

Analyst Briefing Notes

Budget Committee

(February 10, 2009)

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PART I: 2009 OPERATING BUDGET**Executive Summary**

- Court Services provides dispute resolution services to defendants and the public in Toronto in accordance with the Provincial Offences Act and the Memorandum of Understanding between the City of Toronto and the Ministry of the Attorney General in order to ensure justice is fairly administered. The services provided include the following:
 - Provincial Offences and Dispute Resolution, including the support of courtroom based and administrative hearings regarding charges stemming from offences under provincial statutes or Municipal bylaws;
 - Provincial Offences Court Case Management, which includes court administration processes respecting charges issued by enforcement officers and others under Provincial law, including trial scheduling, payment processing and identifying unpaid fines for enforcement; and
 - Default Fine Collection Management, which includes managing, collecting and processing fines and taking collection action on fines in default
- Over the next three years, as the volume of trials continues to increase, Court Services faces the challenge of ensuring adequate and timely access to court hearings. The number of charges filed has increased by 20% in 2007 and an additional 10% in 2008 over 2007. Maintaining service levels has become increasingly difficult with existing resources. In addition, the growing level of unpaid fines continues to present a challenge as existing legislation does not provide sufficient sanctions to enforce payment of court ordered fines by persons unwilling to pay voluntarily.
- The service objectives for Court Services include:
 - Providing stakeholders with timely access to court and other hearings by reducing wait periods from 14 months to 8 months within the next two years;
 - Reducing the rate of charges going to trial from 50% to 26%, which is in line with the GTA average;
 - Ensuring all new charges are filed with the court within 7 days of receipt by an enforcement agency or officer and subsequent processing occurs within established timelines; and
 - Taking action necessary to enforce compliance of court orders and seek Provincial approval to implement new, more effective enforcement sanctions to prevent non-compliance.
- The 2009 Recommended Operating Budget of \$47.567 million gross and (\$12.182) million net revenues includes priority actions which address the above challenges and service objectives.

To maintain existing service levels of trial wait times of 12-14 months, in light of the case load increase, funding for the following priority actions has been included in the 2009

Recommended Operating Budget:

- The provision of overtime funding to address the significant case backlog, process charges, and produce court transcripts in a timely manner, at a cost of \$0.190 million;
- The provision of funding for prosecutors and legal staff required to respond to increased court activities at a cost of \$1.089 million; and
- The establishment of review processes necessary to increase certainty of police officers attending court as scheduled in a manner that minimizes the number of days in a cycle that a police officer must appear in court in order to reduce associated costs.

To improve service levels by providing stakeholders with more timely access to court hearings and enforce compliance of court orders, the 2009 Recommended Operating Budget will:

- Add funding for 66 additional positions in Court Services and 14 additional positions in Legal Services to staff six additional courtrooms (which were approved as part of the 2009 Capital Budget) and to identify fines in default requiring collection action, at a gross cost of \$3.725 million, offset by increased fine revenue of \$4.430 million, resulting in (\$0.705 million) net revenues. This initiative will reduce trial delays and wait periods from 14 months to 8 months, alleviate overcrowded court conditions and strengthen collection efforts; and
 - Continue to support staff's advocacy action for the Province to implement more effective fine enforcement sanctions to reduce the growing level of unpaid fines experienced by all Ontario municipalities
- For 2008, the third quarter projected year-end variance of (\$8.332 million) net revenues is \$3.254 million or 28.1% below the 2008 Approved Operating Budget of (\$11.586 million) net revenues for Court Services. The revenue shortfall is largely due to the delay in the implementation of the Red Light Camera Expansion Program. The 2008 variance will not be carried forward into 2009 as the completion of Phase II of the Red Light Camera Expansion Program was completed by end of 2008.

Table 1: 2009 Recommended Budget

(In \$000s)	2008		2009 Recomm'd Operating Budget			Change - 2009 Recommended Operating Budget v. 2008 Appvd. Budget		FY Incremental Outlook	
	2008 Appvd. Budget	2008 Projected Actual	2009 Base	2009 New/Enhanced	2009 Operating Budget			2010	2011
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	39,132.2	40,987.6	43,841.8	3,725.0	47,566.8	8,434.6	21.6	3,037.3	56.9
REVENUE	50,717.9	49,319.5	55,318.8	4,430.0	59,748.8	9,030.9	17.8	3,518.6	0.0
NET EXP.	(11,585.7)	(8,331.9)	(11,477.0)	(705.0)	(12,182.0)	(596.3)	5.1	(481.3)	56.9
Approved Positions	227.0	227.0	227.0	66.0	293.0	66.0	29.1	0.0	0.0
TARGET			(11,817.4)		(11,817.4)				
\$ Over / (Under) Program Target			340.4		(364.6)				
% Over / (Under) Program Target			2.9%		-3.1%				

