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COURT SERVICES - 2009 ANNUAL REPORT

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report dated April 7, 2010, from the Commissioner of Corporate Services.

1. RECOMMENDATION

It is recommended that Committee and Council receive this report for information.

2. PURPOSE

This report is required for the Attorney General and it provides Regional Council with an overview of the accomplishments, events and successes of the Corporate Services Department - Court Services Branch, during 2009.

3. BACKGROUND

The Region administers the POA Program under strict controls

The Court Services Branch provides two separate functions of Court Administration and Prosecution. It operates six trial courtrooms and two intake courtrooms at two separate locations (Tannery, Newmarket and South Services Centre, Richmond Hill) and serves the residents of York Region, the nine local municipalities, the Judiciary and over thirty law enforcement and regulatory agencies operating within the Region.

The work of the Court Services Branch is heavily constrained and controlled by statutes, regulations, case law and provincial directives. Although certain functions were transferred to York Region from the Province of Ontario on July 12, 1999, the Attorney General of Ontario retains overall responsibility for court administration and prosecution functions throughout the Province. The program is, therefore, subject to regular audit by provincial and federal auditors as well as York Region's own internal and external auditors.

4. ANALYSIS AND OPTIONS

Court administration provides a wide range of in-court and out-of-court administrative functions

York Region Court administration provides a wide range of in-court and out-of-court administration functions for charges filed under the *Provincial Offences Act* and *Federal Contraventions Act*. These functions include customer service counters, telephone inquiries, trial scheduling, transcript production, collections, enforcement and business and accounting processes.

Prosecutions provide a variety of services

Prosecutions reviews prosecution briefs from enforcement agencies and conducts prosecutions of a wide range of offences under numerous statutes. It also provides disclosures to defendants, conducting early resolution negotiations, prosecuting at trials and providing advice and education to police and other enforcement agencies.

Major highlights of the year as outlined in the Annual Report for the Year Ended 2009 (see Attachment 1)

- \$2.9 million in “shareable” revenue was distributed to Area Municipalities
- \$380,447 in by-law revenue was distributed to Area Municipalities
- 161,867 charges were filed (2.8% increase from 2008)
- Held two Stakeholder Meetings (April 7, 2009 and November 3, 2009) and obtained high participation rate and positive feedback from court users
- Senior Counsel, Prosecutions, obtained a significant court ruling from the Ontario Court of Appeal that settled confusion in the lower courts involving the interpretation of the Highway Traffic Act relating to the offence of speeding and the penalty for speeding
- Director of Court Services confirmed by Municipal Court Managers Association as lead contact representing Municipal Courts throughout Ontario
- In accordance with Ministry of the Attorney General Guidelines and Council approval, completed a large file clean up on 24,252 dormant collection accounts that were transferred from the Province in 1999
- Completed major renovation of public counter at Tannery location to improve customer service

- Following a successful pilot and implementation at Richmond Hill, expanded the “Walk-In-First-Attendance (WIFA)” service to the Tannery location, improving customer service and encouraging the early resolution of cases
- Designed, built and opened an additional trial courtroom (T4) at the Tannery location to handle additional workload
- Successfully implemented Q-Matic queue management system at the Tannery location to provide better customer service and ensure best use of available resources
- Partnered with the Ministry of the Attorney General to develop a new web-based version of the provincial courts database (ICON version 2.2)

5. FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this report. In accordance with the current Intermunicipal Agreement between York Region and the local municipalities \$2.9 million of shareable revenue was distributed to the local municipalities in 2009. Additionally, local by-law fines totalling \$380,447 were collected and distributed to the respective local municipalities.

6. LOCAL MUNICIPAL IMPACT

On December 16, 2009 through the adoption of Clause No. 7 of Report No. 9 of the Finance and Administration Committee, Regional Council authorized staff to negotiate the terms of a new York Region Courts Intermunicipal Agreement with local municipalities in 2010.

Upon execution of the new Intermunicipal Agreement funding distributed to local municipalities will be increased from \$2.9 million to \$4.3 million in 2010 subject to a) the Region retaining all revenues except those specifically resulting from local municipal prosecutions and b) the increased amount (\$4.3 million) being transferred from the Regional to the local portion of the property tax bill starting in 2011. A communication plan outlining the property tax implications for 2011 will be prepared in consultation with the local municipalities.

