



The Corporation of the Town of Tecumseh

Financial Services

To: Mayor and Members of Council

From: Tom Kitsos, Director Financial Services & Chief Financial Officer

Date to Council: June 23, 2020

Report Number: FS-2020-10

Subject: Windsor-Essex Provincial Offences Act (POA) Annual Report 2019

Recommendations

It is recommended:

That the Windsor-Essex Provincial Offences Act Annual Report 2019 **be received.**

Executive Summary

Following the enactment of Bill 108 in 1998, which transferred various responsibilities of the *Provincial Offences Act* (POA) Court system to municipalities in Ontario, the Windsor-Essex POA Program has been responsible for the collection and enforcement of “ticketable” offences pursuant to Parts I and III of the *Provincial Offences Act*. The Windsor-Essex POA Program is administered by the City of Windsor. The Program generates a net surplus from operations that is shared among the participating municipalities.

Financial Services reports annually to Council on the activities of the Program including financial results. For the most recent year-ended 2019, the Program had a net surplus of approximately \$1.9 million of which the Town of Tecumseh is entitled to \$143,867, exceeding the Town’s 2019 budget of \$120,000.

Background

The Windsor-Essex Provincial Offences Program was created as a special purpose vehicle to accept the transfer of the POA responsibilities from the Province. It generates a net surplus from operations that is shared among the participating municipalities.

The Inter-Municipal Service Agreement (ISA) governs the operation of the POA program. The Windsor-Essex Court Service Area Liaison Committee is an advisory panel and is composed of one representative from each participating municipality. The Committee serves as the liaison between the City of Windsor and the serviced municipalities on matters relating to the operation of the POA Program.

The ISA provides, among other things:

- that the program is delivered by the City of Windsor;
- net revenues are shared based on proportionate weighted assessment;
- dispute resolution provisions; and
- governance provisions.

Section 2.5 of the ISA for the Windsor-Essex Provincial Offences Program provides that:

“The Committee (Windsor-Essex Court Service Area Liaison Committee) shall submit a report outlining the Committee’s activities to the parties’ Councils a minimum of once per year.”

The term of the ISA has been renewed since inception and is currently set to expire December 31, 2021.

The POA Program is responsible for the collection and enforcement of “ticketable” offences pursuant to Parts I and III of the *Provincial Offences Act*, such as violations in regard to the *Highway Traffic Act*, *Liquor License Act*, fines issued under various statutes, etc. The POA program excludes Part II offences (parking) which are administered by each municipality directly. Criminal matters continue to be processed and prosecuted through the provincial court system at this time.

Comments

Attached for Council’s information is a copy of the 2019 Annual Report for the Windsor-Essex POA program as reviewed and recommended by the Committee on June 9, 2020.

The Annual Report (attached) contains sections on:

Message to our Municipal Partners

- A. Background & Operational Activities
- B. Liaison Committee
- C. Caseloads & Statistics
- D. Defaulted POA Fines Enforcement
- E. Financial Results
- F. Revenue Distribution Details

The following excerpt from the Message to our Municipal Partners provides Key Highlights for the 2019 year:

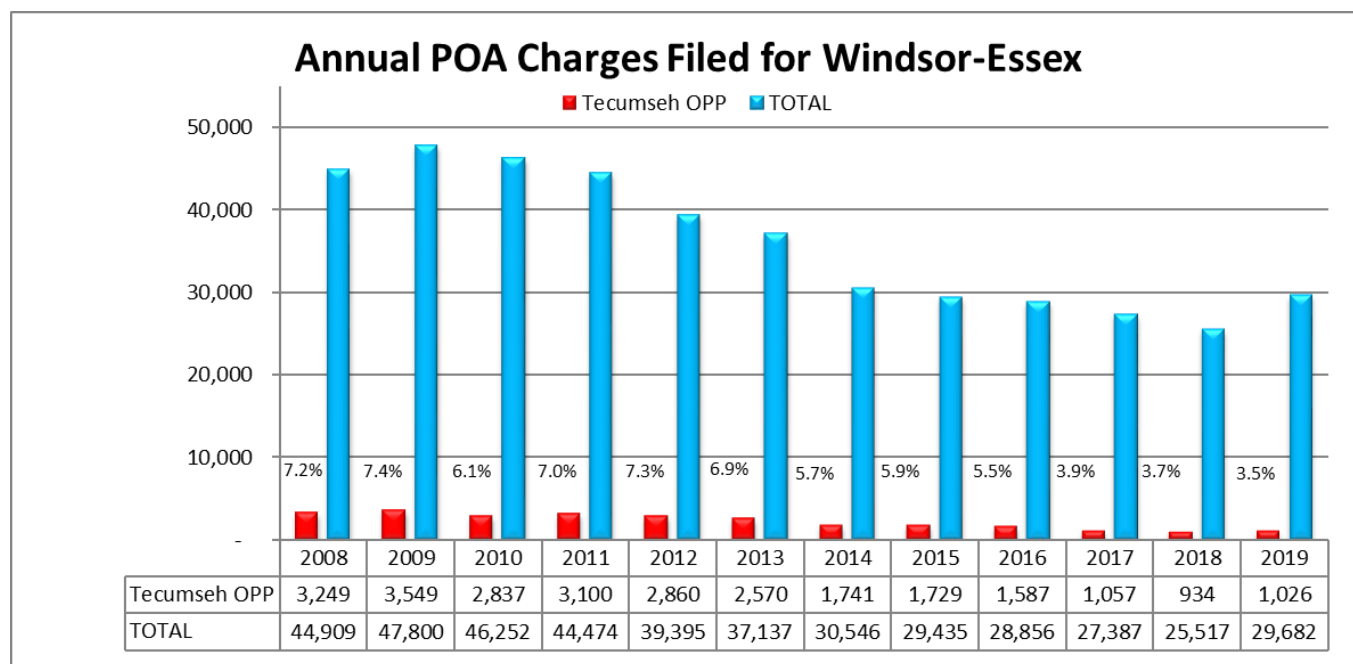
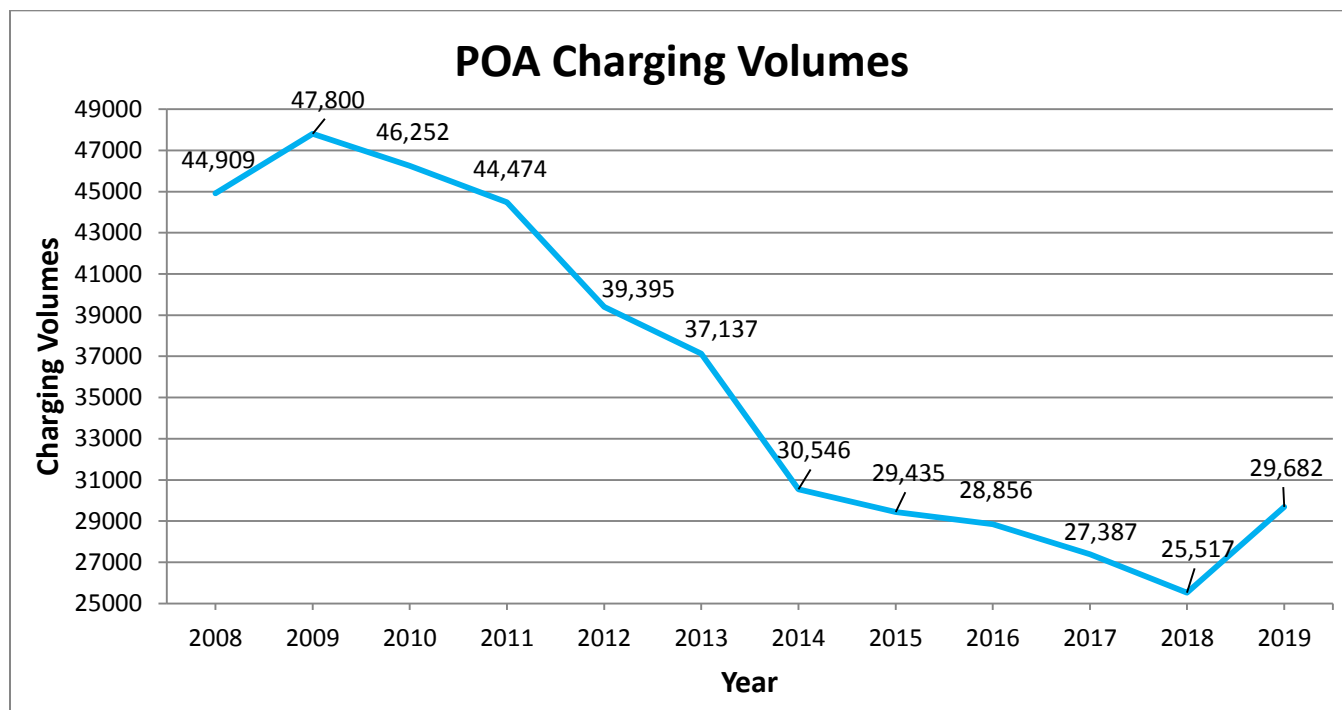
- Experienced a successful year in revenue collection reaching levels not attained since 2012.
- Initiated a new phone system to connect us to the City phone system. This switch allowed more control over the phone system and quick remedy to any phone issues. It also resulted in a decrease in annual telephone operating expenses.
- Court Administration staff were provided with dual monitors to be able to service customers efficiently by having access to both the provincial database system (ICON) as well as our internal database system (CAMS).
- Conducted approximately 15,539 Part I prosecutions and 7,487 Early Resolution Meetings in 2019.

