

Windsor/Essex Provincial Offences (POA) Annual Report

2017

The 2017 Annual Report is a detailed summary that highlights the activities and operations of the Windsor/Essex POA department throughout the year. It is provided to the Liaison Committee Members every year and includes an overall assessment of the operations and its structure, key performance indicators and financial results.

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MESSAGE TO OUR MUNICIPAL PARTNERS

On March 5, 2017, the Windsor/Essex Provincial Offences department celebrated its 16th year of service. Despite experiencing the lowest charging volumes since taking over from the Ministry in 2001, our active collection efforts continued to be robust making it the best year yet for collections.

The POA team members worked diligently throughout the year to meet its objectives and supported a number of new initiatives that had a positive impact on the overall business operations. Some of the key highlights include:

- Increased revenue collection through various methods such as garnishments and tax roll procedures
- Over \$236,500 collected in defaulted fines at Service Ontario through the plate renewal program
- The installation of a video conferencing system which will allow access to approved interpreters from across the province via remote connection.
- Secured grant funding from the Accessibility and Diversity committee to fund the installation of a hearing loop system in each of the courtrooms
- Assumed responsibility for prosecutions under the provincial Fire Code in Essex County.
- Conducted approximately 14,500 prosecutions in 2017.
- Took advantage of government grants available to Municipal courts for French learning initiatives

The department continues to build on the successes from prior years to guide us as we move forward with new initiatives for future years.

Sincerely,

Rosanna Pellerito

Manager of Provincial Offences

SECTION A - BACKGROUND & OPERATIONAL ACTIVITIES

In 1998, the province enacted Bill 108 which amended the Provincial Offences Act (“POA”) thereby enabling it to transfer various responsibilities of the POA Court system to municipalities across Ontario. Offences governed by the POA are regulatory in nature created pursuant to provincial statutes such as the *Highway Traffic Act*, the *Compulsory Automobile Insurance Act*, the *Liquor Licence Act*, and the *Trespass to Property Act*, to name a few. The transfer of POA responsibilities included court support and administration functions, the prosecution of ticketable offences under Part I of the POA (with the more serious charges under Part III continuing to be prosecuted provincially), as well as the collection and enforcement of most fines. Part II matters (also known as parking ticket) and the collections of those tickets are handled by the Parking Enforcement division of the City of Windsor under the administrative penalty system. The POA Transfer did not include criminal matters, which continue to be processed and prosecuted in a court system managed by the province.

The Windsor/Essex Provincial Offences Program (“POA Program”) was created as a special-purpose vehicle to accept the transfer of POA responsibilities from the province. It functions as a self-funding, net revenue positive operating division of the City of Windsor (“City”), having been established for the express purpose of locally implementing the POA Transfer at the regional level. The bulk of the POA Program’s revenues are generated from fines received from persons having violated public protection legislation.

Although rooted in legislation, the POA Program is essentially governed by a number of contracts, consisting of the following agreements:

- The Transfer Agreement between the City and the province of Ontario as represented by the Ministry of the Attorney General (“MAG”), consisting of 2 contracts, namely a generic Memorandum of Understanding (“MOU”) and a Local Side Agreement (“LSA”). The Transfer Agreement sets forth the City’s responsibilities and duties, inclusive of various guidelines and standards;
- The Intermunicipal Service Agreement (“ISA”) entered into amongst the City and those other affected municipalities together constituting the Windsor/Essex Court Service Area (“Area”), which encompasses the geographic territory consisting of the City of Windsor, the County of Essex and Pelee Island. It serves as the liaison between the City and the 9 Served Municipalities on all matters relating to the operation of the POA Program

The ISA provided for an initial term of six fiscal years, commencing on March 5, 2001 (the live transfer date) through December 31, 2006. The ISA has been renewed two times since the original agreement each time for a period of 5 years. The current agreement which was renewed in 2016 commenced January 1, 2017 and expires December 31, 2021.

The POA Program occupies leased premises in Suite 300 of the Westcourt Place, located at 251 Goyeau Street, in the City of Windsor. The current Westcourt Place lease expires December 31, 2018. The POA Program also has responsibility for various POA Court operations at the

Leamington courthouse, where the POA Court presides the 1st, 3rd and 5th Thursday of every month.

The POA Program provides services and facilities to various stakeholders within the administration of the justice system. These stakeholders include law enforcement personnel whose mandates entail initiation of proceedings against defendants alleged to have violated regulatory or “public protection” legislation, the defendants themselves as well as their legal representatives, victims of such violations, various provincial authorities, as well as an independent and impartial judiciary. Operations of the POA Program fall into four functional categories. These four sections together constitute the operational aspects of the POA Program:

Court Administration: This area has general carriage of the POA Court office. These responsibilities include the intake, processing, filing and preservation of charging documents (i.e. tickets) and associated certificate control lists received from law enforcement agencies; the intake of mail and allocation and processing of payments and legal documentation; tracking of on-line remittances via www.Paytickets.ca; staffing of cashier stations to handle payments and queries; generation of POA Court dockets including fail-to-respond, trial, first appearance, and Early Resolution; setting of trials; procuring interpreter services; liaising with police court services personnel; intake and processing of motions, re-openings, appeals and applications for extensions of time to pay fines; maintaining updated data in the provincial mainframe application known as the Integrated Courts Offences Network (“ICON”); enforcement of delinquent fines via driver’s licence suspensions; processing of daily financial matters; procurement of equipment/supplies; and overall maintenance of the facility.

Court Support: This area is composed of POA Court monitors, being a combination of court clerks/reporters whose responsibilities include ensuring that the POA Court dockets and associated charging documents are properly presented in court; paging defendants; assisting the Justices in arraignments and endorsements; issuing statutory warnings to defendants; generating payment slips to defendants wishing to immediately satisfy imposed fines; maintaining updated ICON data; ensuring that the proceedings are properly recorded; typing transcripts for use in appeals and other proceedings; logging and preserving exhibits including disposal of same in accordance with judicial directions or retention requirements

Prosecution: The Municipal Prosecutors appear in POA Court to call the trial list and to conduct trials, to deal with motions, to set trial dates; they meet with defendants and their representatives in conjunction with the Early Resolution process with a view to resolving matters; they review law enforcement files to ensure that matters should be proceeded with and assist with disclosure to Defendants and their Representatives and they appear in the higher courts on both prosecution and defence appeals. All area municipalities continue to prosecute their own by-laws and “local” statutes such as the *Building Code Act*. In 2017 Part III matters under the POA remained the prosecutorial responsibility of the Crown Attorney’s office &/or specialist Prosecutors provided by various ministries.

