



# Court Services Department **2015 ANNUAL REPORT**

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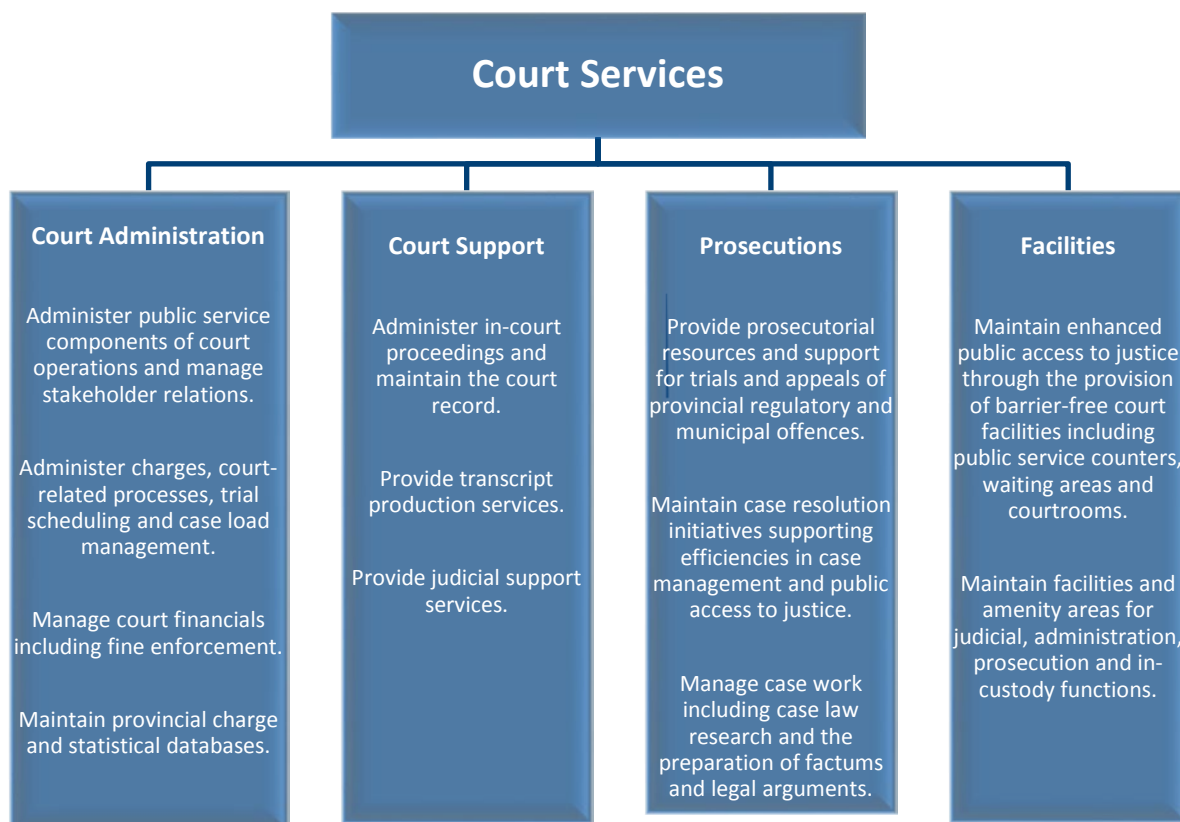
The Court Services Department exists to operate the Ontario Court of Justice - Provincial Offences Act Court ("POA Court"), a level of the provincial courts in which provincial and municipal regulatory matters are addressed. The City has this Court, serving Guelph-Wellington, since May 2000 as a shared service pursuant to a Memorandum of Understanding with the Province of Ontario. The City is the Service Provider and the county municipalities are Serviced Municipalities.

The Court Services Annual Report provides a summary and analysis of the operations of Court Services including trends analyses, initiatives and accomplishments.

## Court Services Department Mandate:

Court Services provides court facilities, services and amenities within provincial policy and legislated frameworks and consistent with the broader principles of justice in Canada including the preservation of individual rights guaranteed by the *Canadian Charter of Rights and Freedoms* ("the Charter").

## Functional Structure:



The Department blends corporate City values and strategic directions with provincial mandates and policies to ensure justice services that are responsive to the local community and the broader provincial justice system to:

- Promote public access to justice through accessible facilities and services;

- Promote public confidence in the justice system by ensuring the independence of the judiciary, providing a system that is fair and timely and ensuring the court operates independent and free from political intervention;
- Implement improvements to the justice system towards a more efficient, streamlined and cost-effective local system of justice; and
- Ensure the fundamental tenets of procedural fairness and natural justice are upheld.

### Key Pillars of Performance:

Driven by the focus areas of the Corporate Strategic Plan and provincial legislative and policy mandates, the four pillars of performance for the Department are:

**Public Access to Justice**

The public's access to justice as guaranteed by the *Charter* should be reflected in facility, administrative and prosecutorial services that continuously improve public access.

**Community Impact**

Community impact should be reflected in charge volumes and trends illustrating first-instance fine payments, charges disputed and rates of compliance with sentence enforcement measures.

