



2018 PROVINCIAL OFFENCES ADMINISTRATION ANNUAL REPORT

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BACKGROUND

Provincial Offences Administration (POA) administers to charges from approximately 40 enforcement agencies for all acts and regulations 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 A charge can be withdrawn, dismissed or a sentence of Suspended Sentence can occur, all of which result in zero revenue for the City.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 (inclusive of Red Light Camera), charges under City of Hamilton By-laws (excluding parking offences), Liquor Licence Act, Trespass to Property Act, Compulsory Automobile Insurance Act, the Environmental Protection Act and Occupational Health and Safety Act, to name a few.

POA administers Part I and Part III offences under the Provincial Offences Act which are filed by Enforcement Agencies. Parking and Administrative Penalty System (APS) offences are not administered by POA.

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 a 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 is located at 50 Main Street East, which accommodates administrative offices and four courtrooms. POA is comprised of the following services: Court Administration; Court Support; Collections; and Prosecution (reporting through Legal Services).

Court Administration responsibilities include:

- processing fine payments and requests for extension of time to pay
- scheduling early resolution meetings and trials
- updating court documents
- receiving and processing all new charges
- appeals and re-openings of charges

Court Support responsibilities include:

- ensuring courtroom decorum and capture of the official court record
- production of transcripts as requested
- management of court documents and exhibits
- swearing in of witnesses and interpreters
- arraigning the defendant on charges

Collections responsibilities include:

- pursuit of the collection of overdue fines
- searching for current address and phone information to assist in contact with defendants
- updating database system for collection activity

Each year, POA solicits an independent audit of the financial statements for the Provincial Offences Office. As per the Memorandum of Understanding (MOU) between Her Majesty the Queen in Right of Ontario as represented by the Attorney General and the City of Hamilton, the completed audit is submitted annually to the Attorney General and the Ministry of Finance.

POA SNAPSHOT

The following provides a 2018 snapshot of POA performance:



\$12 M
in Revenue
(net provincial transfers)



\$70 M
Outstanding accounts receivable
\$5.5 M
Revenue collected from
defaulted accounts receivable



\$3 M
Contribution
to Net Levy



4,259
Trials Requested



10,832
Early Resolution (ER)
Meetings Requested



79,839
Charges Received

2018 KEY INITIATIVES

In 2018, several continuous improvement initiatives were implemented:

- Improved easy-of-access to online Red Light Camera (RLC) payments in Q1 2018 which doubled average monthly online payments
- Relocated from the John Sopinka Courthouse at 45 Main Street East in Q3 2018 to newly renovated and accessible facility at 50 Main Street East
- Capitalized on the provincial launch of the Online Case Lookup Tool in Q3 2018 to allow citizens to retrieve information about tickets or fines including how much is owed, where to pay and how to request a meeting with a prosecutor before trial
- Utilized technology to enhance service convenience by accepting early resolution requests via e-mail in Q4 2018
- Added a third collection agency to enhance collection performance in Q4 2018

2019 KEY INITIATIVES

Several continuous improvement initiatives are being launched for 2019:

- Introduce remote interpretation for early resolution meetings and trials in an effort to reduce costs
- Add digital signage to create awareness of process and upcoming changes
- Investigate changes to the lobby (queuing system and seating) to support a welcoming environment
- Support multi-municipal working group in the development of a solution to replace the end of life CAMS system (Collections Administration Management)
- Continue to work with collection agencies to improve the collection of outstanding fines
- Prepare for the downloading of duties as defined by Bill 177, which includes a review of workload distribution and capacity

EMERGING TRENDS

The following changes to the legislative environment will impact POA:

- **Bill 177** 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, as well as 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 utilize the provincial court system. Municipal and By-law disputes account for 1% of total charges filed. Electronic speed enforcement and Red Light Camera offences are being considered for inclusion in APS; however, no decision has been made.
- **Bill C-45 Cannabis Act** legalizes, regulates and restricts access to cannabis. The provincial government has committed to allowing private recreational cannabis retail stores throughout Ontario starting April 1, 2019. Regulated cannabis stores will be considered like any other type of retail and as such, no zoning changes are needed. In legalizing cannabis for recreational purposes, the federal, provincial and municipal governments share three interrelated goals: protecting youth, public health and safety, and ending illegal sales of cannabis.

