



Information Memo

To: Council-In-Committee Meeting
Date: November 15, 2023
Division: Corporate Services
Department: Financial Management & Planning
Ward: All Wards
Subject: Provincial Offences Act Fine Collections

Recommendation(s):

That the Information Memo regarding the Provincial Offences Act Fine Collections be received as information.

Background

At the June 13, 2023 Council-in-Committee meeting, staff presented report CS-23-098 Provincial Offences 2022 Annual Report. This annual report focused on five main areas including:

- Background information on Provincial Offences
- POA Organization and Staffing
- Statistics and Financial Information
- Collection Activities
- Looking Ahead, Challenges and Priorities

During the discussion of the annual report, Council had requested further information on the following:

- Fine Collection Methods, and
- Annual Fines Levied versus Fines Collected

As such, the purpose of this report is to address the request for further information as identified above.

Discussion:

The purpose of this report is to address two requests for information from the Council-in-Committee meeting held on June 13, 2023 during the discussion of report CS-23-

098. During the discussion of the annual report, Council has requested further information on the following:

- Fine Collection Methods
- Annual Fines Levied versus Fines Collected

As such, each of these items are discussed in greater details below under separate headings.

Fine Collection Methods

The primary method for collecting outstanding fines employed by the County is leveraging the services of third party collection agencies. These agencies charge a percentage based commission on all fines collected. This commission is then recovered from the individual who has made payment of their outstanding fine. The County also has the ability through legislation to suspend drivers' licences for individuals with outstanding fines in limited circumstances. Licence suspensions by the County were largely paused during COVID-19 due to a host of considerations but namely the lack of available POA staffing resources due to the transition to hybrid court which requires an additional staff member to be present in the Court (leaving the remaining staff member to provide front desk and phone customer service).

During 2023, the County gained a third court day each week instead of the previous two days. While this is positive from the perspective of reducing the County's court backlog, it causes additional resource constraints as additional resources are needed for maintaining basics court operations. In response to the addition of one court day per week, staff sought the addition of one FTE on a temporary basis in POA funded from salary gapping from within the department. This additional temporary FTE will allow for increased additional resources to address the third court day each week and will allow for a renewed focus on collection efforts through licence suspensions which have started to take place as of October 2023. While staff are still within the early stage of licence suspension activities, staff are optimistic that this will prove to be effective in terms of additional revenue annually.

As part of the 2024 Levy Supported Operating budget, staff are proposing a New Business Initiative (NBI) for a permanent increase in POA staffing resources from three to four FTEs. This increase will reduce pressure on existing resources and allow for enhanced collection of outstanding fines to continue on an ongoing basis.

During the June 13, 2023 Council-in-Committee meeting, staff were also asked to investigate alternate fine collection utilized by another jurisdiction. During the discussion at the meeting, Council requested further information regarding a collection approach which utilized external legal resource instead of collection agencies. Staff were able to

contact the jurisdiction identified and received further information on their collection approach. The below is a summary of their collection efforts:

- Outstanding fines total \$14M as of June 2023
- Utilize three collection agencies
- POA staff review court files one-by-one to determine collectability with an eye towards the following:
 - Age of the defendant
 - Obituaries and estate filings
 - Country of residence
 - Age of the fine
 - Relatives living in the area
- Matters that are determined to be worth pursuing are pursued through small claims court
- 1.5 FTEs are dedicated to fine collections while other staff members pursue collections when time permits

Based on the above, staff have prepared the below table compares the collection efforts of Norfolk County versus the neighbouring jurisdiction.

Table 1: Comparison of Collection Practices and Key Indicators

Metric	Norfolk County	Other
Outstanding Fines - 2023	\$7M	\$14M
Staff Dedicated to POA Collections	0.5 FTE	1.5 FTE plus others when time permits
Collection Agencies Utilized	6	3
Pursuit of Fines in Small Claims Court	No	Yes
Review of Outstanding Fines (age, obituaries, etc.)	When time permits	Yes - daily

As can be seen in the above table, the other jurisdiction reviewed has allocated significantly more resources to collection efforts well above what is currently possible at Norfolk County. While these collection methods applied by this other jurisdiction are aspirational in nature, the County currently does not have sufficient resources to complete enhanced collection efforts based on existing permanent staffing resources of three FTEs. The primary purpose of the Provincial Offences office is to provide administrative support to the Ontario Court of Justice - Provincial Offences Court, the judiciary, other court offices, general public, enforcement agencies and legal profession. POA staff continue to engage in promoting best and proven practices in the areas of court administration, court operations and fine collections.

Annual Fines Levied and Collected

The second request from Council from its previous committee meeting was in regards to fines in arrears and whether or not the County was collecting the fines that were imposed annually. Staff have prepared Table 2 below for reference which reconciles the year-end fines outstanding amount from December 2021 to the fines outstanding balance from July 2023. As can be noted, the fines imposed annually are greater than the amounts collected. Staff anticipate that if greater resources were allocated to collection efforts, that these values would more closely align although it would be expected that fines imposed will continue to be higher than collections once any efforts to address arrears are finalized.

Table 2 – Reconciliation of Outstanding POA Fines

Reconciliation of Fines	Amount (\$)
Fines Outstanding – December 31, 2021	\$6,959,602
Add: Fines Imposed – 2022	\$1,052,168
Less: Fines Collected – 2022	\$(846,597)
Fines Outstanding - December 31, 2022	\$7,165,173
Add: Fines Imposed – January 2023 to July 2023	\$1,015,410
Less: Fines Collected – January 2023 to July 2023	\$(538,889)
Fines Outstanding - July 31, 2023	\$7,641,694

It is important to note that the amount included in the above table for fines outstanding, imposed, and collected includes the County revenue component, Victim Fine Surcharge, and dedicated fines remitted to the Province and any other court imposed costs. As such, these values do not represent actual revenue realized by the County annually but the amounts collected that are included in the outstanding balances.

Financial Services Comments:

There are no direct financial impacts associated with this report.

Staff have proposed a New Budget Initiative for the addition of one FTE in POA as part of the 2024 Levy Supported Operating budget which was presented to the Budget Committee on October 26, 2023 through report CS-23-159. One of the main drivers of this new position is to enhance the existing collection efforts. Staff have proposed that approximately half of the cost associated with the new position can be offset by increased fine revenues annually. If implemented, staff will continue to monitor existing fine revenues going forward and adjust budgeted revenue in the future once the new position is fully implemented.

Attachment(s):

None.

Conclusion:

Fine collection efforts over the past few years have been a challenge due to many of the items discussed throughout this report. While staff have renewed enhanced collection efforts as a result of a temporary resource being allocated to POA, no long term solution has been finalized to ensure that the County addressed fines in arrears going forward.

Approval:

Approved By:
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Reviewed By:
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