7. CONCLUSION

This report provides an overview of the activities and services provided by the Corporate Services Department - Court Services Branch. The Branch continues to successfully balance its responsibilities and obligations and provide an efficient and effective service to the residents of York Region, the local municipalities, the Province of Ontario, the Judiciary and over thirty law enforcement and regulatory agencies operating with the Region.

For more information on this report, please contact Norman Scarratt, Director, Court Services at Ext. 3250.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the June 10, 2010 Committee meeting.)



2009

Annual Report

FOR THE YEAR ENDED DECEMBER 31, 2009

Corporate Services Department
Court Services Branch

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Our Mission

To provide quality, cost effective administration and prosecution services for the Ontario Court of Justice.

Program Background

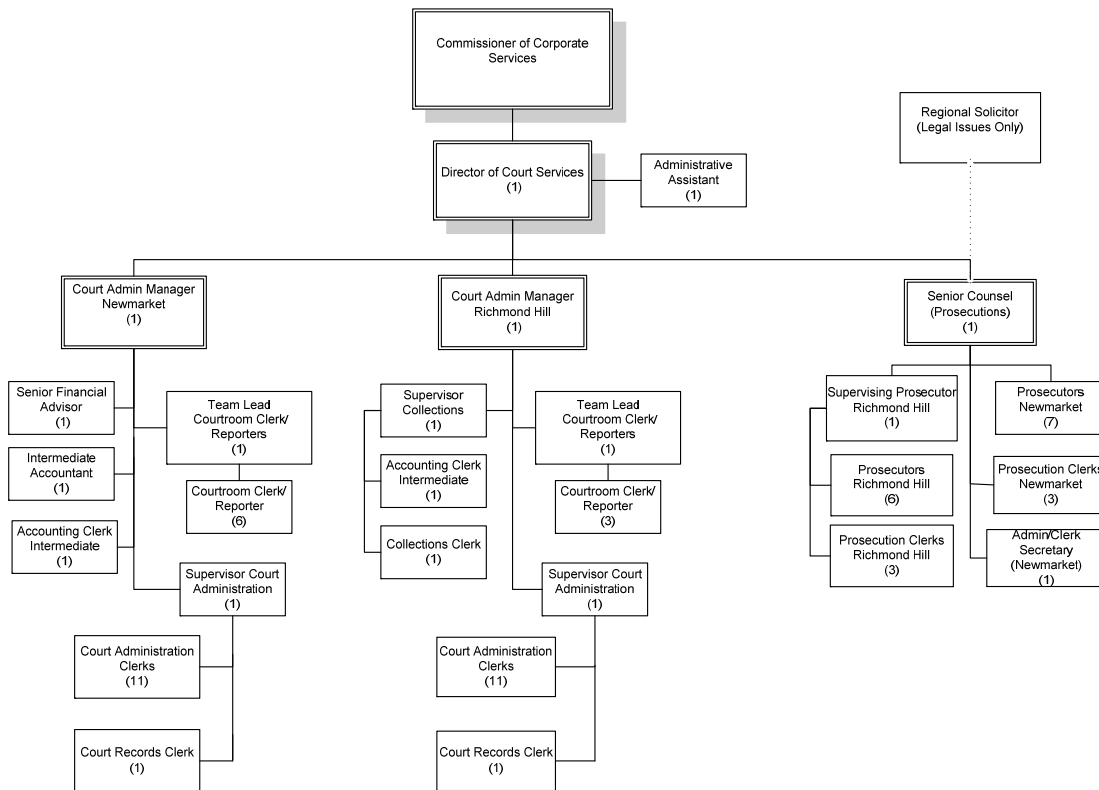
Responsibility for the delivery of certain Court Administration functions was transferred from the Province of Ontario on July 12, 1999 by virtue of the provisions of *Part X of the Provincial Offences Act*.

The costs of the program are paid by York Region, with the revenues being shared between all ten municipalities in the area (York Region, Aurora, East Gwillimbury, Georgina, King, Markham, Newmarket, Richmond Hill, Vaughan and Whitchurch-Stouffville).

Oversight of the Program

The work of the Court Services Branch is heavily constrained and controlled by statutes, regulations, case law, provincial directives, etc. Notwithstanding the transfer of certain functions to York Region, the Attorney General of Ontario retains overall responsibility for court administration and prosecution functions throughout the Province. The program is subject to regular audit by provincial and federal auditors as well as York Region's own internal and external auditors.