On December 14, 2017, Bill 177 – *Stronger, Fairer Ontario Act* - was passed by the Legislative Assembly of Ontario that enables the Attorney General to enter into agreements with municipalities to transfer responsibility for certain prosecutions currently prosecuted by the

Ministry's Criminal Law Division under Part III of the Provincial Offences Act. This transfer to the municipal prosecutors is expected to take effect in 2018 although the Bill provides for a two year transition period. The local Crown Attorney's office has been contacted with respect to the transfer and a meeting will take place once further information is received from the Ministry regarding a new or revised agreement with the municipalities. The Crown Attorney's office will continue to monitor the more serious cases. The present plan is to assume these additional prosecutions using our existing Municipal Prosecutors

The prosecution of City of Windsor By-laws has also been transferred to the POA Municipal Prosecutors from the Legal Department. The Municipal Prosecutors are also prosecuting charges laid by any of the Fire Services in Essex County.

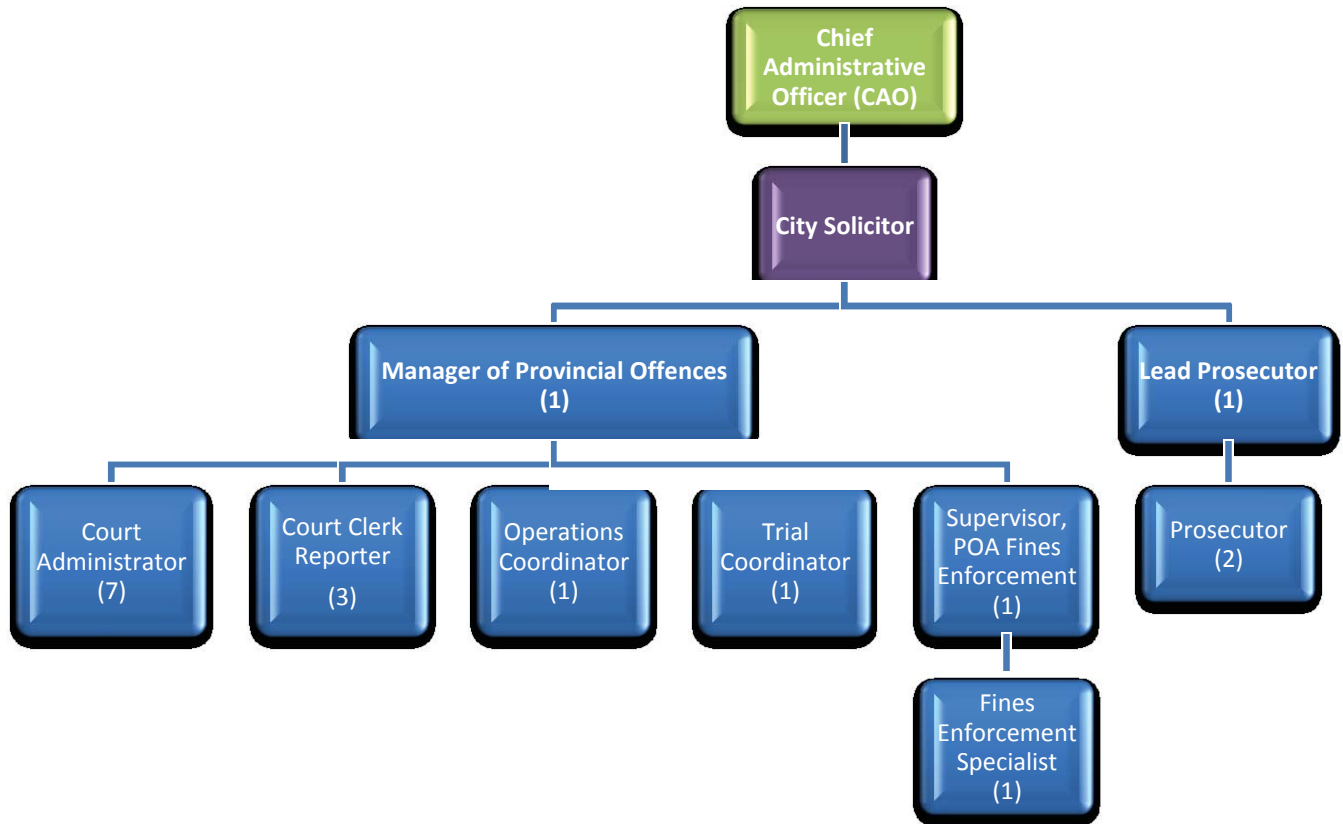
Fines Enforcement (Collections): One POA Fines Enforcement Supervisor along with one POA Fines Enforcement Specialists is responsible for ensuring that POA Court judgments, being orders imposing monetary penalties, are honoured by Defendants including seeing to it that certificates of default are prepared and filed in a timely fashion at the Civil Court; for sending out dunning letters; for locating and meeting with defendants having defaulted fines and making arrangements for collecting; for ensuring that writs of seizure and sale and garnishments are proceeded with in appropriate cases; for attending on judgment debtor examinations primarily at the Small Claims Court level; for filing proofs of claim with trustees in bankruptcy and estate trustees; for liaising with collection agencies and credit bureaus with which the POA Program has relationships

The Windsor Westcourt POA facility also houses a satellite office of the Police Court Services Branch. Among other things, that office works closely with the Prosecutors to ensure that law enforcement files are available for use at trials, at Early Resolution meetings and on appeals. The Court Services office also advises Police Officers of trial dates, summonses lay witnesses, arranges for personal service of court documents, provides disclosure to Defendants and their legal representatives, and procures necessary official documentation for use in court as evidence.

An organizational diagram of the POA Program is included and identified as CHART A-1, which was in effect for the subject reporting period.

