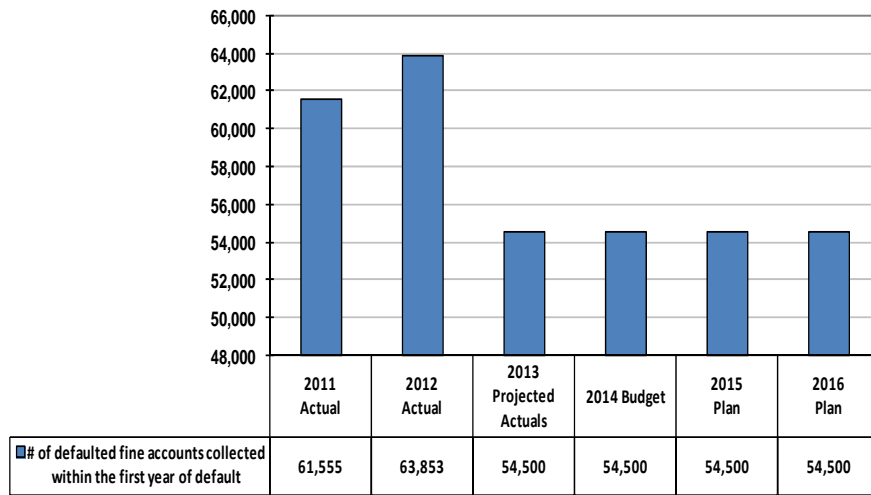
2014 Recommended Service Levels

The 2014 service levels for Default Fine Collection Management are detailed in the table below:

Activity	Type	Status	Service Levels			
			2011	2012	2013	2014 Recommended
	Processing payments	Approved	24 hours of receipt			24 hours of receipt

Service Performance Measures

Efficiency Measure – Number of Defaulted Fine Accounts Collected



- The number of default fine accounts collected is projected to stabilize at 54,500 from an average of 62,000 in 2011 and 2012.
- The number of defaulted fine accounts collected due to reduced volume of charges experienced over the last 18 months.

IV: 2014 Recommended Total Operating Budget

2014 Recommended Operating Budget (In \$000s)

(In \$000s)	2013		2014 Recommended Operating Budget			2014 Rec'd vs. 2013 Budget Approved Changes		Incremental Change 2015 and 2016 Plan			
	Approved Budget	Projected Actual	2014 Rec'd Base	2014 Rec'd New/ Enhanced	2014 Rec'd Budget			2015		2016	
	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
By Service											
Court Case Management											
Gross Expenditures	40,183.2	40,020.9	39,442.6		39,442.6	(740.6)	(1.8%)	615.9	1.6%	335.4	0.8%
Revenue	67,366.6	59,140.9	66,001.2		66,001.2	(1,365.4)	(2.0%)	258.3	0.4%	262.2	0.4%
Net Expenditures	(27,183.4)	(19,120.0)	(26,558.6)		(26,558.6)	624.8	2.3%	357.6	1.3%	73.2	0.3%
Provincial Offences/Licensing Tribunal Dispute Resolution											
Gross Expenditures	9,027.4	8,645.2	8,625.9		8,625.9	(401.5)	(4.4%)	243.0	2.8%	73.1	0.8%
Revenue	931.8	931.8	972.7		972.7	40.8	4.4%	46.1	4.7%	2.1	0.2%
Net Expenditures	8,095.5	7,713.4	7,653.2		7,653.2	(442.3)	(5.5%)	196.9	2.6%	71.0	0.9%
Default Fine Collection Management											
Gross Expenditures	5,919.5	5,909.4	5,745.8		5,745.8	(173.8)	(2.9%)	68.7	1.2%	40.8	0.7%
Revenue	614.9	614.9	623.6		623.6	8.7	1.4%	31.1	5.0%	31.6	4.8%
Net Expenditures	5,304.7	5,294.5	5,122.1		5,122.1	(182.5)	(3.4%)	37.5	0.7%	9.2	0.2%
Total											
Gross Expenditures	55,130.1	54,575.4	53,814.3		53,814.3	(1,315.8)	(2.4%)	927.6	1.7%	449.4	0.8%
Revenue	68,913.3	60,687.6	67,597.5		67,597.5	(1,315.8)	(1.9%)	335.5	0.5%	295.9	0.4%
Total Net Expenditures	(13,783.2)	(6,112.2)	(13,783.2)		(13,783.2)	(0.0)	0.0%	592.1	4.3%	153.5	1.2%
Approved Positions	282.0	282.0	282.0		282.0						

The 2014 Recommended Operating Budget for Court Services of \$53.814 million gross and \$67.598 million in revenue, resulting in \$13.783 million in net revenues is at the same level as the 2013 Approved Budget net revenues of \$13.783 million and is comprised of the following services:

- The **Court Case Management service** with a 2014 Recommended Budget of \$26.559 million net revenues is \$0.625 million or 2.3% below the 2013 Approved Budget of \$27.183 million net revenues.
 - Base pressures mainly attributable to inflationary increases in salaries and benefits of \$0.627 million, increases in cost for police officers appearing at court and salary increases for Legal Services' staff that provide support to Court Services of \$0.533 million were more than offset by savings from court related expenditures paid to the Province of \$0.460 million, increased gapping of \$0.818 million to address the reduced workload and line by line review savings in payroll and non-payroll of \$0.620 million.
 - The reduction in revenues of \$1.365 million is primarily due to the reduction in the volume of charges filed by enforcement agencies. While the trend has shown a lower volume of charges filed, the opportunity to process charges through the court system more promptly, together with new processes available to Toronto Police, including electronic ticketing and operational changes may result in fewer numbers of charges dismissed or withdrawn prior to or at court.

- Future year incremental costs are mainly attributable to inflationary increases in salaries and benefits of \$0.319 million in 2015 and \$0.088 million in 2016 (excludes COLA) and inflationary pressures for non-salary costs of \$0.125 million in 2015 and \$0.121 million in 2016, partially offset by additional Provincial revenues for court security.
- The **Provincial Offences/Licensing Tribunal Dispute Resolution service** with a 2014 Recommended Budget of \$7.653 million net is \$0.442 million or 5.5% below the 2013 Approved Budget of \$8.096 million net.
 - Base pressures are mainly attributable to increases in salaries and benefits for COLA and progression pay of \$0.098 million. These pressures were more than offset by savings resulting from line by line reductions in payroll and non payroll costs of \$0.122 million and increase in gapping of \$0.378 million.
 - The revenue increase of \$0.040 million results from cost recovery for administrative support provided to the Licensing Tribunal and costs associated with court administration of parking offences from Revenue Services.
 - Future year incremental costs are mainly due to salary and fringe benefits and anticipated economic factor increases for non-payroll expenditures.
- The **Default Fine Collection Management service** with a 2014 Recommended Budget of \$5.122 million net is \$0.182 million or 3.4% below the 2013 Approved Budget of \$5.305 million net.
 - Base pressures due to inflationary increases in payroll and non-payroll costs of \$0.140 million are more than offset by line by line savings and increased gapping of \$0.314 million.
 - Future year incremental costs are mainly due to inflationary increases in salary and fringe benefit costs.

Approval of the 2014 Recommended Budget will have no change to Court Services' staff complement.

2014 Recommended Total Staff Complement

Changes	2014 Budget	2015 Plan	2016 Plan
Opening Complement	284.0	282.0	282.0
In-year Adjustments	(2.0)		
Adjusted Staff Complement	282.0	282.0	282.0
Recommended Change in Staff Complement			
N/A			
Total	282.0	282.0	282.0
% Change over prior year			

Court Services deleted 2 permanent unfunded positions that were transferred from City Clerk's Office in 2007 to support the Toronto Licensing Tribunal administration office. These positions have remained vacant since the transfer in 2007 and are no longer required.

**2014 Recommended Base Budget
(In \$000s)**

(In \$000s)	2013 Approved Budget	2014 Rec'd Base	Change		Incremental Change			
			2014 Recommended Base vs. 2013 Approved Budget		2015 Plan		2016 Plan	
By Service	\$	\$	\$	%	\$	%	\$	%
Court Case Management								
Gross Expenditures	40,183.2	39,442.6	(740.6)	(1.8%)	615.9	1.6%	335.4	0.8%
Revenue	67,366.6	66,001.2	(1,365.4)	(2.0%)	258.3	0.4%	262.2	0.4%
Net Expenditures	(27,183.4)	(26,558.6)	624.8	2.3%	357.6	1.3%	73.2	0.3%
Provincial Offences/Licensing Tribunal Dispute Resolution								
Gross Expenditures	9,027.4	8,625.9	(401.5)	(4.4%)	243.0	2.8%	73.1	0.8%
Revenue	931.8	972.7	40.9	4.4%	46.1	4.7%	2.1	0.2%
Net Expenditures	8,095.5	7,653.2	(442.3)	(5.5%)	196.9	2.6%	71.0	0.9%
Default Fine Collection Management								
Gross Expenditures	5,919.5	5,745.8	(173.7)	(2.9%)	68.7	1.2%	40.8	0.7%
Revenue	614.9	623.6	8.7	1.4%	31.1	5.0%	31.1	4.8%
Net Expenditures	5,304.7	5,122.2	(182.5)	(3.4%)	37.5	0.7%	9.2	0.2%
Total								
Gross Expenditures	55,130.1	53,814.3	(1,315.8)	(2.4%)	927.6	1.7%	449.4	0.8%
Revenue	68,913.3	67,597.5	(1,315.8)	(1.9%)	335.5	0.5%	295.9	0.4%
Net Expenditures	(13,783.2)	(13,783.2)	(0.0)	0.0%	592.1	4.3%	153.5	1.2%
Approved Positions	282.0	282.0						

The 2014 Recommended Base Budget of \$53.814 million gross and (\$13.783 million) in net revenue is at the same level as the 2013 Approved Budget of (\$13.783 million) net revenue.