Organization Chart at March 2009



(69 FTEs)

Workload Benchmarking Information:

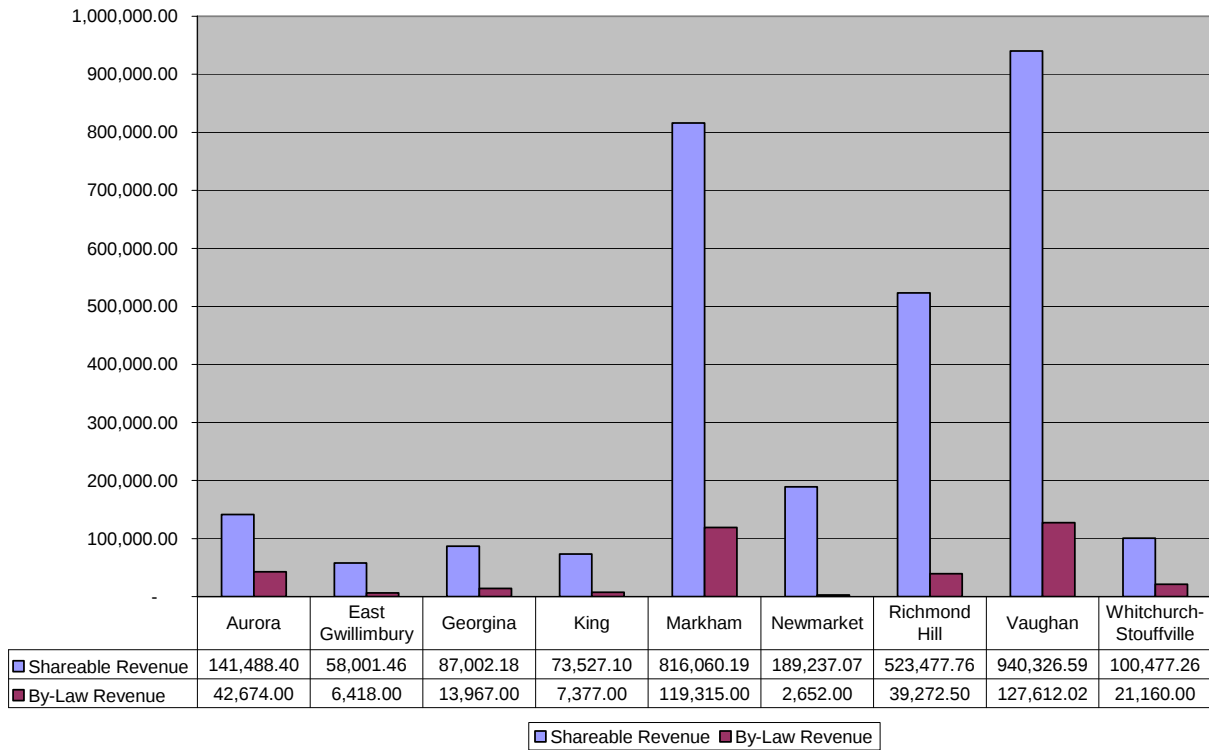
Of charges per Court Administration Clerk = 9161

Of charges per Prosecutor = 6454

Note:

All Charges require processing by Court Administration. However, not all charges require the involvement of a Regional Prosecutor (e.g. undisputed cases, outside prosecutor, etc.).

Revenue Distribution 2009



Definitions:

“Shareable Revenue” refers to the payments made to Area Municipalities pursuant to the local Inter-municipal Agreement

“By-Law Revenue” is made up of fines for local municipal By-Laws and also other local charges laid by area municipalities for Building Code and Fire Code.

