



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: April 23, 2024

Report Number: FS-2024-05

Subject: Windsor-Essex Provincial Offences Act Annual Report 2023

Recommendations

It is recommended:

That Report FS-2024-05 Windsor-Essex Provincial Offences Act Annual Report 2023 **be received** for information.

Background

The Windsor-Essex Provincial Offences Program was created as a special purpose vehicle to accept the transfer of the Provincial Offences Act (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 resolutions 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, 2026.

The POA Program is responsible for the collection and enforcement of “ticketed” offences pursuant to Parts I and III of the *Provincial Offences Act*, such as violations 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.

Comments

Attached for Council’s information is a copy of the 2023 Annual Report for the Windsor-Essex POA Program as reviewed and recommended by the Committee on March 20, 2024.

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 2023 year:

- A POA specific Write Off Policy was approved by council on January 16, 2023. In 2023, \$1,335,638.74 was written off under this new policy.
- The Provincial Offences Office became Payment Card Industry (PCI) compliant as of October 26, 2023 ensuring all our credit card transactions are processed securely and in accordance with the new City policy.
- Legislative changes were implemented which now allow for court staff to convict defendants who do not attend court which should free up time for Justices of the Peace, and court staff can now grant re-openings which should also help free up time for Justices of the Peace.
- Successfully upgraded the Collection Agency Management System (CAMS) from version 3.18 to 3.21, which included enhanced administration features and reporting mechanisms.
- The Windsor-Essex POA program ended the year with a net operating profit of \$1,007,689.

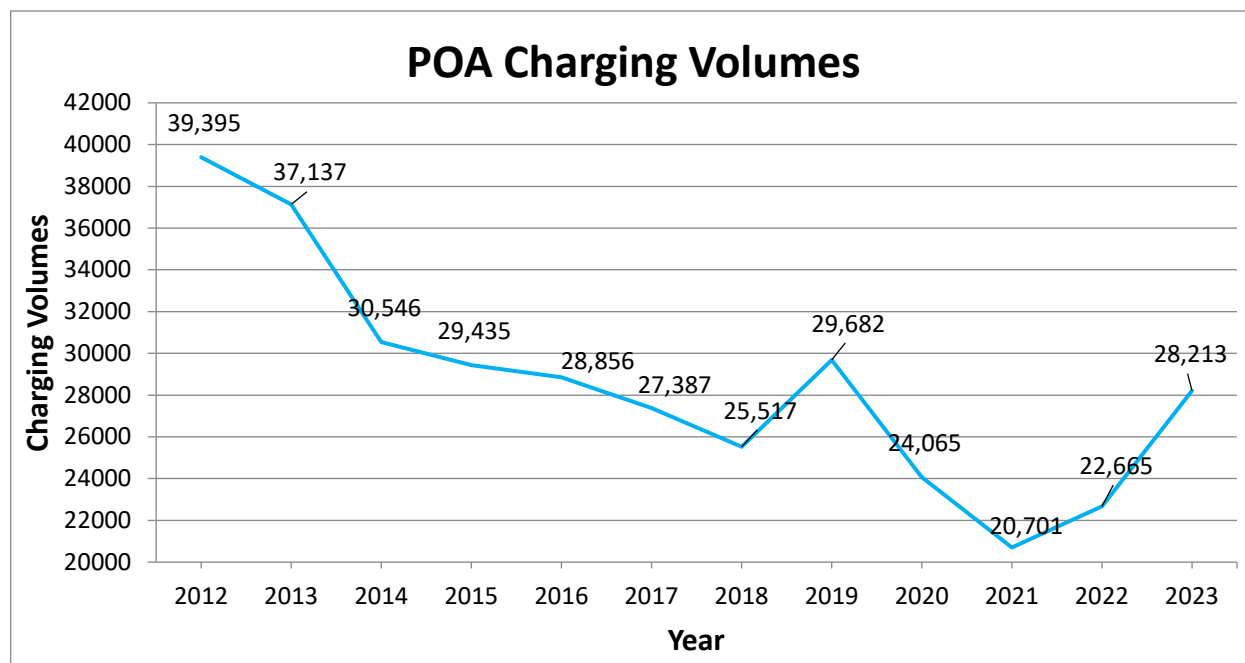
The main focus of the POA Committee continues to be an emphasis on collecting fines, current and defaulted, as well as continuing to improve efficiencies, streamline processes and strengthen business relationships. The total outstanding fines amount is \$44.7M (2022 - \$45.1M), of which \$4.1M (2022 - \$5.1M) is the pre-transfer of responsibility receivables, where pre-transfer receivables were reduced by \$1.3M following the POA specific Write-off Policy approved in 2023. Further details can be found in Section D of the report.

