



The Corporation of the Town of Milton

Report To: Council

From: Andrew M. Siltala, Chief Administrative Officer

Date: March 2, 2020

Report No: ES-001-20

Subject: 2020 Halton Court Services Business Plan

Recommendation: THAT the 2020 Business Plan and Budget for Halton Court Services (attached as Appendix A & B), including the transfers to/from reserve as presented, be approved.

EXECUTIVE SUMMARY

- The 2020 Business Plan and Budget for Halton Court Services reflects decreases in both gross revenues and expenditures as compared to the 2019 Budget. The net revenue available to municipalities has been maintained at the same level as 2019 (i.e. \$4,655,640) through a transfer of \$18,742 from the Municipal Partner Revenue Stabilization Fund.
- An official opening was held on April 23, 2019 for the new court facility located at 4085 Palladium Way in Burlington, and an update to the Growth Management Plan is included as part of the 2020 Business Plan.
- Trends and emerging issues identified in the Business Plan include advocacy to the Province for increased POA fines and fees as well as steady enforcement activity levels despite a growing population.

REPORT

Background

In 2001 the administration of the Provincial Offences Act (POA) was transferred from the Province to the municipalities in the Region of Halton. At that time the following occurred:

1. The establishment of a Joint Management Board (comprised of the CAO's from the Halton municipalities including the Region) to oversee the management and operation of Halton Court Services.
2. An agreement on the funding formula whereby 50% of the net revenues generated by Halton Court Services (HCS) are allocated to the Region of Halton. The remaining 50% of the net revenues are divided among local municipalities based on annual weighted regional assessment rates.



The Area Treasurers drafted a Municipal Partner Revenue Stabilization Fund (MPRSF) and policy in 2014 to assist the partners in protecting against the impact of volatility in fine revenue and to provide a source of funding to stabilize revenue sources annually.

In 2007, the City of Burlington was named the Service Provider on behalf of HCS as part of the implementation of a two phase streamlining initiative, now referred to as the Growth Management Plan (GMP). The GMP along with the business plan and budget is reviewed annually by the Area Treasurers and the Joint Management Board.

Milton Council policy number 90 outlines the Town's role as an equal partner with the Halton Court Services - Provincial Offences Office. That policy, along with the agreement with the municipal partners, includes a requirement for the business plan and budget to be approved by each Municipality in Halton on an annual basis.

Discussion

The 2020 Budget and Business Plan was developed by HCS staff in 2019 based on the mid-year results available for 2019. The budget was reviewed and approved by the Area Treasurers on October 10, 2019 and the Joint Management Board on January 17, 2020. The Budget and Business Plan is included in full detail as Appendices A & B. Notable points include but are not limited to:

- For 2019 there is an expected shortfall of approximately \$355,000 (7.6%) in net revenue; reflecting an approximate reduction in gross revenue of \$855,000 and offset by an approximate \$400,000 decrease in expenditures. The shortfall in gross revenues is primarily due to an approximate 16% decrease in number of red light camera charges and reduction of \$100,000 in parking revenue following the decision to not charge for parking at the new Halton POA court.
 - Any shortfall in net revenue in 2019 will be offset using the MPRSF, therefore there will be no material variances in revenue for the local or regional municipalities.
- For 2020, gross revenues are projected to decrease by 1.8% relative to the 2019 approved budget, while gross expenditures are projected to decrease by 2.8%, with no change in the budgeted net revenue available for distribution to the municipal partners.
 - The reduction in gross revenue can be primarily attributed to the removal of parking revenue at the courthouse (\$100,000) as well as a declining revenue trend
 - The reduction in expenditures relates to an over estimation of facility related costs projected in 2019 (for the new facility) as well as savings related to courtroom closures
 - A transfer from the MPRSF in the amount of \$18,742 is projected to be required to maintain the 2020 net budgeted revenue at the amount of the previous year budget



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- The Municipal Court Managers Association (MCMA) continues to advocate to the Province for changes to the fees related to the POA program. The majority of POA fines and fees have not increased since 1994 despite increases in the related cost.
- Although population continues to grow at a fair rate across Halton, the number of charges filed by local enforcement agencies has remained steady for the last several years. This is contrary to the experience of other regions, where there was a strong correlation between population growth and increased local enforcement.
- The MPRSF was created in 2014 in order to manage the impact of the volatility in fine revenue. With the transfers noted above, the MPRSF is currently projected to end the year 2020 with a balance of \$4,874,337.
- An official opening of the new courthouse at 4085 Palladium Way in Burlington was held on April 23, 2019. An update to the related GMP is also provided as part of the 2020 Business Plan.

