

Windsor/Essex Provincial Offences (POA) Annual Report

2016

The 2016 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.

Issued on:
April 5, 2017

Table of Contents

Message to our Municipal Partners	1
Section A - Background & Operational Activities	2-4
Chart A-1: Organizational Chart.....	5
Section B - Liaison Committee	6
Section C – Caseloads & Statistics	7
TABLE C-1: Absolute Charging Volumes	8
External Benchmarking of Caseloads (TABLE C-2)	9
Section D - Defaulted POA Fines Enforcement	10
Active Collection Efforts.....	11
Garnishments of Wages/3 rd Party Collections.....	12
Outstanding POA Fines	13
Section E - Financial Results.....	14
TABLE E-1: 2016 POA Financial Results.....	15-16
TABLE E-2: Annual Financial Results – Five Year Summary	17
TABLE E-3: Cumulative Annual Net Revenue Distributions (\$000's)	18
Section F - Revenue Distribution Details	19
APPENDIX A – Glossary of Terms	20-21

MESSAGE TO OUR MUNICIPAL PARTNERS

On March 5, 2016, the Windsor/Essex Provincial Offences department celebrated its 15th year of service. This year was marked by another exceptional performance across the board. Despite experiencing the lowest charging volumes since taking over from the Ministry in 2001, we had one of our best financial performances since 2012. Our active collection efforts continued to be robust which helped us exceed all performance metrics, both operationally as well as financially.

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:

- Renegotiated and signed the Windsor/Essex Area Intermunicipal Court Service Agreement for another 5 year term
- Finalized and executed the Tax Roll Agreement and Tax Roll Procedure document
- Developed and launched a new POA website
- Renegotiated terms and an extension of the lease at the Westcourt Building
- Took advantage of external funding and grants, as the POA court office was upgraded to meet accessibility door standard requirements.
- Improved operational efficiencies by reducing the number of court days scheduled in 2016, thereby reducing the number of court hours by 7%.
- Through various active collection efforts, revenue increased by more than \$500,000 year over year
- The Windsor/Essex POA program ended the year with a net operating profit of \$1,993,982, which positively exceeded the budget by \$357,251. The net operating profit was split \$966,210 (48.46%) to the County & Pelee and the remaining \$1,027,771 (51.54%) to the City of Windsor
- The 2016 financial statement audit was successfully completed by KPMG on March 16, 2017 without any concerns. The audited financial statements have been sent to the committee members via email on March 23, 2017.

As our Mission, Vision and Values statements continue to guide us in every decision we make, we are optimistic about the direction that we are heading towards. We will continue to build on the successes from prior years and we look forward to building stronger relationships, not just with our clients but also our community.

Sincerely,

Andrew Daher

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 the date of the POA Transfer. The first fiscal year constituted the period March 5, 2001 (the live transfer date) through December 31, 2001, with the following five fiscal years coinciding with the successive full calendar years, thus the initial term commenced March 5, 2001 and expired on December 31, 2006. The ISA was renewed for a further 5-year term, expiring December 31, 2011. In 2011 by mutual agreement it was extended for another 5-year term which expired on December 31, 2016. In the fall of 2016, the Liaison Committee unanimously agreed “in principal” to renew

the ISA for another five (5) years, commencing on January 1, 2017 and terminating on December 31, 2021. All Municipal Council's have approved and signed the agreement.

The POA Program occupies leased premises in Suite 300 of the Westcourt Place, located at 251 Goyeau Street, in the City of Windsor. 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. It should be noted that in July of 2016, the lease was renewed for another two (2) years, effective January 1, 2017.

The POA Program provides services and facilities to various stakeholders within the administration of 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. Part III matters under the POA remain the prosecutorial responsibility of the Crown Attorney’s office &/or specialist prosecutors provided by various ministries. As highlighted early in the report, the prosecution of City of Windsor By-laws has now been transferred from the Legal Department to the POA municipal prosecutors, consistent with industry practice. Also, it is a condition of employment in this Area that the prosecutors, who report directly to the City Solicitor, be duly qualified Ontario lawyers.