Highlights of the Year 2009

- **\$2.9m** in “shareable” revenue was distributed to Area Municipalities
- **\$380,447** in by-law revenue was distributed to Area Municipalities
- **161,867** charges were filed (2.8% increase from 2008)
- Held two Stakeholder Meetings (April 7, 2009 and November 3, 2009) and obtained high participation rate and positive feedback from court users
- Director of Court Services was a speaker at conference of Municipal Court Managers Association (MCMA) and was the Municipal Courts representative on Ontario’s POA Streamlining Working Group
- Senior Counsel, Prosecutions was a speaker at conferences of Prosecutors’ Association of Ontario (PAO), Provincial Prosecutors Association and Ontario Building Officials Association
- Senior Counsel, Prosecutions, obtained a significant court ruling from the Ontario Court of Appeal that settled confusion in the lower courts involving the interpretation of the Highway Traffic Act relating to the offence of speeding and the penalty for speeding
- Supervising Prosecutor was a speaker at a conference of the Ontario Building Officials Association
- Numerous articles written by the Supervising Prosecutor appeared in the publications of the Ontario Building Officials Association, the Ontario Property Standards Association and the Municipal Law Enforcement Officers Association of Ontario
- Director of Court Services confirmed by MCMA as lead contact representing Municipal Courts throughout Ontario
- In accordance with MAG Guidelines and Council approval, completed a large file clean up on 24,252 dormant collection accounts that were transferred from the Province in 1999
- Completed major renovation of public counter at Tannery location to improve customer service
- Following a successful pilot and implementation at Richmond Hill, expanded the “Walk-In-First-Attendance (WIFA)” service to the Tannery location, improving customer service and encouraging the early resolution of cases
- Designed, built and opened an additional trial courtroom (T4) at Tannery location to handle additional workload
- Successfully implemented Q-Matic queue management system at Tannery location to provide better customer service and ensure best use of available resources
- Partnered with MAG to develop a new web-based version of the provincial courts database (ICON version 2.2)

Total Charges Filed (by Agency) 2009

York Regional Police	132,620
Ontario Provincial Police	14,584
York Region Transit	3,252
City of Vaughan	2,648
Ministry Of Transportation	2,477
Town of Aurora*	743
G.O. Transit Authority	735
Ministry of Natural Resources	671
Town of Markham	526
York Region Bylaw	488
Ministry of Labour	440
Town of Whitchurch-Stouffville*	391
Canadian National Railway Police	347
Town of Richmond Hill	250
Township of King*	221
Ministry of Consumer Services	222
Ministry Of Finance	184
Private Complaints	178
Ministry of Revenue	143
Town of Georgina	135
Ontario Motor Vehicles Agency	125
Ministry of Environment	97
Town of East Gwillimbury*	84
Ontario Society Prevent Cruelty To Animals	68
Real Estate Council	46
Fire Marshal Ontario	45
Workplace Safety and Insurance Board	34
Peel Region Police	26
Travel Industry Council of Ontario	22
Town of Newmarket	20
Conservation Authority	10
Ministry of Health	8
Ontario New Home Warranty Program	7
Ministry Of Municipal Affairs & Housing	7
Law Society	7
Occupational Health and Safety	3
Barrie Police Services	2
Canadian Wildlife Service	1
Total Charges Received	161,867

*These municipalities have not “opted in” under Bill 47. This means that their Parking Tickets are processed through ICON and are automatically included in their total number of charges filed. For other Area Municipalities (those that have “opted in”), parking charges are not included in the statistics above.

Total Charges Filed (by Statute) 2009

	No of Charges		No of Charges
Highway Traffic Act-HTA	129,822	Law Society Act	7
Compulsory Automobile Insurance Act	13,001	Ontario New Home Warranty Act	7
ByLaw (Other)	4,981	Residential Tenancies Act	7
Liquor Licence Act	2,244	Migratory Birds Act	6
Highway Traffic Regulation	2,194	Dog Owners Liability Act	6
Trespass to Property Act	1,695	Public Lands Act	6
Building Code Act	1,575	Drugless Practitioners Act	6
By-Laws (Parking)	1,170	Ontario Fire Code	6
Greater Toronto Transit Authority	734	Business Names Act	6
Fire Protection and Prevention Act	617	Regulated Health Prof. Act	5
Liquor Licence Regulations	575	Christopher's Law	5
Smoke Free Act	493	Family Law Act	4
Occupational Health and Safety Act	354	Fishery Act	4
Retail Sales Act	313	Competency/Pleasure Craft Regs	4
Consumer Protection Act	252	Athletic Control Act Act	4
Ontario Fishery Regulation	202	Meat Inspection Act	3
Fish and Wildlife Conservation Act	149	Trades Qualification/App. Act	3
Municipal Elections Act	144	Tobacco Control Act	3
Off Road Vehicle Act	143	Fuel Tax Act	2
Planning Act	126	Ontario Heritage Act	2
Provincial Parks Regulation	138	Tobacco Tax Act	2
Environmental Protection Act	98	Ontario Regulations Act	2
Motor Vehicle Dealers Act	80	Aggregate Resources Act	2
Motorized Snow Vehicles Act	71	Boating Restriction Regulation	1
Employment Standards Act	54	Wild Animal Reg/Int' Trade Act	1
Canada Shipping Act	51	Child and Family Services Act	1
Provincial Offences Act	46	Farm Prod Gr & Sales Act	1
Real Estate & Business Brokers Act	46	Game and Fish Act	1
Small Vessels Regulation	41	Industrial Safety Act	1
Health Protection and Promotion Act	37	Dangerous Goods Act	1
Work Place Safety and Insurance Act	34	Motorized Snow Vehicles Regulation	1
Health Protection and Promotion Act	31	Criminal Code of Canada CCC	1
OSPCA	29		
Railway Safety Act	21		
Dangerous Goods and Transportation Act	21		
Travel Industry Act	21		
Employment Standards Act	19		
Environment Protection Regulation	19		
Retail Business Holiday Act	16		
Safe Streets Act	16		
Pr Invest. & Security Guards Act	13		
Corporations Tax Act	12		
Assessment Act	12		
Ontario Water Resources Act	11		
Education Act	10		
Occupational Health and Safety Regulation	9		
Ontario Drug Benefit Act	8		
Conservation Authority Act	8		
Law Society Act	7		
		TOTAL	161,867

