



Court Services

2016 OPERATING BUDGET OVERVIEW

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

2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$50.079 million gross and \$8.651 million net as shown below.

	2015 Approved		Change	
	(in \$000's)	Budget	2016 Budget	\$ %
Gross Expenditures		49,531.1	50,079.1	548.0 1.1%
Gross Revenues		54,583.7	41,427.9	(13,155.8) (24.1%)
Net Expenditures		(5,052.6)	8,651.2	(13,703.8) 271.2%

Court Services faced pressures arising from the increased cost of Justice of the Peace services and enforcement, as well as the need to adjust the Fine Revenue budget to reflect actual volume of charges. While these pressures have been somewhat offset by base expenditure reductions and service efficiencies, the Program is not able to fully recover its operational costs from fine and other revenues.

toronto.ca/budget2016

Contents

Overview

I: 2016 – 2018 Service Overview and Plan	5
II: 2016 Budget by Service	11
III: Issues for Discussion	20

Appendices:

1. 2015 Performance	25
2. 2016 Operating Budget by Expenditure Category	27
3. 2016 Organization Chart	28
4. Summary of 2016 Service Changes	29
5. Summary of 2016 New & Enhanced Service Priorities	n/a
6. Inflows/Outflows to / from Reserves & Reserve Funds	30

Contacts

Program:

Barry Randell

Director, Court Services

Tel: (416) 392-3835

Email: brandel@toronto.ca

Corporate:

Ritu Sadana

Manager, Financial Planning

Tel: (416) 395-6449

E-Mail: rsadana@toronto.ca

Fast Facts

- Court Services provide services through a network of 30 courtrooms and 10 intake rooms in 4 locations across the City.
- Provincial offences include a range of offences under Provincial legislation including a large number of traffic offences and City of Toronto bylaws.
- 375,000 charges are processed annually requiring the scheduling of over 400,000 trials, including 250,000 parking ticket disputes heard in trial courts.
- Unpaid court ordered fines are collected using prescribed sanctions including driver license suspension, use of collection agencies, attachment of default fines to property tax roll, denial of license plate renewal and civil court processes.

Trends

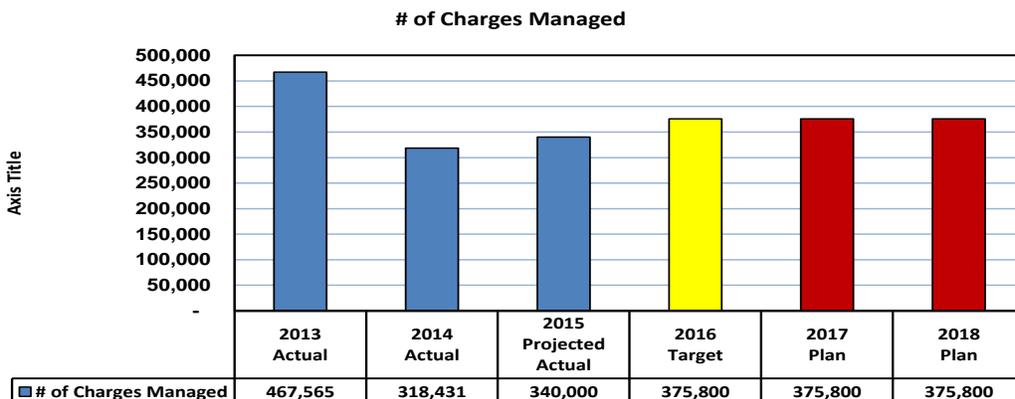
- The charge volume for provincial offences has dropped from 467,565 in 2013 to 340,000 in 2015, a decline of 27%. The 2016 budgeted volume is 375,800, reflecting a 20% decline from 2013, with the most significant reduction in Toronto Police Services (TPS) volumes.
- Charges are projected to stabilize at 375,800 in future years, based on the most recent data received from Toronto Police Services.

Our Service Deliverables for 2016

Court Services provides administrative and courtroom support to the Ontario Court of Justice related to Provincial Offences Act (POA) charges filed in Toronto, performing legislated responsibilities as outlined in the Transfer Agreement signed by the City and Attorney General of Ontario.

The 2016 Preliminary 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 6 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 375,800 charges expected to be filed in 2016 in accordance with Provincial legislation;
- Serve approximately 30,000 individuals at public counters and in trial courts and respond to over 10,000 phone calls and 1,700 email enquiries per month; and
- Continue to process an estimated 240,000 payments from fines within 24 hours of receipt.

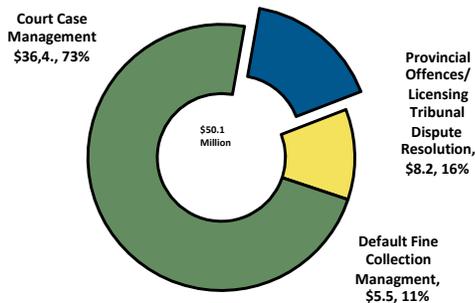


2016 Operating Budget Expenses & Funding

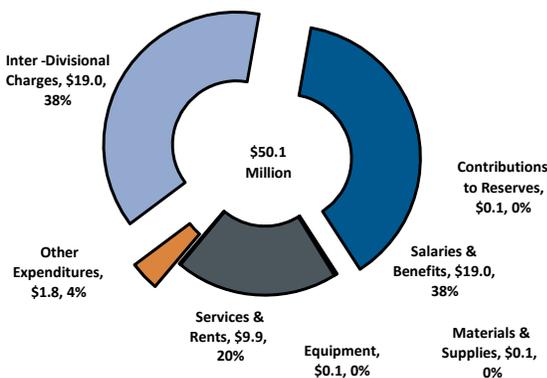
Our Key Issues & Priority Actions

Where the money goes:

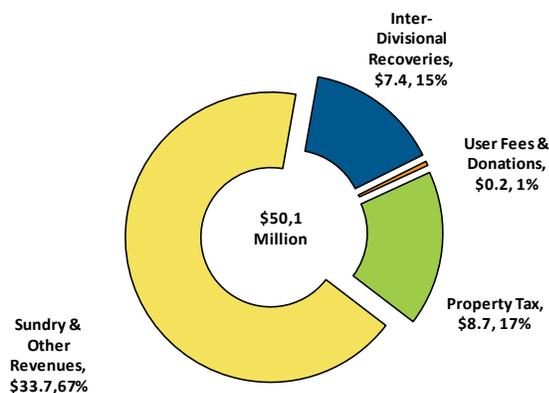
2016 Budget by Expenditure Category



Where the money comes from:



2016 Budget by Funding Source



■ **Impact of Reduced Fine Revenues on 2016 Operating Budget** – Fine revenues continue to decline primarily as a result of the reduction in the volume of charges issued by Toronto Police Services and other enforcement agencies.

✓ The 2016 Operating Budget has been adjusted to include a reduction of \$3.0 million in Fine Revenue to reflect actual experience; and includes the following budget reductions to mitigate the impact of lower charge volumes:

- Efficiency savings of \$0.740 million to align the complement with service requirements; and
- Reduction in the Toronto Police Service Over Time budget for court attendance by \$0.440 million.

2016 Operating Budget Highlights

The 2016 Preliminary Operating Budget of \$50.079 million provides funding for three services, Provincial Offences and Licensing Tribunal Dispute Resolution, Default Fine Collection, and Court Case Management

■ In the absence of the Provincially announced increase in recoverable costs to begin in 2016, for Justice of the Peace and monitoring services, the 2016 Preliminary Operating budget meets the 2% efficiency and 1% reduction targets on gross expenditures achieved by taking the following measures:

✓ Program revenues have been reduced by \$15.0 million to reflect the reversal of one-time \$12.0 Bill 31 revenue; a further \$3.0 million reduction to reflect 84,200 or 18% lower charge volumes from 2015 levels, partially offset by a higher fee to be assessed for fines paid late of \$1.0 million for POA violations.