**Local Justice System**

Local justice system efficiency should be reflected in streamlined processes, operational innovations and effective management of court time and case loads.

**Business & Service Excellence**

Business and service excellence should be reflected through effective staff resources sufficient to effect the caseload and sustainable costs and revenues reflective of achieving the most modern, efficient and effective justice system attainable.

### Separation of Roles in Court System:

<b>Court Administration</b>	Neutral function. Administration of court processes only. Regulated procedural environment. Separate from judiciary, prosecutors and enforcement agencies.
<b>Prosecutions</b>	Discretionary function. Case decisions based on principles of fairness, rights preservation, public interest and the interests of justice.
<b>The Court</b>	Independent function (Justice of the Peace or Judge). Authority governed by statutory powers. Independent decisions without influence or favour. Independent of administration, prosecution or enforcement.

## Section 1: Key Initiative Summary

The following is a summary of key initiatives undertaken by the Department in 2015.

### Fine Enforcement (collection) Tools

Working with the City's Revenue & Taxation Division, the Department commenced placing outstanding fines on the City's tax roll. A total of \$257,565 was added to the Roll in 2015.

The Department commenced the process to implement the use of collection agencies to address "dated" outstanding fines. Four agencies will commence collections activity in early 2016 in an effort to enforce over 30,000 outstanding cases totalling over \$14M in fines.

In December 2014 the Department's winning submission to the City's Dragon's Den program resulted in \$8,000 start-up funding to implement the use of credit bureau (Equifax) information to locate persons owing fines. The initial estimate of projected revenue for this initiative was \$33,000. In fact, the total amount of fines recovered in 2015 attributable to this initiative was \$120,567.

### Online Payments

An online payment service provider was determined and the onboarding process to implement the service began in late 2015. System testing will occur in early 2016 with "go live" anticipated in the Spring. This initiative will enhance service by providing the public with the ability to pay fines in a quick convenient manner. This initiative is anticipated to receive significant uptake, resulting in increased payment rates, which will reduce on-site manual payment processing.

### Data Entry – Operational Savings

In Q4 of 2013 the Department implemented equipment and procedures to provide for off-site entry of data into the provincial case database system. This change has been undertaken by several courts across the province as a cost-effective way to assist in building staff capacity by reducing manual on-site data input. The 2014 and 2015 business outcomes of this change are set out in Figure 1.

(Figure 1 – Data Entry - 2014-2015 business outcomes)

Year	Ticket Charges Entered	Staff Time to Enter Data	Staff Time Associated with New System	Capacity Created	Value of Staff Time Reallocation	Operating Costs of New System	Net Value Results
2014	16,882	844 hours	84 hours	760 hours	\$19,000	\$6,753	<b>\$12,247</b>
2015	13,070	654 hours	65 hours	589 hours	\$14,725	\$5,228	<b>\$9,497</b>
<b>Totals</b>	<b>29,952</b>	<b>1,498</b>	<b>149</b>	<b>1,349</b>	<b>\$33,725</b>	<b>\$11,981</b>	<b>\$21,744</b>

## Section 2: Court Services Dashboard and Scorecard

### Court Services Dashboard:

Items in the dashboard marked by **GREEN** indicate that the Department is reporting metrics that compare positively to benchmarks. **YELLOW** and **RED** indicate items that are not currently in line with benchmarks. PLUS and MINUS signs indicate the direction that these items are trending. In addition, the 2015 Court Services Dashboard provides a comparison of the progress made on these measures between 2014 and 2015.

### Court Services Dashboard

<u>Public Access to Justice</u>	2014	2015	<u>Local Justice System</u>	2014	2015
Service Transactions		+	Time to Trial	+	+
Transcript Production	+	+	Adjournment Rate (In-Court Results)	+	+
<u>Community Impact</u>	2014	2015	<u>Business &amp; Service Excellence</u>	2014	2015
Charges Filed	-		Employee/Case Ratio	+	+
Tickets Paid	+		Revenues	+	
Tickets Disputed	+	+	Cost Factor		-
Tickets – No Action (Defaulted Fines)		-			

## Court Services Scorecard:

The following Scorecard reflects the performance measures on the Court Services Dashboard, illustrating the 2015 progress made toward targets and comparisons to the 2014 results. Also indicated are 2016 targets.