The 2014 Recommended Base Budget provides \$2.362 million in base budget increases which have been fully offset by \$2.362 million in recommended base budget reductions and efficiency savings.

Key cost drivers resulting in base budget pressure of \$2.362 million are detailed below:

- Cost of providing the current level of service requires \$0.173 million for labour costs which includes COLA, progression pay and step increases and associated increase in benefits;
- Non-labour inflationary pressures for materials and services of \$0.226 million;
- Increase of \$0.316 million in Provincial funding to offset the City's costs for court security; and
- Reduced fine revenues of \$1.438 million due to a projected reduction in the volume of charges for 2014.

Key Cost Drivers
(In \$000s)

(In \$000s)	2014 Rec'd Base Budget
Gross Expenditure Changes	
Prior Year Impacts	
Reversal of one-time funding for Furniture	(4.2)
Economic Factors	
Non-Labour Inflationary Increases	225.9
COLA, Progression Pay and Fringe Benefits	
1.75% COLA for Non-union, Local 79 staff and related fringe benefit adjustments	117.5
Progression Pay	55.5
Other Base Changes	
Increase in IDC/IDR (mainly Increase in Legal Services salaries and benefits)	293.9
Increase in IDC/IDR - Off Duty Police Officers' Overtime	358.0
Total Changes	1,046.7
Revenue Changes	
Increase in Court Security Upload from the Province	316.2
Fine Revenue Changes	(1,438.0)
User fee reductions (lower volume of on-line payment transactions)	(125.7)
Other Revenue changes	(68.4)
Total Changes	(1,315.8)
Net Expenditures	2,362.5

In order to partially offset the above pressures, base expenditure reductions of \$0.767 million and efficiency savings of \$1.595 million are recommended as detailed in the table below:

2014 Recommended Service Change Summary by Program
(In \$000s)

Description (\$000s)	2014 Recommended Service Changes				Net Incremental Impact			
	Position Change	Gross Exp.	Net Expense	% Change over 2014 Budget	2015		2016	
					Net Expense	Pos.	Net Expense	Pos.
#	\$	\$	%	\$	#	\$	#	
Base Changes:								
Base Expenditure Changes								
<i>Reductions based on Actual Experience</i>		(767.4)	(767.4)	5.6%				
Base Expenditure Change		(767.4)	(767.4)	5.6%				
Service Efficiencies								
<i>Absorb Economic Factor Increases</i>		(225.9)	(225.9)	1.6%				
<i>Increased Gapping</i>		(1,369.2)	(1,369.2)	9.9%				
Sub-Total		(1,595.1)	(1,595.1)	11.6%				
Total Changes		(2,362.5)	(2,362.5)	17.1%				

The 2014 recommended service changes consist of base expenditure changes of \$0.767 million and service efficiencies of \$1.595 million, bringing the 2014 Recommended Base Budget to \$13.783 million net revenue which is at the same level as the 2013 Approved Budget.

The 2014 recommended base changes are discussed below:

Base Expenditure Changes: (Savings of \$0.767 million gross and net)

Reductions based on Actual Experience

- A line by line review of actual expenditures over the last 3 years has resulted in a reduction of \$0.767 million gross and net mainly on materials and supplies and general equipment (\$0.200 million) and lower payments to the Province for court room related costs including Justice of the Peace and Provincial Prosecutors' salaries and enforcement and monitoring costs (\$0.560 million).

Service Efficiencies (Savings of \$1.595 million gross and net)

Absorb Economic Factor Increases

- The inflationary increases calculated corporately to reflect 2014 costs to maintain the current level of service of \$0.226 million for non-payroll will be absorbed by Court Services through expenditure monitoring and on-going operational efficiencies.

Increase in Gapping due to Lower Charges

- The reduced volume of charges filed in court offices will require fewer internal and external resources. Gapping has been increased by \$1.369 million to \$1.886 million (2.3% to 8.7% of total salaries and benefits) which is equivalent to approximately 21 positions.