✓ The operating expenditures have been reduced through base budget reductions and service efficiency savings.

■ Any further reductions are not included as they would negatively impact service levels.

Actions for Consideration

Approval of the 2016 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2016 Preliminary Operating Budget for Court Services of \$50.079 million gross, \$8.651 million net for the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Provincial Offences/ Licensing Tribunal Dispute Resolution	8,205.1	7,035.8
Default Fine Collection Management:	5,519.5	4,650.7
Court Case Management	36,354.5	(3,035.3)
Total Program Budget	<u>50,079.1</u>	<u>8,651.2</u>

2. City Council approve the 2016 Preliminary service levels for Court Services as outlined on pages 13, 15, and 18 of this report, and associated staff complement of 282 positions.
3. City Council request that the Director of Court Services to continue exploring options that generate operational savings and/or revenue offsets by undertaking a fulsome review of future courtroom and administrative requirements to manage the new workload for parking violations and other charges filed by enforcement agencies in 2016 for submission with the 2017 Budget.



Part I:

2016 – 2018

Service Overview and
Plan

Program Map

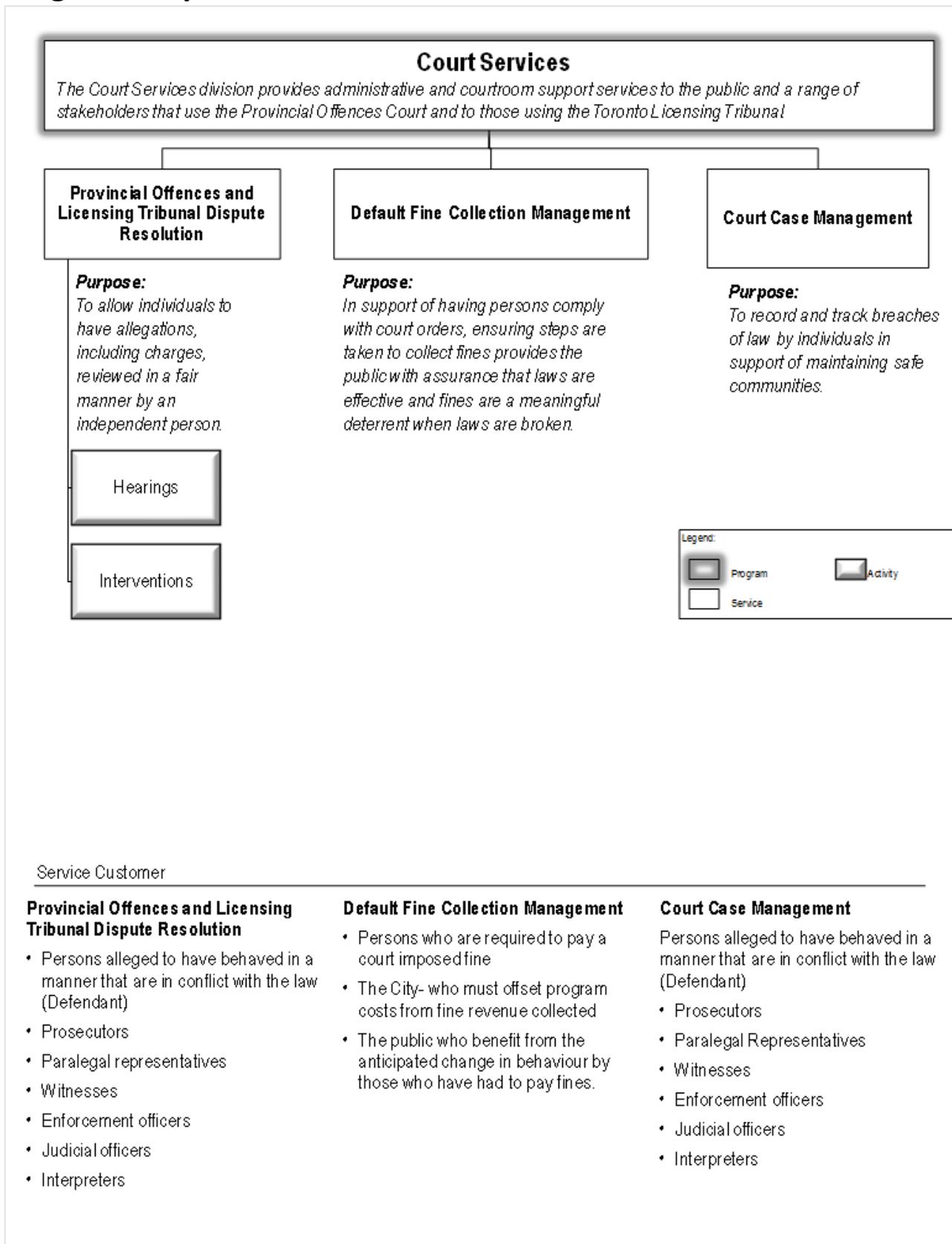


Table 1
2016 Preliminary Operating Budget and Plan by Service

(In \$000s)	2015		2016 Operating Budget			2016 vs. 2015 Budget Approved Changes		Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual	2016 Base	2016 New/Enhanced	2016 Budget			2017		2018	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Provincial Offences/ Licensing Tribunal Dispute Resolution											
Gross Expenditures	8,492.4	7,839.2	8,205.1		8,205.1	(287.3)	(3.4%)	19.4	0.2%	65.2	0.8%
Revenue	1,109.8	1,051.9	1,169.3		1,169.3	59.5	5.4%	22.1	1.9%	22.1	1.9%
Net Expenditures	7,382.6	6,787.3	7,035.8		7,035.8	(346.8)	(4.7%)	(2.7)	(0.0%)	43.1	0.6%
Default Fine Collection Management											
Gross Expenditures	5,485.2	5,063.2	5,519.5		5,519.5	34.3	0.6%	8.6	0.2%	21.2	0.4%
Revenue	790.4	788.3	868.8		868.8	78.4	9.9%	31.6	3.6%	31.6	3.5%
Net Expenditures	4,694.8	4,274.9	4,650.6		4,650.6	(44.1)	(0.9%)	(23.0)	(0.5%)	(10.4)	(0.2%)
Court Case Management											
Gross Expenditures	35,553.5	32,818.5	36,354.5		36,354.5	801.0	2.3%	45.6	0.1%	131.4	0.4%
Revenue	52,683.5	47,331.7	39,389.8		39,389.8	(13,293.7)	(25.2%)	262.3	0.7%	262.3	0.7%
Net Expenditures	(17,130.0)	(14,513.2)	(3,035.3)		(3,035.3)	14,094.7	(82.3%)	(216.7)	7.1%	(130.9)	4.0%
Total											
Gross Expenditures	49,531.1	45,720.9	50,079.1		50,079.1	548.0	1.1%	73.6	0.1%	217.8	0.4%
Revenue	54,583.7	49,171.9	41,427.9		41,427.9	(13,155.8)	(24.1%)	316.0	0.8%	316.0	0.8%
Total Net Expenditures	(5,052.6)	(3,451.0)	8,651.2		8,651.2	13,703.8	(271.2%)	(242.4)	(2.8%)	(98.2)	(1.2%)
Approved Positions	282.0	282.0	282.0		282.0			(35.0)	(12.4%)		

The Court Services' 2016 Operating Budget is \$50.079 million gross and \$8.651 million net, representing a 271% increase over the 2015 Approved Net Operating Budget and includes reductions in order to achieve the -1% reduction target as set out in the 2016 Operating Budget Directions and Guidelines.