Financial Impact

As noted above, the MPRSF is being used to stabilize the net revenue that will be distributed to the local and regional municipalities in both 2019 and 2020. As such, no material variance to the Town's budget is expected to occur in either year. The 2020 Business Plan identifies a distribution of \$388,746 to the Town of Milton for 2020 from the HCS's net revenues. The final amount will be determined once the weighted assessment values are finalized for each of the four local municipalities in 2020.

The long-term sustainability of the net revenue payment to the Town will continue to be monitored with consideration for the Provincial advocacy, enforcement activity trends, and other emerging issues as identified in the HCS Business Plan.

Respectfully submitted,

Andrew M. Siltala
Chief Administrative Officer

For questions, please contact: Glen Cowan, CFO/Treasurer Phone: Ext. 2151

Attachments

Appendix A – Halton Court Services 2020 Budget and Business Plan
Appendix B – Halton Court Services 2020 Overall POA Budget

**ONTARIO COURT OF JUSTICE
PROVINCIAL OFFENCES OFFICE**

HALTON COURT SERVICES

**2020 BUSINESS PLAN AND
BUDGET**

**City of Burlington
Town of Halton Hills
Town of Milton
Town of Oakville
Regional Municipality of Halton**

October 2020

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RECOMMENDATIONS

1. **Recommendation:** Approve the 2020 Halton Court Services budget as presented.
2. **Recommendation:** Contribute \$50,000 from net revenues to the Reserve Fund during 2020 to ensure that requirements of the Reserve Fund Policy are met.
3. **Recommendation:** Approve \$27,000 for computer hardware and software requirements. Costs to be funded through the Reserve Fund.

SECTION I

OVERVIEW OF 2019 PERFORMANCE

1. BUDGET PERFORMANCE

Revenues to End of June

The Municipal Partners had budgeted gross revenues of \$11.1 million for 2019. The chart below summarizes results by end of June and projections for the remainder of the year.

There is an expected shortfall of approximately \$355,000 in net revenue; reflecting an approximate reduction in gross revenue of \$855,000 and offset by an approximate \$400,000 decrease in expenditures. The shortfall in gross revenues is primarily due to an approximate 16% decrease in number of red light camera charges and reduction of \$100,000 in parking revenue following the decision to not charge for parking at the new Halton POA court. Further details regarding the reduction in red light camera charges are provided below.

COMPARISON OF OVERALL PERFORMANCE TO BUDGET for the year ending December 31, 2019

	2019 Budget	Actual June 30/19	Actual % of Budget	Projection Dec 31/19	Projection % of Budget
Gross Revenue	(\$11,099,390)	(\$5,081,103)	45.8%	(\$10,245,038)	92.3%
Operations	\$6,393,750	\$3,083,244	48.2%	\$5,895,233	92.2%
Reserve Fund Contribution	\$50,000	\$25,000	50.0%	\$50,000	100.0%
Net Revenue	(\$4,655,640)	(\$1,972,859)	42.4%	(\$4,299,805)	92.4%

Proposed Recommendations to Offset Increasing Cost of Court Operations

The Municipal Partners have raised concerns about the ongoing increase and long-term cost implications related to the operation of the Halton POA court. This concern is shared by all POA courts across the province as overhead costs, including significant increases in cost recoveries by the province, continue to rise while the majority of POA fines and fees have not increased since 1994.

In response, the Municipal Court Managers Association (MCMA) representing all POA court Managers formed a POA Costs and Fees Working Group to review fees set out in Section 1 of Ontario Regulation 945 and to investigate and consider collections related fees that are not currently covered by regulation. The MCMA forwarded a report to the Ministry of the Attorney General in January 2017 which:

- highlighted these shared concerns;

- stressed the need for current fees to be increased to align with the actual and current costs of operating the POA program;
- provided recommendations for adjusting court fees;
- identified the actual and current costs for administering POA collection processes;
- included recommendations for the addition of new fees related to the collection of defaulted POA fines.