CHART A-1

ORGANIZATIONAL CHART OF THE WINDSOR/ESSEX POA OFFICE



SECTION B - LIAISON COMMITTEE

The ISA calls for the setting up of an administrative advisory panel, being the Windsor/Essex Court Service Area Liaison Committee (“Liaison Committee”), composed of one representative from each participating municipality. Among other things, the 10-person Liaison Committee:

- Serves as the liaison between the City and the 9 Serviced Municipalities on all matters relating to the operation of the POA Program
- Reviews all reports submitted by the City Solicitor in conjunction with the Manager of Provincial Offences and makes recommendations to the operations of the POA Program
- Reviews and recommends for approval the annual budgets
- Generates an annual report for review by the respective councils of the participants

By virtue of the ISA, each party municipality provides a member of its administration as its Liaison Committee representative, with the Windsor representative being the City Solicitor. The latter is also the Chair.

For 2017, the final composition of the POA Liaison Committee was as follows:

MUNICIPALITY	MEMBER	POSITION
Amherstburg	Justin Rousseau	Treasurer
Essex (County)	Mary Birch	Director of Council Services/Clerk
Essex (Town)	Robert Auger	Clerk/Deputy Treasurer
Kingsville	Ryan McLeod	Director of Financial Services
Lakeshore	Steve Salmons	Director of Community and Development
LaSalle	Dale Langlois	Manager of Finance/Deputy Treasurer
Leamington	Laura Rauch	Director of Finance & Business Services
Pelee	Katrina DiGiovanni	CAO/Clerk
Tecumseh	Luc Gagnon	Director of Financial Services & Treasurer
Windsor	Shelby Askin Hager (Chair)	City Solicitor
Windsor	Rosanna Pellerito	Manager of Provincial Offences

The Liaison Committee is mandated by the ISA to convene at least twice annually. In 2017, there were two meetings that were held on the following dates and locations:

Date

April 27, 2017

October 25, 2017

Location

City of Windsor – Walkerville Room

Essex County Civic Centre – Committee Room C

SECTION C – CASELOADS & STATISTICS

The POA Program's caseload is dependent upon charges laid by professional law enforcement personnel and agencies. The workflow of the POA Program commences with the initiation by Police and other Officers of legal proceedings against alleged violators of public protection legislation. Legal proceedings are instituted by personal service upon the Defendant of either a Provincial Offence Notice (also known as a Part I ticket) or a more formal Summons to Defendant requiring attendance at court (also known as a Part III ticket). These charges are ultimately disposed of by an independent and impartial judiciary presiding in the form of the POA Court. Pursuant to Part X of the POA and the Transfer Agreement, the POA Program receives fine revenue from Part I and Part III charges, provided that the fine revenue is not "dedicated" to some special purpose. Further detailed distinctions are possible, as indicated below:

- Charges laid by traditional Police forces being local police services including the OPP: all fine revenues belong to the POA Program virtually without exception unless the charges are laid under federal legislation or under sundry municipal bylaws
- Charges laid by specialized Police forces, such as the OPP contingent securing Casino Windsor: for the most part all fine revenues belong to the POA Program, unless charges are laid under federal legislation (for example by the CNR or CPR police under the *Railway Safety Act* of Canada)
- Charges laid by specialized agencies and most Provincial Ministries, for example the Ministry of Labour under the *Occupational Health and Safety Act*: for the most part all fine revenues belong to the POA Program, unless there is statutory dedication
- Charges laid by Municipal Inspectors and Police Officers under bylaws (e.g. licensing, zoning, noise, prohibited turns, parking, etc.) and local statutes (e.g. *Building Code Act*): the fine revenues belong to the charging municipality, with the POA Program receiving no compensation for services rendered and facilities made available, other than relatively insignificant court costs/fees
- Charges laid under federal enactments, or by certain Provincial Ministries or bodies in situations where the fines are statutorily "dedicated" to special purposes: the POA Program receives no fine revenue or other compensation for services rendered and facilities made available, other than relatively insignificant court costs/fees.

In 2017, the POA Program took in a total of 27,387 charging documents, for a monthly average intake of approximately 2,282 tickets. This was down 5.1% from the prior year and as previously noted the lowest volume levels in our history at POA. TABLE C-1 which follows below depicts the absolute charging volume and the percentage of total volume over a three year period, by enforcement agency.

NOTE: *The numbers and/or percentages of charges do not necessarily translate into more or less fine revenue generation. The quality of the charges is important along with the final resolution of the fines.*