CHARGES FILED

In 2018, POA received 79,839 charges of which, approximately 92% of the charges filed resulted from Hamilton Police Services, Red Light Cameras and the Ontario Provincial Police (OPP).

The number of charges filed has decreased 16% over the five-year period from 2014 to 2018. The majority (92%) of charges filed relate to the Highway Traffic Act.

Total Charges Filed				
2014	2015	2016	2017	2018
94,646	86,048	83,818	77,861	79,839

The table below depicts Part I's and Part III's, by enforcement agency, as a percentage of charges filed over a four-year period.

% of Charges Filed By Agency (Part I and Part III)



Hamilton Police Service (HPS):
% of Charges Filed, Part I's

2015	2016	2017	2018
67%	68%	68%	63%



Red Light Camera (RLC):
% of Charges Filed, Part I's

2015	2016	2017	2018
17%	17%	21%	23%



Ontario Provincial Police (OPP):
% of Charges Filed, Part I's

2015	2016	2017	2018
8%	8%	4%	6%



Other Enforcement Agencies:
% of Charges Filed, Part I's

2015	2016	2017	2018
0.4%	1%	1%	1%



Municipal Law Enforcement (MLE):
% of Charges Filed, Part I's and Part III's

2015	2016	2017	2018
3%	2%	1%	1%



All Agencies:
% of Charges Filed, Part III's

2015	2016	2017	2018
4%	4%	5%	6%

The proportion of charges filed by Hamilton Police Service has decreased by four percent since 2015. With the introduction of additional cameras, the proportion of Red Light Camera charges has increased by six percent since 2015. OPP charges have demonstrated a downward trend since 2015. Charges filed by other enforcement agencies such as Ministry of the Environment, Ministry of Labour, etc. have been consistent for the past four years. In 2017, Municipal Law Enforcement (MLE) charges commenced its transition to the Administrative Penalty System (APS) office, resulting in a decline of charges processed through POA. Part III's continue to be processed within POA.

TRIALS

Trials and matters are scheduled five days a week in four courtrooms. POA processed 4,259 requests for trial in 2018. Trials are being scheduled into the Fall of 2019.

	Courtroom Hours			
	2015	2016	2017	2018
All Courtrooms	1,653	1,911	1,959	1,685

Contributing factors include availability of judicial resources, the actual time matters take and the closure due to change in location.

EARLY RESOLUTION

This process is intended to provide resolution to court matters without a trial. Fourteen percent (approximately 10,832) 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	2018
Part 1	15%	16%	17%	15%	14%

From 2014 to 2018, the percent of early resolution hearings scheduled has remained steady.

FAIL TO RESPOND

In 2018, 28% 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.

	Fail to Respond				
	2014	2015	2016	2017	2018
Part 1	26%	26%	30%	29%	28%

From 2014 to 2018, the percent of Part I's filed that were placed on a Fail to Respond has remained steady.

REVENUES

POA administers to and collects fines where revenue is disbursed to other City business units such as: Animal Control, Building and Licensing and Traffic Engineering and Operations (Red Light Camera charges). Red Light Camera revenue is transferred to Public Works, less Service Ontario fees, charges relating to City vehicles and an administrative cost. Similarly, Municipal Law Enforcement revenue is transferred to Planning and Economic Development, less an administrative cost.

Dedicated Fines, Victim Fine Surcharge and expenses associated with Part III prosecutions prosecuted by the Province, are payable to the Ministry of the Attorney General. Fines collected for other POA sites (i.e. Brantford, Burlington, etc.) are paid quarterly to the appropriate municipality after reconciliation with quarterly statements. 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, over the phone, online via Paytickets (third party vendor), at Hamilton 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	Provincial	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
2018	\$11,704,890	\$6,991,102	\$4,713,787

The municipal portion of net revenue (total revenues less provincial transfers) has been increasing while the provincial portion has been decreasing. The provincial portion, approximately \$7 million in 2018, represents revenue generated from provincial statutes such as the Highway Traffic Act, Environmental Protection Act, etc. The municipal portion includes all revenues that are distributed within the City which includes Red Light Camera charges and Municipal Law Enforcement. The number of Red Light Camera charges filed has steadily increased since 2015*. Red Light Camera charges typically generate greater revenue than Part I charges. Part III charges, which are a more formal Summons to Defendant requiring attendance at court, have remained steady over the same period. Part III charges typically generate higher revenue than Part I charges.