- Base pressures totaling \$14.571 million are mainly attributable to the reversal of one-time 2015 Bill 31 revenue (\$12.0 million); and the reduction in fine revenue to reflect the trend of fewer charges filed by the Toronto Police Services (TPS) (\$3.0 million) for moving traffic violations.
- Other base pressures include an increase from the Province in the cost of providing Justice of the Peace (JP) services and enforcement, known salaries and benefits adjustments, and the increase in courtroom security costs (\$1.941 million).
- To mitigate the above pressures, the Program achieved base budget reductions and service efficiency savings of \$0.867 million through line by line reviews of expenditure accounts, an increase to budgeted gapping to reflect vacancies due to reductions in charges, together with revenue changes of \$1.0 million arising from an amendment to Provincial legislation effective January 1, 2016 that increases the fee for late fines from \$20 to \$40.
- The 2017 and 2018 Plan identifies pressures of \$0.242 million and \$0.098 million respectively that are attributable to adjustments in salaries and benefits budgets for non-union staff, offset by an increase in Provincial recoveries for the upload of court room security costs.

Table 2
Key Cost Drivers

(In \$000s)	2016 Operating Budget						2016 Base Budget	
	Provincial Offences/ Licensing Tribunal Dispute		Default Fine Collection Management		Court Case Management		Total	
	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes								
Prior Year Impacts								
Reversal of revenue for Bill 31					12,000.0		12,000.0	
Salary and Benefit Costs								
Progression pay	40.1		13.7		92.6		146.4	
Step Increase	21.0		6.0		42.6		69.6	
Benefits Adjustment	64.6		24.7		107.7		197.0	
Other - primarily reduction for vacant positions	(86.4)		(25.1)		(149.1)		(260.6)	
Other Base Changes								
Provincial cost recovery for cost of Justice of the Peace (JP) service, monitoring and enforcement	122.5		175.0		1,452.3		1,749.8	
Adjustment for to recoveries from Parking Tag Operations for increase in Provincial costs of JPs, monitoring and enforcement	(31.6)		(45.2)		(374.8)		(451.6)	
Reduce Adjudication cost based on revised parking tag volumes	(8.1)		(11.5)		(95.8)		(115.4)	
Increase in IDC (primarily in court security costs from TPS)	6.2		(0.3)		34.3		40.2	
Adjustment to overtime budget from TPS for officers attending court proceedings	(30.8)		(44.0)		(365.2)		(440.0)	
Reduction in legal costs to reflect reduction in charge volumes	(6.0)		(8.5)		(70.8)		(85.3)	
Total Gross Expenditure Changes	91.5		84.8		12,673.8		12,850.1	
Revenue Changes (Increase) / Decrease								
Provincial Court Security Upload	(22.1)		(31.6)		(262.3)		(316.0)	
Reduce Fine Revenue based on actual charge volumes					3,000.0		3,000.0	
Volume adjustment to Web based user fees	2.6		3.7		30.7		37.0	
Increase in default fee					(1,000.0)		(1,000.0)	
Total Revenue Changes	(19.5)		(27.9)		1,768.4		1,721.0	
Net Expenditure Changes	72.0		56.9		14,442.2		14,571.1	

Key cost drivers for Court Services are discussed below:

- **Prior Year Impacts:**
 - Reversal of one-time revenue following enactment of Bill 31 in 2015 has an impact of \$12 million in 2016.
- **Salary and Benefit Costs**
 - Known salaries and benefits adjustments of \$0.412 million were offset by PEP savings of \$0.260 million, resulting from moving to position-based budgeting. COLA is not included as it is subject to collective bargaining.
- **Other Base Changes**
 - The Provincial decision to move to a full cost-recovery model for Justice of Peace has added a pressure of \$1.750 million of which \$0.452 million will be recovered from Toronto Parking Tag Operations.
 - A further reduction of \$0.115 million for the adjudication costs for Parking Tag Operations aligns the cost of service with a projected lower number of Parking Tag trials.

- Other savings include \$0.440 million in overtime charges from TPS for courtroom attendance of officers required to appear in court; and a \$0.085 million reduction in legal services to align with reduced charge volumes.
- Revenue Changes
 - Fine revenues have been further adjusted downward by \$3.0 million to reflect the lower volume of Toronto Police Services moving violations contested in Court. The 2015 Approved Budget included a reduction of \$26.719 million in Fine Revenue, reflecting the lower volume of charges filed primarily by TPS.
 - Additional revenue of \$0.316 million will be realized from the phased-in upload of court security costs from municipalities to the Province over a period of 7 years (2012 to 2018).
 - Revenues include an additional \$1.0 million to reflect an amendment to Provincial Regulation 679/92 that allows municipalities to add an additional \$20 to POA violations paid after the payment due date.

In order to offset the above net pressures, the 2016 service cost changes for Court Services consists of base expenditure savings of \$0.127 million and efficiency savings of \$0.740 million net.

**Table 3
2016 Preliminary Total Service Change Summary**

Description (\$000s)	2016 Service Changes						Total Service Changes			Incremental Change			
	Provincial Offences/ Licensing Tribunal		Default Fine Collection		Court Case Management		\$	\$	#	2017 Plan		2018 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:													
Base Expenditure Changes													
<i>Line-by-Line savings</i>	(51.1)	(51.1)	(37.4)	(37.4)	17.5	(38.5)	(71.0)	(127.0)					
Base Expenditure Change	(51.1)	(51.1)	(37.4)	(37.4)	17.5	(38.5)	(71.0)	(127.0)					
Sub-Total	(51.1)	(51.1)	(37.4)	(37.4)	17.5	(38.5)	(71.0)	(127.0)					
Service Efficiencies													
<i>Adjustment to Gapping to reflect vacancies due to reductions in change volumes</i>	(367.7)	(367.7)	(63.4)	(63.4)	(309.0)	(309.0)	(740.1)	(740.1)					
Sub-Total	(367.7)	(367.7)	(63.4)	(63.4)	(309.0)	(309.0)	(740.1)	(740.1)					
Total Changes	(418.8)	(418.8)	(100.8)	(100.8)	(291.5)	(347.5)	(811.1)	(867.1)					

Base Expenditure Changes (Savings of \$0.071 million gross & \$0.127 million net)

- Savings of \$0.127 million net will be realized following a line-by-line expenditure review that aligns the budget with actual spending, with savings primarily in supplies and contracted services, and in refunds paid to defendants.

Service Efficiencies (Savings of \$0.740 million gross & \$0.740 million net)

- Gapping has been increased by \$0.740 million, (the equivalent of 10 positions) to \$3.511 million in 2016, which will result in 35 vacant positions being deleted from the established complement to reflect the lower number of staff required to manage the projected caseload.