TABLE C-1: ABSOLUTE CHARGING VOLUMES

Agency	2017	% of Total Volume	2016	% of Total Volume	2015	% of Total Volume	2014	% of Total Volume
Windsor Police	10,516	38.4%	11,416	39.6%	11,556	39.3%	12,102	39.6%
Ministry of Transportation	2,202	8.0%	2,288	7.9%	3,018	10.3%	3,640	11.9%
Amherstburg Police Force	2,765	10.1%	3,357	11.6%	2,438	8.3%	1,837	6.0%
Essex OPP	4,008	14.6%	2,790	9.7%	2,292	7.8%	2,131	7.0%
Tecumseh OPP	1,057	3.9%	1,587	5.5%	1,729	5.9%	1,741	5.7%
Leamington OPP	1,176	4.3%	1,408	4.9%	1,567	5.3%	1,561	5.1%
Lakeshore OPP	908	3.3%	1,204	4.2%	1,397	4.7%	1,378	4.5%
Essex Town OPP	603	2.2%	792	2.7%	1,250	4.2%	1,292	4.2%
Kingsville OPP	1,139	4.2%	1,296	4.5%	1,184	4.0%	1,316	4.3%
LaSalle Police	1,721	6.3%	926	3.2%	1,034	3.5%	1,480	4.8%
Essex Detachment Health Unit	340	1.2%	458	1.6%	541	1.8%	640	2.1%
Canadian Pacific Rail Police	205	0.7%	244	0.8%	302	1.0%	326	1.1%
Ministry of Natural Resources	174	0.6%	164	0.6%	218	0.7%	306	1.0%
Windsor Fire Department	60	0.2%	165	0.6%	142	0.5%	153	0.5%
Casino OPP	89	0.3%	103	0.4%	130	0.4%	130	0.4%
Windsor Essex County Health Unit	35	0.1%	45	0.2%	124	0.4%	46	0.2%
Windsor Bylaw	149	0.5%	166	0.6%	115	0.4%	106	0.3%
Ministry of Finance	0	0.0%	52	0.2%	103	0.3%	60	0.2%
Ministry of Labour	74	0.3%	146	0.5%	82	0.3%	60	0.2%
Ministry of Environment	39	0.1%	89	0.3%	66	0.2%	41	0.1%
Miscellaneous	22	0.1%	17	0.1%	29	0.1%	33	0.1%
Ontario College of Trades	9	0.0%	26	0.1%	28	0.1%	45	0.1%
Lakeshore Fire	0	0.0%	6	0.0%	18	0.1%	8	0.0%
Humane Society – Windsor	15	0.1%	25	0.1%	16	0.1%	31	0.1%
Amherstburg Bylaw	13	0.0%	14	0.0%	9	0.0%	13	0.0%
Lakeshore Bylaw	6	0.0%	4	0.0%	8	0.0%	4	0.0%
Canadian Heritage Parks	12	0.0%	18	0.1%	7	0.0%	0	0.0%
Electrical Safety Authority	2	0.0%	7	0.0%	5	0.0%	16	0.1%
Real Estate Council - Windsor	10	0.0%	0	0.0%	0	0.0%	0	0.0%
OPP-Traffic Mgt/Ride Mount Forest	7	0.0%	0	0.0%	0	0.0%	0	0.0%
Kingsville Bylaw	0	0.0%	0	0.0%	5	0.0%	0	0.0%
OMVIC	18	0.1%	0	0.0%	4	0.0%	19	0.1%
Tarion Warranty Corp	0	0.0%	8	0.0%	4	0.0%	0	0.0%
Kingsville Fire	0	0.0%	0	0.0%	3	0.0%	0	0.0%
Essex Bylaw	1	0.0%	4	0.0%	3	0.0%	4	0.0%
Ministry of Municipal Affairs&Housing	0	0.0%	0	0.0%	2	0.0%	3	0.0%
Leamington Bylaw	0	0.0%	0	0.0%	2	0.0%	1	0.0%
Canadian National Rail Police	0	0.0%	1	0.0%	0	0.0%	0	0.0%
Ontario New Home Warranties Prgm.	0	0.0%	4	0.0%	0	0.0%	0	0.0%
OPP Pelee Island	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Leamington Fire	0	0.0%	1	0.0%	2	0.0%	4	0.0%
Workplace Safety & Insurance Board	0	0.0%	3	0.0%	1	0.0%	0	0.0%
Ministry of Agriculture & Food	0	0.0%	0	0.0%	0	0.0%	1	0.0%
Childrens Aid Society	0	0.0%	0	0.0%	0	0.0%	1	0.0%
Probation Office - Windsor	0	0.0%	2	0.0%	0		0	0.0%
Royal Canadian Mounted Police	0	0.0%	9	0.0%	0	0.0%	1	0.0%
TOTALS	27,387	100.0%	28,856	100.0%	29,435	100.0%	30,546	100.0%

EXTERNAL BENCHMARKING OF CASELOADS

When comparing the year over year charging volume (2017 vs. 2016) against a number of different municipalities sampled throughout Ontario, it is evident by TABLE C-2 below that the percentage variances fluctuated from municipality to municipality. Some municipalities experienced an increase in charging volume while others experienced a decline. Windsor experienced a decline of 5.3% over 2016. The percentage decline was slightly greater than the average for our MBNCanada comparators (-3.3%). With the exception of a few municipalities, the continuous decline appears to be a trend across the province.

TABLE C-2: CHARGING VOLUME COMPARATOR

Municipality	MBN Canada	2017 YTD	% Change '17 vs. '16	2016	% Change '16 vs. '15	2015
Windsor	Yes	27,316	-5.3%	28,856	-2.0%	29,435
Barrie	Yes	59,122	-17.6%	71,723	-5.1%	75,561
Durham	Yes	62,096	-3.5%	64,376	0.1%	64,288
Hamilton	Yes	78,971	-5.7%	83,764	-2.7%	86,048
London	Yes	39,428	-4.0%	41,065	-12.9%	47,166
Niagara	Yes	33,798	-12.6%	38,676	-19.4%	47,981
Ottawa	Yes	79,159	3.1%	76,759	-7.2%	82,709
Thunderbay	Yes	19,789	-7.0%	21,284	-11.5%	24,055
Toronto	Yes	356,947	2.3%	349,011	1.7%	343,174
Waterloo	Yes	58,800	-0.7%	59,209	0.4%	58,950
York	Yes	152,857	5.3%	145,140	-5.8%	154,096
Brampton	No	67,375	1.6%	66,328	-5.6%	70,227
Brantford	No	11,916	-4.2%	12,433	16.6%	10,665
Caledon	No	31,810	-7.2%	34,295	-10.3%	38,232
Chatham	No	12,532	-8.0%	13,623	-30.0%	19,465
Guelph	No	18,088	-16.9%	21,765	7.0%	20,346
Lambton	No	11,725	-7.6%	12,685	-8.3%	13,834
Provincial	N/A	1,546,397	-3.3%	1,599,115	-2.9%	1,647,601

Other Operational Statistics

In addition to having accepted and dealt with the filings of just over 27,000 charges over the course of the year, the POA Program processed approximately:

- 7,382 Early Resolution meetings (Part I)
- 164 Appeals from convictions/acquittals/sentences (Parts I & III)
- 689 Re-opening applications of convictions in absentia (Parts I & III)
- 4,092 Applications to extend the time to pay fines (Parts I, II & III)

These are slightly lower than in previous years.

SECTION D - DEFAULTED POA FINES ENFORCEMENT

Under the Transfer Agreement with MAG, the responsibilities of the City include the collection and enforcement of POA fines for and on behalf of the area. The POA Fines Enforcement area currently has 2 full-time employees.

Efforts to enforce these defaulted fines continue to be aggressive and at the same time very challenging. Enforcement constitutes a highly labour-intensive activity which consumes a lot of resources and time. There are a variety of enforcement tools that are readily available and frequently used by the collection staff in order to encourage payment and/or to legally enforce payment of defaulted fines. Some of these include:

- Selectively adding defaulted fines to the tax roll of sole property owners for collection pursuant to section 441.1 of the Municipal Act.
- Registering Certificates of Default with the civil court having monetary jurisdiction, thereby constituting deemed orders or judgments for enforcement purposes.
- Filing and maintaining wage garnishment proceedings where the employer has been identified and the offender's employment status has been verified.
- Use of Collection Agencies. In addition to skip tracing and making the usual contacts with debtors, our collection agencies have reported numerous defaulters to the major credit bureaus, thereby impairing the creditworthiness of the offenders.
- Filing and maintaining Writs of Seizure and Sale with sheriff's offices, thereby erecting judicial liens against present and future proprietary interests.
- Driver's Licence suspensions and plate denials under various statutes and regulations
- Intercepting indemnity deposits with permit-issuing City departments, by redirecting the indemnity refunds to POA where the indemnitors have defaulted fines
- Exercise of prosecutorial discretion to encourage defendants presenting themselves with fresh charges, to finally honour monetary sentences previously imposed by the POA Court.