2014 Recommended New / Enhanced Service Priority Actions

(In \$000s)

N/A

**2015 and 2016 Plan
(In \$000s)**

Description (\$000s)	2015 - Incremental Increase					2016 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Progression Pay	57.5		57.5	0.1%		58.3		58.3		
COLA and Fringe Benefits	565.8		565.8	1.1%		96.8		96.8		
Increase in Court Security Upload		311.3	(311.3)				315.9	(315.9)		
IDC/IDR (City Clerk's/Legal Services salary increases)	83.3	24.3	59.0	0.1%		79.0	(20.0)	99.0		
Sub-Total	706.6	335.6	371.0	0.7%		234.1	295.9	(61.8)		
Anticipated Impacts:										
Economic Factor Increases	221.1		221.1	0.4%		215.2		215.2		
Sub-Total	221.1		221.1			215.2		215.2		
Total Incremental Impact	927.6	335.6	592.1			449.3	295.9	153.4		

Note COLA is excluded in 2016

Approval of the 2014 Recommended Budget for Court Services will result in 2015 and 2016 net incremental costs of \$0.592 million and \$0.153 million respectively to maintain the 2014 level of service.

Future year incremental costs are primarily attributable to the following:

Known Impacts

- COLA, Progression Pay and Fringe Benefits are estimated to increase by \$0.623 million in 2015 and \$0.155 million in 2016 excluding COLA given that 2016 is a collective bargaining year and is not known at this time.
- Increased Interdivisional Charges (IDC) from the City Clerk's Office and Legal Services for inflationary increases in payroll and non-payroll costs of \$0.059 million in 2015 and \$0.099 million in 2016.
- The uploading of court security costs to the Province will result in additional revenues of \$0.311 million in 2015 and \$0.316 million in 2016. The additional funding results from the phased-in upload of court security costs by the Province to municipalities over a period of 7 years (2012 to 2018).

Anticipated Impacts

Economic Factor Increases

- Increase of \$0.221 million in 2015 and \$0.215 million in 2016 for non-labour costs calculated corporately based on projected economic factor increases for all expenditure categories.

V: ISSUES FOR DISCUSSION

2014 Issues

User Fees

- In 2013, Court Services increased its Provincial Offences Act (POA) on-line payment fee from \$3.00 to \$3.50 per transaction to gradually phase-in the true cost of providing this service that was calculated at \$3.80 in 2012.
- The review of on-line usage to date indicates that on-line payments have declined compared to the same period in 2012. It is anticipated that the fee increase of 0.50 cents may have contributed to the decline; however, the more significant factor is the reduced volume of charges experienced to date.
- The 2014 Recommended Operating Budget includes a decrease of \$0.126 million in revenues to reflect the reduced volume of on-line payments.

Off-Duty Police Officers' Overtime Costs

- The Provincial Offences Act currently requires the involvement of police officers in court as the chief witness. In addition to 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 generally 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 for their court attendance. This practice was established to address the difficulties officers had in attending court during on-duty hours due to more pressing operational priorities.
- The cost of having officers appearing in court off-duty has been steadily increasing, from \$5.000 million in 2007 to \$8.900 million 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. There are opportunities to limit this cost and one of them is the introduction of statements certified by officers, currently under consideration by the Province. It is anticipated that a range of offences will be established where certified statements can be used by prosecutors thereby reducing reliance on officers having to appear at court.
- In mid-2012, the Early Resolution initiative was implemented which allowed individuals who have been charged with an offence to ask to meet with a prosecutor in an effort to resolve their dispute without requiring a trial, thus reducing the number of trials and officers' appearances. After one year of operation, over 40,000 charges have been resolved without a trial. It is anticipated that this trend will likely continue requiring fewer officers' appearance.
- The following table provides data on the dollar value of fines imposed upon conviction compared to costs billed by TPS for officer attendance.

	2008	2009	2010	2011	2012	2013 Proj Act	2014 Budget*
# of Charges convicted resulting from Police attendance	82,953	83,029	95,510	102,953	114,269	112,168	95,343
Fines Imposed (resulting from Police attendance)	\$14,375.4	\$13,195.9	\$14,773.5	\$15,458.7	\$15,458.0	\$13,517.7	\$11,539.5
Off-Duty Costs paid to Toronto Police Services	6,115.3	6,974.4	6,851.0	7,469.8	8,900.0	8,200.0	7,000.0
<i>Budget</i>	<i>5,000.0</i>	<i>6,400.0</i>	<i>5,400.0</i>	<i>5,635.0</i>	<i>5,635.0</i>	<i>6,600.0</i>	<i>7,000.0</i>
Net	8,260.2	6,221.5	7,922.4	7,988.9	6,558.0	5,317.7	4,539.5

**2014 Budget for Off Duty Costs is based on reduced number of trials resulting from the Early Resolution Initiative, reduced volume of charges anticipated in 2014 and improved scheduling of police attendance.*

- Court Services is projecting a reduction in Police overtime costs in 2014 to \$7.0 million as a result of the implementation of the early resolution initiative, improved scheduling of police attendance in courts including the allocation of specific courtrooms to officers to limit the number of court appearances during off-duty hours and the use of certified statements for court trials that is currently under consideration.
- It is recommended that the Director of Court Services to continue to work with provincial staff to expedite provincial regulation changes regarding the introduction of certified statements and other court procedures that can reduce operating costs related to court proceedings.