- The 2009 Recommended Operating Budget for Court Services of (\$12.182 million) net is \$0.365 million or 3.1% below the 2009 target as a result of the New/Enhanced initiative to increase courtroom capacity and strengthen collection efforts that generates (\$0.705 million) in additional net revenues for the Program.
- The 2009 Recommended Operating Budget of \$47.567 million gross is comprised of base funding of \$43.842 million and \$3.725 million for new/enhanced service priorities, which includes an increase of 66 positions.
 - The 2010 net revenue increase of (\$0.481 million) is due to the annualization of net revenues from operations of six additional courtrooms (\$0.538 million) offset by the ongoing cost for merit increases of \$0.057 million. The 2011 net impact of \$0.057 million net is solely comprised of ongoing merit increases. The Outlooks for 2010 and 2011 do not include a provision for COLA which is subject to future negotiations.
- The 2009 Recommended Operating Budget includes an additional 66.0 positions, increasing the staffing complement from 227.0 to 293.0 positions. The additional permanent positions are comprised as follows:
 - 10 positions to assist with collections of unpaid fines;
 - 35 positions required for administration of 6 new courtrooms; and
 - 21 positions to provide support services for 6 new courtrooms

In addition, 14 additional positions in Legal Services are required for the operations of the new courtrooms. The staff costs for Legal Services will be fully recovered from Court Services and funding for these positions is included in the Court Services' 2009 Recommended Operating Budget.
- Court Services' 2009 Recommended Operating Budget incorporates the following key cost drivers:

- Costs resulting from an increased case load, including a higher number of off-duty police officers attending trials for \$1.400 million, increased costs of existing prosecutors and legal staff of \$1.089 million, and non-discretionary expenditures that total \$0.939 million net and include mandatory Provincial payments and legislated translators.
- Other costs including salary expenditures such as merit, overtime, and fringe benefits, totaling \$0.618 million, reversal of one-time cost containment measures of \$0.153 million, and increased facilities rent & maintenance of \$0.447 million.
- The 2009 Recommended Operating Budget addresses a broad range of priority actions that advance the Mayor's mandate and Council's policy agenda of promoting a more efficient, effective public service and making a safe city safer. These include:
 - Monitoring the availability of Justices of Peace and encourage the Province to commit to succession planning for Justices of the Peace to avoid trial disruptions that occur as a result of judicial unavailability;
 - Simplifying court processes by identifying and implementing legislative and regulatory reforms as part of the 2009 Provincial review of the Provincial Offences Act;
 - Ensuring off-duty Police court attendance to reduce the number of cases withdrawn and increase number of convictions; and
 - Establishing functional requirements and procuring equipment and training that will allow staff to use modern technology, improve the quality of transcripts and capture the verbal record of proceedings.
- The 2009 Recommended Operating Budget will allow Court Services to continue to support efficient court administration and services to the public using the Provincial Offences Courts in City of Toronto. The 2009 Recommended Operating Budget will:
 - Expand court capacity and address trial delays by obtaining six additional courtrooms, bringing the total number of courtrooms from 25 to 31, resulting in 180,000 new trials per year and reducing wait periods from 14 months to the Provincial average of 8 months;
 - Add 10 positions required for collection of outstanding fines, resulting in net revenues of \$0.244 million;
 - Continue to manage court cases, resulting in over 700,000 new yearly charges processed in accordance with Provincial legislation;
 - Continue to process over 400,000 trials regarding Provincial Offences matters and 300,000 other hearings;
 - Continue to process payments from fines within 48 hours of receipt, with over 400,000 payments processed annually; and
 - Continue to support Toronto Licensing Tribunal, resulting in over 500 applications filed each year

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Operating Budget for Court Services of \$47.567 million gross and (\$12.182) million net, comprised of the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Finance & Administration	31,106.6	25,031.0
Court Administration	7,002.5	(46,151.9)
Court Support	5,237.4	5,237.4
Planning & Liaison	3,701.5	3,701.5
Licensing Tribunal	518.7	0.0
	<hr/>	<hr/>
Total Program Budget	<u>47,566.7</u>	<u>(12,182.0)</u>

2. the Director of Court Services, in consultation with the General Manager of Transportation Services, report to Budget Committee as part of the 2nd Quarter Variance Report on the status of Red Light Camera revenues and other fine revenues realized in 2009 as compared to budget.