### Court Services Scorecard

Value Creation			
Measure	2015 Target	2015 Result (+/- compared to 2014 results)	2016 Target
<b>Public Access to Justice</b>			
Service Transactions	-5% in-person +5% remote	(-23% in-person daily avg.) (-7.6% remote daily avg.) <span style="color: green;">■+</span>	-5% in-person +5% remote
Transcript Production	Max. 1.5% of cases	0.8% of cases (-54%) <span style="color: green;">■+</span>	Max. 1.4% of cases
<b>Community Impact</b>			
Charges Filed	28,921 per year (2000-2012 avg.)	20,061 (-18.3% below 2014) (-30.6% below target) <span style="color: red;">■</span>	28,921 (2000-2012 avg.)
Tickets Paid	55-65% (+ 1%/year)	60.3% (-3.7%) <span style="color: green;">■</span>	55-65% (+ 1%/year)
Tickets Disputed	20% maximum (of all tickets issued)	16.4% (-1.6%) <span style="color: green;">■+</span>	20% maximum (of all tickets issued)
Tickets – No Action (Defaulted Fines)	15% maximum (of all tickets issued)	14.9% (+2.9%) <span style="color: green;">■-</span>	15% maximum (of all tickets issued)
<b>Local Justice System</b>			
Time to Trial	100 days	108 days (+8%) <span style="color: green;">■+</span>	145 days (average of 2015 Comparator, West Region & Provincial rates)
Adjournment Rate (In-Court Results)	20% maximum (of all ticket cases)	16% (no change) <span style="color: green;">■+</span>	20% maximum (of all ticket cases)
<b>Cost Control</b>			
<b>Business &amp; Service Excellence</b>			
Employee/Case Ratio	1: 5,000-6,000 cases (Provincial Standard)	1:5,000 (1:5,000) <span style="color: green;">■+</span>	1: 6,000 cases (maximum)
Revenue	\$3.35M/year	\$2.49M (-25.6%) <span style="color: red;">■</span>	\$2.6M (budgeted)
Costs ("Cost Factor")	60% of gross revenue	74% of gross revenue (+12% over 2014) <span style="color: yellow;">■-</span>	74% (budgeted)

## Section 3: Performance Analysis Overview

Court Services is operating positively in most key performance areas despite lower volumes being reported in two primary drivers: (1) charges filed; and (2) revenues.

Fluctuations in charge volumes can affect other performance areas including:

1. Revenues – generally there is causal connection between charges filed and revenues;
2. Service transactions – fewer charges results in fewer service transactions;
3. Employee/Case Ratio – fewer charges assists to maintain the employee-to-case ratio in line with provincial operating standards; and
4. Cost Factor – lower revenue can result in a higher cost factor.

### Public Access to Justice:

The public's access to justice is to be assured in preserving an individual's right to court services as guaranteed by *the Charter* including access to facilities and systems and to the timely provision of services and processes of the court. The Department currently gauges this pillar of performance in two areas:

- In-person and remote service transactions – the ability for the public to pay fines, request trials, obtain and file court forms, etc.; and
- Transcript production – the volume of trial transcripts requested and continuous improvement measures in place to provide transcripts to the public and the judiciary in a timely and cost-effective manner.

### Public Access (Service Transactions)

Service transactions (Figure 2) measure primary court administration functions such as financial transactions, requests for trial, payment extension applications, case re-openings, appeals and informational inquiries. These transactions occur in a variety of ways (e.g. in-person, phone, e-mail, facsimile).

(Figure 2 – Service Transactions – 2011-2015)

Year	Total In-person (Service Counter)	Daily Average In-person	Total Remote (Telephone)	Daily Average Remote	Total Transactions	Total Daily Average
2011	38,763	156	13,325	54	52,088	210
2012	36,123	146	14,175	57	50,298	203
2013	29,701	119	15,143	61	44,844	180
2014	28,870	115	13,990	56	42,860	171
2015	22,763	90	10,922	43	33,685	133



The objective is to ensure public access in ways that are beneficial and expedient to the public as well as efficient and cost-effective for court operations. As such, the Department continues to strive to provide the framework for a shift of in-person transactions towards remote transactions and to streamline in-person visits. As illustrated (Figure 2), the average daily remote transactions are increasing while the average daily in-person transactions are decreasing. It is anticipated that full implementation of On-line Payment systems and the use of Collection Agencies in 2016 will further the shift from in-person to remote transactions.

### **Transcript Production**

The production of court case transcripts are a mandatory service in preserving public access to justice. Most transcripts are required for case appeals (initiated by the defence or prosecution) or requested by judicial officers when formulating judgements in specific trial cases (i.e. lengthy or complex cases). Although transcripts are also requested for civil proceedings and insurance purposes, such requests are few in number.

Transcript production is a time-sensitive priority function in order to meet timelines for appeals and trial cases. The maximum thresholds (“targets”) set in the Scorecard are a baseline to recognize the upper limit of the number of transcripts that can be achieved with existing resources. Although the Department has no control over a person’s decision to request a transcript, its initiatives to improve operations in areas that may trigger transcripts (e.g. appeals alleging “delay”) can result in a reduction in the number of transcripts required.

Decreasing charge dispute rates, lower adjournment rates and consistently low time-to-trial are factors that affect the number of transcripts required in any given year. In 2015, transcript production decreased by 54% (Figure 3), which allowed for utilization of that staff capacity to address other court functions.

