

2020 Budget Notes

Court Services

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What we do

Toronto Court Services strives to provide accessible, efficient and effective frontline customer support for case management, courtroom and hearing room services to the public and a wide range of stakeholders that use the Provincial Offences Court and three City Tribunals - Administrative Penalty Tribunal, Provincial Offences Court, Toronto Local Appeal Body and Toronto Licencing Tribunal. Court Services is the primary point of contact for the public when they are in need of information, assistance and access to the Provincial Offences Court. Court Services delivers the following services:

- Provincial Offences and Tribunal Dispute Resolution
- Default Fine Collection
- Court Case Management

Court Services provides services annually to 850,000 customers; administers 430,000 active cases before the court and tribunals and actively pursues collection of \$598 million in defaulted fines. By providing timely accessible service within the court and tribunal program areas and by collecting court fines, Court Services supports a safe inclusive economically viable community.

Why we do it

Toronto Court Services' mission is to provide timely accessible service to the public, our partners and stakeholders who use the Provincial Offences Courts, Administrative Penalty Tribunal, Toronto Local Appeal Body and Toronto Licensing Tribunal.

Who we serve

Public – Toronto residents, visitors
Property owners
Business owners and their employees
City Council
Judiciary
Tribunal Panel members
Legal Services, Prosecutions
Crown Attorney
Witnesses

Appellants, Parties and Participants
Defendants
Toronto Police Services
Transportation Services
Municipal Licensing & Standards
Toronto Fire Services
Toronto Transit Commission
Go Transit
Toronto Community Housing Corporation

Ontario Provincial Police
Other Ontario Municipalities
Ministry of the Attorney General
Legal professionals
City of Toronto employees
Justice of the Peace Review Council
Other provincial ministries and enforcement agencies
Ministry of Transportation

Budget at a glance

STAFF RECOMMENDED OPERATING BUDGET				STAFF RECOMMENDED 10-YEAR CAPITAL PLAN			
\$Million	2020	2021	2022	\$Million	2020	2021-2029	Total
Revenues	\$75.81	\$86.75	\$86.75	This program does not have a capital plan.			
Gross Expenditures	\$35.79	\$36.61	\$37.02				
Net Expenditures	(\$40.01)	(\$50.14)	(\$49.74)				
Approved Positions	253.20	253.20	253.20				

Key service outcomes

Outcomes	Description
Sustain time to trial and dispute resolution	Safer mobility in public, safe communities and economic viability through timely access to Provincial Offences Court, Administrative Penalty Tribunal, Toronto Licensing Tribunal and Toronto Local Appeal Body hearings.
Increase the collection rate of defaulted fines	Improved technology and effective use of collection tools. Financial Sustainability to offset program costs through partnering with other municipalities.
Improve customer access to information and services	Plan, manage and provide universal accessible frontline customer services to the public to ensure access to court and tribunal adjudication.

Goals and metrics

Planned Activities to Achieve Outcomes		2018 Actual	2019 Proj. Actual	2020 Target	Status
	Time to trial within 6 months of offence date	47%	69%	69%	●
	Collection of Default fine accounts within 1st year of default	49%	50%	51%	●
	Customer on-line transactions	36%	41%	42%	●

Our experience and success

- Managed 22% of all Provincial Offence charges filed in Ontario in 2019.
- Over 40% of Court Services clients access information and services using the division's online tools and portals.
- Stricter penalties for convictions result in higher trial dispute rates.
- Implemented a formal plan for the collection of defaulted fines and improved collection rates.

Key challenges and risks

- Growth in Provincial Offences charge volumes due to new Automated Speed Enforcement and expanded Red Light Camera program require resources.
- Continued escalation of costs to maintain service level for time to trial and resolution.
- Backlog in collection of defaulted fines.
- Temporary relocation of Court Services downtown location until the redevelopment at St. Lawrence Market is complete.

Priority actions

- The program will support Vision Zero Road Safety and manage the growth in charge volume by focusing on digital and online service delivery.
- Reducing the cost to maintain service level for time to trial and resolution by developing and implementing procedures that supports modernization of POA legislation and court scheduling plan.
- Development and implementation of an information system that supports effective and efficient collection of defaulted fines.
- Relocation of Court Services downtown location to a temporary facility without interrupting service delivery.

Our key service levels



Time to hearing within 6 months of service date for 100% of trial cases.



Accept 100% of Provincial Offences incoming non-parking charges within 7 days of offence date.



Process 100% of default fine payments within 24 hours of receipt.