Toronto Police's E-Ticketing Capital Project

- Toronto Police Service's E-Ticketing system project, a component of a very large project led by Toronto Police, was implemented and operational on November 5, 2013. This project will result in operating savings for both the Toronto Police Service and Court Services.
- The implementation of an E-ticketing solution results in expenditure savings for Court Services through the elimination of data entry services, reduced costs for the supply of ticket books and a reduction in clerical activity. Operating savings will be used to recover the capital costs of the project of \$1.720 million. Once the debt has been fully repaid, TPS and Court Services will reflect ongoing savings and revenues.
- The operating budget savings estimated for 2014 onward has not been included in the 2014 Recommended Operating Budget and in the 2015 and 2016 Plans as Court Services is currently reviewing the overall impact on expenditures and revenues resulting from the implementation of the E-Ticketing system project and the reduced volumes of charges issued and filed with Court Services.
- It is recommended that the Director of Court Services and the Chief of Toronto Police Service report back in time for the 2015 budget process on operating savings for the first six months resulting from the implementation of the e-ticketing system.

Future Year Issues

The Provincial Offences Act (POA) Application Interfaces Capital Project

- The Provincial Offences Act (POA) Application Sustainment & Hardware Upgrade capital project is expected to be completed in 2014. This project includes the development of a web interface that will enhance public access to the POA Court Case Management System. It will allow customers to view their trial date as well as schedule early resolution meetings with prosecutors.
- With the implementation of the POA web interface in 2014, customers will have the ability to view their trial date and outstanding fine information on-line resulting in an anticipated reduction in clients requiring service at Provincial Offences Court counters across the City. There will be no operating savings; however, there will be improvements in service delivery with the reduction in call abandonment rates and wait times in counter services currently averaging 23% and 40 minutes respectively.

Impact of Proposed Amendments to Bill 34

- Bill 34, introduced by the Province in the Spring of 2013 (now at 2nd reading) has the potential to reduce non-payment of fines across Ontario by incorporating additional restrictions relating to the issuance or renewal of vehicle license plates.
- Bill 34 is an act to amend the Highway Traffic Act in respect of permit denials and out-of-province service and evidence in certain proceedings and to make a consequential amendment to the Provincial Offences Act.
- The act considers expanding the use of vehicle licence plate denials to apply to defaulted POA fines for driving-related offences. It could apply to defaulted POA fines dating back as far as seven years to the date of implementation.
- The proposal will also provide municipalities the authority to issue offence notices to out-of-province owners of vehicles involved in red light camera and failure-to-stop-for-school-bus offences in Ontario, and ensure that Ontario courts accept certified documents from other jurisdictions for the prosecution of these owner liability offences, as well as for parking infractions.
- Court Services is pursuing all avenues including meeting with Provincial staff to explore other opportunities that have the potential to increase compliance with court orders requiring payment of fines.
- Approval of the amendments will result in additional revenues for Court Services of approximately \$3.000 million to \$5.000 million. Passage of legislation and implementation timeframes are unknown, however it is unlikely that these changes will affect revenues prior to 2015.

Service Efficiency Study Implementation - Status Update

- The Court Services efficiency study was finalized and a report was submitted to the City Manager in February 2013. The study included actions and recommendations that may result in more efficient and effective service delivery, organizational and operational

arrangements and associated cost/savings. The service review focused on the following key areas:

- *Reducing offence dispute volumes and reducing parking ticket disputes requiring court room trials.*
 - The recommendation to expand the Early Resolution Program to include the possibility of supporting "walk-in" requests was implemented in March 2012. Court Services will continue to support the program within existing staff complement.
- *Enforcement of overdue fines*
 - The recommendations to improve how Court Services work with its collection agencies to collect default fines will be included in the Request for Proposal (RFP) in 2014.
- *Improving public access to court services*
 - In July 2013, 311 Toronto and Court Services began a six month pilot project migrating tier one (basic enquiry) calls to 311 Toronto. The integration allows 311 Toronto to answer customer calls from the Court Services telephone queue and to re-direct detailed case specific enquiries to Courts staff for response.
 - The Web Look-Up sub-project, a major component of the POA Application Interfaces project (a capital project approved in 2012 and anticipated to be completed in 2014) is currently in the testing stage and is expected to be implemented in December 2013. The web interface will allow customers to view their court date and outstanding fine information over the internet.
- *Court interpretation services*
 - Court Services' 2014 Recommended Capital Budget (Reserve funded) includes a new project, Provincial Offences Act (POA) Video Conferencing for Interpreters planned to commence in 2014. This project will provide funding to incorporate audio and video conference technology into meetings with prosecutors and in courtrooms to provide remote interpretation services. The appearance of interpreters by video conference is now allowed by Provincial legislation and currently in use by other POA court services. The program will start with a proof of concept followed by a cost-benefit analysis to determine whether investing in this project will have a positive return on investment. Court Services will review the benefits of implementing this project against costs prior to its implementation.
- It is recommended that the Director of Court Services report back in time for the 2015 budget process on the operating savings that may result if the Provincial Offences Act (POA) Video Conferencing for Interpreters project included in Court Services' 2014 Recommended Capital Budget is implemented.