**(Figure 3 – Transcripts, Tickets Disputed, Adjournment Rate, Time to Trial)**

Year	# of Transcripts Produced	% of tickets disputed	Adjournment Rate	Time-to-Trial (in days)
2012	75	19.0%	17%	111
2013	67	18.4%	17%	94
2014	61	18.0%	16%	100
2015	28	16.4%	16%	108

### **Community Impact:**

The independence and authority of Court decisions is essential towards a positive perception of the Court by all members of the community. Although sometimes only viewed as the place where punishment is meted out for violations of law, the Court’s purpose, function and impact on the community is much more significant. It is this

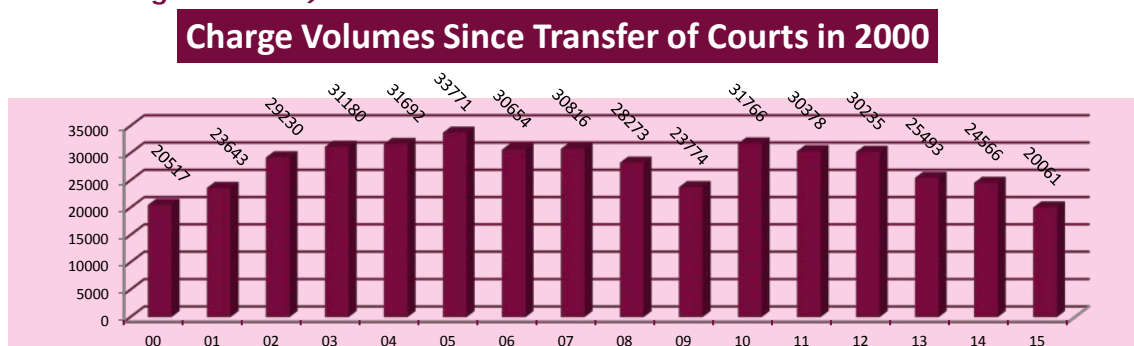
system in a free society that holds governments accountable for fairness in law, enforcing agencies for proper enforcement of those laws and the public accountable for compliance with those laws. The Court exists to, in part, balance the rights of the citizenry against the laws of the land and to ensure that, where violations are found to have occurred, appropriate sanctions are imposed. Compliance with Court-imposed sanctions (i.e. sentences) is essential to:

- Preserving the authority of the Court and its decisions;
- Maintaining peaceful, safe and liveable communities;
- Confirming community expectations with respect to compliance with law; and
- Promoting the objectives of sentencing including: Denouncing unlawful conduct; Deterring offenders and others from committing offences; Promoting a sense of responsibility in offenders, and acknowledgement of the harm done to victims and the community.

### Charges Issued

The Department has no influence over the number of charges issued for violations of law within the community. Charges are issued by enforcement agencies based on offences that occur and enforcement efforts. The POA Court functions to administer those charges regardless of how many are issued.

(Figure 4 - Charge Volumes)



The average annual charge volume up to 2012 was 28,921. Since then, volumes have been declining below the average: 2013 (-11.8%), 2014 (-15%) and 2015 (-30.6%).

### Distribution of Charge Load by Court Business Operations

Understanding the overall trends of Charge Load Distribution is essential to the Department's ability to effectively manage court services by focusing resources and developing and implementing program and procedural efficiencies within departmental service profiles. In 2015, 92% of the charge load in Ontario's POA Courts was related to ticket offences. The Department uses this primary driver of court operations to categorize and manage the work in three streams: (1) the number of **Tickets Paid** (i.e. administrative and financial operations); (2) the number of

**Tickets Disputed** (i.e. administrative, prosecutorial and court support operations); and (3) the number of **Tickets – No Action** (i.e. outstanding fines – collection operations).

### Tickets Paid

**Tickets Paid** are those charges that are paid in the first instance within regulated timelines. The Tickets Paid rate provides some indication of the general level of acceptance by the populace of paying a fine for a regulatory violation. Higher rates of tickets paid results in positive community impact including acceptance of regulatory laws in effect and societal compliance with enforcement of those laws. Higher paid rates also reduce the rates associated with tickets disputed or default fine enforcement.

### Tickets Disputed

**Tickets Disputed** are those charges for which the person charged has elected to dispute the charge and proceed through the trial process. POA Courts have little control over dispute rates because disputing a charge is an individually guaranteed right and choice. As such, reasons for dispute cannot be tracked. However, it is anecdotally clear that the primary basis for disputing a charge is not whether the offence was actually committed or even the monetary penalty associated with being convicted of an offence, but rather the application of demerit points, increased insurance rates and ramifications for Novice, G1 and G2 drivers. Historically in the province, the rate of **Tickets Disputed** is in the range of 15-20%. As illustrated (Figure 5), the local rate of **Tickets Disputed** has been decreasing since 2012, with the 2015 rate at 16.4%. The primary focus of the Department is to effectively manage the prosecutorial, in-court and administrative resources required to address the **Tickets Disputed** portion of the case load.

### Tickets – No Action (Outstanding Fines)

**Tickets - No Action** is that portion of the charge load of tickets for which persons charged fail to respond to the charge by paying it or disputing it. These charges flow through the process of enforcement of court-ordered sentences (i.e. fine collection). Inherent in the legislative system governing charges are reminder notifications to defendants of outstanding fines and additional measures for courts to enforce these sentences. Although still within the internally-established target range, the 2015 rate of **Tickets - No Action** rose by 2.9% over 2014.

As illustrated (Figure 5), slight shifts occurred in load from Tickets Paid and Tickets Disputed to the area of Tickets - No Action. The Department has correspondingly shifted resources and initiatives towards addressing that segment of the work (e.g. use of collection agencies, increased civil enforcement measures, tax-rolling fines and on-line payment services).