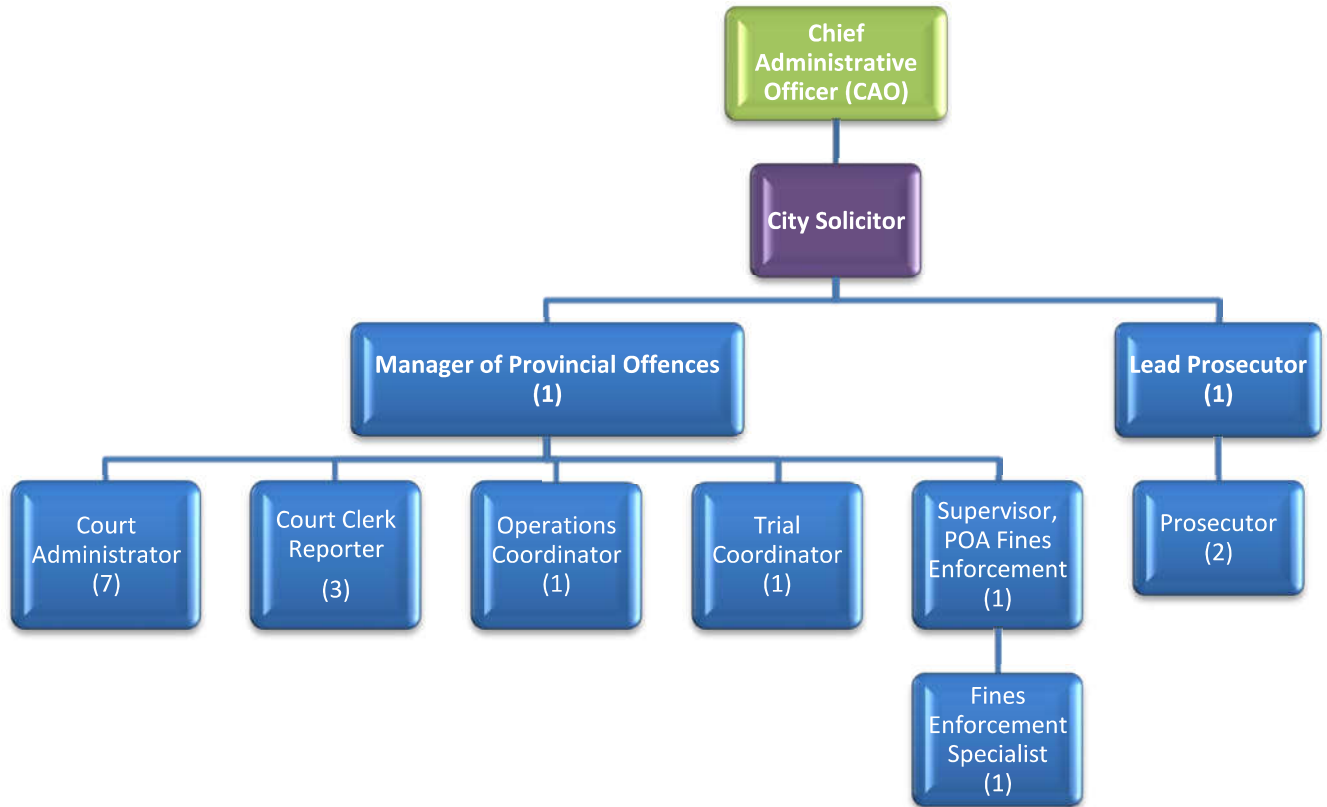
Fines Enforcement (Collections): One POA Fines Enforcement Supervisor along with one POA Fines Enforcement Specialists is responsible for ensuring that POA Court judgments, being orders imposing monetary penalties, are honoured by defendants including seeing to it that certificates of default are prepared 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, 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 Served 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 2016, the final composition of the POA Liaison Committee was as follows:

MUNICIPALITY	MEMBER	POSITION
Amherstburg	Justin Rousseau	Treasurer
Essex (County)	Mary Brennan	Director of Council Services/Clerk
Essex (Town)	Robert Auger	Clerk/Deputy Treasurer
Kingsville	Sandra Ingratta	Director of Financial Services
Lakeshore	Steve Salmons	Director of Community and Development
LaSalle	Dale Langlois	Manager of Finance/Deputy Treasurer
Leamington	Ginny Campbell	Director of Finance & Business Services
Pelee	Wayne Miller	CAO/Clerk/Treasurer
Tecumseh	Luc Gagnon	Director of Financial Services & Treasurer
Windsor	Shelby Askin Hager (Chair)	City Solicitor
Windsor	Andrew Daher	Manager of Provincial Offences

The Liaison Committee is mandated by the ISA to convene at least twice annually. In 2016, there were two meetings that were held on the following dates and locations:

<u>Date</u>	<u>Location</u>
February 23, 2016	City of Windsor – Meeting Room 409
September 27, 2016	Essex County Civic Centre – Committee Room E

During the September 27th meeting, the Committee agreed “in principal” to renew the ISA for another five (5) years, commencing on January 1, 2017. Subsequent to the meeting, each municipality took the report back to their respective Council’s for final approval and signatures.

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 2016, the POA Program took in a total of 28,856 charging documents, for a monthly average intake of approximately 2,405 tickets. This was down 2.0% 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	2016 YTD	% of Total Volume	2015	% of Total Volume	2014	% of Total Volume	2013 YTD	% of Total Volume
Windsor Police	11,416	39.6%	11,556	39.3%	12,102	39.6%	13,909	37.5%
Ministry of Transportation	2,288	7.9%	3,018	10.3%	3,640	11.9%	3,731	10.0%
Amherstburg Police Force	3,357	11.6%	2,438	8.3%	1,837	6.0%	2,153	5.8%
Essex OPP	2,790	9.7%	2,292	7.8%	2,131	7.0%	2,676	7.2%
Tecumseh OPP	1,587	5.5%	1,729	5.9%	1,741	5.7%	2,570	6.9%
Leamington OPP	1,408	4.9%	1,567	5.3%	1,561	5.1%	2,125	5.7%
Lakeshore OPP	1,204	4.2%	1,397	4.7%	1,378	4.5%	2,860	7.7%
Essex Town OPP	792	2.7%	1,250	4.2%	1,292	4.2%	2,060	5.5%
Kingsville OPP	1,296	4.5%	1,184	4.0%	1,316	4.3%	1,531	4.1%
LaSalle Police	926	3.2%	1,034	3.5%	1,480	4.8%	1,159	3.1%
Essex Detachment Heat Unit	458	1.6%	541	1.8%	640	2.1%	456	1.2%
Canadian Pacific Rail Police	244	0.8%	302	1.0%	326	1.1%	830	2.2%
Ministry of Natural Resources	164	0.6%	218	0.7%	306	1.0%	293	0.8%
Windsor Fire Department	165	0.6%	142	0.5%	153	0.5%	67	0.2%
Casino OPP	103	0.4%	130	0.4%	130	0.4%	199	0.5%
Windsor Essex County Health Unit	45	0.2%	124	0.4%	46	0.2%	37	0.1%
Windsor Bylaw	166	0.6%	115	0.4%	106	0.3%	122	0.3%
Ministry of Finance	52	0.2%	103	0.3%	60	0.2%	67	0.2%
Ministry of Labour	146	0.5%	82	0.3%	60	0.2%	68	0.2%
Ministry of Environment	89	0.3%	66	0.2%	41	0.1%	86	0.2%
Miscellaneous	17	0.1%	29	0.1%	33	0.1%	27	0.1%
Ontario College of Trades	26	0.1%	28	0.1%	45	0.1%	3	0.0%
Lakeshore Fire	6	0.0%	18	0.1%	8	0.0%	2	0.0%
Humane Society – Windsor	25	0.1%	16	0.1%	31	0.1%	17	0.0%
Amherstburg Bylaw	14	0.0%	9	0.0%	13	0.0%	11	0.0%
Lakeshore Bylaw	4	0.0%	8	0.0%	4	0.0%	2	0.0%
Canadian Heritage Parks	18	0.1%	7	0.0%	0	0.0%	5	0.0%
Electrical Safety Authority	7	0.0%	5	0.0%	16	0.1%	20	0.1%
Kingsville Bylaw	0	0.0%	5	0.0%	0	0.0%	0	0.0%
Ontario Motor Vehicle Industry Coun	0	0.0%	4	0.0%	19	0.1%	21	0.1%
Tarion Warranty Corp	8	0.0%	4	0.0%	0	0.0%	0	0.0%
Kingsville Fire	0	0.0%	3	0.0%	0	0.0%	0	0.0%
Essex Bylaw	4	0.0%	3	0.0%	4	0.0%	1	0.0%
Essex Fire Department	5	0.0%	0	0.0%	0	0.0%	0	0.0%
Ministry of Municipal Affairs & Hous	0	0.0%	2	0.0%	3	0.0%	1	0.0%
Leamington Bylaw	0	0.0%	2	0.0%	1	0.0%	0	0.0%
Canadian National Rail Police	1	0.0%	0	0.0%	0	0.0%	0	0.0%
Ontario New Home Warranties	4	0.0%	0	0.0%	0	0.0%	2	0.0%
Leamington Fire	1	0.0%	2	0.0%	4	0.0%	2	0.0%
Workplace Safety & Insurance Board	3	0.0%	1	0.0%	0	0.0%	3	0.0%
Tecumseh Bylaw	0	0.0%	1	0.0%	0	0.0%	0	0.0%
Private Complaints	3	0.0%	0	0.0%	1	0.0%	7	0.0%
LaSalle Fire	3	0.0%	0	0.0%	9	0.0%	1	0.0%
Major Crime Squad	0	0.0%	0	0.0%	6	0.0%	12	0.0%
Ministry of Agriculture & Food	0	0.0%	0	0.0%	1	0.0%	0	0.0%
Childrens Aid Society	0	0.0%	0	0.0%	1	0.0%	0	0.0%
Probation Office - Windsor	2	0.0%	0	0.0%	0	0.0%	0	0.0%
Royal Canadian Mounted Police	9	0.0%	0	0.0%	1	0.0%	1	0.0%
TOTALS	28,856	100.0%	29,435	100.0%	30,546	100.0%	37,137	100.0%