Appendix 1

2013 Service Performance

2013 Key Accomplishments

In 2013, Court Services achieved the following results:

Early Resolution Initiative

- ✓ Continued successful implementation of the Early Resolution Process that started in April, 2012. Through this program, persons receiving tickets can elect to meet with prosecutors either in person or by telephone to discuss the circumstances of the ticket with the possibility of resolving the charge without a court based trial.
- ✓ Court Services received an average of 1,800 requests per week for the Early Resolution Process and about 88% were resolved and did not require a trial.

Collection of Defaulted Fines

- ✓ Collection methods involving City Legal and Court Services continue to yield positive results. Defaulted fines are being attached against property owned by a person in default as part of the Good Government Act amendment. \$3.3 million of additional revenues have been recorded as of September 2013.

Customer Services Improvement Initiatives

- ✓ Developed a plan to migrate tier one (basic enquiry) calls to 311 Toronto. The integration allows 311 Toronto to answer customer calls from the Court Services telephone queue with referrals for case specific enquiries to Court Services staff. This is a six month pilot and results will be assessed in early 2014 to determine whether this service should continue.
- ✓ Implementation of a new Internet application will allow public users to look up non-personal information pertaining to specific tickets that would include court date details and outstanding fine information, as well as enable individuals to schedule meetings with prosecutors in advance of deciding whether a trial is needed to resolve their dispute.
- ✓ Completed work with Toronto Police Services (TPS) on the implementation of an e-ticketing solution which went live on November 5, 2013. The launch will result in expenditure savings for Court Services through the elimination of data entry services, reduced costs for the supply of ticket books and a reduction in clerical activity with savings used to recover development costs.

2013 Financial Performance

**2013 Budget Variance Analysis
(In \$000s)**

(\$000s)	2011 Actuals	2012 Actuals	2013 Approved Budget	2013 Projected Actuals*	2013 Approved Budget vs. Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	51,355.3	54,258.5	55,130.1	54,575.5	(554.6)	(1.0)
Revenues	70,678.4	68,560.3	68,913.3	60,687.6	(8,225.7)	(11.9)
Net Expenditures	(19,323.1)	(14,301.8)	(13,783.2)	(6,112.1)	7,671.1	(55.7)
Approved Positions	290.0	282.0	282.0	282.0	-	-

* Based on the 3rd Quarter Operating Budget Variance Report

2013 Experience

- For year-end, Court Services is projecting an unfavourable net variance of \$7.671 million or 55.7% below the 2013 Approved Operating Budget.
- The projected year-end favourable gross variance of \$0.555 million is due to a projected over expenditure of \$1.600 million for Toronto Police Services off-duty court attendance charges, more than offset by savings of \$2.100 million in salaries and benefits due to staff vacancies and lower payments to the Province for courtroom related costs.
- The projected year-end unfavourable net variance of \$7.671 million is primarily due to lower than budgeted revenues of \$8.226 million as a result of a reduction in the volume of charges filed by enforcement agencies.

Impact of 2013 Operating Variance on the 2014 Recommended Budget

- The reduction in fine revenues in 2013 is not expected to continue in 2014. While the volume of charges is declining, the greater use of technology, changes in enforcement decisions along with improved access to court processes are all opportunities to reduce charges that are either withdrawn or dismissed resulting in no fines imposed.
- Court Services' vacant positions that resulted in savings in salaries and benefits in 2013 will continue to remain vacant in 2014 resulting in gapped savings of \$1.369 million that has been included in the 2014 Recommended Operating Budget.
- The over-expenditure in overtime costs for police attending court is not expected to continue as the early resolution initiative implemented in March 2012 and reduction in trial volumes are expected to reduce overtime costs in 2014.