**(Figure 5 – Charge Load Distribution)**

Category	Charge Load Distribution of Tickets				Target
	2012 (93% of load)	2013 (93% of load)	2014 (94% of load)	2015 (92% of load)	
Tickets Paid	61%	63.2%	64%	60.7%	55-65%
Tickets Disputed	19%	18.4%	18%	16.4%	15-20%
Tickets – No Action (outstanding fines)	13%	11.4%	12%	14.9%	15% (max)

**Outstanding Fines and Collection Efforts** - At Transfer, the City inherited from the Province approximately \$5.6M of uncollected outstanding fines (“accounts receivable”). Across Ontario, the outstanding fines balance increases by approximately \$830K per week and the total balance by the end of 2015 was \$1.58B. This figure does not include fines “written off” by municipalities (explained further below).

In 2008, in keeping with Public Sector Accounting Board (“PSAB”) principles of accounting and asset management, Guelph undertook to write off 19,705 cases (cases from the years 1950-2002) totalling \$5.1M in uncollectable assets. Although written off fines remain outstanding in perpetuity, from an accounting perspective they no longer form part of the “defaulted fines” balance.

For clarity, the “Outstanding Fines Balance” (Figure 6) is the balance of all unpaid fines (i.e. “defaulted fines” plus “written-off fines”). “Defaulted fines” are those fines still in the active sentence enforcement stage (i.e. collections) and “written-off fines” are those fines for which collection efforts have been exhausted without the fine being paid. Current balances indicate a slight reduction in the case load and an 8.5% increase in total dollar value outstanding.

When the Department commences using collection agencies in 2016, all outstanding fines (including written-off fines) will be transferred to the participating agencies for collection. As such, many “dated” written-off fines will once again undergo the collection process.

**(Figure 6 - 2014-2015 Outstanding Fines Balance)**

Year	Total Cases	Total \$ Value	Cases in Default	\$ Value of Default Balance	Cases Written-Off	\$ Value of Write-Offs
2014	34,866	\$13,203,561	9,929	\$5,150,642	24,937	\$8,052,919
2015	34,218	\$14,337,659	10,871	\$6,316,037	23,347	\$8,021,622

Note: \$2.87M of the Outstanding Fines Balance is Victim Fine Surcharge amounts owed to Province. Remaining fine amounts owed to Guelph total \$11.5M.

POA Courts are required to make every effort to maintain the public's confidence in the justice system through measures employed to enforce court-ordered sentences (i.e. fines). Fine enforcement escalates in phases:

**Reminder Phase:**

- Legislated Notice of Fine and Due Date sent to defendants
- Automated telephone reminder of outstanding fine
- Written notice advising of outstanding fine and pending driver's licence suspension