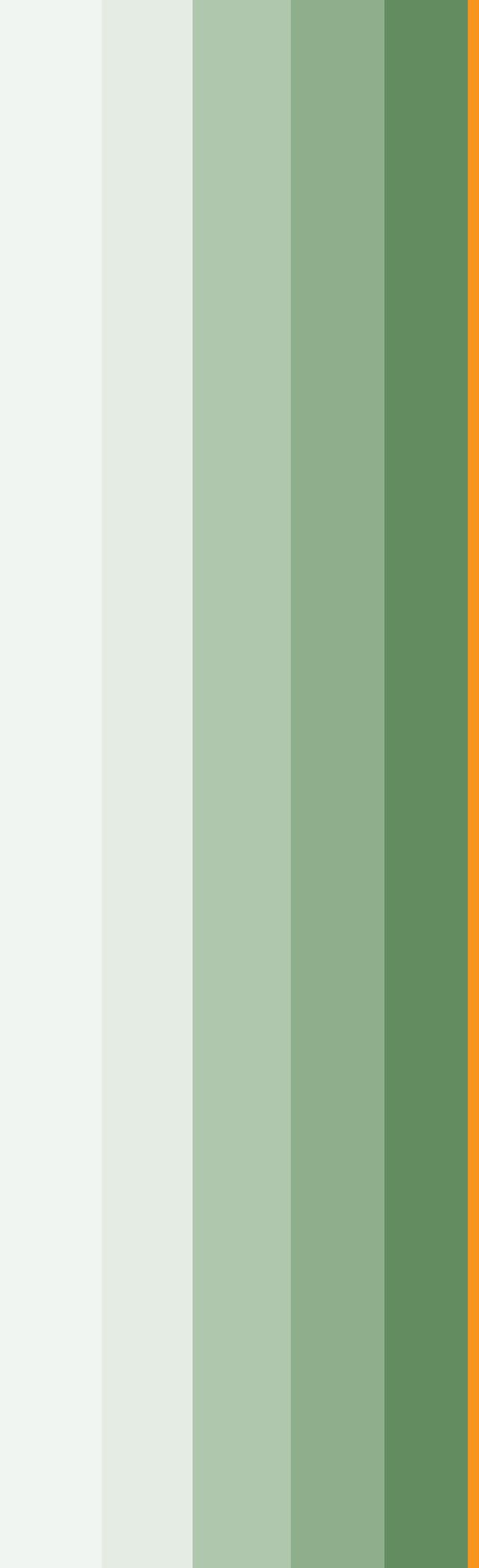
Table4
2017 and 2018 Plan by Program

Description (\$000s)	2017 - Incremental Increase					2018 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Progression Pay, Step & Benefit Adjustments	73.6		73.6	0.9%		217.3		217.3	2.6%	
Upload of Provincial security cost		316.0	(316.0)	-3.7%			316.0	(316.0)	-3.8%	
								0.0		
Sub-Total	73.6	316.0	(242.4)	-2.8%		217.3	316.0	(98.7)	-1.2%	
Anticipated Impacts:										
Sub-Total										
Total Incremental Impact	73.6	316.0	(242.4)	-2.8%		217.3	316.0	(98.7)	-1.2%	

Future year incremental costs are primarily attributable to the following:

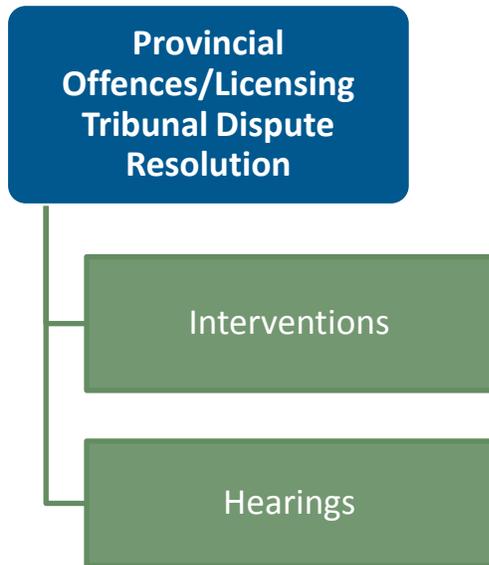
Known Impacts:

- Salaries and benefits increases of \$0.291 million projected for 2017 and 2018 are due to progression pay, step and increases in benefits for non-union positions, with an alignment of \$0.065 million for the number of working days between 2016 and 2017. These estimates do not include provision for COLA which is subject to the outcome of negotiations.
- Revenue increase of \$0.632 million over 2017 and 2018 is planned for the Provincial upload of court room security costs.



Part II: 2016 Budget by Service

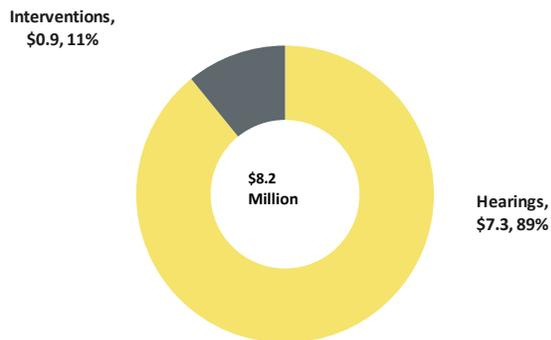
Provincial Offences/Licensing Tribunal Dispute Resolution



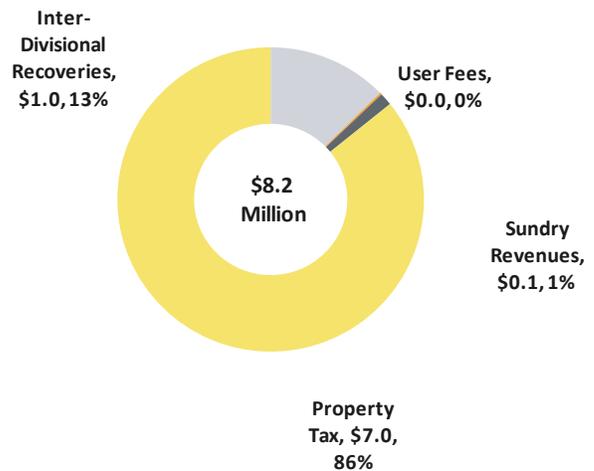
What We Do

- Provide administration and courtroom support for hearings related to charges stemming from offences under provincial statutes or Municipal by-laws.
- 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 400,000 trials per year.
 - Administrative hearings for applications under the Toronto Licensing by-law. The Toronto Licensing Tribunal hears about 200 cases per year.

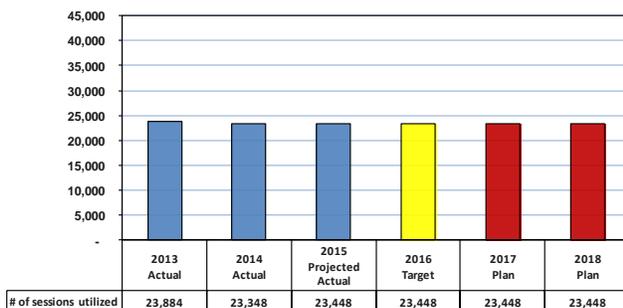
2016 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



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 volume of sessions is flat lined, as the courtroom capacity is fully utilized.

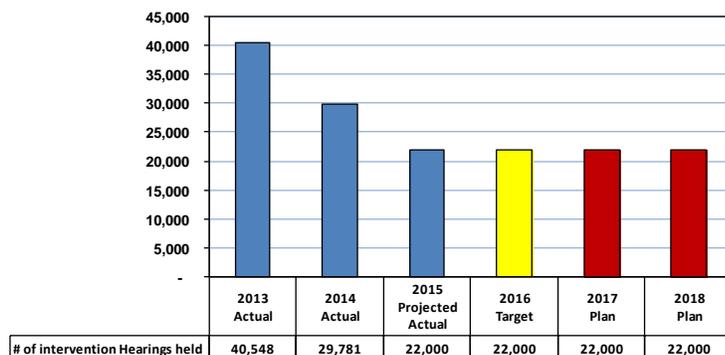
2016 Service Levels Provincial Offences/ Licensing Tribunal Dispute Resolution

Activity	Sub-Activity/Type	Status	2013	2014	2015	2016
			Hearings	Trial Court	Approved	7-16 months time to trial
Intervention	Intake Court	Approved	1-3 days of receipt of application			
	Appeals Court	Approved	60-120 days of appeal notification			
	Licensing Tribunal	Approved	Hearing held within 30 days of request			

The 2016 Service Levels for Provincial Offences/ Licensing Tribunal Dispute Resolution Service reflect the following changes: The Hearing activity service level for Trial Courts will decrease from 7 months to 6 months reflecting the ability to resolve disputes in a shorter period of time, given lower volumes of charges and due to the implementation of the Early Resolution Initiative.

Service Performance

Number of Intervention Hearings Held



- Intervention Hearings held will continue to be slightly lower than in past years due to reduced charge volumes experienced since 2012.