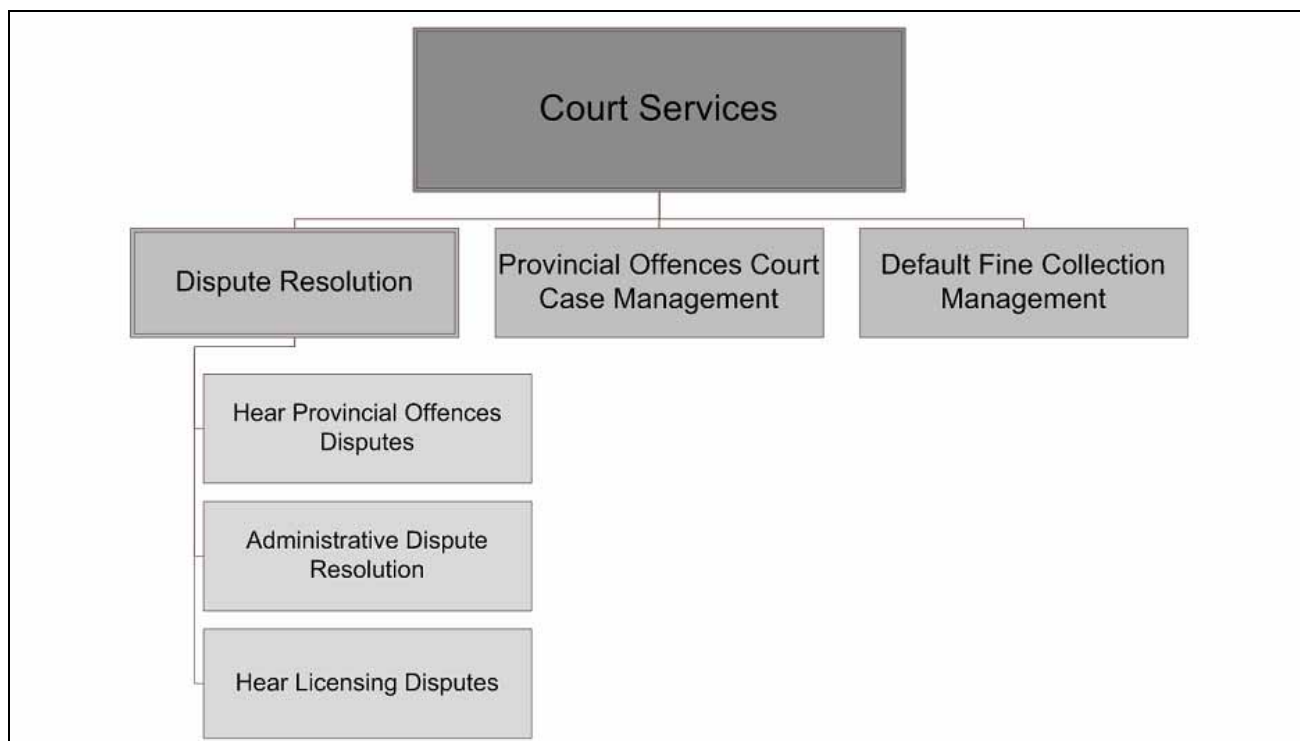
PART II: 3-YEAR SERVICE OVERVIEW AND PLAN

Court Services is responsible for court administration processes respecting charges issued under Provincial law. In accordance with its legislated mandate, the Program provides information about court processes to the public, processes payments and schedules trials and hearings. In addition, Court Services supports courtroom hearings respecting contested charges involving Provincial statutes and Municipal by-laws.

The Program is committed to providing dispute resolution services to defendants and the public in Toronto in accordance with the Provincial Offences Act and the Memorandum of Understanding between the City of Toronto and the Ministry of the Attorney General in order to ensure justice is fairly administered. Court Services also provides administrative support services to the Toronto Licensing Tribunal.