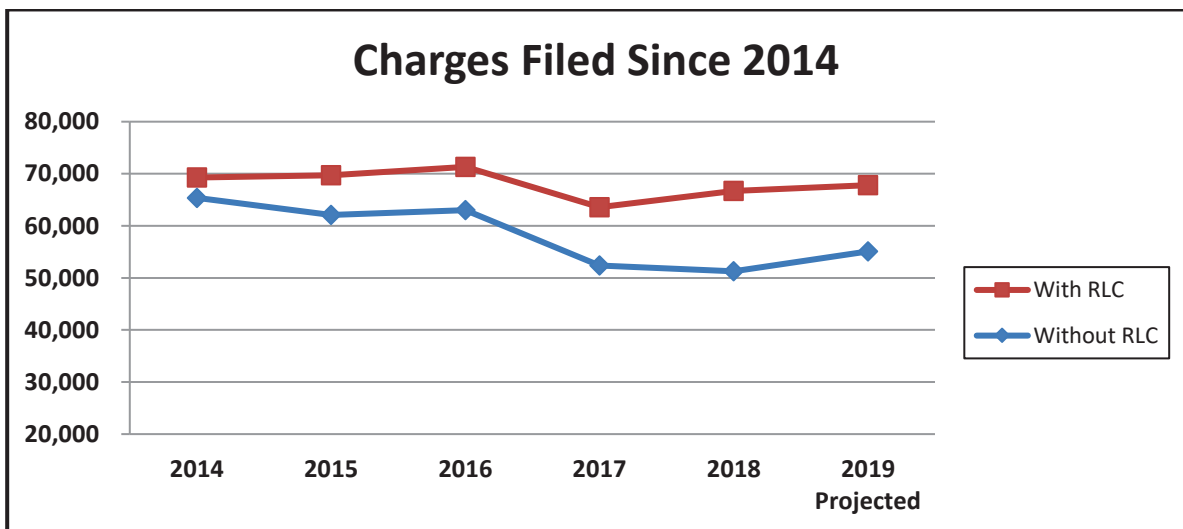
All recommendations were supported by detailed analysis and rationale. The MCMA Board has followed up several times with the province on the status of this Report and has recently been advised that it has been transferred to their constitutional lawyers for review.

The Manager of Court Administration is currently serving on the Committee and will keep the Municipal Partners apprised of the status of the Report with a view to provide information about how any changes to the fees may influence long-term trends for the overall court operation.

2. OPERATIONAL PERFORMANCE

Provincial Offences Charges

By end of June the total number of filed charges reached 55.9% (35,209 charges) of the projected 64,000 total for 2019. It is projected that charges will reach 67,780 charges by year-end primarily due to an increase in number of OPP and HRPS. The following chart illustrates the trend in number of filed charges over the last few years:



Charges Filed by Major Enforcement Agencies

	2014	2015	2016	2017	2018	2019 Projected	% Difference ('14 to '19)
BY-LAWS	342	212	232	215	228	205	-40.1%
HRPS	49,289	48,350	49,940	43,759	42,850	44,000	-10.7%
MTO	5,687	4,242	4,378	2,466	2,783	2,530	-55.5%
OPP	8,038	8,707	7,960	5,496	5,011	7,700	-4.2%
RED LIGHT CAMERA	3,924	7,586	8,322	11,205	15,415	12,690	223.4%
MINISTRIES/HALTON REGION	2,014	601	485	435	394	660	-67.2%
TOTAL CHARGES	69,294	69,698	71,317	63,577	66,681	67,785	-2.2%

Explanation for Lack of Increase in Overall Number of Charges in Halton

- Expectations that traffic enforcement by HRPS would align with Halton Region's population growth has not been realized. This assumption was based on the experience of other GTA regions that were facing a significant increase in population. HRPS charges have decreased by 10.7% since 2014.
- MTO advised that they are experiencing a staffing issue and expect that enforcement will increase once staff has reached full complement.
- It is expected that the number of red light camera charges will see a decrease of approximately 16% during 2019. Halton Region staff advised the decrease is due to the success of the program; that is, there is a direct correlation between safer driving habits by Halton residents and a reduction in the number of angle/t-bone collisions. Staff advised that there was an expectation that over time there would be a reduction in infractions which leads to less revenue. In addition, one camera has been inoperable during 2019 due to construction at the intersection.

3. AUDITS

External Audit

KPMG performed an audit of HCS during March 2019 for the period ended December 31, 2018. There were no items of concern to report to the Partnership by way of an auditors' management letter. KPMG maintains a practice of issuing qualified opinions for all of its POA court clients due to the inability to review cash procedures at other POA courts accepting fine payments on behalf of HCS, and to review controls of the provincial ICON system utilized by all POA courts across the province.

Internal Audit

An internal audit was not conducted during 2018.

4. REVENUE STABILIZATION FUND

Following the request of the Area Treasurers, a Municipal Partner Revenue Stabilization Fund (MPRSF) was created in early 2014 to assist the partners in protecting against the impact of volatility in fine revenue, and to provide a source of funding to stabilize revenue sources annually, including the impacts related to the new court facility. Per policy, an annual review of the MPRSF is carried out by the Area Treasurers.

Flat-Lining Net Revenue Distribution

Net revenue surplus was transferred to the MPRSF between 2013 and 2017. Interest is allocated to the MPRSF on an annual basis.