Key service deliverables

- Ensure that Court Services meets its obligations to improve the effective use of current and potential enforcement tools available to the City as contained in the Division's Management Response to the Auditor General's report entitled "Toronto Court Services; Collection of Provincial Offences fines".
- Continue to work with the provincial government to implement streamlined legislative processes that will increase public access to courts and assist in reducing program delivery costs.
- Continue to support the Toronto Licensing Tribunal (TLT), Toronto Local Appeal Body and the Administrative Penalty Tribunal (APT).
- Work with Legal Services to implement strategies to optimize resources and deliver operational improvements.

RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2020 Staff Recommended Operating Budget for Court Services of \$35.8 million gross, (\$40.0) million net for the following services:

Service:	Gross (\$000s)	Revenue (\$000s)	Net (\$000s)
Provincial Offences Dispute Resolution	10,482.8	131.9	10,350.9
Default Fine Collection Management	5,101.0	53.4	5,047.6
Provincial Offences Court Case Management	20,209.6	75,622.2	(55,412.6)
Total Program Budget	35,793.4	75,807.5	(40,014.1)

2. City Council approve the 2020 staff complement for Court Services of 253.2 operating positions.

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**2020 STAFF RECOMMENDED
OPERATING BUDGET**

2020 OPERATING BUDGET OVERVIEW

Table 1: 2020 Staff Recommended Operating Budget by Service

(\$000s)	2018 Actual	2019 Projected Actual	2020 Base Budget	2020 New / Enhanced	2020 Staff Rec'd Budget	Change v. 2019 Projected Actual	
By Service	\$	\$	\$	\$	\$	\$	%
Revenues							
Provincial Offences Tribunal Dispute Resolution	155.9	258.4	131.9		131.9	(126.5)	(49.0%)
Default Fine Collection Management	34.0	240.6	53.4		53.4	(187.2)	(77.8%)
Provincial Offences Court Case Management	51,082.3	61,218.2	75,622.2		75,622.2	14,404.0	23.5%
Total Revenues	51,272.1	61,717.3	75,807.5	0.0	75,807.5	14,090.3	22.8%
Expenditures							
Provincial Offences Tribunal Dispute Resolution	7,188.7	8,304.0	10,482.8		10,482.8	2,178.9	26.2%
Default Fine Collection Management	3,347.7	4,983.8	5,101.0		5,101.0	117.2	2.4%
Provincial Offences Court Case Management	18,119.5	17,205.6	20,209.6		20,209.6	3,004.0	17.5%
Total Gross Expenditures	28,656.0	30,493.3	35,793.4	0.0	35,793.4	5,300.1	17.4%
Net Expenditures	(22,616.1)	(31,223.9)	(40,014.1)	0.0	(40,014.1)	(8,790.2)	28.2%
Approved Positions	229.0	241.0	253.2	0.0	253.2	12.2	5.1%

*2019 Budget and Actuals (based on Q3 2019) adjusted retroactively to remove interdepartmental charges and recoveries.

COSTS TO MAINTAIN EXISTING SERVICES

Total 2020 Base Budget expenditures of \$35.8 million gross reflecting an increase of \$5.3 million in spending above 2019 projected year-end actuals predominantly arising from:

- Costs for interpreters, provincial payments in response to growth in this system specifically for the Red Light Camera Expansion and the implementation of the Automated Speed Enforcement initiatives.
- Salary & Benefit base budget increases including costs to close gaps in hiring delays and increased resources required to manage the growth in charges relating to the Red Light Camera Expansion and Automated Speed Enforcement Initiatives.
- The Red Light Camera Expansion initiative will result in an increase in the number of active cameras in the City from 140 to 294 cameras by the end of 2020. This is projected to generate an additional 38,500 charges in 2020. As well, Automated Speed Enforcement Initiative (another key component of the Vision 2.0 initiative) is expected to generate 209,000 charges in 2020.
- Funding of \$0.520 million is also included in the 2020 - 2029 Staff Recommended Capital Budget and Plan for Information & Technology Division for a new capital project called *Justice Video Network Implementation* to implement a Justice Video Network (JVN) system in court rooms to facilitate video conferencing, audio-visual and converged communication services (WAN, Internet and Satellite). The system will also facilitate remote interpretation and witness testimony while reducing the need for court attendance.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Court Services' 2020 Operating Budget do not have any significant equity impacts

2020 STAFF RECOMMENDED OPERATING BUDGET KEY DRIVERS

The 2020 Staff Recommended Operating Budget for Court Services is \$35.8 million gross or 17.4% higher than the 2019 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget, while Table 2b summarizes Value Based Outcome Review Recommendations and other efficiencies/savings and 2c summarizes New and Enhanced requests