EXTERNAL BENCHMARKING OF CASELOADS

When comparing the year over year charging volume (2016 vs. 2015) 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. Although Windsor experienced another year over year decline in charging volume of 2.0%, the percentage decline was significantly less the average for our MBNCanada comparators (-5.8%). It should also be noted that Windsor was below the Provincial average decline of -2.9%. Although the overall charging volumes continue to decline annually, it is apparent that this is a trend across the province.

TABLE C-2: CHARGING VOLUME COMPARATOR

Municipality	MBN Canada	2016	% Change '16 vs. '15	2015	% Change '15 vs. '14	2014
Windsor	Yes	28,856	-2.0%	29,435	-3.6%	30,546
Barrie	Yes	71,723	-5.1%	75,561	2.6%	73,654
Durham	Yes	64,376	0.1%	64,288	-5.4%	67,957
Hamilton	Yes	83,764	-2.7%	86,048	-10.6%	96,283
London	Yes	41,065	-12.9%	47,166	5.1%	44,889
Niagara	Yes	38,676	-19.4%	47,981	-10.2%	53,432
Ottawa	Yes	76,759	-7.2%	82,709	1.8%	81,240
Thunderbay	Yes	21,284	-11.5%	24,055	5.7%	22,754
Toronto	Yes	349,011	1.7%	343,174	7.9%	318,031
Waterloo	Yes	59,209	0.4%	58,950	15.2%	51,150
York	Yes	145,140	-5.8%	154,096	-1.8%	156,891
Brampton	No	66,328	-5.6%	70,227	-8.7%	76,915
Brantford	No	12,433	16.6%	10,665	-17.7%	12,960
Caledon	No	34,295	-10.3%	38,232	25.6%	30,443
Chatham	No	13,623	-30.0%	19,465	25.7%	15,488
Guelph	No	21,765	7.0%	20,346	-17.4%	24,629
Lambton	No	12,685	-8.3%	13,834	2.7%	13,470
Provincial	N/A	1,599,115	-2.9%	1,647,601	-0.4%	1,654,032

Other Operational Statistics

In addition to having accepted and dealt with the filings of almost 29,000 charges over the course of the year, the POA Program processed approximately:

- 9,075 Early Resolution meetings (Part I)
- 115 Appeals from convictions/acquittals/sentences (Parts I & III)
- 733 Re-opening applications of convictions in absentia (Parts I & III)
- 7,379 Applications to extend the time to pay fines (Parts I, II & III)

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 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. 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.