Given the healthy balance of the MPRSF and long-term projections of a small impact on net revenue, the Area Treasurers directed that contributions to the MPRSF end as of 2018. As mentioned previously, projections for 2019 net revenue reflect a reduction in budgeted net revenues and, consequently, the Area Treasurers have directed that funds totaling \$355,835 be drawn from the MPRSF in order to meet the 2019 net revenue budget of \$4,655,640. It was agreed that this minimum net revenue value would be implemented during 2020.

Refer to Section II for the MPRSF chart which includes the amounts to be transferred during 2019 and 2020 and outlines the status of the MPRSF for the next five years.

5. REVENUE SHARING

According to the established revenue-sharing agreement between the Municipal Partners and the Region of Halton, the Region receives 50% while the Municipal Partners receive a percentage of the 50% balance based on annual assessment rates.

Following is a five-year overview of net revenue distribution since 2015 including the estimated annual distribution for 2019:

Historical Annual Revenue Sharing % Based on Tax Assessment

	2015	2016	2017	2018	2019*
Burlington	16.25%	16.10%	16.00%	15.85%	15.70%
Halton Hills	4.70%	4.65%	4.65%	4.55%	4.60%
Milton	8.05%	8.15%	8.20%	8.30%	8.35%
Oakville	21.00%	21.10%	21.15%	21.30%	21.35%
Region of Halton	50.00%	50.00%	50.00%	50.00%	50.00%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Historical Annual Revenue Distribution to Partnership

	2015	2016	2017	2018	2019*
Burlington	628,669	622,866	618,997	963,448	730,935
Halton Hills	181,830	179,896	179,896	276,573	214,159
Milton	311,433	315,301	317,236	504,518	388,746
Oakville	812,434	816,303	818,237	1,294,728	993,979
Region of Halton	1,934,367	1,934,367	1,934,367	3,039,267	2,327,820
TOTAL	\$3,868,733	\$3,868,733	\$3,868,733	\$6,078,534	\$4,655,640**

*2019 budget to be realized.

** Net revenue includes transfer of funds from the Municipal Partner Revenue Stabilization Fund to meet budget and to provide a stabilized source of funding to the municipal partnership (*referenced on page 7*).

SECTION II

2020 OPERATING BUDGET AND PROGRAM CHANGES

1. 2020 BUDGET

The following chart provides a summary of total revenues and expenditures projected for 2020 as compared to the 2019 budget:

COMPARISON OF 2020 BUDGET TO 2019 BUDGET

	REVENUE			EXPENSES		
	2019 Budget	2020 Budget	% Difference	2019 Budget	2020 Budget	% Difference
Administration	(\$8,748,640)	(\$8,352,298)	-4.5%	\$5,188,206	\$4,927,600	-5.0%
Collections	(\$2,350,750)	(\$2,550,750)	8.5%	\$381,336	\$420,850	10.4%
Prosecution	0	0	0.0%	\$824,205	\$867,700	5.3%
TOTAL	(\$11,099,390)	(\$10,903,048)	-1.8%	\$6,393,736	\$6,216,150	-2.8%

Overall Revenues

The Municipal Partners are projecting gross revenues based on the projected revenue for 2019.

Although population continues to grow at a fair rate across Halton, the number of charges filed by local enforcement agencies has remained steady for the last several years. This is contrary to the experience of other regions, where there was a strong correlation between population growth and increased local enforcement. A total of 69,200 charges is projected for 2020 with the expectation that, except for red light camera charges, enforcement practices will continue at the current rate for other enforcement agencies. There is an expected increase of approximately 2,200 red light camera charges due to the recent addition of three cameras and the reinstatement of one camera. Gross revenue for HCS in 2020 is budgeted at **\$10.9 million** as compared to **\$11.1 million** during 2019.

The **1.8% decrease in revenue** over the 2019 budget can be attributed primarily to the slight decrease in overall gross revenues of approximately \$60,000 and the removal of \$100,000 generated by pay-parking at the courthouse.

Overall Expenditures

Total expenditures in 2020 are budgeted at **\$6.2 million** compared to the **\$6.4 million** budgeted for 2019. This represents an overall **decrease of 2.8% in expenditures**. Most of this decrease can be attributed to:

- an over estimation for facility-related costs projected for the 2019 budget including utilities and operating systems; and
- reduction of approximately \$150,00 for judicial and provincial prosecution costs due to the large number of courtroom closures. The Regional Senior Justice of the Peace office has advised that there will a total of 304 courtrooms closed during 2020 due to lack of judicial resources.

See Appendix A for copy of the overall 2020 POA Budget.

Recommendation #1: Approve the 2020 Halton Court Services budget as presented.