Table 2a: 2020 Key Drivers – Base Budget

Key Cost Drivers (\$000)	2018 Actuals	2019 Proj. Actuals	2020 Staff Rec'd Base Budget	Year over Year Changes	
				\$	%
Expenditures					
1 Salaries and Benefits	17,412.0	18,188.5	21,086.2	2,897.7	15.9%
2 Materials & Supplies	92.4	80.4	111.0	30.6	38.0%
3 Equipment	23.1	49.0	57.9	8.9	18.1%
4 Service and Rent	8,629.1	8,581.7	10,874.0	2,292.3	26.7%
5 Contribution To Reserves	592.3	103.8	103.8		
6 Other Expenditures	1,907.0	3,489.9	3,560.5	70.6	2.0%
Total Expenditures	28,656.0	30,493.3	35,793.4	5,300.1	17.4%
Revenues					
1 User Fees & Donations	364.4	388.4	404.2	15.8	4.1%
2 Transfers From Capital	0.2				
3 Other Revenues	50,907.5	61,328.9	75,403.3	14,074.4	22.9%
Total Revenues	51,272.1	61,717.3	75,807.5	14,090.3	22.8%
Net Expenditures	(22,616.1)	(31,223.9)	(40,014.1)	(8,790.2)	28.2%

*2019 Q3 Proj Actuals and 2018 Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Salaries & Benefits:

Provides for staff resources required to manage the growth in charges from the Red Light Camera (RLC) Expansion Initiative and Automated Speed Enforcement (ASE), (\$0.914 million to support 12.2 positions). Annualized costs related to the resources added in 2019 to manage legalization of cannabis charges and stricter penalties for distracted driving of \$0.258 million. Closing identified gaps resulting from hiring delays will result in increased costs of approximately \$1.5 million.

Services and Rents:

Includes a pressure of \$1.9 million in interpreters cost and payments to the province primarily to manage the growth in charges filed as a result of RLC expansion and ASE implementation as part of Vision Zero program. Also, an increase in Honorarium of \$0.177 million is reflected to account for the increase in the rate paid for tribunal members.

Revenue Changes:

Higher revenues as a result of RLC expansion (38,500 charges with expected revenue of \$8.24 million), and ASE implementation (209,000 charges with expected revenue of \$16.93 million). 2019 projected actuals reflects a one-time adjustment of fine revenues of \$11.68 million due to accounting change of revenue recognition.

Table 2b: Other Efficiencies / Savings

		(\$000s)									
Recommendation	Type	2020				2021			2022		
		Revenue	Gross	Net	Positions	Gross	Net	Positions	Gross	Net	Positions
2020 Corporate Benefits Changes	Line by Line		(71.4)	(71.4)		-	-		-	-	
Budget Increase/(Decrease)		-	(71.4)	(71.4)	-	-	-		-	-	

Line by Line

- 2020 Corporate Benefit Changes: Adjustments to the benefit rate to match actual experience.

AG Recommendations

- To implement its commitments contained in its Management Response to the City's Auditor General's report (AU12.1) regarding development of a robust information system that allows staff to effectively manage the collection of outstanding fines, funding of \$0.200 million is included in the 2020 Staff Recommended Capital Budget for Information & Technology Division for a new capital project called *Collection Management Software Development* to identify the business requirements for a new collection management system.
- Implementation of the AG Recommendations as contained in AU12.1 and specifically related to improved collection strategies as well as the impact of legislative changes are projected to result in increased revenues of approximately \$1.480 million in 2020.

Note:

- For additional information on 2020 key cost drivers refer to [Appendix 1](#).

2021 & 2022 OUTLOOKS**Table 3: 2021 and 2022 Outlooks**

(\$000s)	2019 Projected Actual	2020 Staff Rec'd Budget	2021 Outlook	2022 Outlook
	\$	\$	\$	\$
Revenues	61,717.3	75,807.5	86,753.7	86,753.7
Gross Expenditures	30,493.3	35,793.4	36,612.3	37,015.7
Net Revenue	31,223.9	40,014.1	50,141.4	49,738.0
Approved Positions	241.0	253.2	253.2	253.2

*2019 Q3 Projected Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Key 2021 drivers

Summarize key drivers/changes reflected in outlooks

Impacts of 2020 decisions

- Annualization of resources required in 2020 for the growth in charges will create a pressure of \$0.537 million.