Also notable for 2019 was a catastrophic fire that occurred in November 2019, which moved POA operations from the regular location at Westcourt Place to a temporary location at Windsor City Hall. To date, the landlord has not indicated a date for return to the building. POA Program Administration is actively exploring location options on a permanent basis, including a possible return to Westcourt.

The main focus for the POA Committee continues to be an emphasis on collecting fines, current and defaulted, as well as continuing to improve efficiencies, streamline processes and strengthen business relationships. The total outstanding fines amount is \$45.5M (2018 - \$44.0M), of which \$5.5M (2018 - \$5.6M) is the pre-transfer of responsibility receivables. Further details can be found in Section D of the report.

POA Administration will be looking to adopt a write-off policy in 2020, which will be vetted through the Liaison Committee first and subsequently submitted to Windsor City Council for final approval. The write-off policy will address the older pre-transfer fines where all reasonable and appropriate measures to collect have been made. The write-off policy refers to the cessation of collection activities; it does not absolve a convicted offender from the requirement to pay a fine, as debts to the Crown are owed in perpetuity and are never forgiven.

The Caseloads & Statistics section continues to highlight how area charging activity has been declining over time, with the exception of an increase for 2019, with 2018 now being the lowest in history. In 2019, the POA Program took in a total of 29,682 (2018 – 25,517) charging documents, an increase of 16.3% (2018 – decline of 6.8%) from the prior year. The chart below illustrates the steady decline in charging volumes beginning in 2012.



Consultations

None

Financial Implications

The Town's share of the net surplus from POA revenues had been historically included in the annual budget at \$150,000, but was reduced to \$130,000 for 2016, then further reduced to \$120,000 for 2019 to reflect the revenue decline of the past few years. The total revenue received since 1999 is:

Year	Total Net Profit	\$ Tecumseh	% Tecumseh
2019	\$ 1,922,088	\$ 143,867	7.485%
2018	\$ 1,251,308	\$ 93,939	7.507%
2017	\$ 1,312,100	\$ 97,584	7.437%
2016	\$ 1,994,000	\$ 145,746	7.309%
2015	\$ 1,878,700	\$ 138,001	7.346%
2014	\$ 1,540,100	\$ 112,371	7.297%
2013	\$ 1,885,900	\$ 138,236	7.330%
2012	\$ 2,080,500	\$ 154,579	7.330%
2011	\$ 2,540,700	\$ 191,475	7.536%
2010	\$ 2,366,100	\$ 178,683	7.552%
2009	\$ 1,908,800	\$ 144,601	7.575%
2008	\$ 1,955,600	\$ 143,647	7.344%
2007	\$ 2,025,100	\$ 149,405	7.378%
2006	\$ 2,328,600	\$ 172,085	7.390%
2005	\$ 2,532,200	\$ 190,022	7.507%
2004	\$ 1,948,500	\$ 148,295	7.611%
2003	\$ 2,444,100	\$ 180,469	7.384%
2002	\$ 2,550,700	\$ 193,991	7.605%
2001	\$ 3,163,300	\$ 242,312	7.658%
2000	\$ 3,858,200	\$ 296,911	7.696%
1999	\$ 3,476,300	\$ 267,516	7.729%
Total	\$ 46,962,896	\$ 3,523,735	7.503%

The 2019 Net Profit is an increase of 54% from the 2018 level and directly due to a significant increase in fines collected. Revenue increased close to \$850,000 over 2018 levels, an increase of 15.2%, leading to the increase in total net profit of \$671,000.

POA revenues are highly dependent on the volume of charges laid and the type and quality of new charges laid.

The consistent trend of declining charges in Windsor, which has also been experienced across the province the past five years, supports keeping the budget at \$120,000 despite the improvement in 2019.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

**Attachment
Number**

**Attachment
Name**

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Windsor-Essex Provincial Offences Act (POA) Annual Report 2019