2. WRITING-OFF OF UN-COLLECTABLE FINES

In accordance with the Write-Off Policy, the Municipal Partners are seeking approval from the Area Treasurers and the Joint Management Board to write-off those defaulted fines that have accumulated during 2019 where it has been determined there are no viable means of collection. Write-offs scheduled during 2020 will total approximately 1,136 cases with a total value of approximately \$433,181.

3. REVENUE STABILIZATION FUND

Revenue Sharing

The following chart outlines the share of revenues for the Municipal Partners and the Region based on 2019 weighted average assessment. Disbursements will be reconciled to reflect 2020 values once information becomes available in early 2020:

2020 REQUISITIONS BASED ON 2019 WEIGHTED AVERAGE ASSESSMENT	
Region	(\$2,327,820)
Burlington	(\$730,935)
Halton Hills	(\$214,159)
Milton	(\$388,746)
Oakville	(\$993,979)
Total	(\$4,655,640)

Stabilization Fund

The Area Treasurers drafted a Municipal Partner Revenue Stabilization Fund (MPRS F) and policy in 2014 to assist the partners in protecting against the impact of volatility in fine revenue and to provide a source of funding to stabilize revenue sources annually.

Net revenue in excess of budget for the years 2013 to 2017 was transferred to the MPRS F. Interest is allocated to the MPRS F on an annual basis. The Area Treasurers directed that

contributions to the MPRSF end as of 2018. Per policy, an annual review of the MPRSF will continue to be carried out by the Area Treasurers.

The Area Treasurers have directed that funds will be drawn from the Stabilization Fund during 2019 and 2020 when there is a shortfall of actual net revenues as compared to the 2019 net revenue budget. A number of variables will have an impact on net revenue including MAG’s decision about increasing court fees (see page 4 for further information) and the possible trend of declining revenue. The following chart provides an overview of the MPRSF over the next five years:

STABILIZATION FUND

Year	Net Revenue Over Budget	Use of Funds (Admin Fee)	Interest	Balance
2013	\$359,155			\$359,155
2014	\$1,186,072	(\$413)	\$23,642	\$1,568,456
2015	\$766,402	(\$464)	\$26,977	\$2,361,371
2016	\$1,031,976	(\$770)	\$39,893	\$3,432,470
2017	\$1,456,422	(\$1,171)	\$59,914	\$4,947,636
2018	\$0	(\$2,485)	\$102,416	\$5,047,567
2019*	\$0	(\$358,444)	\$105,999	\$4,795,121
2020*	\$0	(\$21,482)	\$100,698	\$4,874,337
2021*	\$0	(\$2,877)	\$102,361	\$4,973,822
2022*	\$0	(\$3,021)	\$104,450	\$5,075,251
2023*	\$0	(\$3,172)	\$106,580	\$5,178,660
2024*	\$0	(\$3,330)	\$108,752	\$5,284,082

*Projected

4. RESERVE FUND

Expenditures During 2019

Approval was received in the 2019 Business Plan for an additional project management expense of \$22,570 during 2019.

The additional cost for project consulting services totaled \$46,000 by end of project. This increased cost of \$23,430 was necessary to:

- Provide for the additional millwork design after move in.

- Provide project management support for the additional duration of the project resulting from the delayed procurement and issues with the security system.

Contribution During 2020

The Municipal Partners regularly conduct an annual review of the Reserve Fund to ensure that future capital cost requirements are reflected and that the required minimum balance of \$300,000 is maintained. The Municipal Partners are recommending that the minimum contribution of \$50,000 continue to be made to the Reserve Fund during 2020.

Expenditures During 2020

The Municipal Partners are recommending that a total of \$27,000 in expenditures during 2020 be approved for:

- Installation of software for Remote Interpretation Initiative; and
- ICON Server Upgrade Project – the legacy circuits are obsolete, and the server will be rebuilt to be compatible with the new operating system (Windows 2016). This will serve the Municipal Partners for a minimum of ten years.

Reserve Fund Forecast

Following is the Capital Budget Forecast for the five-year period 2019 to 2024:

CAPITAL BUDGET FORECAST				
Year	Requirements	Use of Funds	Annual Contributions Including Interest	Projected Year-End Balances
	Balance Forward			\$2,177,884
2018	GMP - internal and external consulting services	(\$267,422)		
	GMP - move/furnishings/fittings/equip	(\$222,330)	\$88,945	\$1,717,514
	GMP - computer equipment	(\$59,563)		
2019	GMP - move/furnishings/fittings/equip	(\$1,388,912)		
	Computer Monitors	(\$7,748)	\$58,263	\$303,540
	GMP - internal and external consulting services	(\$75,577)		
2020	Computer Hardware and Software	(\$27,000)	\$56,071	\$332,611
2021	TBD		\$56,652	\$389,263
2022	TBD		\$57,785	\$447,048
2023	TBD		\$58,941	\$505,989
2024	Computer Hard/Soft Replacements	(\$80,000)	\$60,120	\$486,109

Recommendation #2: A contribution of \$50,000 from net revenues is made to the Reserve Fund during 2020 to ensure that requirements of the Reserve Fund Policy are met.