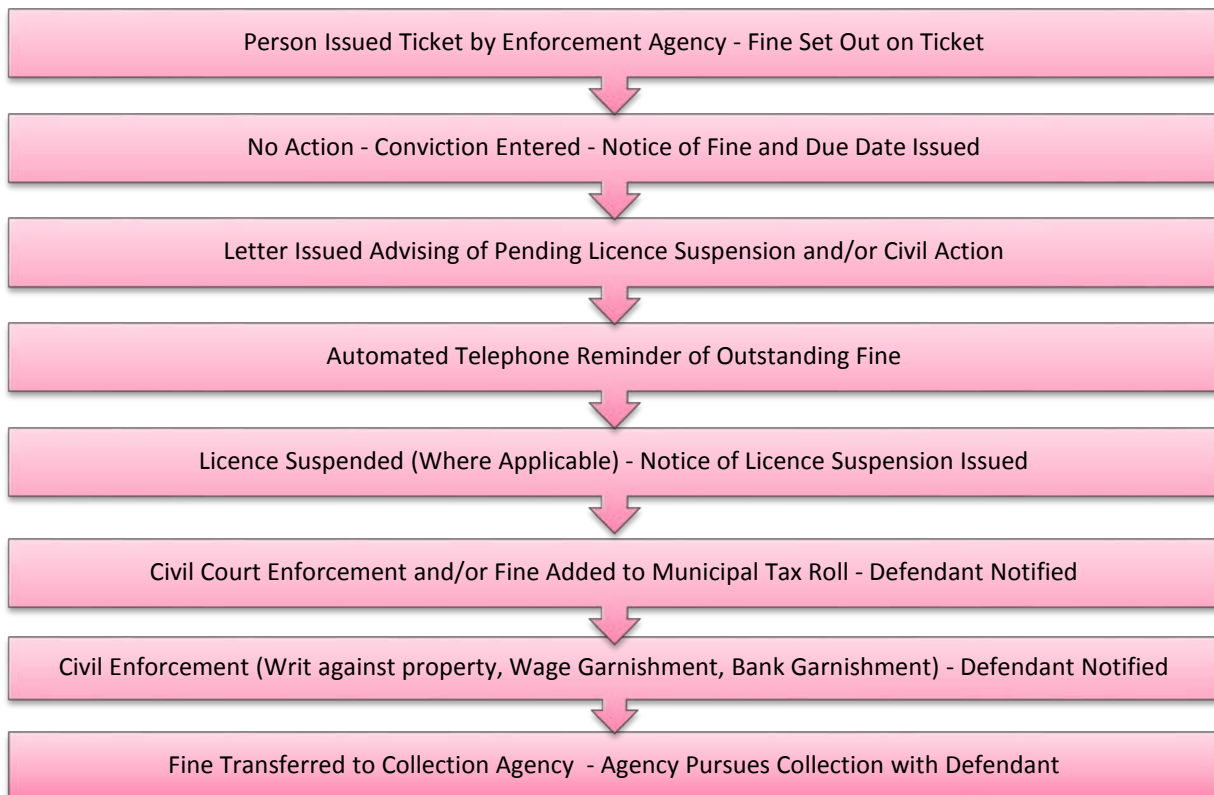
**Regulatory Enforcement Phase:**

- Driver's licence suspensions where applicable
- Final written notice of outstanding fine and advising of pending civil/collection agency action

**Civil Enforcement/Collection Agency Phase:**

- Placement of fine on municipal tax roll (where applicable)
- Filing of judgment in Small Claims Court
- Issue Writ of Seizure and Sale against property
- Garnishment of wages and/or bank accounts
- Case forwarded to collection agency

**(Figure 7 – Steps of Fine Collection Notification)**



## Local Justice System:

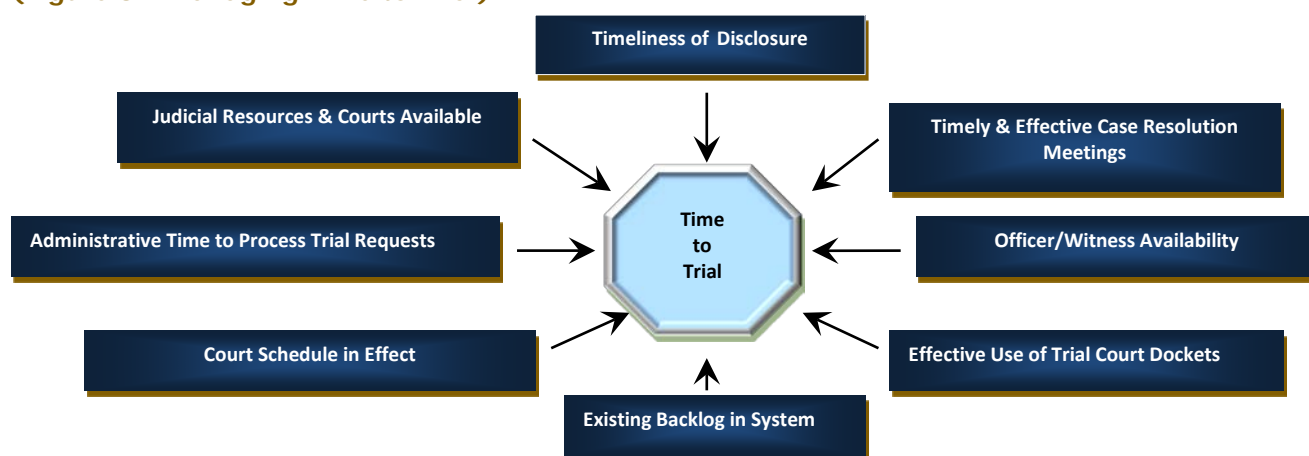
The local justice system reflects the broader system in Ontario with all justice principles, authority, integrity and objectives intact. However, each local system presents its own unique opportunities to create efficiencies, streamline processes, manage case loads and enhance public access, depending on the particular situations faced by the local court (i.e. charge volumes, trial loads, staff and judicial resource complements, etc.). Current indicators (time to trial and adjournment rates) help to assess the effectiveness of the local justice system in terms of effective utilization of in-court time.

### Time to Trial

Pursuant to the *Charter*, people have a right to trial in a reasonable time. The objective is to ensure that cases proceed to trial at the earliest opportunity within the established jurisprudence governing issues surrounding “delay”. Within this framework are also initiatives designed to reduce the number of court appearances overall, which assists to reduce the time lag between the date a trial is requested and trial. Effective time to trial supports individual rights and procedural fairness, improves public perception of the justice system, reduces the number of *Charter* applications regarding “delay”, and assists in effectively managing court resources.

Effective management of time to trial factors (Figure 8) serve to preserve and enhance time to trial objectives.

(Figure 8 – Managing Time to Trial)



Guelph’s time to trial continues to be consistently below the average of its comparator municipalities, West Region courts and the average of all POA Courts in Ontario. These successes continue to stem from operational improvements made in recent years:

1. Streamlining of the local case resolution process allowing for resolutions pre-trial or on trial days;
2. Police agencies use of Part I Summonses for careless driving offences, which supports efficiency in case resolution and court scheduling, and allows for more effective case screening to determine which matters should undergo the pre-trial process before being set down for trial;
3. Enhanced use of prosecutorial resources pre-court, which has virtually eliminated court recesses needed to discuss cases during trial courts;
4. Expedient disclosure processes in place allowing for disclosure within 30 days of a Notice of Trial being issued, thereby ensuring effectiveness of case screening, expediency of the resolution process and reduced number of adjournments; and
5. Optimum use of available court time (e.g. increase in number of cases on trial list from 55 in 2014 to 70 in 2015).