Summary of Court Appearances

2009	No. of Appearances	No. of Appearances	No. of Appearances	Scheduled Court Days	Scheduled Court Days	Average Appearances
	Tannery	SSC	Total	Tannery	SSC	per Day
January	5685	4588	10273	20	20	514
February	5264	4717	9981	19	19	525
March	6379	5681	12060	22	22	548
April	5308	5075	10383	16	16	649
May	6400	5058	11458	16	16	716
June	6987	5793	12780	22	22	581
July	4677	3838	8515	7*	12	709
August	7624	5323	12947	20	20	647
September	6798	4907	11705	17	17	688
October	7460	6714	14174	17	17	834
November	8094	6267	14361	20	20	718
December	5768	5711	11479	17	17	675
TOTAL	76,444	63,672	140,116	213	218	658

* In the month of July the Tannery Court office has 5 less scheduled court dates. We closed courtroom T1 and T2 one week prior to the scheduled court closure to accommodate the construction of T4.



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Mr. Norman Scarratt
Director of Court Services
The Regional Municipality of York
Provincial Offences Office
50 High Tech Road
Richmond Hill, Ontario
L4B 4N7

May 26, 2010

Dear Mr. Scarratt:

As requested, we are writing to you to confirm that KPMG has completed an audit of the consolidated financial statements of the Regional Municipality of York ("the Region") for the year ended December 31, 2009 and our report, issued without reservation, is dated April 1, 2010.

The operating results of the Region's Provincial Offences Office are included in the accounts of the Region and information about those results is included in Note 11 of the Region's consolidated financial statements. Accordingly, the scope of our audit included the information about the results of the Region's Provincial Offences Office presented in the notes to the consolidated financial statements but this was done in relation to the materiality level of the Region taken as a whole. Please refer financial statement users to the annual report of the Region and our auditors' report on the consolidated financial statements that appear therein.

We trust that conveys the information that you require.

Yours very truly,

Kevin M. Travers C.A.
Associate Partner
416-228-7004

Excerpt from the Regional Auditor's Report

PROVINCIAL OFFENCES ADMINISTRATION

The Region administers prosecutions and the collection of related fines and fees under the authority of the Provincial Offences Act ("POA"). The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, and Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences. Offenders may pay their fines at any court office in Ontario, at which time their receipt is recorded in the Integrated Courts Offences Network system ("ICON"). The Region recognizes fine revenue when the receipt of funds is recorded by ICON regardless of the location where payment is made.

The gross revenue is comprised primarily of fines levied under Part I, II and III (including delay penalties) for POA charges. The total revenue for 2009 was \$15,408,876 (2008-\$14,959,617). The net loss amounts to \$2,465,696 (2008 - \$2,213,437). Balances arising from operation of the POA offices are consolidated with these financial statements.