Salaries and Benefits

- Salary and benefit inflationary increases resulting in a pressure of \$0.365 million.

Revenue Changes

- Due to full year impact of ASE and RLC expansion in 2021, charges are expected to increase by 77,000 with additional fine revenue of \$11.0 million.

Key 2022 drivers

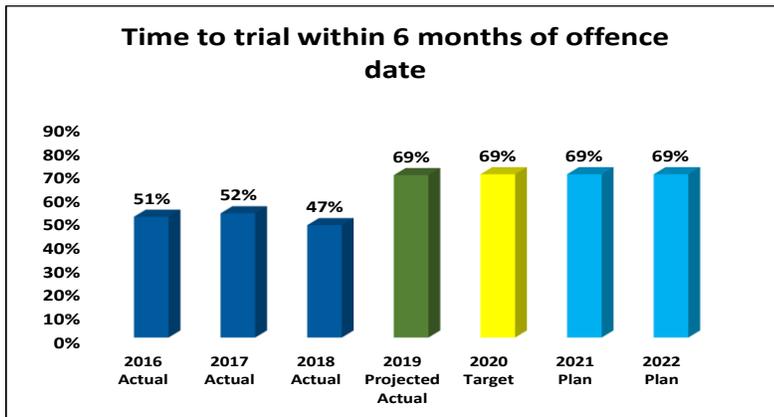
Summarize key drivers/changes reflected in outlooks

Salaries and Benefits

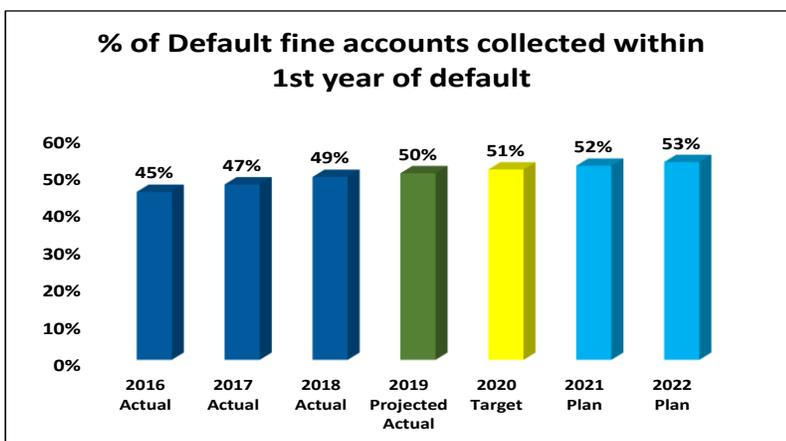
- Salary and benefits, progression pay and step increases contribute a pressure of \$0.403 million.

How well we are doing

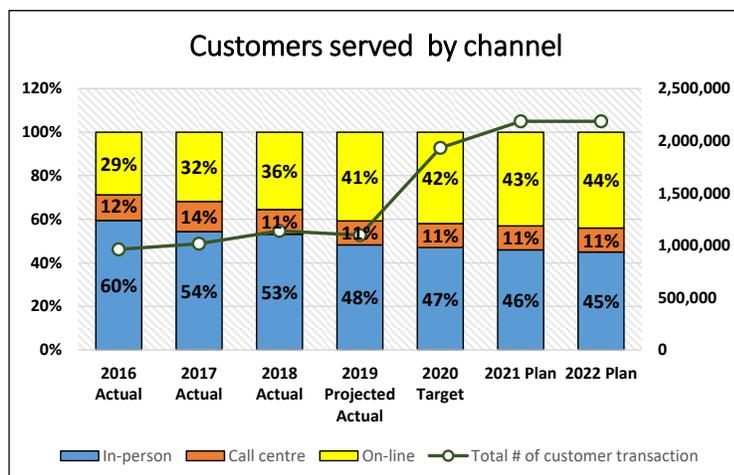
Performance measures



- The percentage of offences that go to trial within 6 months of offence date is expected to increase from 47% in 2018 to 69% in 2019 due to reduction in the number of trial requests received.
- Significant growth in charge volumes and trial requests resulting from the RLC Expansion and ASE implementation are anticipated in 2020 and beyond. Through careful and efficient management of limited resources, Court Services plans to maintain this performance metric at 69% in 2020 and future years.



- The percentage of default fines collected within the first year of default range between 50-53% reflecting the challenges of collecting default fines for municipalities across Ontario.
- Default fine collection rates have however increased from 45% in 2016 to 50% in 2019 and is expected to continue to increase by 1% every year as Court Services with support from Legal Services continues to implement its commitments contained in its Management response to the City's Auditor General's report (AU12.1).