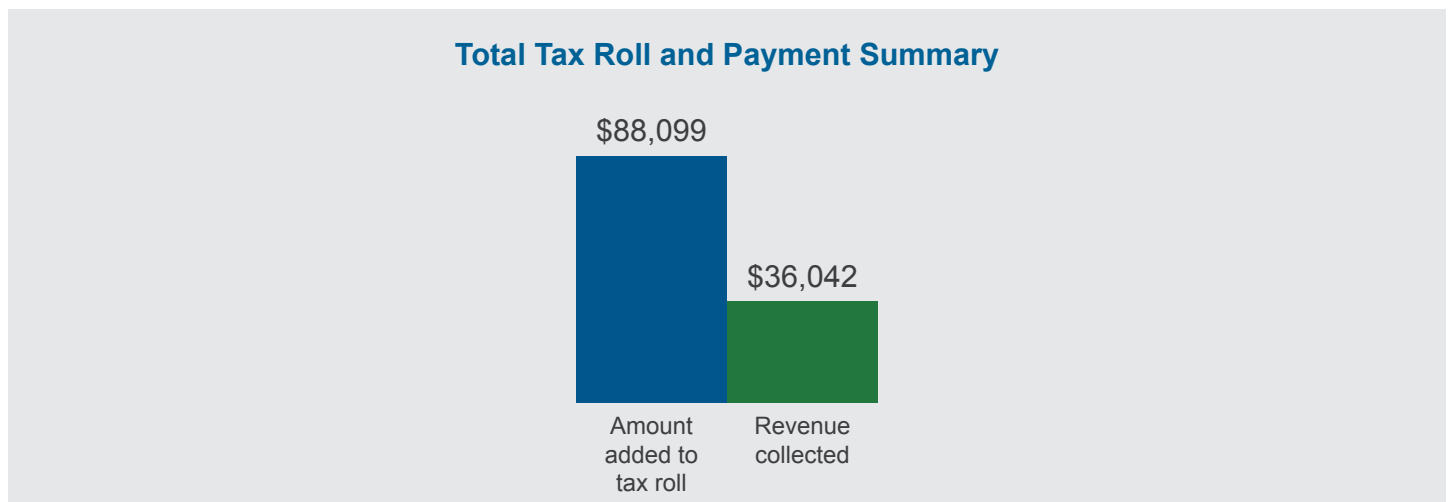
**Note: 13 Red Light Cameras were added between 2015-2018.*

COLLECTIONS

POA utilizes several collection methods which include: internal collection efforts; external collection agencies; tax rolling; garnishment; and writs. The value of the receivable falls rapidly as a function of time. The longer the debt has been owed, the less likely POA is to collect.

Internal collections were responsible for collecting \$4,018,969 and the external collection agencies collected \$1,525,202 in 2018. This represents a decrease in overall collections by the internal staff and the collection agencies of \$337,994 over 2017. In 2018, the Province introduced legislation to improve collection efforts (inability to renew plates and drivers' licenses for driving-based offences) to encourage payment. POA has leveraged this opportunity by redirecting defaulted Red Light Camera collections to plate denial (up to a two-year process) saving the cost of the external agency fee.

Fines that qualify are added to the defendant's property taxes (tax roll). Since the introduction of tax rolling by POA in 2017, \$88,099 in outstanding fines has been added to the tax roll with \$36,042 of those fines being collected as of December 31, 2018. For a defaulted fine to be tax rolled, property ownership must be confirmed. Specific business units, such as Licensing and By-law, have the authority to deny issuing or renewing a license if a fine is outstanding.



As of December 31, 2018, there were approximately 87,741 defaulted fine records for a total outstanding default amount of \$69,937,030.

Write offs for Deceased Persons, which are an automatic write off by the Ministry of the Attorney General, totalled \$231,368.