



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Customer Service and POA Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 20, 2019
SUBJECT/REPORT NO:	Court Security and Prisoner Transportation Program Agreement for 2019 (FCS19024) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Cyrus Patel (905) 546-2424 Ext. 7698
SUBMITTED BY:	Cindy Mercanti Director, Customer Service and POA Acting Director, Financial Planning and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

That the General Manager, Finance and Corporate Services be authorized and directed to execute an agreement between the City of Hamilton and Her Majesty the Queen in Right of Ontario as represented by the Minister of Community Safety and Correctional Services, substantially in the form attached as Appendix "A" to Report FCS19024 and all ancillary and associated documents, to secure Provincial funding allocation for 2019 under the Court Security and Prisoner Transportation Program administered by the Ministry of Community Safety and Correctional Services, in a form acceptable to the City Solicitor.

EXECUTIVE SUMMARY

The purpose of Report FCS19024 is to gain Council's approval to enter into an agreement with the Province that will provide continued funding to help offset court security and prisoner transportation costs that are eligible under the Court Security Prisoner Transportation (CSPT) Program.

Commencing in 2012, the Ontario government has uploaded CSPT costs to help municipalities fund the service in their jurisdictions. The Program has been phased-in over seven years reaching an annual maximum of \$125 M by 2018. Currently, the Program has been extended one more year to 2019 and the 2018 funding cap of \$125 M has been extended to 2019.

SUBJECT: Court Security and Prisoner Transportation Program Agreement for 2019 (FCS19024) (City Wide) – Page 2 of 5

Funding is allocated based on each municipality's relative share of the total CSPT costs across the province. In the past, there have been three agreements for funding periods 2012-2014, 2015-2016 and 2017-2018 each with different expenditure years as the allocation base 2010, 2013, 2015, respectively. For the current funding period 2019, the City of Hamilton's funding allocation is \$4.9 M; there is no established funding plan for future years.

As in previous years, the 2019 funding allocation is based on an expenditure model under which funding is allocated based on each municipality's relative share of the total 2017 CSPT costs across the province. For example, if a municipality's CSPT cost represents 1% of the total provincial CSPT cost, then it will be allocated 1% of the available funding.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: By signing the agreement attached as Appendix "A" to Report FCS19024, the City will receive funding for 2019 to help offset the cost of providing court security and prisoner transportation of \$4,947,275. The 2019 Police budget estimated this provincial funding to be the same as in 2018 (\$4,200,900) due to the Province reviewing all funding programs. Thus, the actual funding to be received is \$746,375 greater than the amount budgeted as approved by the Police Services Board.

Staffing: None

Legal: By entering into the agreement, the Province of Ontario will provide funding to the City for the services and activities eligible under the Court Security and Prisoner Transportation Program, in accordance with the terms and conditions of the agreement, for a one-year term commencing January 1, 2019. The agreement sets out the criteria for eligible services and activities.

The agreement is similar to the 2015-2016 and the 2017-2018 agreements for the Program and contains provisions requiring the City to report to the Province on the use of funds, record-keeping requirements, audit and inspection powers of the Province and also provides for the City to indemnify the Province for claims arising out of the Agreement, except in the event of negligence or misconduct by the Province. These terms are consistent with typical Provincial funding agreements.

HISTORICAL BACKGROUND

Ontario is the only province in Canada where legislation dictates court security be paid for with municipal property tax dollars and delivered through local police service boards via police chiefs.

In the fall of 2008, the Ontario government announced the upload of court security and prisoner transportation costs from municipalities beginning in 2012. This commitment was to fulfil a key element of the 2008 Provincial-Municipal Fiscal and Service Delivery Review agreement. The upload has been phased in pro rata over seven years to the provincial maximum target of \$125 M annually by 2018. The original expectation was that this amount was to cover 100% of municipalities' total CSPT costs.

Council has approved the previous three funding agreements totalling \$17.7 M as follows:

- Agreement for period 2012-2014 (years 1, 2, 3) totalling \$4.2 M, was approved at its meeting on February 8, 2012, via GIC Report 12-003 (Report FCS12021);
- Agreement for period 2015-2016 (years 4, 5) totalling \$5.7 M, was approved at its meeting on December 10, 2014, via GIC Report 14-021 (Report FCS14079); and,
- Agreement for period 2017-2018 (years 6, 7) totalling \$7.8 M, was approved at its meeting on November 16, 2016, via GIC Report 16-029 (Report FCS16088).