Services provided include:

- Hearings and trials held at 25 courtrooms across the City (700,000/year)
- Administrative hearings for parking tickets with a penalty below \$100.00 (130,000/year)
- Administering over \$70 million in fines imposed annually with payments processed within 48 hours of receipt
- Ensuring access to an unbiased review process before an impartial reviewer

Program Map

Service Challenges and Opportunities

Court Services is committed to ensuring that all citizens accused of committing an offence have timely access to a hearing before an impartial reviewer. In addition, Court Services is responsible for processing and collecting fines. While such services are vital to the citizens of Toronto, delivery of them presents certain challenges and opportunities discussed below:

Case Load Increases

- The volume of charges requiring a trial has been increasing at a fast pace. The case load increase of 20% between 2007 and 2008 has created service delays and further trial backlogs. The current rate of charges going to trial in Toronto is 50%, while the GTA average is 26%. Many cases are withdrawn as trials cannot be scheduled in a time frame that does not offend a person's right to a hearing within a reasonable time. The current wait period is 12-14 months, while the Provincial standard wait time is 8 months. Increasing court capacity is crucial in providing assurance to the public that the City continues to take all actions possible to ensure compliance.
- The Provincial Offences Act mandates appearance of police officers in court as the chief witness. At the present time, besides staff salaries, one of highest expenditures for Court Services is the cost of having police officers attend trials. With the number of trials increasing, more time is required to be spent in court by the police, as their absence at trial results in the charge being dismissed. To ensure police officers are present for a trial, City Council approved an initiative in 2006 to pay off-duty police officers overtime wages (time and a half) for their court attendance.

New processes are required to increase certainty of officers attending court as scheduled while minimizing the number of days in a cycle that a police officer must appear in court.

Scheduling techniques that recognize court availability and case readiness, including provision of disclosure of information, are critical to minimizing time and associated costs.

Unless new processes are instituted that increase access to police officer availability or the legislation changes the requirement of a police officer to appear, Court Services can expect the costs to continue rising and additional cases to be dismissed, as the volume of cases increases.

Collection of Unpaid Fines

- The increasing level of unpaid fines continues to present a challenge as existing legislation does not provide sufficient sanctions to enforce payment of many court ordered fines by persons unwilling to pay voluntarily. In the absence of legislative changes to increase sanctions available to enforce payment of court ordered fines, Court Services will continue to face mounting base pressures and will be challenged to not only meet current revenue budgets but also the City's affordability targets in future years.

Service Objectives

Court Services has developed a multi-year plan that prioritizes and aligns strategic initiatives that directly address the challenges and opportunities outlined above as well as a number of Council's priorities.

- Providing stakeholders with timely access to court and other hearings by processing an additional 180,000 charges per year, reducing case backlog and wait periods from 14 months to 8 months within the next two years;
- Reducing rate of charges going to trial from 50% to 26% within 5 years;
- Ensuring all new charges are filed with the court within 7 days of receipt and enforcing compliance of court orders;
- Providing a fair and unbiased review process to each person contesting charges;
- Decreasing the length of time the public waits for service from 25 minutes to under 10 minutes; and
- Improving the quality and availability of transcripts by using digital audio recording technology.

Priority Actions

The 2009 Recommended Operating Budget provides \$47.567 million gross, and (\$12.182) million net in base and new funding for a broad range of services and activities that address the challenges, opportunities, and service objectives of Court Services.

To address the challenges posed by growth in caseload, the following priority actions have been recommended for 2009:

- Increase Court Capacity

To respond to a growing service demand, Court Services will increase capacity by six courtrooms in spring of 2009. The volume of charges requiring a trial has been increasing at a fast pace, and in order to reduce trial delays and restore public confidence in the court system, funding for the acquisition and retrofitting of six new courtrooms was approved in the Program's 2009 Capital Budget. The additional space will help to alleviate overcrowded conditions regularly experienced at Court Services locations, which will help to improve public services for those who attend trial or are seeking court information and/or paying fines. The current wait period for trials is 12-14 months, which is significantly higher than the Provincial standard of 8 months. The ability to process a greater number of trials in a more timely fashion is expected to result in more court dispositions, including orders to pay fines.

The operating impact of this capital project requires additional resources to deliver expanded court services. An additional 56 positions for Court Services and an additional 14 positions for Legal Services are recommended in the Court Services' 2009 Operating Budget once the capital project is completed in late spring of 2009 and the six new courtrooms are operational. The operating impact

requires \$2.969 million gross, offset by additional revenues of \$3.430 million, resulting in (\$0.461 million) net revenues.