THE REGIONAL MUNICIPALITY OF YORK**Provincial Offences Office****Statement of Receipts and Expenditures**

For the year ended December 31, 2009

	Budget <u>2009</u> (Unaudited) \$	Actual <u>2009</u> \$	Actual <u>2008</u> \$
Revenue			
Fines and Miscellaneous Revenue Collected	15,535,700	15,408,876	14,959,617
Expenses and Disbursements			
Salaries and Benefits	5,549,342	5,463,617	4,745,220
Program Related Services	1,655,200	1,187,435	1,114,133
Occupancy Expenses	1,019,613	997,741	966,617
General Administration	1,017,597	1,063,885	803,638
Professional Services	800,100	704,100	687,016
Asset Acquisitions	47,700	41,671	131,341
Amortization	0	27,582	0
	<u>10,089,552</u>	<u>9,486,031</u>	<u>8,447,965</u>
Income before disbursements to area municipalities and others	5,446,148	5,922,845	6,511,652
Disbursements to Area Municipalities and Others (Note 2)	<u>(8,510,300)</u>	<u>(8,388,541)</u>	<u>(8,725,089)</u>
Net Deficit	<u>(3,064,152)</u>	<u>(2,465,696)</u>	<u>(2,213,437)</u>

The accompanying notes are an integral part of the financial statement

The Regional Municipality of York administers prosecutions and the collection of related fines and fees under the authority of the Provincial Offences Act ("POA"). The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

1. SIGNIFICANT ACCOUNTING POLICIES

The statement of financial activities for the Region's Provincial Offences Office is prepared by management in accordance with generally accepted accounting policies for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

a) Revenues

Revenues are accounted on cash basis. The revenues of the court office consist of fines levied under Parts I, II and III (including delay penalties) for POA charges filed at the courts and located at The Tannery Mall, 465 Davis Drive, Newmarket and 50 High Tech Road, Richmond Hill. Offenders may pay their fines at any court office in Ontario, at which time their receipt is recorded in the Integrated Courts Offences Network system ("ICON") operated by the Province of Ontario. The Region recognizes fine revenues when the receipt of funds is recorded by ICON regardless of the location where payment is made.

The Region also recognizes revenues that are collected on behalf of Area Municipalities and the Ministry of the Attorney General. These revenues include payments recovered with respect to local area municipal By-laws, Dedicated Fines related to various statutes, licence plate denial fees and the Province's portion of parking fees as well as the Victim Fine Surcharge.

Partial payments received for fines are automatically applied in the ICON system in the following order:

- Victim fine surcharge
- Fine
- Costs
- Administrative fees
- Collection agency costs

b) Expenditures

Expenditures are recorded on the accrual basis of accounting which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and creation of a legal obligation to pay.

c) Use of estimates

The preparation of the financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures and disclosure of contingencies at the date of the financial statement and for the period being reported on. Actual results could vary from these estimates.

2. LOCAL INTER-MUNICIPAL AGREEMENT

The Ministry of the Attorney General has entered into a Memorandum of Understanding (“MOU”) pursuant to the Streamlining of Administration of the Provincial Offences Act (1998) with respect to the transfer of Provincial Offences Act responsibilities to the Region. The MOU contains terms and conditions that apply to every Municipal Partner in this transfer. The Ministry of the Attorney General and the Region recognize that there are certain terms and conditions that are specific to a Court Service Area. Therefore, a Local Inter-municipal Agreement has been signed by the nine area municipalities setting out those specific terms and conditions. For example, the agreement includes a provision whereby the nine area municipalities are each given a share of the fine revenue realised by the program. The share for each area municipality is calculated in ratio to the respective Annual Regional Levy (i.e. the local tax base). Since 2004, Regional Council has capped this revenue stream at a total of \$2,929,598 per year.

On December 16, 2009 through the adoption of Clause No. 7 of Report No. 9 of the Finance and Administration Committee, Regional Council authorized staff to negotiate the terms of a new York Region Courts Inter-municipal Agreement with local municipalities in 2010.

3. PENSION AGREEMENT

The Region make contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Goals for 2010

- ✓ Implement a new inter-municipal agreement and revenue sharing arrangement with the nine local municipalities pursuant to Regional Council direction of December 16, 2009
- ✓ Enter into the detailed architectural planning stage for proposed new court facility in Newmarket (scheduled for completion in 2013)
- ✓ Revise administrative processes and implement legislative changes made to the *Provincial Offences Act* pursuant to the *Good Government Act 2009*
- ✓ Continue to provide leadership to other justice stakeholders in the province-wide roll out and adoption of major legislative change