Recommendation #3: Approve \$27,000 for computer hardware and software requirements. Costs are to be funded through the Reserve Fund.

5. EMERGING ISSUES

1. Transfer of Part III POA Prosecutions to Municipalities

As reported in both the 2018 and 2019 Business Plans, the Municipal Partners were advised by the Ministry of the Attorney General (MAG) in August of 2017 that the Province intends to transfer the prosecution of Part III POA matters to municipalities over a two-year period. City of Burlington staff on behalf of the Municipal Partners have attended three meetings to date with the local Crown Attorney for Halton, the latest on January 8, 2019 to receive an update on the transfer.

To date, the City has not received any additional communication from MAG regarding the status of the proposed transfer process. The Municipal Partners will report back if new information from MAG warrants.

2. Upcoming Legislation Affecting Court Administration

As reported in the 2019 Business Plan, *Bill 177* received Royal Assent in December 2017 which is part of the *Modernization of POA Courts Initiative*. *Bill 177* includes a proposal to amend current legislation to allow for the transfer of authority and scope of administrative functions from the local judiciary to court administration including: administering and entering convictions for all cases where defendants have failed to select an option; reviewing and granting of all applications for extension of time to pay; and the reviewing and granting of applications for re-openings.

It is expected that these additional responsibilities will require a review of workload distribution to ensure that the Court Administration Unit continues to manage and deliver efficient and effective court services.

It was expected that the province would finalize the regulations related to the various legislated changes to administration functions, forms and responsibilities. The 2018 provincial election resulted in a delay of this proposed program and Court Administration has been advised that the program is on hold until further notice. The Municipal Partners will report back when new information is received from MAG.

SECTION III

GROWTH MANAGEMENT PLAN

Background

Identifying a number of outstanding growth-related issues since 2006, including a need for additional courtrooms and auxiliary space and the increasing demand for operational efficiencies, the Municipal Partners approved a service delivery model that consolidates court services into one facility with increased space provisions for long-term accommodation requirements. Consequently, a plan was undertaken to procure a landlord for the delivery of a design-build-lease POA courthouse at 4085 Palladium Way, Burlington with a target date for occupancy of January 1, 2019:

- RFP-216-15 was issued in December 2015.
- The Municipal Partners approved the awarding of RFP-216-15 to the recommended proponent in May 2016 and the proceeding of negotiations of a 30-year lease.
- Lease Agreement and transfer of land finalized in March 2017. A public announcement and stakeholders advised in April 2017.
- Input and sign-off from key stakeholders (judiciary, prosecution, Halton Region Police and Halton's Crown Attorney) received in April 2017.
- Detailed design phase including: floor plans, superstructure, building permits, municipal approvals and project timelines completed in October 2017.
- Construction started in September 2017.

Update

- A slight delay in construction deadline resulted in a decision to move the target date for occupancy to February 1, 2019
- Project was 77% complete by mid-August 2019.
- City staff completed procurement processes for a number of capital expenses related to the move and transition to the new courthouse including: acquisition of all computer devices, A/V equipment, courtroom millwork, furnishings and security system.
- A detailed communication plan was created and implemented throughout each phase of the project.
- A strategic move plan was implemented and the commissioning, fitting up and relocating of records and systems was completed during the last phase. The move included both courthouses (Milton and Burlington) on two separate dates and there was a requirement to decommission the majority of equipment and furnishings at the two prior locations.
- An Official Opening was held at the new home of Halton Court Services at 4085 Palladium Way, Burlington on April 23, 2019. Invitees and guests included:
 - Members of Council and CM/CAOs from four partnering municipalities and Halton Region
 - Key stakeholders including MAG partners, HRPS and local enforcement agencies, judiciary and user groups

- Building owner and contractor
- Media

LAST PHASE OF NEW COURTHOUSE PROJECT

PROJECT DELIVERABLE	FORECAST
Substantial Completion	November 4, 2018
Turnover	November 4, 2018
Commission/Fit-ups/Installation	Nov 4, 2018 – Jan 15, 2019
Move Starts	January 19, 2019 (Milton) February 2, 2019 (Burlington)
Move Complete	February 2, 2019

The Project Team provided ongoing status reports to the Joint Management Board throughout the remainder of the project timeline.