Appendix 2

2014 Recommended Total Operating Budget by Expenditure Category

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

Category of Expense	2011	2012	2013	2013	2014	2014 Change from		2015	2016
	Actual	Actual	Budget	Projected	Rec'd	2013 Approved	2013 Approved	Plan	Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	19,496.9	19,705.4	21,567.7	20,567.7	20,371.6	(1,196.1)	-5.5%	20,994.8	21,149.9
Materials and Supplies	116.0	152.7	179.4	179.4	177.4	(2.0)	-1.1%	180.3	183.0
Equipment	96.0	73.5	71.7	71.7	67.5	(4.2)	-5.8%	69.0	70.4
Services & Rents	9,285.2	9,735.0	10,109.8	9,309.8	9,413.6	(696.2)	-6.9%	9,630.4	9,841.4
Contributions to Capital						-			
Contributions to Reserve/Res Funds	69.7	70.6	70.6	70.6	70.6	0.0	0.1%	70.6	70.6
Other Expenditures	1,865.5	1,870.3	1,989.5	1,989.5	1,920.2	(69.3)	-3.5%	1,920.2	1,920.2
Interdivisional Charges	20,426.1	21,141.4	21,141.4	22,386.8	21,793.3	651.9	3.1%	21,876.6	21,955.6
Total Gross Expenditures	51,355.3	52,748.9	55,130.1	54,575.5	53,814.3	(1,315.8)	-2.4%	54,741.9	55,191.2
Interdivisional Recoveries	5,051.0	5,119.1	5,295.9	5,295.9	5,445.3	149.4	2.8%	5,469.6	5,449.6
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	430.2	414.6	504.0	350.0	378.3	(125.7)	-24.9%	378.3	378.3
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve	788.4	192.1	217.8			(217.8)	-100.0%		
Sundry Revenues	64,408.8	62,834.5	62,895.6	55,041.7	61,773.9	(1,121.7)	-1.8%	62,085.2	62,401.2
Total Revenues	70,678.4	68,560.3	68,913.3	60,687.6	67,597.5	(1,315.8)	-1.9%	67,933.1	68,229.1
Total Net Expenditures	(19,323.1)	(15,811.4)	(13,783.2)	(6,112.1)	(13,783.2)	0.0	0.0%	(13,191.2)	(13,037.9)
Approved Positions	290.0	284.0	284.0	282.0	282.0		0.0%		

2014 Key Cost Drivers

- The 2014 Recommended Operating Budget consists of Salaries and benefits which account for 37.9% of the total expenditures, materials, supplies and equipment costs at 0.4%, services and rents at 17.5%, other expenditures at 3.6% and interdivisional charges at 40.5%.
- Revenues consist of fine revenues which make up 91% of total revenues, recoveries from other City Divisions at 8% and revenue from Court Services' on-line payment transactions at 1%.
- The reduction in salaries and benefits of \$1.196 million in 2014 is primarily due to increased gapping of \$1.369 million (equivalent to 21 positions) partially offset by increases in COLA, progression pay and step increments.
- The increase in gapping of \$1.369 million reflects the decrease in workload resulting from the declining volume of charges filed in court offices.

Materials and Supplies, Equipment and Services and Rents

- The total reductions under these categories of \$0.767 million results from a detailed line by line review of actual expenditures over the last three years.
- The reductions were mainly due to lower payments to the Province for courtroom-related costs (Justice of the Peace and Provincial prosecutor costs and enforcement and monitoring costs) of \$0.560 million, rental of office equipment of \$0.080 million and other line items (materials, supplies and equipment) of \$0.127 million.