Table 5
2016 Preliminary Service Budget by Activity

(\$000s)	2015	2016 Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Service Changes	Base Budget vs. 2015			New/Enhanced	2016 Budget	2016 Budget vs. 2015		2017 Plan		2018 Plan		
				2016	Base	% Change			\$	%	\$	%	\$	%	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Hearings	7,532.9	7,722.9	(409.1)	7,313.8	(219.1)	(2.9%)		7,313.8	(219.1)	(2.9%)	18.3	0.3%	61.5	0.8%	
Interventions	959.5	901.1	(9.7)	891.4	(68.1)	(7.1%)		891.4	(68.1)	(7.1%)	1.1	0.1%	3.7	0.4%	
Total Gross Exp.	8,492.4	8,624.0	(418.8)	8,205.2	(287.2)	(3.4%)		8,205.2	(287.2)	(3.4%)	19.4	0.2%	65.2	0.8%	
REVENUE															
Hearings	951.7	995.6		995.6	43.9	4.6%		995.6	43.9	4.6%	15.8	1.6%	15.8	1.6%	
Interventions	158.1	173.8		173.8	15.7	9.9%		173.8	15.7	9.9%	6.3	3.6%	6.3	3.5%	
Total Revenues	1,109.8	1,169.4		1,169.4	59.6	5.4%		1,169.4	59.6	5.4%	22.1	1.9%	22.1	1.8%	
NET EXP.															
Hearings	6,581.2	6,727.3	(409.1)	6,318.2	(263.0)	(4.0%)		6,318.2	(263.0)	(4.0%)	2.5	0.0%	45.7	0.7%	
Interventions	801.4	727.3	(9.7)	717.6	(83.8)	(10.5%)		717.6	(83.8)	(10.5%)	(5.2)	-0.7%	(2.6)	(0.4%)	
Total Net Exp.	7,382.6	7,454.6	(418.8)	7,035.8	(346.8)	(4.7%)		7,035.8	(346.8)	(4.7%)	(2.7)	-0.04%	43.1	0.6%	
Approved Positions	84.5	84.5		84.5				84.5							

The **Provincial Offences/ Licensing Tribunal Dispute Resolution** service provides administrative and courtroom support for hearings stemming from offences under the Provincial Offences Act and from applications through the Toronto Licensing By-law.

The Provincial Offences/ Licensing Tribunal Dispute Resolution's 2016 Operating Budget of \$8.205 million gross and \$7.036 million net is \$0.347 million or 4.7% under the 2015 Approved Net Budget.

- Base budget pressures of \$0.072 million net arise primarily in *Hearings* activity due to the increased costs for Provincial recoveries for the Justice of the Peace and known salary and benefit adjustments.

In order to offset the above pressures, the service was able to achieve base and service efficiency savings of \$0.419 million, primarily relate to *Hearings* activity which requires the largest proportion of the staff complement to supply courtroom support. These include:

- Line-by Line savings of \$0.051 million net based on past spending and considering future requirements.
- Gapping increased by \$0.368 million to reflect current staffing requirements based on caseload.

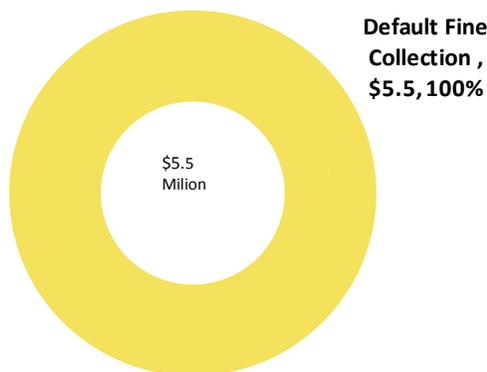
Default Fine Collection Management

What We Do

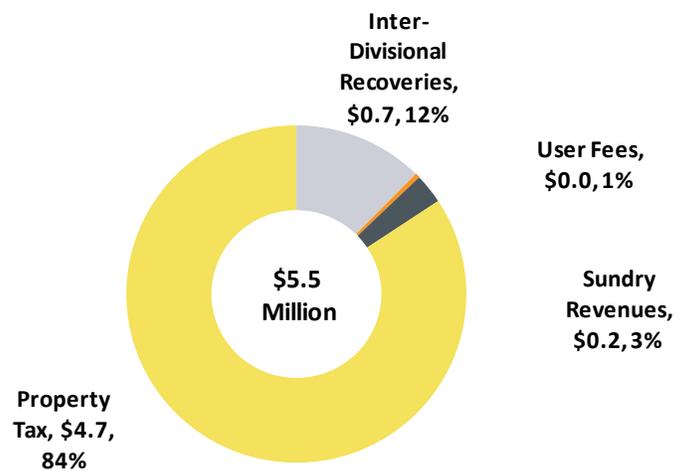


- Provides collection management services for the timely collection and processing of outstanding fines ensuring appropriate action is taken on fines in default.

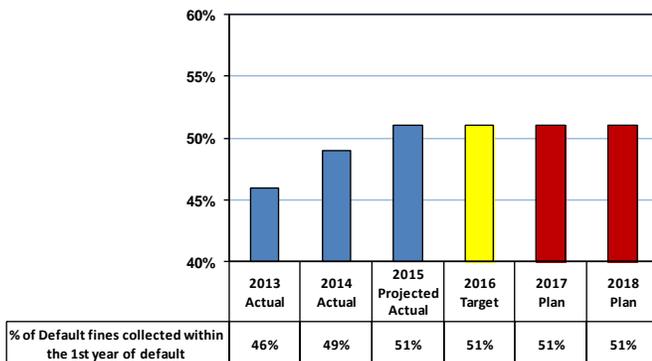
2016 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Number of Fines Collected within 1'st Year of Default



- Default fine collections are projected to increase from 46% in 2013 to 51% in 2016 and are projected to flat line through 2017 and 2018.
- Current projections reflect improved collection procedures that include increased reliance on collection agencies and improved collection techniques, including electronic phone applications.

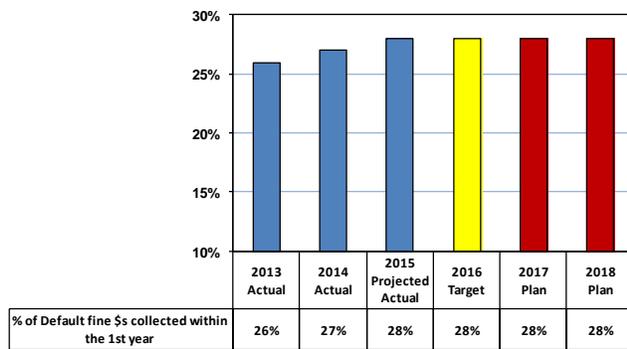
2016 Service Levels Default Fine Collection

Activity	Sub-Activity/Type	Status	2013	2014	2015	2016
	Processing Payments	Approved	24 hours of receipt			

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels for Default Fine Collection Service.

Service Performance

% of Default Fine \$ Collected within 1st Year of Default



- The 2015 projections for the dollar value of fines defaulted in the 1st year has increased from 26% in 2013 to a projection of 28% in 2015, with 2016 and future years remaining flat at 28%
- This increase is due in part to a reduction in the charge volumes for 2015 and future years, combined with improved collection operations.

Table 6

2016 Preliminary Service Budget by Activity

(\$000s)	2015	2016 Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Service Changes	Base Budget vs. 2015			New/Enhanced	2016 Budget	2016 Budget vs. 2015 Budget		2017 Plan		2018 Plan		
				2016 Base	Budget	% Change			\$	%	\$	%	\$	%	
GROSS EXP.															
Default Fine Collection Management	5,485.2	5,620.3	(100.8)	5,519.5	34.3	0.6%		5,519.5	34.3	0.6%	8.6	0.2%	21.2	0.4%	
Total Gross Exp.	5,485.2	5,620.3	(100.8)	5,519.5	34.3	0.6%		5,519.5	34.3	0.6%	8.6	0.2%	21.2	0.4%	
REVENUE															
Default Fine Collection Management	790.4	868.8		868.8	78.4	9.9%		868.8	78.4	9.9%	31.6	3.6%	30.6	3.4%	
Total Revenues	790.4	868.8		868.8	78.4	9.9%		868.8	78.4	9.9%	31.6	3.6%	30.6	3.3%	
NET EXP.															
Default Fine Collection Management	4,694.8	4,751.5	(100.8)	4,650.7	(44.1)	(0.9%)		4,650.7	(44.1)	(0.9%)	(23.0)	-0.5%	(9.4)	(0.2%)	
Total Net Exp.	4,694.8	4,751.5	(100.8)	4,650.7	(44.1)	(0.9%)		4,650.7	(44.1)	(0.9%)	(23.0)	-0.5%	(9.4)	(0.2%)	
Approved Positions	19.6	19.5		19.5	(0.1)	(0.5%)		19.5	(0.1)	(0.5%)					

The **Default Fine Collection Management** service provides collection management services for the timely collection and processing of outstanding fines ensuring appropriate action is taken on fines in default.