- With the growth in charges, number of customers served by the division is expected to increase in 2020 to about 1.9 million.
- The program plans to manage the growth in charge volume by focusing on digital and online service delivery.

APPENDICES

Appendix 1

2020 Staff Recommended Operating Budget by Expenditure Category

Category (In \$000s)	2017	2018	2019	2019	2020	2020 Change from 2019	
	Actual	Actual	Budget	Projected Actual *	Total Staff Recommended Budget	Projected Actual	
	\$	\$	\$	\$	\$	\$	%
User Fees & Donations	298.2	364.4	283.6	388.4	404.2	15.8	4.1%
Transfers From Capital		0.2					
Sundry and Other Revenues	36,512.9	50,907.7	55,257.0	61,328.9	75,403.3	14,074.4	22.9%
Total Revenues	36,811.1	51,272.3	55,540.6	61,717.3	75,807.5	14,090.3	22.8%
Salaries and Benefits	17,950.2	17,412.0	19,787.8	18,188.5	21,086.2	2,897.7	15.9%
Materials & Supplies	95.5	92.4	141.5	80.4	111.0	30.6	38.0%
Equipment	45.1	23.1	115.1	49.0	57.9	8.9	18.1%
Service and Rent	9,136.4	8,629.1	10,870.4	8,581.7	10,874.0	2,292.3	26.7%
Contribution To Reserves/Reserve Funds	92.2	592.3	103.8	103.8	103.8		
Other Expenditures	1,619.4	1,907.0	2,812.4	3,489.9	3,560.5	70.6	2.0%
Total Gross Expenditures	28,938.8	28,656.0	33,831.1	30,493.3	35,793.4	5,300.1	17.4%
Net Expenditures	(7,872.3)	(22,616.3)	(21,709.5)	(31,223.9)	(40,014.1)	(8,790.2)	28.2%
Approved Positions	258.0	229.0	241.0	241.0	253.2	12.2	5.1%

* Year-End Projection Based on Q3 2019 Variance Report

** Prior Year Budget and Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Appendix 2

Summary of 2020 Service Changes

N/A

Appendix 3

Summary of 2020 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2020 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2020 Capital Budget; 2021 - 2029 Capital Plan Including Carry Forward Funding

N/A

Appendix 5a

2020 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2021 - 2029 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

Summary of Capital Needs Constraints

(In \$ Millions)

N/A

Appendix 9

Inflows and Outflows to/from Reserves and Reserve Funds

2020 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
			2020	2021	2022
		\$	\$	\$	\$
Beginning Balance		5,775.7	5,775.7	5,775.7	5,775.7
Provincial Offences Courts Stabilization Reserve	XQ0704				
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		5,775.7	5,775.7	5,775.7	5,775.7
Balance at Year-End		5,775.7	5,775.7	5,775.7	5,775.7

* Based on 9-month 2019 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2020	2021	2022
		\$	\$	\$
Beginning Balance *		29,462.4	26,435.4	23,282.9
Insurance Reserve Fund	XR1010			
<i>Withdrawals (-)</i>				
<i>Court Services</i>		-	-	-
<i>Other Division/Agency Withdrawals</i>		(65,835.2)	(65,966.2)	(65,970.8)
Total Withdrawals		(65,835.2)	(65,966.2)	(65,970.8)
<i>Contributions (+)</i>				
<i>Court Services</i>		103.8	103.8	103.8
<i>Other Division/Agency Contributions</i>		62,704.4	62,710.0	62,719.2
Total Contributions		62,808.2	62,813.7	62,823.0
Total Reserve / Reserve Fund Draws / Contributions		(3,027.0)	(3,152.5)	(3,147.9)
Balance at Year-End		26,435.4	23,282.9	20,135.1

* Based on 9-month 2019 Reserve Fund Variance Report

Inflows and Outflows to/from Reserves and Reserve Funds

2020 – 2029 Capital Budget and Plan

N/A

Appendix 10

Glossary of Terms

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

Staff Recommended Operating / Capital Budget: An operating or capital budget recommended by City Manager and Chief Financial Officer and Treasurer to City Council for consideration and approval.

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).

Value Based Outcome Review (VBOR): The City conducted a Value Based Outcome Review in 2019 for all of its operations and agencies to identify specific opportunities and strategies to maximize the use of tax dollars, enhance its financial sustainability while achieving service outcomes. These opportunities will help the City chart its financial course in the next four years.