Although not frequently used due to operational challenges and privacy legislation, there are other enforcement tools that can be applied to ensure collection efforts are maximized:

- Examinations-in-Aid of Execution, whereby judgment debtors may be examined in depth as to their abilities and means to make good their monetary obligations including being compelled to fully disclose their assets, liabilities, sources of income, bank accounts, RRSP's etc.
- Contempt Hearings where debtors have refused or neglected to attend on examinations-in-aid.
- Garnishment proceedings whereby bank accounts, rentals from tenants, RRSP's etc. are attached as information and used for enforcement.
- Monitoring of death notices in the hopes of collecting from estates
- Encouraging revocation of CVOR certificates in liaison with the Ministry of Transportation, respecting businesses making use of commercial motor vehicles which operations perennially default on fines.

ACTIVE COLLECTION EFFORTS

In January of 2016, a significant change in direction and vision was undertaken. Recognizing the fact that the POA department has little to no control over charging volume, considerable efforts and resources were redirected towards implementing an active and aggressive collection model and procedures. These included an increased focus on adding fines to municipal taxes, garnishment of wages and the use of additional collection agencies to the operating mix. These robust collection efforts continued into 2017. The results of these efforts are summarized in the following sub-sections below.

Municipal Tax Rolling

Under Section 441.1 of the *Municipal Act, 2001*, a local municipality is permitted to add any part of a fine for a commission of a provincial offence that is in default under section 69 of the Provincial Offences Act to the tax roll for any property in the local municipality for which all of the owners are responsible for paying the fine. Accordingly, a Defaulted Fine can only be added if the offender in default is the sole owner of the property. The Defaulted Fine is collected in the same manner as municipal taxes at the request of a municipality.

Similar to 2016 the tax roll process continued to be a successful collection tool in 2017. As noted in Table D-1 below, an additional 57 accounts were added in 2017. Revenue collected from tax rolls continues to increase year over year.

TABLE D-1: MUNICIPAL TAX ROLLING SUMMARY - YEAR OVER YEAR COMPARISON

Description	As of Dec 31/17	As of Dec 31/16	Inc./ (Dec.)
Revenues Collected from Tax Rolling	\$105,883.39	\$ 93,263.81	\$ 12,619.58
# of New Tax Roll Accounts Added	57	107	(50)

Garnishment of Wages

The process of finding where an offender is employed is one of the most challenging tasks due to the limited amount of information that is available to our staff. In many cases the offenders are either unemployed, working for cash, or on some form of assistance which cannot be garnished. However when employment is confirmed and the garnishment documents are in place, it becomes one of the most effective enforcement tools. In early 2016 changes were made to our collection processes with the expansion of research capabilities and methods. It is evident by TABLE D-2 that these changes positively affected our financial performance once again in 2017.

TABLE D-2: WAGE GARNISHMENT SUMMARY - YEAR OVER YEAR COMPARISON

Description	As of Dec 31/17	As of Dec 31/16	As of Dec 31/15
Revenues Collected from Garnishments	\$ 515,446	\$ 378,973	\$ 10,919
# of New Garnishments Issued	330	328	38

As can be seen in the table above, the results were positive again this year whereby revenues collected increased by over 36%. The Fines and Enforcement staff will continue to focus on further enhancing these efforts in years to come.

3rd Party Collections

On January 1, 2016 changes to our 3rd party collection process was also made. As a result of an RFP issued in late 2015 three new collection agencies (CBV, ARO and Gatestone) were procured. Table D-3 summarizes the year over year results.

TABLE D-3: THIRD PARTY COLLECTION SUMMARY - YEAR OVER YEAR COMPARISON

Description	As of Dec 31/17	As of Dec 31/16	Inc./ (Dec.)
Revenues Collected from 3rd Party Agencies	\$ 716,707	\$ 830,656	\$ (113,949)
# of 3rd Party Accounts Outstanding	64,146	69,994	(5848)

Although the end result was a year over year decline in revenue of approximately \$113,949, the number of outstanding accounts decreased in 2017 compared to 2016. This is evidence that more and more outstanding accounts are being collected. Revenue from 3rd party collections represents approximately 13% of overall revenue collected. As time passes, the total revenue collected from 3rd party collectors is expected to decline with the decrease in outstanding accounts.

Fines Paid at Service Ontario

In May of 2017, a plate renewal program was implemented by the Ministry of Transportation whereby all outstanding defaulted driver fines have to be paid in full before one can renew their plates. In 2017, 920 fines were collected at MTO through this program. From these payments, revenue of \$236,516.68 was received. This continues to be a positive and efficient method of collecting defaulted fines that may have not have been collected otherwise. With 2017 being the initial year of this program, it is expected that revenue from payments made at MTO will continue to increase.

OUTSTANDING POA FINES

Regardless of how effective the active collection efforts are, there still remains a significant number of outstanding fines. As of December 31, 2017, there were approximately 69,777 records of unpaid fines for a total outstanding amount of \$43,229,734. This represents over 36,600 unique individuals and organizations in default (See Table D-4 and D-5 for further details). The \$43M in outstanding fines is not just a Windsor specific issue; it's a province wide epidemic.