(Figure 9 – 2012-2015 – Time to Trial)

Municipality/Province	Average Number of Days to Trial			
	2012	2013	2014	2015
Guelph	111	94	100	108
Average - Comparator Municipalities	163	151	147	154
Average of West Region Courts	135	134	127	130
Provincial Average (all POA Courts)	185	145	145	150

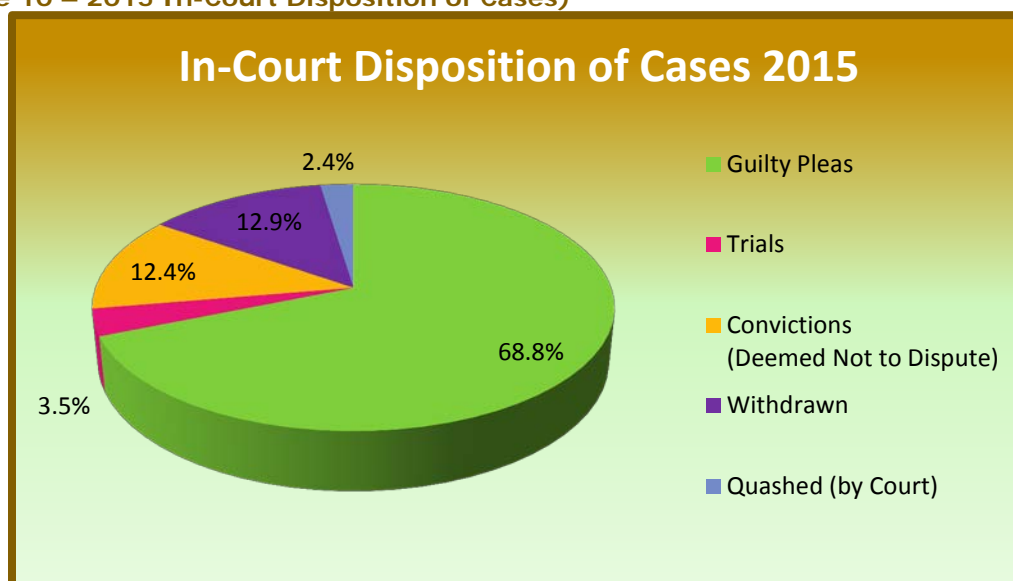
Guelph's 2015 position within the assessed groups was:

- 4<sup>th</sup> lowest amongst its comparator municipalities.
- 4<sup>th</sup> lowest amongst West Region courts.
- 11<sup>th</sup> lowest in the province.

### **Adjournments**

The number of cases adjourned to future court dates is reflective of issues such as readiness for trial, the effective use of in-court time to address all matters on a trial court list, and the effectiveness of the disclosure and case resolution processes. Adjournments can potentially cause increases in "delay" arguments, create backlog in the court system and negatively affect public perception of the integrity and/or effectiveness of the court process. The adjournment rate in 2015 was 16%, which is 4% below the maximum target range. The disposition of remaining cases is as illustrated (Figure 10).

(Figure 10 – 2015 In-Court Disposition of Cases)



There were slight increases in most in-court disposition rates in 2015 over 2014 rates. Guilty Pleas (cases where people admit the offence in court without undergoing a trial) were up 1.8%; Deemed Not to Dispute Convictions (those cases where the defendant failed to appear for their trial) increased by 0.4%; Cases Withdrawn (cases where the Prosecutor determines it appropriate to withdraw the charge) were up 0.9%; and cases Quashed (cases in which the Court found a technical or jurisdictional error on the charge or the Notice of Trial document) increased 0.4%. The rate of trials (those cases that actually proceed to a trial) decreased by 3.5%.

## Business & Service Excellence:

Business and service excellence in POA Court operations is reflected in the ability of the Department to meet legislated and policy requirements, provide all required services in a manner that enhances the use of the court, be cost-effective and ensure a revenue source. This section of the Report focuses on mandated staff resource levels, operational costs as a percentage of gross revenue and the distribution of net revenue to serviced municipalities pursuant to the Shared Service agreements in effect.

### Employee/Case Ratio

Provincial standards are in effect regarding staffing levels associated with working the charge load. It is a benchmark used to ensure that core court administrative work (processing charges and the administrative functions associated with those charges) is accomplished within legislative and policy frameworks. The provincial standard is one employee (working in the areas comprising the ratio) for every 5,000-6,000 charges received. In previous years, with annual charge volumes of 28,921, Guelph was at the top end of the standard. Declining charge volumes in recent years has slightly eased that pressure with Guelph placing closer to the lower end of the ratio.



