



Hamilton

## 2017 Provincial Offences Administration Annual Report

## BACKGROUND

Provincial Offences Administration (POA) administers to charges from approximately 40 enforcement agencies to all charges under the *Provincial Offences Act*. A charge going to court can result in many different dispositions, which does not include a fine. A charge can be withdrawn, dismissed or a sentence of Suspended Sentence can occur and all of these result in zero revenue for the City. An Early Resolution meeting can result in an agreed upon plea to a reduced charge and a reduced fine. Charges filed are varied and cover a broad range of legislative enforcement from speeding to careless driving under the *Highway Traffic Act*, charges under City of Hamilton By-laws (not parking), *Liquor Licence Act*, *Trespass to Property Act*, *Compulsory Automobile Insurance Act*, the *Environmental Protection Act* and Occupational Health and Safety and Red Light Camera charges, to name a few.

POA administers Part I and Part III offences under the *Provincial Offences Act* which are filed by Enforcement Agencies.

A Part I offence is commonly referred to as a "ticket" and is most often issued by an officer at the time of the offence. When a Part I offence notice is issued, the defendant can either plead guilty and pay the fine, request an early resolution meeting with the prosecutor or request a trial. A Part III offence is considered a more serious offence and requires the defendant to appear before a Justice of the Peace.

POA occupies leased space at the John Sopinka Courthouse located at 45 Main Street East. POA is comprised of the following services: Court Administration; Court Support; Collections; and Prosecution (reporting through Legal Services).

## POA SNAP SHOT

The following provides a 2017 snap shot of POA performance:

- \$11M in Revenue (net provincial transfers)
- \$65M Outstanding Accounts Receivable
  - \$5.9M revenue collected from defaulted accounts receivable
- 77,861 charges received
- 4,599 trials requested
- 11,073 early resolution meetings requested

## EMERGING TRENDS

The following changes to the legislative environment will impact POA:

- Bill 27, *Burden Reduction Act* – Amends the *Provincial Offences Act* requiring defendants to pay certain collection costs incurred by a municipality. The Bill will allow POA to enforce payment of collection agency costs incurred when it collects on a fine in default.

- Bill 31, the *Making Ontario Roads Safer Act, 2015* was passed in June, 2015. Effective May 1, 2017, driving-based POA offences noted under Section 46 of the *Highway Traffic Act*, that currently result in a driver's licence suspension upon fine default, will also be subject to plate denial. Operational improvements have also been made to permit clients to pay their defaulted fines through Service Ontario. Fines paid at Service Ontario will result in a \$20.00 charge to the City. This change enhances POA's ability to collect on defaulted fines.
- Bill 177 (progressing through the legislature) sets out legislative reforms to the *Provincial Offences Act* that modernize and streamline processes. Bill 177 would amend two key areas of the POA Court process:
  - give the Province the authority to transfer Part III prosecutions from the Ministry of the Attorney General to municipal partners; and
  - give the clerk of the court additional powers and duties that are currently performed by justices of the peace.

There will be costs associated with the download of Part III prosecutions and additional duties of the clerk of the court. The timing of these downloads will depend on when the Ministry of the Attorney General approaches the City with a new Memorandum of Understanding (MOU) or an amendment to the existing MOU. The financial impact of Bill 177 will be reflected in future budgets.

- Administrative Penalty System (APS) – is an alternative process which allows the municipality to manage certain types of disputes rather than the provincial court system. Municipal and By-law disputes account for 1% of current charges filed.

## CHARGES FILED

In 2017, POA received 77,861 charges of which, approximately 90% of the charges filed resulted from Hamilton Police Services, Red Light Cameras and the Ontario Provincial Police.

The number of charges filed has decreased 17% over the four-year period from 2014 to 2017. The majority (90%) of charges filed relate to the *Highway Traffic Act*.

Charges Filed			
2014	2015	2016	2017
94,646	86,048	83,818	77,861

## Trials

Trials are scheduled five days a week in three courtrooms. POA processed 4,599 requests for trial in 2017. Trials are being scheduled into the fall of 2018. The new facility will permit scheduling into four courtrooms instead of the current three which will assist POA in keeping matters within an acceptable timeframe for time to trial (Jordan decision). The occupation date for the new court facility located at 50 Main Street East, Hamilton is scheduled for August 27, 2018.

	Courtroom Hours			
	2014	2015	2016	2017
All (3) Courtrooms	N/A	1,653	1,911	1,959

Courtroom hours have increased by 19% from 2015-2017. Contributing factors include availability of judicial resources and the actual time matters take.

## Early Resolution

This process is intended to help to reduce time to trial and provide resolution to court matters without a trial. Fifteen percent (11,073 early resolution meeting requests) of all Part I's filed result in a request for an Early Resolution meeting with a prosecutor.