The primary factor contributing to the declining trend in POA revenue has been the steady decline in charging volumes. However, an additional contributing factor, particularly experienced in 2023, is the amount of judicial resources available to the POA. Specifically, courtroom operating hours and matters heard in court declined significantly year-over-year from 2022 to 2023. As noted in the annual report, "It is clear that even with the number of tickets increasing, our production is restricted due to insufficient courtroom operating hours."

The POA office has been advocating to have more Justices of the Peace appointed and assigned to Windsor. In January 2024, the Ministry of the Attorney General announced the appointment of two additional Justices of the Peace for Windsor. It is estimated that these two Justices, expected to be available late this year, will result in one additional court day per week, which should result in increased revenue for 2024.

A Red Light Camera (RLC) Program was introduced at ten select traffic intersections within the City of Windsor in 2022. A red light running camera is a type of traffic enforcement camera that captures an image of a vehicle that enters an intersection during a red light.

The RLC program charging volumes (6,141 tickets) made up 21.8% of the overall tickets received in 2023 (2022 - 23.9%).



Ontario Regulation 355/22 under the Highway Traffic Act allows for the use of Administrative Penalties (AP) (also known as Administrative Monetary Penalties or AMPs) for vehicle-based offences captured by automated enforcement systems such as Automated Speed Enforcement and Red Light Cameras.

APs are administered by the municipality, outside of the traditional POA system, and the penalty revenue goes directly to the municipality. The suitability of the AP process for the existing RLC program is currently being explored by City of Windsor Administration. As Council is aware, the Department of Legislative Services & Clerks is also exploring the use of AMPs for certain enforcement matters.

Consultations

None

Financial Implications

The Town's share of the net surplus from the POA revenues had been historically included in the annual budget at \$150,000 but was reduced to \$130,000 for 2016 to reflect the trend in declining revenues that had appeared. The decline in revenue has continued and the Town's budget has been reduced further, currently at \$80,000 for 2024. The total revenue received since 1999, summarized in five-year periods is:

Year	Total Net Profit (\$)	Tecumseh Share (\$)	Tecumseh Annual Avg. (\$)	Tecumseh (%)
2019-2023	\$5,131,686	\$379,220	\$75,844	7.39%
2014-2018	\$7,976,208	\$587,641	\$117,528	7.37%
2009-2013	\$10,782,000	\$807,574	\$161,515	7.49%
2004-2008	\$10,790,000	\$803,454	\$160,691	7.45%
1999-2003	\$15,492,600	\$1,181,199	\$236,240	7.62%
Total	\$50,172,494	\$3,759,088	\$150,364	7.49%

The COVID-19 pandemic was a significant influence on the sharp reduction in revenues for the 2019-2023 period, with annual charging volumes bottoming out in 2021 at 20,701. The trend of declining revenues has been reversed, for 2023 at least, largely in part to the introduction of the RLC program in 2022. This may be short-lived should the long-term trend of declining charges continue combined with a City move of the RLC program to an AP process, and may challenge the future financial self-sustainability of the POA program itself.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

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
1	Windsor-Essex Provincial Offences (POA) Annual Report 2023