Although Tax Rolling is not new and has been used in previous years, a revised collection process was initiated in early 2016 to take advantage of this inexpensive and effective collection method. The first step as part of our internal collection process is to review for property ownership. If the offender owns any property (as a sole owner), the fine is automatically added to the municipal tax roll. As can be noted by Table D-1 below, this change in process resulted in a year over year increase in tax roll revenue of 550% and a 410% increase in the number of new tax roll accounts added.

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

Description	As of Dec 31/16	As of Dec 31/15	Inc./ (Dec.)	% Inc./ (Dec.)
Revenues Collected from Tax Rolling	\$ 93,263.81	\$ 14,360.50	\$ 78,903.31	549.4%
# of New Tax Roll Accounts Added	107	21	86	409.5%

At the Liaison Committee meeting held on September 27, 2016, the members unanimously approved “in principal” a formal Municipal Tax Roll Agreement along with Tax Roll Procedures. Each municipality then took the report back to their respective Council’s for final approval and signatures. These documents will continue to guide our collections efforts in future years.

Garnishment of Wages

The process of finding employment is one of the most challenging tasks due to the limited amount of information that is available to our staff. To make matters more difficult, in many cases, the offender's are either unemployed, working for cash, or on some other form of assistance which can't be garnished. However when employment is confirmed and the garnishment documents are in place, it becomes one of the most effective enforcement tools as it ensures a steady stream of income. Recognizing this significant advantage, changes were made to our internal collection process in early 2016 which included the expansion of our research capabilities and methods. It is evident by TABLE D-2 that these changes positively affected our financial performance in 2016.

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

Description	As of Dec 31/16	As of Dec 31/15	Inc./ (Dec.)	% Inc./ (Dec.)
Revenues Collected from Garnishments	\$ 378,973	\$ 10,919	\$ 368,053	3370.7%
# of New Garnishments Issued	328	38	290	763.2%

As can be seen in the table above, the results were significant as the revenues collected increased by over 3300% and the number of new garnishments issued increased by 763%, year over year. Going forward, the Fine Enforcement Staff will continue to focus on wage garnishments with an emphasis on further expanding these efforts.

3rd Party Collections

Prior to 2016, the Windsor/Essex POA court office operated with only one collection agency (NCO Financials). Realizing the significant benefits of having multiple collection agencies competing against each other, in mid 2015, a Request for Proposal (RFP) was issued for additional 3rd Party collection agencies. The RFP resulted in the hiring of three new collection agencies (CBV, ARO and Gatestone), which went into effect on January 1, 2016. Table D-3 summarizes the year over year results.

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

Description	As of Dec 31/16	As of Dec 31/15	Inc./ (Dec.)	% Inc./ (Dec.)
Revenues Collected from 3rd Party Agencies	\$830,655.66	\$ 743,850.52	\$86,805.14	11.7%
# of 3rd Party Accounts Outstanding	69,994	72,707	(2713)	-3.7%

The end result was a year over year increase in revenue of approximately \$87K which represented an 11.7% increase. It also had a positive effect on the number of outstanding fines in collections as it decreased by almost 4% (meaning more fines were collected in 2016). Going forward, we do not anticipate any further increases. Projections for 2017 are ranging anywhere between the 2015 and 2016 annual levels.