The 2016 Operating Budget of \$5.520 million gross and \$4.650 million net is \$0.044 million or 1.0% under the 2015 Approved Net Budget.

Base budget pressures of \$0.057 million net are primarily due to an increase of \$0.119 million for Provincial cost recoveries for Justice of the Peace and other enforcement activities, known salary and benefit adjustments, offset by reductions from Toronto Police Services over time for court room appearances.

In order to offset the above pressures, the 2016 service changes for the Default Fine Collection consists of base and service efficiency savings of \$0.100 million, as detailed below:

- Line-by Line savings of \$0.037 million net based on past spending and considering future requirements; and
- Gapping has been increased by \$0.063 million to reflect current staffing requirements based on caseload.

Court Case Management

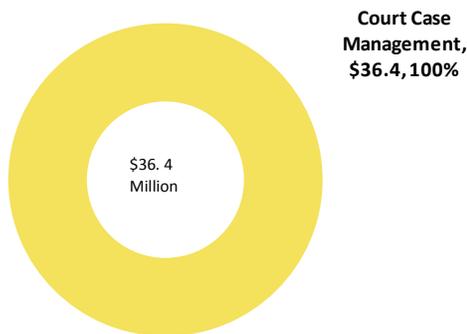


What We Do

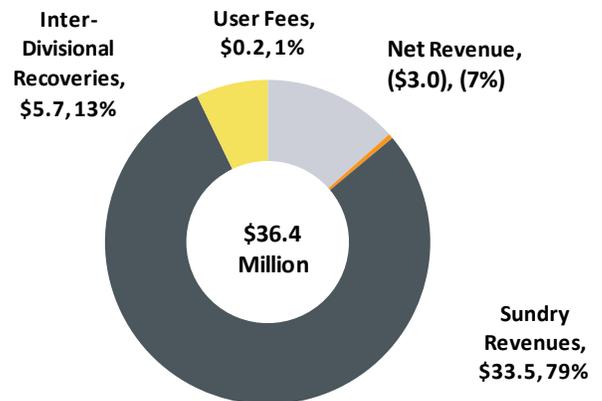
Provide administrative services to record and track breaches of laws by individuals in support of maintaining safe communities by:

- 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.

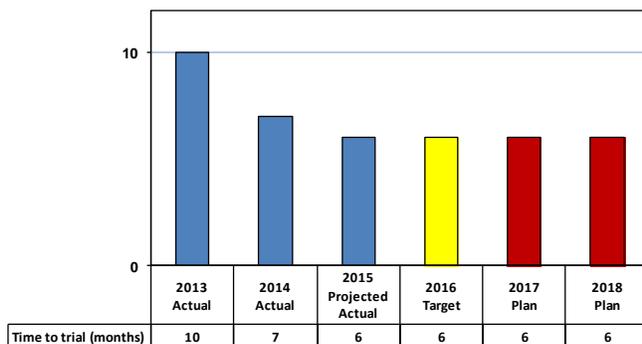
2016 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



of Months to Trial



- The implementation of the Early Resolution Initiative continues to help reduce the average number of months to trial with further improvements anticipated in 2016.

2016 Service Levels Court Case Management

Activity	Sub-Activity/Type	Status	2013	2014	2015	2016
			Receive incoming charges within 5-7 days			
Provincial Offences non-parking charges		Approved	Receive incoming charges within 5-7 days			
Provincial Offences parking charges		Approved	Receive incoming charges within 60-75 days			

Overall the 2016 Service Levels are consistent with the Approved 2015 Service Levels for Court Case Management.

Table 7
2016 Preliminary Service Budget by Activity

(\$000s)	2015	2016 Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Service Changes	Base Budget vs. 2015 Budget		% Change	New/Enhanced	2016 Budget	2016 Budget vs. 2015 Budget		2017 Plan		2018 Plan		
	\$	\$	\$	2016	Base				\$	\$	\$	%	\$	%	\$
GROSS EXP.															
Court Case Management	35,553.5	36,646.0	(291.5)	36,354.5	801.0	2.3%		36,354.5	801.0	2.3%	45.6	0.1%	131.1	0.4%	
Total Gross Exp.	35,553.5	36,646.0	(291.5)	36,354.5	801.0	2.3%		36,354.5	801.0	2.3%	45.6	0.1%	131.1	0.4%	
REVENUE															
Court Case Management	52,683.5	39,333.8	56.0	39,389.8	(13,293.7)	(25.2%)		39,389.8	(13,293.7)	(25.2%)	262.3	0.7%	262.3	0.7%	
Total Revenues	52,683.5	39,333.8	56.0	39,389.8	(13,293.7)	(25.2%)		39,389.8	(13,293.7)	(25.2%)	262.3	0.7%	262.3	0.7%	
NET EXP.															
Court Case Management	(17,130.0)	(2,687.8)	(347.5)	(3,035.3)	14,094.7	(82.3%)		(3,035.3)	14,094.7	(82.3%)	(216.7)	0.1%	(131.2)	4.0%	
Total Net Exp.	(17,130.0)	(2,687.8)	(347.5)	(3,035.3)	14,094.7	(82.3%)		(3,035.3)	14,094.7	(82.3%)	(216.7)	7.1%	(131.2)	4.0%	
Approved Positions	177.8	178.0		178.0		0.2	0.1%	178.0	0.2	0.1%					

The **Court Case Management Service** provides administrative services to record and track breaches of laws by individuals in support of maintaining safe communities.

The Court Case Management Service's 2016 Preliminary Operating Budget of \$36.355 million gross and (\$3.035) million net is \$14.095 million or 82.3% under the 2015 Approved Net Budget.

- Base pressures in this Service are driving the overall cost for the Program and are mainly a result of the reduction in fine revenue and the reversal of the \$12.0 million to be collected from the backlog of unpaid fines recorded in 2015.
- This pressure is partially offset by a revenue adjustment of \$1.0 million from a Provincial amendment taking effect January 1, 2016 that provides for a higher fee to be assessed for fines paid late.
- In order to offset the above pressures, in addition to the service changes common among all services, the adjustment to Toronto Police Services overtime budget is included, which will reduce the 2016 base budget by \$0.365 million.



Part II:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2016 Budget

Revenue Realignment

The 2015 Approved Operating Budget for Court Services included revenue of \$54.584 million. A number of revenue adjustments have been included in the 2016 Preliminary Budget, resulting in 2016 revenue of \$41.428 million, a reduction of \$13.156 million from 2015. These adjustments are noted in the following table:

	(\$000's)
2015 Approved Revenue Budget	54,583.7
Reversal of one-time revenue (Bill 31)	(12,000.0)
Reduction based on lower charge volumes	(3,000.0)
Amendment to Provincial Regulation 678/92 allowing municipalities to assess higher late fine payment fee	1,000.0
Increase in other recoveries *	<u>844.3</u>
2016 Revenue Budget	41,428.0

* Adjustment in default collections and Parking Tag recoveries

Bill 31

- The 2015 Approved Operating Budget for Court Services included \$12.0 million as one-time revenue to be collected from the backlog of defaulted traffic-related tickets, which are subject to a new collection sanction as outlined in Bill 31. This legislation identifies a range of new driver-related fines, including speeding and other highway traffic offences that can be added to the license plate database in the same manner as the current practice that allows for the suspension of an individual's driver's license.
- The City currently has unpaid fines of \$245 million that fall under the Highway Act and Compulsory Automobile Insurance Act that are subject to collection under this sanction. Approximately half of the \$245 million of these fines have been imposed within the last 5 years, with the balance comprised of accounts that have been outstanding for a longer period. The \$12.0 million one-time revenue provision in 2015 was based on a 5% collection rate of the \$245 million.
- As Court Services has no experience with this new legislation, the \$12.0 million is considered as one-time revenue and is reversed from the 2016 Recommended Operating Budget. Program staff will continue to closely monitor the collection activities resulting from the new collection sanction when implemented by the Province and report any variance from collection assumptions through the operating variance process.