Strengthen Collection Efforts

Court Services will continue to advocate for action by the Province to simplify court processes and implement new, more effective fine compliance sanctions. The growing level of unpaid fines is experienced by all Ontario municipalities and Court Services will address this issue by assigning 10 additional positions to collections of unpaid fines before they go into default. This initiative requires funding of \$0.756 million gross and will reduce costs associated third party collection agencies and result in net savings of (\$0.244 million) in 2009.

- Improve court processes

Because the Provincial Offences Act requires police officers to appear in court, their absence during a trial results in the charge being dismissed. To ensure police officers are present for a trial, Court Services will complete a review, in conjunction with Toronto Police and Legal staff, of processes needed that will increase certainty of officers attending court as scheduled. In order to minimize the number of days in a cycle that a police officer must appear at court, scheduling techniques that recognize court availability and case readiness, including provision of disclosure of information, are critical to minimizing time and associated costs.

As a result of increased trial volumes, the 2009 Recommended Operating Budget for Court Services will fund an increase in attendance of off-duty police officers at a cost of \$1.400 million to ensure cases are not dismissed. While the assignment of police officers to court for the purpose of giving evidence is on overtime, the revenue flowing from the convictions secured remains higher than the overtime costs. However, working with the Province to implement proposed legislation changes regarding attendance of police officers remains key to reducing trial wait periods, dismissed charges, and high operational costs.

In addition, an increase in interdivisional charges in the amount of \$1.089 from Legal Services covers the cost of salaries for prosecutors and legal staff required to respond to an increased trial rate and charges, and to ensuring courtrooms remain opened.

The 2009 Recommended Operating Budget will also address the significant case backlog issue by increasing the provision of overtime hours by \$0.190 million. Court Services will ensure overtime expenditures are incurred only as a last resort.

Furthermore, Court Services will continue to monitor the availability of Justices of the Peace. Although twelve new Justices of the Peace were appointed in 2007, there continues to be concern over the absence of a succession management plan that ensures no disruptions in judicial availability occurs that could see courtrooms close.

In addition to the specific priority actions that address the challenges and service objectives of Court Services, the 2009 Recommended Operating Budget also addresses a broad range of priority actions that advance the Mayor's mandate and Council's policy agenda of promoting a more efficient, effective public service and making a safe city safer. These include:

- Monitoring availability of Justices of Peace and encourage the Province to commit to succession planning for Justices of the Peace to avoid trial disruptions that occur as a result of judicial unavailability;

- Simplifying court processes by identifying and implementing legislative and regulatory reforms as part of the 2009 Provincial review of the Provincial Offences Act;
- Ensuring off-duty Police court attendance to reduce the number of cases withdrawn and increase number of convictions; and
- Establishing functional requirements and procure equipment and training that will allow staff to use modern technology, improve the quality of transcripts and capture the verbal record of proceedings.

PART III: 2008 BUDGET VARIANCE ANALYSIS

Table 2: 2008 Budget Variance Review

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals*	2008 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	36,603.4	39,132.2	40,987.6	1,855.4	4.7%
REVENUES	43,152.7	50,717.9	49,319.5	(1,398.4)	-2.8%
NET EXP.	(6,549.3)	(11,585.7)	(8,331.9)	3,253.8	-28.1%
Approved Positions	230.0	227.0	227.0	0.0	0.0

* Based on 3rd Quarter Variance

2008 Experience

Court Services' projected year-end net unfavourable variance is anticipated to be \$3.254 million or 28.1 % over the 2008 Approved Operating Budget of (\$11.586 million) net revenues.

The unfavourable variance is the result of a net revenue shortfall mainly attributable to the lower than projected number of Red Light Camera charges. Red Light Camera charges issued in 2008 and filed with the court totalled 14,554 compared to a 2008 estimate of 54,400. Similarly, actual revenue realized for they year for all outstanding Red Light Camera tickets, including those issued in 2008, is \$1.87 million, of which \$1.18 million pertains to 2008 charges. The Red Light Camera revenue budget for 2008 is \$5.22 million, consisting of \$3.72 million relating to the expansion program and the remaining \$1.5 million pertaining to the operation of the 10 cameras which existed prior to the implementation of the expansion program. The major reason for underachievement of Red Light Camera revenues has been the delay in installation, pending the finalization of Provincial regulations, which has been resolved by December 31, 2008.

Compared to 2007, 2008 fine revenues have increased by 15.2%. Additionally, with \$0.297 million collected, user fee revenues related to defendants/customers use of city-built internet portal to pay fines, introduced in 2008, has exceeded the corresponding budget of \$0.243 million by \$0.027 million or 10.9%.