TABLE D-4: Number of Unpaid Fines

	2017		2016	
	#	% Chg	#	% Chg
Pre-Transfer	30,333	-2.1%	30,986	-2.0%
Post-Transfer	39,444	1.7%	38,780	0.6%
Total	69,777	0.0%	69,766	-0.5%

TABLE D-5: Dollar Value of Unpaid Fines

	Value of Fines 2017		Value of Fines 2016	
	\$	% Chg	\$	% Chg
Pre-Transfer	\$ 5,678,756	-2.6%	\$ 5,831,898	-2.3%
Post-Transfer	37,550,978	3.5%	36,282,560	0.0%
Total	\$ 43,229,734	2.6%	\$ 42,114,458	-0.3%

Many of these older fines (i.e. pre-transfer) have been 'scrubbed' multiple times and all reasonable and appropriate measures to collect have been made. Therefore, it is prudent that a write-off policy be developed in order to address these efforts. POA administration will be looking to adopt a write off policy in 2018, which will be vetted through the Liaison Committee first and subsequently submitted to Windsor City Council for final approval. **It's important to note that a write-off policy refers to the cessation of active fine collections and is done for accounting purposes only. 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.**

SECTION E - FINANCIAL RESULTS

The negotiated financial arrangement underpinning the POA Program is in essence a partnership, under which the participating municipalities annually share approximately \$1.3 million of net revenue or “profit”. The City as the managing partner, front-ends the operation and collects and enforces the monetary fines imposed by the POA Court. From the total revenue derived, all operating costs pertaining to the POA Program are deducted. These costs include such things as staff salaries, Windsor Police court security, facility rent and maintenance, office equipment and supplies, Victim Fine Surcharge remittances, and the adjudication expenses associated with running courtroom proceedings. The net revenue is then shared amongst the signatories to the ISA in proportion to their respective weighted assessments (See SECTION F for more details). In 2017, the net profit was allocated as follows:

County Contribution	48.56%
Peelee Contribution	0.29%
<u>City of Windsor Contribution</u>	<u>51.15%</u>
TOTAL	100.00%

In an extremely challenging economic environment and recognizing that fine imposition amounts have not been indexed for inflation, the POA Program still enjoys a successful self-funding model, delivering a net positive revenue budget which benefits all of our local taxpayers. Each benefiting municipality is free to allocate its respective portion to such municipal purposes as deemed appropriate by the elected council thereof.

TABLE E-1 depicts the POA Program’s operating results for 2017, specifically detailing out every operating expense and revenue account. The Provincial Offences program ended the year with a net operating profit of \$1,312,109. Compared to 2016 this is a decrease of 34% than 2016’s net operating profit of \$1,993,982. The primary factor contributing to this decline is the continuous decline in charging volumes. To mitigate the decline in revenue, various cost saving measures were implemented in 2017 to add efficiencies to court room utilization and scheduling of court room hours. Prudent financial planning is ongoing to ensure mitigating measures are implemented when possible.

TABLE E-2 provides a high level five year financial summary which can be used for internal benchmarking and comparative purposes.

TABLE E-1: 2017 Provincial Offences Financial Summary - As of Dec 31, 2017

Acct. #	Account Description	Account Description	2017 Budget A	2017 Actuals YTD B	Surplus/ (Deficit) C = A - B
REVENUES					
6485	Bylaw Fines - Courts	Provincial Fines	\$ 6,170,500	\$ 5,490,364	\$ (680,136)
6485	Bylaw Fines - Courts	Bylaw Fines	47,593	23,085	(24,508)
6485	Bylaw Fines - Courts	Transcript Revenue	15,000	18,903	3,903
TOTAL REVENUES			\$ 6,233,093	\$ 5,532,556	\$ (700,537)
EXPENSES					
Total Salary & Benefits			\$ 1,739,309	\$ 1,710,070	\$ (1,710,070)
Materials & Services					
2145	Housekeeping Supplies	STD - Provincial Offences	\$ 3,420	\$ 2,587	\$ 833
3176	Facility Operations - Internal	Caretaking	52,633	57,939	(5,306)
2215	Bldg. Maintenance Services	STD - Provincial Offences	5,000	1,031	3,969
2920	Legal Services	STD - Provincial Offences	3,000	2,307	693
2950	Other Professional - External	STD - Provincial Offences	15,420	15,829	(409)
2950	Other Professional - External	Security Services - Int.	259,960	259,960	-
2950	Other Professional - External	Security Services - Ext.	8,200	7,648	552
2995	Other Purchased Services	Language Line	12,000	9,111	2,889
Total Materials & Services			\$ 359,633	\$ 356,411	\$ 3,222
Administrative Overhead					
2010	Office Supplies	STD - Provincial Offences	\$ 16,000	\$ 13,257	\$ 2,743
2020	Postage & Courier	STD - Provincial Offences	28,560	23,873	4,687
2070	Outside Printing	STD - Provincial Offences	20,000	5,688	14,312
2085	Publications	STD - Provincial Offences	9,000	13,376	(4,376)
2610	Travel Expense	STD - Provincial Offences	3,000	3,793	(793)
2620	Car Allowance	STD - Provincial Offences	2,500	1,823	677
2710	Telephone Equipment	STD - Provincial Offences	9,660	9,777	(117)
2711	Cell Phones	STD - Provincial Offences	950	1,114	(164)
3120	Rental Expense - External	STD - Provincial Offences	4,000	1,455	2,545
3175	Facility Rental - External	STD - Provincial Offences	328,315	332,899	(4,584)
3210	Building Insurance	STD - Provincial Offences	1,353	1,353	0
3230	Liability Insurance	STD - Provincial Offences	699	699	-
4020	Membership Fees & Dues	STD - Provincial Offences	8,900	7,661	1,239
4050	Training Courses	STD - Provincial Offences	4,174	356	3,818
4155	Registrations & Conferences	STD - Provincial Offences	2,500	450	2,050
4540	Bank Charges	STD - Provincial Offences	59,500	44,567	14,933
4560	Collection Charges	STD - Provincial Offences	175,900	194,233	(18,333)
5125	Computers - PCs	STD - Provincial Offences	9,950	8,000	1,950
2925	Computer Maintenance	STD - Provincial Offences	18,480	18,480	-
2927	Computer & SW Maint-External	STD - Provincial Offences	6,500	6,463	37
3180	Computer Rental - Internal	STD - Provincial Offences	12,800	12,800	-
2914	Non Occ Medical	STD - Provincial Offences	-	910	(910)
5130	Office Furniture & Equipment	STD - Provincial Offences	10,000	4,935	5,065
Total Administrative Overhead			\$ 732,741	\$ 707,881	\$ 24,860