On March 1, 2019, the Ministry of Community Safety and Correctional Services announced the funding allocation for 2019. The 2019 funding envelope is maintained at the 2018 funding level at a maximum amount of \$125 M for all municipalities and the apportionment to individual municipalities is based on each municipality's relative share of the total 2017 CSPT costs across the Province.

Funding is conditional upon the execution of the agreement attached as Appendix "A" to Report FCS19024, between the Ministry and the City by March 29, 2019.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Hamilton Police Service (HPS) was consulted and did not express concerns in moving forward with the Agreement. The funding represented by this Agreement is included in the 2019 approved budget for HPS.

SUBJECT: Court Security and Prisoner Transportation Program Agreement for 2019 (FCS19024) (City Wide) – Page 4 of 5

Corporate Services Department – Financial Services: Risk Management has provided proof of general liability insurance for \$5 M indemnifying “Her Majesty the Queen in Right of Ontario, her Ministers, Agents, Appointees and Employees”, required under Article 10 of the Agreement.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Consistent with prior funding periods, the 2019 funding allocation is based on an expenditure model, proportional to each municipality’s 2017 relative share of the total CSPT costs across the province. It is to be noted that the proportional funding received by the City is contingent on the overall qualifying expenditure levels for all the Provincial municipalities; therefore, the proportion of the total Provincial funding received by the City may vary from year to year.

Table 1 shows details of the funding received by the City over the seven-year implementation period 2012 to 2018; during this period, the City’s share of the overall funding has gradually declined from 3.9% in year 1 to 3.4% in year 7. This decline results from the fact that whereas the overall funding cap remains at \$ 125 M based on 2010 expenditure levels, the overall qualifying expenditures for all the municipalities in the Province have increased at varying rates based on adjustments driven by inflation and service level changes.

Table 1

City Share of CSPT Provincial Funding: Pattern Over 7 Year Implementation Period Resulting from Changes in Relative Funding in Other Municipalities Since 2012 & Inflation										\$'000
Plan Year	Proportional Provincial Funding	Total Provincial Funding	Calendar Year	Actual Gross Expenses City	Provincial Funding City Share	Provincial Funding as % of City Gross Exp	% Funding GAP for City	\$ Impact of Funding Shortfall	City Share of Available Funding	
1	1/7 = 14.3%	17,857	2012	5,017.0	(704.9)	14.1%	✗ -0.2%	(11.8)	3.9%	
2	2/7 = 28.6%	35,714	2013	4,870.8	(1,409.9)	28.9%	✓ 0.4%	18.3	3.9%	
3	3/7 = 42.9%	53,571	2014	4,778.7	(2,114.8)	44.3%	✓ 1.4%	66.8	3.9%	
4	4/7 = 57.1%	71,429	2015	5,066.9	(2,545.8)	50.2%	✗ -6.9%	(349.6)	3.6%	
5	5/7 = 71.4%	89,286	2016	5,791.7	(3,182.2)	54.9%	✗ -16.5%	(954.7)	3.6%	
6	6/7 = 85.7%	107,143	2017	6,303.0	(3,600.8)	57.1%	✗ -28.6%	(1,801.8)	3.4%	
7	7/7 = 100%	125,000	2018	6,646.4	(4,200.9)	63.2%	✗ -36.8%	(2,445.5)	3.4%	
Total: 2012-2018				38,474.5	(17,759.4)			(5,478.3)		
2019 Budget				5,861.3	(4,947.3)	84.4%	✗ -15.6%	(914.0)	4.0%	

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Court Security and Prisoner Transportation Program Agreement for 2019 (FCS19024) (City Wide) – Page 5 of 5

For 2019, the funding amount of \$4,947,275 represents approximately 4.0% of the available funding.

There is no information regarding the conditions or level of funding beyond 2019. It is likely that the program may be extended into the future.

The funding allocated by the Province for 2019 has been included in the approved 2019 Hamilton Police Service budget at \$4,200,900.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS19024 – Agreement between HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by the Ministry of Community Safety and Correctional Services and the City of Hamilton

CP/dt