The Program's increasingly positive revenue trend (with the exception of the Red Light program) is due to increases in in-court activity and conviction rates as well as strengthened collection/fine enforcement efforts which have resulted from the appointments of Justices of the Peace in 2007 and the implementation of initiatives approved by Council in 2006, namely:

- 1) Development and implementation of web functionality that enables defendants to pay fines on the internet;

- 2) Hiring of dedicated City legal staff to pursue debtors with outstanding defaulted fines in excess of \$0.010 million; and
- 3) Commencement of an initiative that schedules off-duty police officers to attend court as witnesses

Impact of 2008 Operating Variance on the 2009 Recommended Budget

The delay experienced in implementing the Red Light Camera (RLC) expansion initiative, due to Provincial regulations and installation delays, was resolved by the end of 2008. By December 31, 2008, 77 cameras have been installed, which is a significant increase from 20 cameras that were operational in January of 2008. In addition, all Red Light Camera enforcement and support positions have now been staffed.

It is expected that the Red Light Camera revenues will reach \$5.2 million in 2009 (same as 2008 budget). Statistics show that the average fine paid for the RLC offence is \$95, with the average of 3 charges laid per day per camera. With 77 cameras installed, it is reasonable to conclude that the amount of \$5.2 million in RLC revenues will be realized in 2009.

PART IV: 2009 RECOMMENDED BASE BUDGET

Table 3: 2009 Recommended Base Budget

(In \$000s)	2008 Appvd. Budget	2009 Recommended Base	Change 2009 Recommended Base v. 2008 Appvd. Budget		FY Incremental Outlook	
					2010	2011
	\$	\$	\$	%	\$	\$
GROSS EXP.	39,132.2	43,841.8	4,709.6	12.0	3,037.3	56.9
REVENUE	50,717.9	55,318.8	4,600.9	9.1	3,518.6	0.0
NET EXP.	(11,585.7)	(11,477.0)	108.7	(0.9)	(481.3)	56.9
Approved Positions	227.0	227.0	0.0	0.0	0.0	0.0
NET TARGET		(11,817.4)				
\$ Over / (Under) Program Target		340.4				
% Over / (Under) Program Target		2.9%				

2009 Recommended Base Budget

The 2009 Recommended Base Budget gross expenditures of \$43.842 million reflect an increase of \$4.710 million or 12% compared to the 2008 Approved Operating Budget of \$39.132 million. The increase in gross expenditures is largely due to volume increases and includes higher court attendance of off-duty Police officers, increased costs of prosecutors and legal staff, and mandatory Provincial payments. Furthermore, merit, step, and fringe benefit cost increases, as well as non-labour inflationary increases of contracted services, contribute to higher expenditures.

The 2009 Recommended Base Budget revenues of \$55.319 million are \$4.601 million higher than the 2008 Approved Operating Budget. The increase is due to higher fine revenues driven by increases in in-court activity and conviction rates.

The 2009 Recommended Base Budget, which excludes net revenues of the additional 6 courtrooms to increase court capacity, maintains service levels offered in 2008.

The 2009 Recommended Base Budget results in no changes to the 2008 approved staffing complement.

2009 Key Cost Drivers and Reduction Strategies

The 2009 Recommended Base Budget provides funding for the following key cost drivers:

- Volume driven costs (increase in caseload):

- Increased mandatory court attendance of off duty police officers requires an additional \$1.400 million;
- An increase in prosecution and legal staff expenditures due to supporting increased case load and additional trial demand results in costs of \$1.089 million;
- Mandatory payments to the Province based on increased case load, and as legislatively required, providing individuals with court interpreters in the amount of \$0.758 million; and
- Provision for overtime hours to reduce trial backlog at a cost of \$0.190 million
- Salary and other costs:
 - Increased salary expenditures for merit, step, and fringe benefits of \$0.428 million;
 - Higher rent and maintenance fees charged by Facilities & Real Estate of \$0.447 million;
 - Non-labour inflationary increases for contracted services of \$0.180 million; and
 - Reversal of one time 2008 cost containment measures totaling \$0.153 million
- These key cost drivers are offset by increased fine revenues of \$4.378 million

2010 and 2011 Outlook: Net Incremental Impact

The incremental impact of \$(0.481 million) net revenue increase in 2010 reflects the annualized costs and revenues of operating new courtrooms in 2009 (\$0.538 million net revenue) offset by merit increases of \$0.057 million.

The additional \$0.057 million net in 2011 represents increases in staffing costs for merit increase.