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, 2016, there were approximately 69,766 records of unpaid fines for a total outstanding amount of \$42,114,458. This represents over 33,000 unique individuals and organizations in default (See Table D-3 and D-4 for further details). The \$42M in outstanding fines is not just a Windsor specific issue; it's a province wide epidemic. In 2011, the Ontario Association of Police Board Services issued a White paper entitled, *Provincial Offences Act – Unpaid Fines A \$Billion Problem*, which clearly identifies the ballooning crisis and stresses the importance of affirmative action. The purpose of the paper was to seek the assistance of the Government of Ontario to institute stronger and meaningful collection sanctions for fine defaulters. Although the Province has passed some *legislation* to improve collection efforts, there is still a long ways to go.

TABLE D-4: Number of Unpaid Fines

	2016		2015	
	#	% Chg	#	% Chg
Pre-Transfer	30,986	-2.0%	31,604	-1.3%
Post-Transfer	38,780	0.6%	38,543	-1.1%
Total	69,766	-0.5%	70,147	-1.2%

TABLE D-5: Dollar Value of Unpaid Fines

	\$ Value of Fines			
	2016		2015	
	\$	% Chg	\$	% Chg
Pre-Transfer	\$ 5,831,898	-2.3%	\$ 5,971,490	-3.8%
Post-Transfer	36,282,560	0.0%	36,281,155	-0.8%
Total	\$ 42,114,458	-0.3%	\$ 42,252,645	-1.2%

Many of these older fines (i.e. pre-transfer) have been 'scrubbed' multiple times and all reasonable and appropriate measures to collect these unpaid defaulted fines 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 late 2017 or early 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.**

POA municipalities throughout Ontario have been pressuring the Liberal government to pass *legislation* to provide them with additional enforcement tools. One change being proposed in the spring of 2017 relates to Bill 31, Making Ontario's Roads Safer Act. Offenders who have not paid fines for driving-based offences, such as speeding and careless driving, won't be able to get or renew their plates. This additional enforcement tool will help POA municipalities increase their collection efforts.

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 \$1.636 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 2016, the net profit was allocated as follows:

County Contribution	48.16%
Pelee Contribution	0.29%
<u>City of Windsor Contribution</u>	<u>51.54%</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 endures 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 the reporting year, specifically detailing out every operating expense and revenue account. The Provincial Offences program ended the year with a net operating profit of \$1,993,982, which is 6% higher than 2015 net operating profit of \$1,878,701. When comparing this to the 2016 annual budget of \$1,636,731, the department ended the year with a positive variance of \$357,251 or 21.8%.