	% of Early Resolution Hearings Scheduled			
	2014	2015	2016	2017
Part I	15%	16%	17%	15%

## Fail to Respond

In 2017, 29% of all Part I certificates of offence filed were placed on a Fail to Respond (failed to respond to any settlement or dispute options) docket. Administratively, this process takes more time as the tickets need to be reviewed by a Justice of the Peace before a conviction and notice can be issued. Under Bill 177, tasks associated with the Fail to Respond process would be downloaded to POA.

## REVENUES

POA administers to and collects fines where revenue is disbursed to other City sections such as: Animal Control, Licensing and By-law Services, Building Division and Red Light Camera (Traffic Engineering and Operations). Red Light Camera revenue is transferred to Public Works less Service Ontario fees, charges relating to City vehicles and an administrative cost. Similarly, By-law Services and Building Division revenues are transferred to Planning and Economic Development less an administrative cost.

Dedicated Fines, Victim Fine Surcharge and expenses associated with Part III prosecutions are payable to the Ministry of the Attorney General and fines collected for other POA sites (i.e. Brantford, Burlington, etc.) are paid quarterly to the appropriate municipality after reconciliation with the quarterly statement. The remaining revenue is used to offset any remaining administration costs and contribute to the net levy.

Payments can be made at any POA court office, phone, online via Paytickets (third party vendor), at Municipal Service Centres and at Service Ontario locations.

Although the number of charges filed has been declining, Net Revenue has remained steady.

Net Revenue (net Provincial transfers)  
Part I and Part III

	Total	POA	Municipal
2014	\$11,261,223	\$7,530,839	\$3,730,384
2015	\$11,352,372	\$7,474,524	\$3,877,848
2016	\$10,950,060	\$7,034,808	\$3,915,252
2017	\$11,093,745	\$6,761,883	\$4,331,862

The municipal portion of Net Revenue has been increasing at the same time as the POA portion has been decreasing. The municipal portion includes all revenues that are distributed within the City which includes Red Light Camera, Licensing and By-law Services and Building Division. The number of Red Light Camera charges filed has increased by 14% from 2014-2017. Red Light Camera charges typically generate greater revenue than Part I charges. Part III charges filed have remained steady over the same period. Part III charges typically generate greater revenue than Part I charges.

## COLLECTIONS

POA utilizes several collection methods to secure the payment of outstanding accounts receivables. Methods include the use of an internal collection team, external collection agencies, tax rolling, garnishment and writs. The collectability of the receivable is reduced as more time passes. The longer the debt has been owed, the less likely POA is to collect.

In 2017, the Province introduced legislation to improve collection efforts (inability to renew plates and drivers' licenses for driving-based offences) which has helped encourage payment. However, there is an opportunity to further enhance collection performance.

Staff was responsible for collecting \$4,118,843 and the external agencies collected \$1,763,322 in 2017. This represents an increase in overall collections of \$234,038 over 2016 performance.

As of December 31, 2017, there were approximately 93,728 defaulted fine records for a total outstanding default amount of \$58,506,960.

Write-offs for Deceased Persons, which are an automatic write-off by the Ministry of the Attorney General, totalled \$253,597.

## 2017 KEY INITIATIVES

A number of continuous improvement initiatives were implemented:

- Paytickets
  - Marketing campaign – in collaboration with Royal Bank of Canada (RBC), to create awareness of the online payment platform. Campaign involves the introduction of physical signage and electronic messaging. The target is to increase the uptake from 20%.
  - Reporting enhancements – to improve the information accessible to municipalities for purposes of reconciliation, specifically, search functions which allows for ease in locating misapplied payments and processing refunds.
- Collection enhancements – POA, in collaboration with other City divisions (i.e. Municipal Law Enforcement Officers (MLEO), Tax, Purchasing, etc.), identified and implemented a new collections model as well as enhanced supporting processes. These included adding defaulted charges to the tax roll, re-introducing garnishment of wages, as well as a review of external collection agencies performance and operating mix.
  - Introduced tax rolling which resulted in \$1,370 collected from 33 accounts (September-December).
  - In partnership with Municipal Licensing and Enforcement (MLE), introduced denial of business licenses pending payment of defaulted fines by MLE.
- Established a performance dashboard which is accessible to POA and other applicable City departments that provides a snapshot of key performance indicators to enable decision making.

## 2018 KEY INITIATIVES

A number of continuous improvement initiatives have been launched for 2018:

- Move to the new location in August 2018, inclusive of the incorporation of the fourth courtroom.
- Introduce a vendor management strategy that will enhance collection performance.