It should be noted that the Outlooks do not include a provision for COLA, as this increase is subject to future negotiations. Also, the 2010 and 2011 Outlooks do not include unconfirmed pressures and revenues driven by inflation and volume increases.

PART V: RECOMMENDED NEW SERVICE PRIORITY ACTIONS

Table 4
2009 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2009 Recommended		Rec. New Positions	Net Incremental	
	Gross Exp.	Net Exp.		2010	2011
	\$	\$		\$	\$
Enhanced Services:					
(a) Enhanced Services - Council Approved					
Increasing Court Capacity - Operating Impact of 6 additional courtrooms	3,725.0	(705.0)	66.0	(538.2)	-
(b) Enhanced Services - Program Initiated					
Sub-Total Enhanced Services	3,725.0	(705.0)	66.0	(538.2)	0.0
New Services:					
(a) New Services - Council Approved					
					-
(b) New Services - Program Initiated					
Sub-Total New Services	0.0	0.0	0.0	0.0	0.0
Total New/Enhanced Services	3,725.0	(705.0)	66.0	(538.2)	0.0

2009 Recommended New / Enhanced Service Priority Actions

Enhanced Service Priority Actions – Council Approved

Increase Court Capacity & Collection Efforts

Council approved the Court Services Leasehold/Facility Improvements Capital Project at its meeting on December 10, 2008, which includes construction of six additional courtrooms in 2009 in the South District (4), West District (1), and East District (1) to increase trial capacity and ensure statutory regulations are met and trials are heard and scheduled within a reasonable time frame.

In response to a growing volume of charges requiring a trial, trial delays and backlogs, and to restore public confidence in the court system, six new courtrooms will help to alleviate overcrowded conditions regularly experienced at Court Services locations. The additional space and staff will also help to improve public services for those who attend trial or are seeking court information and/or paying fines. The current wait period for trials is 12-14 months, which is significantly higher than the Provincial average wait time of 8 months. The ability to process a greater number of trials in a more timely fashion is expected to result in more court dispositions, including orders to pay fines.

Six new courtrooms can support an additional 180,000 trials per year and significantly help in reducing waiting periods to the 8 month standard. By reducing trial delays and withdrawing/dismissing fewer cases, it is expected that the rate of charges going to trial will eventually decrease from the current 50% to the GTA average of 26%.

Court Services' 2009 Recommended Operating Budget includes funding of \$3.725 million gross, and revenues of \$4.430 million, thereby generating \$0.705 million in net revenues, out of which \$0.244 million net savings are a result of increasing internal fine collection capacity for the expanded court services in the six new locations.

The chart below shows the breakdown of this initiative:

	Courts (Six)	Collections	Total
Gross Exp.	2,969,085.3	755,914.7	3,725,000.0
Revenue	3,430,000.0	1,000,000.0	4,430,000.0
Net Exp.	(460,914.7)	(244,085.3)	(705,000.0)

The capital project will be completed in 2009 and requires 66 new permanent positions in Court Services and 14 positions in Legal Services. The 66 positions for Court Services include staff required for collections (10), court administration (35), and court support (21), while the 14 new positions for Legal Services include 10 prosecutors, 2 legal assistants, and 2 law clerks, funded by Court Services.

The staff assigned to collections will be responsible for identifying and commencing action on fines imposed immediately upon default as well as providing support to individuals seeking additional time to pay a fine before their account goes into default. These efforts will serve to reduce the number of accounts and associated dollars placed with third party collection agencies. The longer it takes to initiate a collection action on a debt, the more difficult and costly it is to collect the outstanding debt. Court Services recognizes revenue only when funds are paid.

The gross costs of \$3.725 million also include the lease costs for 4 new courtrooms at 481 University Avenue (as adopted by City Council at a meeting held October 29-30, 2008, in a report titled “481 University Avenue – New Lease with 481 University Avenue Inc. for the Operation of City Courtrooms”), as well as adding 2 additional courtrooms within the West and East Courthouses.

The annualized impact of adding courtroom capacity in 2010 will be \$2.980 million gross, \$3.519 million revenue, resulting in (\$0.538 million) net revenues.

PART VI: ISSUES FOR DISCUSSION**2009 Budget Issues****Red Light Camera (RLC) & Fine Revenues**

As a result of the delay in implementation of red light cameras (due to finalization of Provincial regulations), RLC revenue for Court Services is under budget by \$3.3 million in 2008.