Schedule Status

Occupancy was carried out according to schedule (February 1, 2019) and the move was a success. Halton Court Services was operating and open to the public on February 5th and court was scheduled and running in all five courtrooms on February 6th.

A few building deficiencies, incomplete systems installation (security and A/V) and operational issues were identified from the outset. Many have been resolved and staff continue to work with the contractor (Buttcon) and various sub-contractors to address outstanding issues and expect to have everything rectified by the end of the year.

Budget Status

The cost of construction for the Halton Courthouse project was borne by the landlord and is passed on to the municipal partnership through lease payments. The Municipal Partners had an approved project costs budget of \$1.6 million for millwork, furnishings, IT, audio visual, security, communications, move and other related costs.

Although there were unexpected expenditures during the last phase and post-move, the project team is pleased to report that the project budget is slightly under budget. The table below shows the project performance (budget, actual and variance) for each of the project expenditures.

Project Expenditure	Budget	Actual	Variance
Furniture	496,400	387,136	-22.0%
Courtroom Millwork*	269,300	426,828	58.5%
IT/Comm/AV	365,000	316,278	-13.3%
Security System**	150,000	226,791	51.2%
Move	30,000	27,083	-9.7%
Contractor Site Supervision***	0	70,418	100.0%
Miscellaneous****	53,000	141,643	167.3%
Contingency/Net HST	236,300		
TOTAL	\$ 1,600,000	\$ 1,596,177	-0.2%

*Courtroom Millwork: The judiciary were not entirely satisfied with the courtroom millwork resulting in a need for modifications to address their concerns. The courtroom public bench seating was designed according to MAG standards with an upholstered seat and 3” thick seat pad. The City specifications did not include padded seating and the architects did not re-design the proportions of the millwork benches accordingly. The resulting bench seats were too low, and the seat angle was too steep. An option was presented by the architect which required modifications to all of the benches.

**Security System: The City did not have standard requirements for security systems at the time the Tenant Statement of Requirements was developed. The City was in the process of developing standards and expected to finalize them well before the security system work was required. Therefore, the security systems were not included in the scope of work and, without defined standards, the budget was a based on a guess at what the security scope and cost would be. Additional scope identified during the installation of the security systems included:

- An interconnection to the voice paging system to facilitate voice paging of duress alarms.
- A secondary security panel at the staff entrance.
- An upgraded network video recorder to accommodate requirements of the HRPS.
- A security system lock-out over-ride to allow staff to lock a courtroom when not in use.

***Contractor Site Supervision: The project budget did not include the requirement to compensate the contractor for site supervision costs upon substantial completion in early November. Site supervision continued for approximately one month after opening due to a number of deficiencies and incomplete systems installation (e.g. A/V and Security) to monitor and supervise all subcontractors on site.

****Miscellaneous: Project costs include a variety of miscellaneous costs that were not anticipated, and which consumed a fair percentage of the contingency including:

- Restitution of the Milton courthouse was not expected based on early discussions with Landlord and, as the end of lease approached, the Landlord sought restitution costs as permitted by the lease. Based on an estimated cost for a defined scope of work, a cost of \$53,000 was negotiated.
- A lack of security standards and specifications resulted in a delayed tender going out. Consequently, the completion of the security system install was delayed until approximately two months after move-in. This required the contracting of a security guard service resulting in a cost of almost \$55,000.
- Additional legal fees were assumed for outside legal counsel to oversee final lease negotiations and review at a cost of \$11,200.
- A change in the scope of the Landlord' work was required to have the Landlord provide a security design to allow for coordination of their work. This requirement was not clearly set out in the Tenant Statement of Requirement. The cost was about \$20,000 but the project benefited because this plan provided more certainty in the door access control tender package.