TABLE E-1: Continued

Acct. #	Account Description	Account Description	2017 Budget A	2017 Actuals B	Surplus/ (Deficit) C = A - B
Provincial Charges					
2950	Other Professional - External	ICON Fees	\$ 61,425	\$ 53,383	\$ 8,042
2950	Other Professional - External	Adjudication Services	390,000	323,373	66,627
2950	Other Professional - External	Prosecution Fees	51,230	44,465	6,765
2950	Other Professional - External	Quality Assurance	45,748	43,884	1,864
2950	Other Professional - External	Victim Fines	1,064,331	932,294	132,037
2950	Other Professional - External	Dedicated Fines	65,000	48,685	16,315
Total Provincial Charges			\$ 1,677,734	\$1,446,084	\$ 231,650
TOTAL EXPENSES (BEFORE COST SHARING)			\$ 4,509,417	\$4,220,447	\$ 288,970
Total Net Operating Revenue			\$ 1,723,676	\$1,312,109	\$ (411,567)
RECONCILIATION					
Cost Sharing Payments					
4295	County Contribution (48.56%)	STD - Provincial Offences	\$ 859,451	\$ 637,171	\$ (222,280)
4295	Pelee Contribution (0.29%)	STD - Provincial Offences	5,252	3,757	(1,496)
Total Cost Sharing Payments			\$ 864,703	\$ 640,927	\$ (223,776)
Balance to City of Windsor (51.15%)			\$ 858,973	\$ 671,182	\$ (187,791)
Total Net Operating Revenue			\$ 1,723,676	\$1,312,109	\$ (411,567)

TABLE E-2: ANNUAL FINANCIAL RESULTS - 5 YEAR SUMMARY

Description	2017 Actuals (\$)	2016 Actuals (\$)	2015 Actuals (\$)	2014 Actuals (\$)	2013 Actuals (\$)
Revenue:					
Court Fines	\$ 5,490,364	\$ 6,264,943	\$ 5,925,542	\$ 5,518,821	\$ 6,248,765
User Fees	19,107	141	528	900	14,193
By-Law Fines	23,085	48,988	-	-	-
Trfs from Reserve	-	-	-	33,315	-
Recovery of Internal Staff	-	-	20,089	79,522	-
TOTAL REVENUE	\$ 5,532,556	\$ 6,314,072	\$ 5,946,160	\$ 5,632,558	\$ 6,262,958
% Inc./ (Dec.) YOY	-12.38%	6.19%	5.57%	-10.07%	-7.83%
Expenditures:					
Salaries & Wages	1,710,070	1,598,789	1,642,847	1,722,345	1,825,963
Administrative Overhead	374,992	392,501	333,210	263,887	359,561
Materials & Services	356,411	350,323	350,984	363,477	327,320
Provincial Charges	1,446,084	1,659,736	1,414,710	1,444,759	1,554,165
Facility Rental	332,889	318,742	325,708	298,037	310,013
TOTAL EXPENDITURES	\$ 4,220,446	\$ 4,320,090	\$ 4,067,459	\$ 4,092,505	\$ 4,377,022
NET SURPLUS	\$ 1,312,110	\$ 1,993,982	\$ 1,878,701	\$ 1,540,053	\$ 1,885,936
% Inc./ (Dec.) YOY	-34.20%	6.14%	21.99%	-18.34%	-9.35%

Since the local POA Transfer date of March 5, 2001 through to the end of 2017, this Area's POA Program has realized total combined net revenue of \$43,789,564. The calculation is broken down by year by municipal partner in TABLE E-3 below:

TABLE E-3: CUMULATIVE ANNUAL NET REVENUE DISTRIBUTIONS (\$'000's)

Year	Amher.	Essex	Kings.	Lake.	LaSalle	Leam.	Tec.	Pelee	Wind.	Total
1999	164.7	135.9	141.8	263.4	195.2	184.8	267.5	7.4	2,115.6	3,476.3
2000	182.8	150.8	157.4	292.3	216.7	205.1	296.9	8.2	2,348.0	3,858.2
2001	155.3	128.9	134.3	241.6	182.5	172.1	242.3	7.5	1,898.8	3,163.3
2002	124.8	103.5	108.9	199.0	152.4	138.3	194.0	6.0	1,523.8	2,550.7
2003	120.6	100.3	107.4	199.2	147.3	135.1	180.5	6.3	1,447.4	2,444.1
2004	96.0	79.8	86.0	168.1	123.9	106.8	148.3	5.3	1,134.3	1,948.5
2005	124.3	103.0	112.7	226.4	162.0	139.4	190.0	7.0	1,467.5	2,532.2
2006	114.0	94.5	105.2	214.8	151.5	127.4	172.1	7.1	1,342.0	2,328.6
2007	99.3	82.9	92.8	189.8	133.6	111.8	149.4	6.2	1,159.2	2,025.1
2008	95.9	80.3	90.5	187.8	130.2	109.2	143.6	6.0	1,112.0	1,955.6
2009	98.8	81.7	94.4	193.0	129.3	113.2	144.6	6.0	1,047.7	1,908.8
2010	124.7	102.3	119.3	243.7	161.2	141.8	178.7	7.6	1,286.9	2,366.1
2011	135.4	110.4	130.9	267.3	174.5	152.7	191.5	8.3	1,369.9	2,540.7
2012	111.8	90.2	108.6	221.5	143.4	126.4	154.6	6.9	1,117.2	2,080.5
2013	104.2	84.3	101.9	134.4	203.3	115.9	138.2	5.7	997.9	1,885.9
2014	85.4	70.0	84.7	169.1	111.6	94.8	112.4	4.4	807.7	1,540.1
2015	105.5	85.7	105.8	210.4	138.9	113.4	138.0	5.6	975.4	1,878.7
2016	112.4	91.3	114.5	226.0	150.1	120.4	145.7	5.9	1,027.8	1,994.0
2017	73.2	59.3	74.7	151.8	103.2	77.4	97.6	3.8	671.2	1,312.1
Total	2,229	1,835	2,072	3,999	2,911	2,486	3,286	121	24,850	43,790

There are a number of factors that must always be taken into consideration when reviewing the financial results for any fiscal year, as well as when projecting potential results for subsequent reporting periods:

- As ticketing and the laying of charges decline so do current fine revenues. This has been a consistent trend not just in Windsor but also in the province over the past five years. Although the POA Program has other sources of revenue (notably aggressive enforcement efforts targeting old or defaulted fines) the bulk of receipts is highly dependent upon the number, type and quality of newly charges laid, as well as the attendance of trained officers at trials in disputed cases
- Another significant and uncontrollable external revenue factor is the number of fines imposed by an independent and impartial judiciary in the exercise of their discretionary sentencing functions, in the event of the entering of conviction
- The POA Program is highly vulnerable to certain uncontrollable external expenses, notably the provincial charges for Victim Fines Surcharges, adjudication and those for Part III prosecutions, both of which payments are mandated by the Transfer Agreement