By the end of 2008, the number of installed cameras reached 77, which is significantly higher than 20 cameras functioning at the beginning of the year. In addition, all RLC enforcement and support positions were filled by the end of 2008.

It is expected that the Red Light Camera revenues will be \$5.2 million in 2009 (consistent with the 2008 budget). While the RLC fine is \$180, statistics show that the average fine paid for the RLC offence is \$95. With the average of 3 charges laid per day per camera and 77 cameras installed, it is reasonable to conclude that the amount of \$5.2 million in RLC revenues will be achieved in 2009.

However, the effectiveness of the safety related measures has resulted in decreased fatal collisions and accident rates. In addition to fewer red light camera infractions, other factors such as tickets being challenged in court, could also impact the realization of RLC revenues in 2009.

In addition, assumptions on fine revenues realized are contingent on many factors that are not controlled by Court Services. Decisions made by judiciary on fines levied, as well as compliance by those ordered to pay fines and collection sanctions are some of the factors that influence fine revenues.

Given this is the first year of full operations of the Red Light Camera expansion program, it is recommended that the Director of Court Services and the General Manager of Transportation Services monitor revenues in 2009 and report to Budget Committee on the status of Red Light Camera revenues as well as other fine revenues as part of the 2nd Quarter Variance Report.

Appendix A

2009 Recommended Base Budget Changes vs. 2008 Approved Budget

(In \$000s)	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
		\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	230.0	39,334.5	50,717.9	(11,383.4)	0.0	0.0
In-year approvals and technical adjustments	(3.0)	(202.3)		(202.3)		
Corporate adjustments				0.0		
2008 Approved Operating Budget	227.0	39,132.2	50,717.9	(11,585.7)	0.0	0.0
Prior year impacts		153.2	0.0	153.2		
Zero base items				0.0		
Economic factors		565.0	0.0	565.0	(481.3)	56.9
Adjusted Base Budget	227.0	39,850.4	50,717.9	(10,867.5)	(481.3)	56.9
Other base changes		3,991.4	144.0	3,847.4		
Base revenue changes			4,456.9	(4,456.9)		
Recommended Service Level Adjustments:						
Base changes						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
Total Recommended Base Adjustments	0.0	3,991.4	4,600.9	(609.5)	0.0	0.0
2009 Recommended Base Budget	227.0	43,841.8	55,318.8	(11,477.0)	(481.3)	56.9
2009 Program Operating Target				(11,817.4)		
% Over (Under) Program Target				-2.9%		
% Over (Under) 2008 Appvd. Budget				-0.9%		

Appendix C

**Summary of 2009 Recommended New/Enhanced
Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

CLUSTER A							
PROGRAM: Court Services							
	2008 Approved Budget	2008 Projected Actuals	2009 Recommended Budget	Change from 2008 Approved Budget		2010 Outlook	2011 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	15,988.6	15,610.4	18,419.5	2,430.9	15.2%	19,952.7	20,009.6
Materials and Supplies	189.1	199.7	301.7	112.6	59.5%	358.8	358.8
Equipment	137.1	86.6	155.2	18.1	13.2%	155.2	155.2
Services & Rents	8,581.5	9,206.4	9,680.0	1,098.5	12.8%	10,190.0	10,190.0
Contributions to Capital	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	53.5	53.5	61.1	7.6	14.2%	61.1	61.1
Other Expenditures	1,312.3	1,660.9	1,815.1	502.8	38.3%	1,815.1	1,815.1
Interdivisional Charges	13,061.3	14,170.1	17,005.3	3,944.1	30.2%	17,942.1	17,942.1
TOTAL GROSS EXPENDITURES	39,323.4	40,987.6	47,438.0	8,114.6	20.6%	50,475.1	50,532.1
Interdivisional Recoveries	1,618.0	1,545.9	1,762.1	144.2	8.9%	1,762.1	1,762.1
Provincial Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	324.0	365.7	402.2	78.3	24.2%	402.2	402.2
Transfers from Capital Fund	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve Funds	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Sundry Revenues	48,775.9	47,408.0	57,455.6	8,679.6	17.8%	60,974.2	60,974.2
TOTAL REVENUE	50,717.9	49,319.5	59,620.0	8,902.1	17.6%	63,138.6	63,138.6
TOTAL NET EXPENDITURES	(11,394.5)	(8,331.9)	(12,182.0)	(787.5)	6.9%	(12,663.4)	(12,606.5)
APPROVED POSITIONS	227.0	227.0	293.0	66.0	29.1%		