APPENDIX A – 2020 OVERALL BUDGET

HALTON COURT SERVICES

2020 OVERALL POA BUDGET

7-Nov-19

OVERALL 2019 BUDGET	Projection to Dec 31/19	Expenditures	Cost Element	ADMINISTRATION		PROSECUTION	TOTAL	2020 vs 2019	
				Admin/Court Support 461110	Collections 461113	461140			
2,158,995	1,964,391	F/T Salaries	11111	1,297,243	255,862	613,942	2,167,047	3% avg inc.	
50,636	70,371	Part-time/Temp	11122	59,095	-	37,117	96,212		
-	-	Overtime	11131	-	-	-	-		
6,216	7,399	Vacation Pay - PT	11248	5,910	-	4,350	10,260		
398,218	374,504	Fringe benefits - FT/PT	11300	247,050	47,460	109,990	404,500		
203,614	177,114	Additional Benefits - FT/PT	11302	123,987	24,172	52,444	200,603		
28,800	28,093	Professional development	11410	11,650	4,000	16,976	32,626		
2,500	2,204	Employee memberships	11412	1,610	-	660	2,270		
2,849,000	2,624,076	Total Human Resources		1,746,550	331,500	835,500	2,913,500		2.3%
3,610	3,600	Books and subscriptions	22220	1,100	200	2,253	3,553		tickets/forms
1,000	2,479	Meeting expenses	22223	1,000	-	-	1,000		
	19,758	Special Projects	22226	-	-	-	-		
30,540	30,732	Printing and reproduction	22233	31,000	880	122	32,002		
16,740	15,967	General office supplies	22242	11,000	1,340	3,600	15,940		
86,260	51,470	Hydro/Water/Heat	22511	50,110	-	-	50,110		
3,000	982,763	Furniture and office equipment	37102	2,000	675	-	2,675		
87,235	58,350	Comp Software/Hardware/Maintenance	37105	49,250	2,000	8,000	59,250		
1,400,690	1,454,120	Building facility lease	33115	1,352,520	-	-	1,352,520		
21,430	19,240	IT lines	33150	12,150	2,232	2,232	16,614		
7,810	7,470	Equipment rental	33172	7,080	972	2,572	10,624		
6,000	58,570	Bldg repair and maintenance	33210	5,000	-	-	5,000		
10,000	7,620	Equipment maintenance	33240	10,000	-	-	10,000		
41,550	41,750	Courier/Postage services	33250	30,800	11,000	800	42,600		
30,922	25,347	Telephones/Cell Phones	33253	12,120	6,672	6,884	25,676		
	1,353	Corporate Communications	33255	-	-	-	-		
4,525	4,218	Travel Exp/Mileage	33320	2,400	100	1,415	3,915		
6,350	7,200	External audit	33359	7,200	-	-	7,200		
3,300	102,895	Security/Armoured car services	33366	3,420	-	-	3,420		
130,000	111,635	Interpreters	33367	112,000	-	-	112,000		
294,569	307,569	Cost recoveries	45701	305,222	-	-	305,222		
1,067,376	901,883	Provincial Recoveries	33369	906,800	-	-	906,800		
188,030	265,428	Contract/External services	33450	82,140	60,000	4,300	146,440		
71,100	80,047	Janitorial Services	33467	85,730	-	-	85,730		
3,300	3,300	Court Related Fees	33510	-	3,300	-	3,300		
11,000	7,872	Witness fees	33516	8,000	-	-	8,000		
130,000	116,346	Point of sale-service charges	36194	120,000	-	-	120,000		
(111,570)	(1,417,825)	Reserve Fund offset for expenses	96306	(27,000)	0	0	(27,000)		
3,544,750	3,271,157	Total Other Expenditures		3,181,050	89,350	32,200	3,302,600	-6.8%	
6,393,750	5,895,233	TOTAL EXPENDITURES		4,927,600	420,850	867,700	6,216,150	-2.8%	
(13,000)	(10,770)	Parking Fees	90852	(11,000)	-	-	(11,000)	Based on 2019 proj 5-yr rolling ave	
(8,583,680)	(7,832,156)	Fines (Gen)	91122	(8,327,156)	-	-	(8,327,156)		
(2,350,000)	(2,368,088)	Fines (Collections)	91122	-	(2,550,000)	-	(2,550,000)		
165,600	166,046	Bylaws Distributed	91124	203,000	0	-	203,000		
(750)	(750)	External recoveries	91410	-	(750)	-	(750)		
(135,680)	(13,651)	Miscellaneous Revenue	91154	(19,875)	0	0	(19,875)		
(15,000)	(18,789)	Transcripts	91207	(14,500)	-	-	(14,500)		
(166,880)	(166,880)	Federal subsidy	92705	(182,767)	0	-	(182,767)		
(11,099,390)	(10,245,038)	TOTAL REVENUE		(8,352,298)	(2,550,750)	0	(10,903,048)		-1.8%
(4,705,640)	(4,349,805)	Net Operating Budget before Reserve Fund		(3,424,698)	(2,129,900)	867,700	(4,686,898)		-0.4%
50,000	50,000	Contribution to Reserve Fund	45100	50,000	-	-	50,000		
-	(355,835)	Contribution to Stabilization Fund	45100	(18,742)	-	-	(18,742)		
(4,655,640)	(4,655,640)	NET OPERATING BUDGET		(3,393,440)	(2,129,900)	867,700	(4,655,640)	0.0%	

2020 Requisitions
(Partnership Sharing based on 2019
weighted average assessment)

Region	(2,327,820)
Burlington	(730,936)
Halton Hills	(214,159)
Milton	(388,746)
Oakville	(993,979)
Total	(4,655,640)