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

TABLE E-1: 2016 POA Financial Results - As of December 31, 2016

Acct. #	Account Description	Account Description	2016 Budget A	2016 Actuals B	Surplus/ (Deficit) C = A - B
REVENUES					
6485	Bylaw Fines - Courts	Provincial Fines	\$ 5,990,000	\$ 6,247,203	\$ 257,203
6485	Bylaw Fines - Courts	Bylaw Fines	22,593	48,988	26,395
6485	Bylaw Fines - Courts	Transcript Revenue	10,000	17,740	7,740
6650	User Fee	STD - Provincial Offences	-	141	141
TOTAL REVENUES			\$ 6,022,593	\$ 6,314,072	\$ 291,479
EXPENSES					
Total Salary & Benefits			\$ 1,674,764	\$ 1,598,789	\$ 75,975
Materials & Services					
2145	Housekeeping Supplies	STD - Provincial Offences	\$ 3,420	\$ 2,713	\$ 707
3176	Facility Operations - Internal	Caretaking	52,080	52,626	(546)
2215	Bldg. Maintenance Services	STD - Provincial Offences	5,000	1,850	3,150
2920	Legal Services	STD - Provincial Offences	5,000	2,008	2,992
2950	Other Professional - External	STD - Provincial Offences	15,420	14,994	426
2950	Other Professional - External	Security Services - Internal	259,960	259,960	-
2950	Other Professional - External	Security Services - External	8,000	7,617	383
2995	Other Purchased Services	Language Line	15,000	8,555	6,445
Total Materials & Services			\$ 363,880	\$ 350,323	\$ 13,557
Administrative Overhead					
2010	Office Supplies	STD - Provincial Offences	\$ 18,000	\$ 10,656	\$ 7,344
2020	Postage & Courier	STD - Provincial Offences	28,500	26,765	1,735
2070	Outside Printing	STD - Provincial Offences	20,000	5,958	14,042
2085	Publications	STD - Provincial Offences	9,000	11,271	(2,271)
2610	Travel Expense	STD - Provincial Offences	2,000	2,617	(617)
2620	Car Allowance	STD - Provincial Offences	3,400	2,102	1,298
2710	Telephone Equipment - General	STD - Provincial Offences	9,660	8,392	1,268
2711	Cell Phones	STD - Provincial Offences	950	553	397
2914	Non Occ Medical	STD - Provincial Offences	-	150	(150)
2917	Ergonomic Assessments	STD - Provincial Offences	-	61	(61)
2990	Business Meeting Expense	STD - Provincial Offences	-	176	(176)
3120	Rental Expense - External	STD - Provincial Offences	4,000	1,410	2,591
3175	Facility Rental - External	STD - Provincial Offences	312,520	318,742	(6,222)
3210	Building Insurance	STD - Provincial Offences	1,706	1,706	-
3230	Liability Insurance	STD - Provincial Offences	638	638	-
4020	Membership Fees & Dues	STD - Provincial Offences	8,900	7,633	1,267
4050	Training Courses	STD - Provincial Offences	5,000	368	4,632
4155	Registrations & Conferences	STD - Provincial Offences	2,500	2,006	494
4520	Cashiers' Short & Over	STD - Provincial Offences	-	(30)	30
4540	Bank Charges	STD - Provincial Offences	59,500	57,520	1,980
4560	Collection Charges	STD - Provincial Offences	130,900	203,653	(72,753)
5125	Computers - PCs	STD - Provincial Offences	9,950	5,212	4,738
5126	Computer Software	STD - Provincial Offences	-	55	(55)
2925	Computer Maintenance	STD - Provincial Offences	20,560	18,480	2,080
2927	Computer & SW Maint-External	STD - Provincial Offences	4,000	6,463	(2,463)
3180	Computer Rental - Internal	STD - Provincial Offences	12,800	12,800	-
5130	Office Furniture & Equipment	STD - Provincial Offences	5,000	5,886	(886)
Total Administrative Overhead			\$ 669,484	\$ 711,243	\$ (41,759)

TABLE E-1: Continued

Acct. #	Account Description	Account Description	2016 Budget A	2016 Actuals B	Surplus/ (Deficit) C = A - B
Provincial Charges					
2950	Other Professional - External	ICON Fees	\$ 65,521	\$ 56,269	\$ 9,252
2950	Other Professional - External	Adjudication Services	415,362	351,834	63,528
2950	Other Professional - External	Prosecution Fees	37,999	50,162	(12,163)
2950	Other Professional - External	Quality Assurance	45,748	44,350	1,398
2950	Other Professional - External	Victim Fines	1,048,104	1,109,025	(60,921)
2950	Other Professional - External	Dedicated Fines	65,000	48,096	16,904
Total Provincial Charges			\$ 1,677,734	\$ 1,659,736	\$ 17,998
TOTAL EXPENSES (BEFORE COST SHARING)			\$ 4,385,862	\$ 4,320,090	\$ 65,772
Total Net Operating Revenue			\$ 1,636,731	\$ 1,993,982	\$ 357,251
RECONCILIATION					
Cost Sharing Payments					
4295	County Contribution (48.16%)	STD - Provincial Offences	\$ 787,351	\$ 960,341	\$ 172,990
4295	Pelee Contribution (0.29%)	STD - Provincial Offences	4,812	5,869	1,057
Total Cost Sharing Payments			\$ 792,163	\$ 966,210	\$ 174,047
Balance to City of Windsor (51.54%)			\$ 844,568	\$ 1,027,771	\$ 183,203
Total Net Operating Revenue			\$ 1,636,731	\$ 1,993,982	\$ 357,251