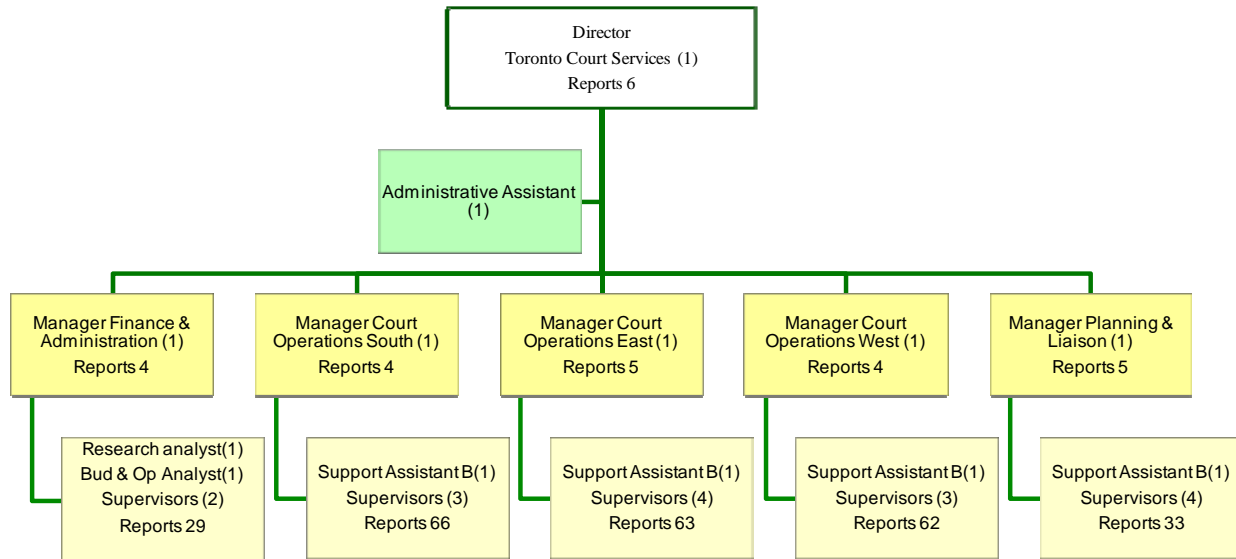
Revenues

- 2014 budgeted revenues in 2014 are largely in line with the 2013 budget and include lower user fee revenues of \$0.125 million due to fewer on-line payment transactions, partially offset by increased recoveries from Municipal Licensing and Revenue Services for administrative support and court room related expenditures. The 2013 year-to-date unfavourable revenue variance is attributed to lower volumes of enforcement charges filed and court decisions respecting fines. These factors are beyond the control of the Program and fluctuations in these areas that have a financial impact are included as part of variance reporting throughout the year.

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Appendix 2 - Continued

2014 Organization Chart



2013 Full Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Executive & Senior Management	1.0				1.0
Management		23.0			23.0
Exempt Professional / Clerical			1.0		1.0
Clerical/ Technical/Professional (Local 79)				257.0	257.0
Student / Recreation Workers					
Total	1.0	23.0	1.0	257.0	282.0

Appendix 4

Summary of 2014 Recommended Service Changes

**2014 Operating Budget - Staff Recommended Service Change
Summary by Service
(\$000s)**

Form ID		Citizen Focused Services A Program: Court Services	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

2014 Staff Recommended Base Budget Before Service Change:	55,409.4	67,597.5	(12,188.1)	282.0	(846.0)	153.5
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1181	Absorbing Inflationary increase
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51	1	Description:
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Court Service will absorb inflationary increases for non-labour expenditures totaling \$0.226 million through expenditure monitoring and on-going operational efficiencies.

Service Level Impact:

The recommended efficiency savings will not result in service level changes.

Service: Court Case Management

Total Staff Recommended:	(168.5)	0.0	(168.5)	0.0	0.0	0.0
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Service: Provincial Offences/Licencing Tribunal Dispute Resolution

Total Staff Recommended:	(41.1)	0.0	(41.1)	0.0	0.0	0.0
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Service: Default Fine Collection Management

Total Staff Recommended:	(16.2)	0.0	(16.2)	0.0	0.0	0.0
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Staff Recommended Service Changes:	(225.9)	0.0	(225.9)	0.0	0.0	0.0
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854	Increased gapping percentage
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51	1	Description:
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Category:

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

**2014 Operating Budget - Staff Recommended Service Change
Summary by Service
(\$000s)**

Form ID		Citizen Focused Services A Program: Court Services	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Gapping has been increased by \$1.369 million to \$1.886 million (2.3% to 8.7% of total salaries and benefits) which is equivalent to approximately 21 positions. The reduced volume of charges filed in court offices will require fewer internal resources.

Service Level Impact:

The recommended efficiency savings will not result in service level changes.

Service: Court Case Management

Total Staff Recommended:	(807.2)	0.0	(807.2)	0.0	0.0	0.0
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Service: Provincial Offences/Licencing Tribunal Dispute Resolution

Total Staff Recommended:	(377.3)	0.0	(377.3)	0.0	0.0	0.0
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Service: Default Fine Collection Management

Total Staff Recommended:	(184.6)	0.0	(184.6)	0.0	0.0	0.0
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Staff Recommended Service Changes:	(1,369.2)	0.0	(1,369.2)	0.0	0.0	0.0
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Summary:

Staff Recommended Service Changes:	(1,595.1)	0.0	(1,595.1)	0.0	0.0	0.0
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**2014 Operating Budget - Staff Recommended Service Change
Summary by Service
(\$000s)**

Form ID		Citizen Focused Services A Program: Court Services	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Total Staff Recommended Base Budget:			53,814.3	67,597.5	(13,783.2)	282.0	(845.9)	153.4

Category:

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

Appendix 5

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance		5,581.0	5,196.0	1,719.2	1,719.2
Provincial Offences Courts Stabilization Reserve	XQ0704				
Provincial Offences Act (POA) Application Interfaces		(385.0)	(211.0)		
POA Video Conferencing for Interpreters			(140.0)		
Total Reserve / Reserve Fund Draws / Contributions		(385.0)	(351.0)		
Other program / Agency Net Withdrawals & Contributions					
St. Lawrence Market Court House (FMRE)			(3,125.8)		
Moving Expenses					(400.0)
Balance at Year-End		5,196.0	1,719.2	1,719.2	1,319.2

Corporate Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance		18,307.1	18,307.1		
Insurance Reserve Fund	XR1010		(70.6)		
Total Reserve / Reserve Fund Draws / Contributions			18,236.5		
Balance at Year-End		18,307.1	18,236.5		