## Revenue

It is essential that concerns surrounding costs and revenues do not impede public rights and access to the court system or the appropriate operation of courts and the maintenance the principles and integrity of justice. As such, the Court Services Department is positioned within the City's budgeting process as a Non-Tax-Supported Budget. In essence, the Department operates on a self-funded model with net revenues being reallocated to reserves and contingency funds to ensure long-term financial sustainability of the court. This approach ensures a separation between government and the justice system and costs, and demonstrates to all stakeholders and the public that balancing the City's budget, and revenue from court fines, are independent of each other.

The vast majority of revenue is from the payment of fines with small portions of revenue received from transcript production and courtroom rental to other levels of courts and tribunals. Revenue is uncertain with the Department having little direct control over the amount received in any given year. As such, revenue projections are based on historical trends associated with charge volumes. The 2015 target in the Scorecard of \$3.35M in gross revenue was based on charge volume trend analyses coupled with historic payment rates. However, the gross revenue realized in 2015 was 25.6% below the target and charge volumes dropped to 30.6% below the annual average. This confirms that the decline in charge volumes and revenues experienced in 2013 and 2014, which were anticipated to recover in 2015, were not simply temporary "blips" in the spectrum, but in fact were the beginning of a continuous trend of decline. As such, the 2016 gross revenue target has been established below the 2015 target.

## Cost Factor

The primary drivers of court costs are facilities, trial load, public services (i.e. fine payments, trials, motions, appeals, transcripts, extension applications, etc.), required staff resources and provincial and municipal service cross charges. Such costs can fluctuate significantly in any given year based on a variety of factors that are not within the Department's control including legislative, procedural and policy changes, utility increases, and increases in Provincial or City department cross charges.

The measurement of the "cost factor" in the Scorecard is designed to monitor the ongoing percentage of expenditures against gross revenue to ensure sustainable annual net revenue to the Service Provider and the Serviced Municipalities. Overall, operating revenues and expenditures, since transfer of the courts to Guelph in May 2000, illustrate a 49.6% cost factor (Figure 11).

**(Figure 11 – Revenues and Expenditure Distribution – 2000-2015)**

Gross Revenue	Operating Expenditures	Net Revenue for Distribution	County Portion of Net Revenue	City Portion of Net Revenue	City Bylaw Fine Revenue	Total City Revenue
\$47,675,582	\$23,655,645	\$24,019,939	\$12,080,858	\$11,942,459	\$1,176,327	\$13,118,786

Note: POA Court-related capital costs are not included in Figure 11 expenditures. Capital expenditures are financed outside of the POA Court operating budget.

The 2015 cost factor target of 60% was established based on recent years' "actuals". However, that target was predicated on the concept that charge levels and payment trends would remain constant or increase. The further 18% decline in charge volumes (and associated decline in revenues) in 2015 from the 2014 levels increased the cost factor to 74%.

The Department will continue to monitor these trends, assess potential impacts and address operational changes in an attempt to mitigate cost factor increases. In support of this work, ongoing municipal/provincial discussions continue in two areas related to cost factor issues: (1) Key Performance Indicators for POA Courts (including a cost factor) are expected to be finalized in Q2 of 2016 with cost/revenue data submitted by municipalities informing the benchmarking process; and (2) The review of alternative service delivery models (e.g. plea agreements versus in-court pleas) and Regulated fees that offset operating costs (e.g. administrative fees assessed for fines in default). It is anticipated that this work will result in some cost reductions and increased revenues in future years.

## GENERAL SUMMARY:

This Annual Report illustrates overall positive trending for most service measures supporting the four Key Pillars of Performance. Enhancements to Public Access to Justice can be seen in improvements such as the reduced number of transcripts required and the successes in transitioning to greater remote service transactions. Community Impact continues to improve as illustrated by the reduction in the percentage of tickets disputed. Improvements also continue in support of the Local Justice System with Guelph continuing as a jurisdiction with one of the lowest time to trial rates in the province.

Cautionary signals relating to lower charge volumes and lower than average annual gross revenue have not improved in the last three (3) years. The Department has thus far successfully mitigated these pressures through its ability to adapt its resources, reduce some costs and streamline operations. Enhancements in fine collection, increased Regulated fees, and potential cost reductions that may be realized through alternative service delivery models will assist in mitigating the negative effects of the current charge/revenue decline as we move into 2016.

## Section 4: 2016 and Beyond

Looking forward through 2016 and beyond, the Departmental Work Plan includes the following initiatives:

### On-line Payment Systems

The Department will implement on-line payment systems to provide greater opportunities for the public to address fine payments remotely. It is anticipated that this opportunity will result in an increase in tickets paid and create further staff capacity through the automation of some fine payment processing.

### Fine Collection Tools

In late 2015, the Department completed the sourcing of four (4) collection agencies to undertake the collection of dated outstanding fines. The onboarding of those agencies will be completed in Q1 of 2016 with full collection efforts commencing in Q2.

### E-Tickets

The Department will continue to work with the Guelph Police in the development and implementation of the technology required to upload electronic ticket data from Guelph police E-ticket systems directly to the Province's case database system.

### Provincial Work (KPIs and Regulated Fees Assessment)

Staff will continue to participate on the municipal/provincial working groups to finalize Key Performance Indicators for POA Courts, and the assessment work related to determining potential increases to Regulated fees.