SECTION F - REVENUE DISTRIBUTION DETAILS

In accordance with the approved weighted assessment formula for 2017, distributions of net operating results over the course of the subject reporting year were effected as indicated in the detailed tabulation set forth in TABLE F-1 below:

TABLE F-1: 2017 NET REVENUE DISTRIBUTION SUMMARY

	Weighted Assessment (\$)	(%)	% of County	2017 Budget	2017 Total	Surplus/ (Deficit)
Net County & Pelee Revenue				\$ 864,703.00	\$ 640,927.21	\$ (223,775.79)
Net City of Windsor Revenue				\$ 858,973.00	\$ 671,181.84	\$ (187,791.16)
TOTAL				\$ 1,723,676.00	\$ 1,312,109.05	\$ (411,566.95)
<u>Allocation/Payment Summary</u>						
Amherstburg	2,192,430,480		11.49%	\$ 98,733.46	\$ 73,182.31	\$ (25,551.15)
Essex	1,776,901,052		9.31%	80,020.59	59,312.13	(20,708.46)
Kingsville	2,237,377,611		11.72%	100,757.60	74,682.62	(26,074.98)
LaSalle	3,091,044,906		16.19%	139,201.47	103,177.64	(36,023.83)
Lakeshore	4,548,483,036		23.83%	204,835.44	151,826.24	(53,009.19)
Leamington	2,318,949,860		12.15%	104,431.10	77,405.46	(27,025.64)
Tecumseh	2,923,475,399		15.32%	131,655.18	97,584.24	(34,070.94)
Total County	19,088,662,343	48.56%	100.00%	\$ 859,634.84	\$ 637,170.64	\$ (222,464.20)
Pelee	112,541,279	0.29%		\$ 5,068.16	\$ 3,756.58	\$ (1,311.59)
Windsor	20,107,585,762	51.15%		\$ 858,973.00	\$ 671,181.83	\$ (187,791.17)
TOTAL	39,308,789,384	100.0%		\$ 1,723,676.00	\$ 1,312,109.05	\$ (411,566.95)

Details of the quarterly payments are itemized below:

Quarter	Cheque Issuance Date	\$ Amount - County	\$ Amount - Pelee
Q1	May 12, 2017	\$279,800.75	\$1,649.62
Q2	August 21, 2017	\$183,354.34*	\$1,081.00
Q3	December 4, 2017	\$152,334.28	\$898.12
Q4	February 12, 2018	\$21,681.27	\$127.83
TOTAL		\$637,170.64	\$3,756.58

* the actual Q2 payment of \$180,513.88 to the County was adjusted to reflect the clawback amount (\$2,840.46) from Q4 2016 as a result of the slight overpayment

APPENDIX A – GLOSSARY OF TERMS

Area ~ Windsor/Essex Court Service Area, which encompasses the geographic territory of the City of Windsor, Essex County and Pelee Island

Bill 108 ~ amending legislation to the *Provincial Offences Act* which in 1998 added Part X thereto, enabling the transfer of administration of justice functions to the municipal sector

City ~ The Corporation of the City of Windsor, a single tier municipality continued as such under the *Municipal Act, 2001*

Council ~ the elected City of Windsor Municipal Council

CAMS ~ A Collection Agency Management System installed in 2014 used to track, record and document newly issued as well as defaulted fines.

Early Resolution ~ used to be known as First Attendance early resolution, slated for implementation in 2012. While taking a more formalistic approach, provision is made for convictions of those defendants who fail to appear for their meetings with the prosecutor

ICON ~ Integrated Courts Offences Network, being the provincial mainframe application used and relied upon by administration of justice staff in relation to all aspects of POA matters

ISA ~ the Intermunicipal Service Agreement underpinning the local POA Court operations for Windsor/Essex, entered into amongst the City and the other 9 municipalities together constituting the Area

Liaison Committee ~ the Windsor/Essex Court Service Area Liaison Committee erected pursuant to the ISA, being an advisory administrative body

LSA ~ Local Side Agreement, being one of the 2 contracts together constituting the Transfer Agreement

MAG ~ the Ministry of the Attorney General for the Province of Ontario

MOU ~ Memorandum of Understanding, being one of the 2 contracts comprising the Transfer Agreement

NCO ~ NCO Financial Services, Inc., one of the registered Canadian collection agencies who have been retained since 2006 to assist the POA Program in the collection of defaulted fines owed by Canadian residents

MBNCanada (previously OMBI) ~ The Municipal Benchmarking Network Canada (MBNCanada) is a groundbreaking initiative collecting data for more than 850 measures across thirty-seven (37) municipal service areas

Part I ~ that portion of the POA dealing with ticketing procedures for non-parking matters

Part II ~ that portion of the POA dealing with ticketing procedures for parking matters

Part III ~ that portion of the POA dealing with the issuance of summonses for persons to attend POA Court in order to be arraigned on Informations and thereafter to be dealt with by a Justice of the Peace. There are no provisions for out-of-court payments nor for failure-to-respond convictions

POA ~ *Provincial Offences Act* (Ontario)

POA Court ~ referring to that judicial complement of the Ontario Court of Justice, composed primarily of Justices of the Peace, whose duties include dealing with POA matters

POA Office ~ the premises where the City executes the POA administration of justice functions

POA Program ~ the City's operational structure for the delivery of POA administration of justice functions

POA Transfer ~ the transfer by the province to the City of POA administration of justice functions

Serviced Municipalities ~ those 9 signatories to the ISA for which the City is the service provider pursuant to the POA Transfer, consisting of Leamington, LaSalle, Tecumseh, Essex Town, Kingsville, Pelee, Amherstburg, Lakeshore and Essex County

Transfer Agreement ~ contractual arrangement between the City and MAG where the City became the local service provider for transferred administration of justice functions, composed of the MOU and the LSA

Victim Fine Surcharge ~ all fines levied under Part I and Part III of the POA are statutorily bumped-up by this surcharge. Where the base fine does not exceed \$1,000, the surcharge amount is applied in stepped amounts ranging from \$10 to \$125; fines over \$1,000 have a flat 25% surcharge added. All surcharge amounts are remitted without deduction to the province for appropriate application as determined by senior government