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

Description	2016 Actuals (\$)	2015 Actuals (\$)	2014 Actuals (\$)	2013 Actuals (\$)	2012 Actuals (\$)
Revenue:					
Court Fines	\$ 6,264,943	\$ 5,925,542	\$ 5,518,821	\$ 6,248,765	\$ 6,781,112
User Fees	141	528	900	14,193	14,103
By-Law Fines	48,988	-	-	-	-
Trfs from Reserve	-	-	33,315	-	-
Recovery of Internal Staff	-	20,089	79,522	-	-
TOTAL REVENUE	\$ 6,314,072	\$ 5,946,160	\$ 5,632,558	\$ 6,262,958	\$ 6,795,215
% Inc./ (Dec.) YOY	6.19%	5.57%	-10.07%	-7.83%	-1.53%
Expenditures:					
Salaries & Wages	1,598,789	1,642,847	1,722,345	1,825,963	2,010,637
Administrative Overhead	392,501	333,210	263,887	359,561	401,816
Materials & Services	350,323	350,984	363,477	327,320	322,725
Provincial Charges	1,659,736	1,414,710	1,444,759	1,554,165	1,669,429
Facility Rental	318,742	325,708	298,037	310,013	310,073
TOTAL EXPENDITURES	\$ 4,320,090	\$ 4,067,459	\$ 4,092,505	\$ 4,377,022	\$ 4,714,680
NET SURPLUS	\$ 1,993,982	\$ 1,878,701	\$ 1,540,053	\$ 1,885,936	\$ 2,080,535
% Inc./ (Dec.) YOY	6.14%	21.99%	-18.34%	-9.35%	-18.11%

Since the local POA Transfer date of March 5, 2001 through to the end of the subject reporting year, this Area's POA Program has realized a total combined net revenue of \$42,477,459. 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
Total	2,156	1,776	1,997	3,848	2,808	2,408	3,188	117	24,179	42,477

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 law enforcement activities 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 2016, 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: 2016 NET REVENUE DISTRIBUTION SUMMARY

Weighted Assessment (\$)	(%)	% of County	2016 Budget	2016 Actuals	Surplus/ (Deficit)
Net County & Pelee Revenue			\$ 792,163.00	\$ 966,210.44	\$ 174,047.44
Net City of Windsor Revenue			\$ 844,568.00	\$ 1,027,771.34	\$ 183,203.34
TOTAL			\$ 1,636,731.00	\$ 1,993,981.78	\$ 357,250.78
<u>Allocation/Payment Summary</u>					
Amherstburg	2,158,707,216	11.70%	\$ 92,143.30	\$ 112,388.26	\$ 20,244.96
Essex	1,753,078,731	9.50%	74,829.26	91,270.12	16,440.86
Kingsville	2,199,072,329	11.92%	93,866.27	114,489.78	20,623.51
LaSalle	2,882,695,869	15.63%	123,046.38	150,081.11	27,034.72
Lakeshore	4,340,579,170	23.53%	185,275.38	225,982.54	40,707.16
Leamington	2,312,287,057	12.54%	98,698.78	120,384.05	21,685.27
Tecumseh	2,799,421,216	15.18%	119,491.85	145,745.60	26,253.75
Total County	18,445,841,588	48.16% 100.00%	\$ 787,351.22	\$ 960,341.45	\$ 172,990.23
Pelee	112,729,076	0.29%	\$ 4,811.78	\$ 5,868.99	\$ 1,057.20
Windsor	19,741,007,152	51.54%	\$ 844,568.00	\$ 1,027,771.34	\$ 183,203.34
TOTAL	38,299,577,816	100.0%	\$ 1,636,731.00	\$ 1,993,981.78	\$ 357,250.78

Details of the quarterly payments are itemized below:

Quarter	Cheque Issuance Date	\$ Amount - County	\$ Amount - Pelee
Q1	May 12, 2016	\$332,865.50	\$2,060.53
Q2	August 19, 2016	\$433,327.54	\$2,621.95
Q3	November 21, 2016	\$196,988.87	\$1,203.87
Q4*	N/A	(\$2,840.46)	(\$17.36)
TOTAL		\$960,341.45	\$5,868.99

* Due to the timing of cash flows (revenue and expenses), a minor overpayment situation occurred in Q4. A receivable was set up in 2016 and this amount will be offset against the Q1 2017 payment to recognize the 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 separated 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

OMBI ~ The Ontario Municipal Benchmarking Initiative (OMBI) 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 of 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