Impact of Reduced Provincial Offence Charge Volumes on Fine Revenue

- Court Services revenue is derived from the payment of moving violation and other non-parking fines (Fine Revenue), with small portions of revenue received from transcript production, on-line payment transaction fees and from the recovery of costs from other City Programs. Program recoveries relate to the use of program resources, including courtrooms, Justices of the Peace and City staff that are primarily allocated to parking ticket trials and costs associated with the administration of the Toronto Licensing Tribunal.
- The Program uses charge volumes as the basis for determining Fine Revenue. As noted in the following table, the trend of lower charge volumes has resulted in a significant reduction in Fine Revenue.

Analysis of Charge Volumes and Fine Revenue

Fine Revenues (\$ 000)	2012	2013	2014	2015 *	Variance ***	2016 **	Outlooks **
Budget - Fine Revenues	\$59,144.0	\$61,414.0	\$59,976.0	\$33,257.0		\$30,257.0	\$30,257.0
Actual - Revenues	\$61,486.0	\$43,822.0	\$31,586.0	\$27,802.0			
Fine Revenues - Over/ (Under)	\$2,342.0	(\$17,592.0)	(\$28,390.0)	(\$5,455.0)			
Fine Revenue related to actual charges issued (Note 1)	\$46,361.4	\$34,165.9	\$24,444.9	\$27,802.0		\$30,257.0	\$30,257.0
Budget- Total # Charges	750,000	675,000	525,000	460,000		375,800	375,800
Actual # Charges							
Toronto Police Services ***	573,352	403,150	259,152	278,925	(121,075)	316,000	316,000
Red Light Camera	37,846	32,087	26,997	27,398	(402)	27,800	27,800
OPP	13,882	15,189	13,464	15,995	2,595	13,400	13,400
Other Enforcement Agencies	24,037	17,139	18,818	17,682	(1,118)	18,600	18,600
Total # Actual Charges	649,117	467,565	318,431	340,000	(120,000)	375,800	375,800
Variance to Volume Budget - Over/ (Under)	(100,883)	(207,435)	(206,569)	(120,000)			

(Note 1) Revenue adjusted to reflect charges issued, excluding timing related court settlements.

* 3rd Quarter projections; ** Budgets/ Outlooks

*** 2015 TPS budgeted volumes were 400,000, with actuals of 278,928 reflecting an unfavourable variance of 30%

- The table compares the actual charge volumes by enforcement agency from 2012 to 2015 (projected to year end). Charges were at the highest level in 2012 at 649,117 and dropped to 318,431 in 2014, the lowest volume experienced since Court Services assumed responsibility from the Province to deliver court administration services in January, 2002.
- The 2015 year-end projected total number of charges filed is 340,000 compared to the budget of 460,000, with the largest variance related to Toronto Police Service (TPS) with projections of 278,925 representing 70% of the estimated 400,000 charge volumes.
- The 2015 projected volumes of 278,925 for TPS have dropped significantly from 573,352 in 2012, a reduction of 294,427 or 51%. Concurrently, projected 2015 volumes of 27,398 for Red Light Cameras have dropped from 37,846 in 2012, a drop of 10,448, or 28%.
- The effect in fine revenue from lower charge volumes equates to a reduction from \$46.3 million in 2013 to \$27.8 million projected in 2015.

- Court Services has no control over the amount of revenue generated by individual charges issued by enforcement agencies or court decisions.
- The enforcement agencies determine the appropriate level of community engagement; discussions with TPS have indicated that there has been a change in strategy to now provide maximum resources for community safety and support, leaving fewer officers for traffic enforcement.
- Similarly, the reduction in Red Light Camera volumes reflects a significant drop in the number of angle-type collisions, a trend that has continued since 2007, as there are now 25% fewer recorded vehicular accidents at intersections.
- While the previous years' outlooks had projected an increase in volumes of 100,000 for both 2016 and 2017, current projections indicate that these volumes will not materialize. Consequently, following the reduction in the 2015 Fine Revenue budget of \$26.7 million from \$59.9 million in 2014, the 2016 Fine Revenue budget includes a further reduction of \$3.0 million.
- This recognizes the need to estimate fine revenues in line with estimated charge volume based on recent actual experience, with projected TPS charge volumes of 316,000 for 2016 and in future years.

Certified Statements

- Staff are no longer pursuing the use of Certified Statements with respect to parking matters applications. City staff are currently reviewing other City-By-Law matters for Certified Statement applications.
- Court Services is currently working with staff in the City Solicitor's Office, Revenue Services and Toronto Police-Parking Enforcement on a report to the Government Management Committee that will recommend the City move all parking matters out of the judicial system to a new administrative model - the Administrative Penalty System (APS) - as permitted by a new Regulation under the City of Toronto Act effective July 1, 2015.
 - A report planned for the February 22, 2016 Government Management Committee will recommend the City move forward with the new administrative model (APS) that will replace the current administrative process for processing parking tag violations.
 - Assuming Council approval in March 2016, work will continue towards passing a by-law with an April, 2017 implementation date. The report will highlight that during the first year of implementation, budget impacts will be higher than in prior years, as the first year will also include the final year costs of supporting the court based process needed to finalize the disputes received prior to implementing the new administrative penalty system

Issues Impacting Future Year

Courtroom Capacity

- Currently, Court Services provides services in 30 court rooms located in 4 facilities across the City. Court Services is scheduled to move its existing facilities at Old City Hall and at Dundas and University Avenue into a new court facility at the corner of Front and Jarvis Streets.

- This new court, located in the St Lawrence Market North building, is tentatively scheduled for occupancy late in 2018 or early 2019.
- Court Services will be working with Facilities and Real Estate to assess the operating impact of consolidating its court-room operations, and will adjust its operational costs in the future-year outlooks, once the savings from the relocation has been determined.
- Court Services is also reviewing its capacity requirements given the reduction in TPS charges and the changes to how parking tickets and disputes are processed. Court Services, Legal and Revenue Services staff are working with Human Resources, IT staff and others to develop a comprehensive plan to integrate the changes under the Administrative Penalty System that will replace the current court based procedures used to process parking tickets.
- It is recommended that the Director of Court Services to explore options to generate operational savings by undertaking a fulsome review of future courtroom and administrative requirements to manage the new workload for parking violations as well as for charges filed by the enforcement agencies in 2016 for inclusion with the Program's 2017 Budget Submission.



Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, Court Services accomplished the following:

- ✓ 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.
- ✓ Court offices served 30,000 individuals at public counters and in trial courts each month, the Programs' public enquiry line answers over 10,000 phone calls and 1,700 email enquiries per month.
- ✓ A self-serve filing option provides customers wishing to meet with a prosecutor prior to a court date to make this appointment request on-line.
- ✓ The Court Case Web Look-Up application implemented in December 2013 continues to receive about 1,100 online-weekly visits, helping individuals and their legal representatives obtain non-personal information about their court case without contacting staff and at times convenient to them.
- ✓ The Court Services web site provides real-time public counter average waiting times (in minutes) to assist customers in planning their time.
- ✓ The successful implementation of the early resolution program and reduction in the number of trials going to court has decreased costs for police officers to attend court trials.
- ✓ Bill 31 Road Safety Legislation received Royal Assent in June, 2015, which will increase collection of fines using new sanctions as the changes allow for additional types of driver related offences with unpaid fines to be subject to license plate denial sanction.
- ✓ Staff have worked with provincial colleagues on a review of provincially regulated court costs with a view to offsetting increased court resource expenses with the first change being the new Regulation increasing the fee for paying a fine late from \$20 to \$40 effective January 1, 2016.

Appendix 2

2016 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected Actual *	Budget	2015 Approved Budget	%	2017	2018
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	19,778.3	18,762.5	19,782.5	18,408.1	19,044.8	(737.7)	(3.7%)	19,118.4	19,336.2
Materials and Supplies	134.4	111.3	157.7	107.9	127.1	(30.6)	(19.4%)	127.1	127.1
Equipment	82.7	9.8	105.4	35.2	60.3	(45.1)	(42.8%)	60.3	60.3
Services & Rents	8,877.5	7,371.5	8,147.4	7,590.1	9,942.9	1,795.5	22.0%	9,942.9	9,942.9
Contribution to Capital	70.6	70.6	84.4	84.4	84.4			84.4	84.4
Contributions to Reserve/Res Funds									
Other Expenditures	1,750.3	1,484.9	1,820.2	1,800.8	1,813.6	(6.6)	(0.4%)	1,813.6	1,813.6
Interdivisional Charges	22,349.0	19,313.1	19,433.5	17,694.4	19,006.0	(427.5)	(2.2%)	19,006.0	19,006.0
Total Gross Expenditures	53,042.8	47,123.7	49,531.1	45,720.9	50,079.1	548.0	1.1%	50,152.7	50,370.5
Interdivisional Recoveries	5,248.0	5,403.5	6,918.8	6,862.4	7,428.0	509.2	7.4%	7,428.0	7,428.0
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	340.9	256.7	282.0	261.0	245.0	(37.0)	(13.1%)	245.0	245.0
Transfers from Capital Fund									
Contribution from Reserve/Reserve Funds	217.8								
Sundry Revenues	45,531.7	33,574.0	47,382.9	42,048.5	33,754.9	(13,628.0)	(28.8%)	34,070.9	34,386.9
Total Revenues	51,338.4	39,234.2	54,583.7	49,171.9	41,427.9	(13,155.8)	(24.1%)	41,743.9	42,059.9
Total Net Expenditures	1,704.4	7,889.5	(5,052.6)	(3,451.0)	8,651.2	13,703.8	(271.2%)	8,408.8	8,310.6
Approved Positions	282.0	246.0	282.0	232.0	282.0			247.0	247.0

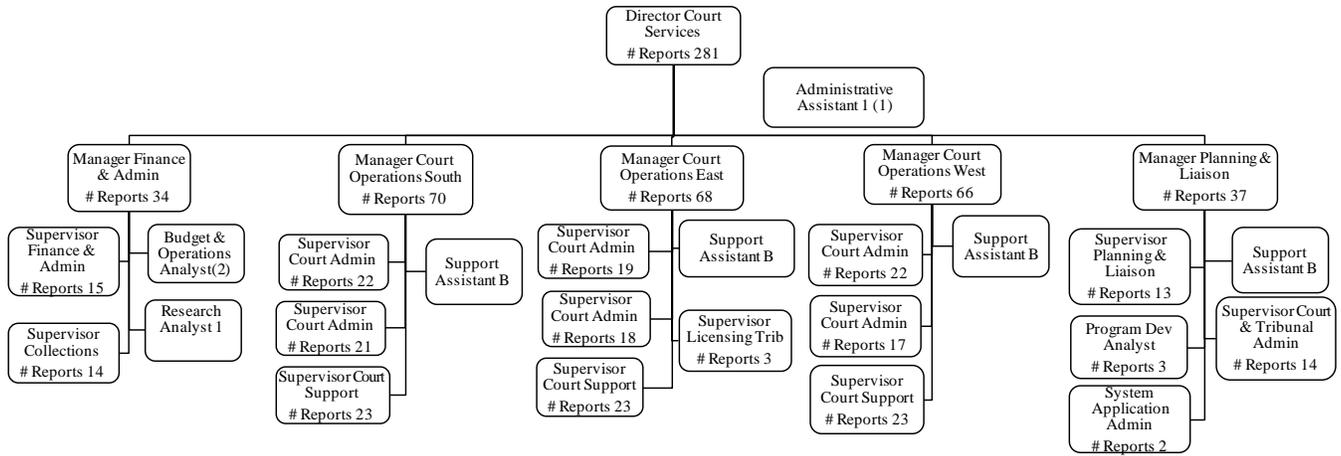
For additional information regarding the 2015 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2015" approved by City Council at its meeting on December 9, 2015.

Impact of 2015 Operating Variance on the 2016 Preliminary Budget

- Court Services is projecting a favourable net of \$3.451 million, which reflects lower than budgeted fine revenue, primarily due to lower than budgeted charge volumes from TPS.
- The impact of lower charge volumes has been incorporated into the 2016 Operating budget by reducing fine revenue by \$3.0 million.
- Savings totaling \$0.525 million have been included Court Services' 2016 Operating Budget reflecting a reduction TPS overtime for courtroom appearances and in legal costs to reflect the impact of the lower charge volumes.

Appendix 3

2016 Organization Chart



2016 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	23.0	1.0	257.0	282.0
Temporary					
Total					282.0

Appendix 4

Summary of 2016 Service Changes

2016 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Citizen Focused Services A Program - Court Services	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2016 Preliminary Base Budget Before Service Changes:			50,819.2	41,427.9	9,391.3	282.00	(242.4)	(98.2)
7407 Gapping for Vacant Positions								
51	1	Description:						
<p>The 2016 Operating Budget includes an increase of \$0.740 million to gapping, which will increase the Program's gapping to \$3.511 million, or 15.6% of the Salaries and Benefits budget.</p>								
Service Level Impact:								
There will be no Service Level impact, as the adjustment to the Program's complement aligns the staffing requirements with the work load demands of the current charge volumes..								
Service: Court Case Management								
		Preliminary Service Changes	(309.0)	0.0	(309.0)	0.00	0.0	0.0
Service: CT-Provincial Offences/Licencing Tribunal Dispute Resolution								
		Preliminary Service Changes	(367.7)	0.0	(367.7)	0.00	0.0	0.0
Service: Default Fine Collection Management								
		Preliminary Service Changes	(63.4)	0.0	(63.4)	0.00	0.0	0.0
		Total Preliminary Service Changes:	(740.1)	0.0	(740.1)	0.00	0.0	0.0
Summary:								
		Total Preliminary Service Changes	(740.1)	0.0	(740.1)	0.00	0.0	0.0
		Total Preliminary Base Budget:	50,079.1	41,427.9	8,651.2	282.00	(242.4)	(98.2)

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2016 \$	2017 \$	2018 \$
Projected Beginning Balance		25,355.4	25,355.4	25,439.8	25,524.2
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			84.4	84.4	84.4
Total Reserve / Reserve Fund Draws / Contributions			84.4	84.4	84.4
Other Program / Agency Net Withdrawals & Contributions		25,355.4			
Balance at Year-End		25,355.4	25,439.8	25,524.2	25,608.6

Appendix 6a

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2016 \$	2017 \$	2018 \$
Projected Beginning Balance		5,271.0	5,271.0	2,145.0	1,745.0
Provincial Offences Courts Stabilization Reserve	XQ0704				
<i>Proposed Withdrawals (-)</i>			(3,126.0)	(400.0)	
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions			(3,126.0)	(400.0)	-
Other Program / Agency Net Withdrawals & Contributions		5,271.0			
Balance at Year-End		5,271.0	2,145.0	1,745.0	1,745.0

* Required to fund St Lawrence North Court construction