

Staff Report 2024-0523

Meeting Date: October 8, 2024

Subject: Proposed Administrative Monetary Penalty System

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RECOMMENDATION

That the proposed Administrative Penalty System Bylaw attached as Schedule A be adopted; and

That the proposed Screening and Hearing Officer By-law attached as Schedule B be adopted; and

That staff undertake the steps necessary to enter into an agreement with the Ministry of Transportation, Ministry of the Attorney General, and a revised agreement with the Toronto Joint Processing Centre (JPC) for the purpose of implementing an Administrative Penalty System (AMPS); and

That the Commissioner, Corporate Services/Chief Legal Officer be delegated authority to sign any agreements necessary for this purpose; and

That the Commissioner, Corporate Services/Chief Legal Officer be delegated authority to establish and authorize policies necessary in order to implement and operate an Administrative Monetary Penalty System; and

That Council deems the engagement for designated bylaws sufficient to fulfill the engagement required in the Town's Public Notice Policy for the proposed Administrative Penalty System Bylaw; and

That \$155,752.81 be taken from the Operating Contingency Reserve in 2024 to fund initial staffing and technology requirements to implement a successful AMPS inclusive of two (2) additional FTE; and

That \$286,596.30 be included as an unavoidable budget increase in the 2025 budget, inclusive of nine (9) FTE in order to fully operate the program; and that

Staff report back by end of 2025 on the status of AMPs in Caledon.

REPORT HIGHLIGHTS

- An Administrative Monetary Penalties System (AMPS) offers a service oriented and cost-effective alternative to the traditional court-based dispute process for parking, bylaw infractions, and camera-related road offences.

- To implement an AMPS, a municipality must have a bylaw, specific policies and executed agreements with both the Ministry of Transportation and Ministry of the Attorney General.
- Staff are seeking immediate allocation of resources to move expeditiously and have an AMPS operational for Q2/Q3 2025.
- The start-up costs of an AMPS in Caledon is expected to be \$155,752.81, and staff expect the program to be fully self-funded by 2026.
- Revenue generated from an AMPS can be invested back into community safety programs and off-set the Town's tax-levy.

DISCUSSION

An Administrative Monetary Penalties System (AMPS) offers a service oriented and cost-effective alternative to the traditional court-based dispute process.

Introduced in 2006 through an amendment to the *Municipal Act, 2001*, AMPS allows for municipal control over the administration and adjudication of municipal parking infractions. In 2016, the *Municipal Act, 2001* was again amended to allow for the expanded application of AMPS to municipal by-law beyond parking infractions allowing municipalities to move away from the traditional Provincial Offences Act Part I process. Most recently, legislation has been amended to also enable camera related offences to be administered through an AMPS, notwithstanding more stringent guidelines around the process and permissible fees.

To date, a significant number of municipalities have introduced AMPS effectively to expediate the dispute resolution process for parking and bylaw related matters. Many of these municipalities are now in the process of introducing AMPS for camera related offences as well.

As outlined at the [General Committee workshop](#) on September 11, 2024, AMPS offer an array of benefits to both the instituting municipality as well as the public. From an efficiency perspective, municipalities that have implemented AMPS have reported much faster processing time for disputes; while in-court matters take approximately 16-18 months to resolve, AMPS matters are generally resolved within 6-8 weeks. With AMPS, the municipality maintains full control over resourcing, scheduling and setting fines. This autonomy results in improved cash flows, reduced administrative burden, and overall efficiency. In addition, AMPS significantly reduces the demand on court capacity; once fully operational, staff estimate that over 26,000 matters will be removed from the court administration process per year. From a community perspective, the quicker resolution process promotes compliance, thereby improving the road safety and overall community livability.

The introduction of AMPS also reduces the overall operating cost associated with managing disputes. The costs for processing infractions through an AMPS are estimated

to be half the cost of administration through the traditional court system. Additionally, the municipality has authority to establish escalating fines for subsequent offences when applicable and pass on any administrative costs associated with the processing of the infraction to the contravener (e.g., MTO search fee).

From a service perspective, AMPS offers a less intimidating, easy to navigate alternative to the traditional court process. Unlike in the court system, staff are permitted to offer more specific guidance on the options for contraveners, and dispute processes can be managed in more informal settings. In this regard, the introduction of AMPS enables a municipality to improve the overall client experience, and ultimately instill greater trust and confidence in government.

To implement an AMPS, a municipality must have a bylaw, specific policies and executed agreements with both the Ministry of Transportation and Ministry of the Attorney General.

Two bylaws, attached as Appendix A and B are required to implement an AMPS in Caledon:

1. Administrative Monetary Penalty System Bylaw
2. Screening and Hearing Officer Bylaw

The Administrative Monetary Penalty System Bylaw describes what infractions are disputed through AMPS and the process by which a contravener can dispute a penalty. A consolidated bylaw – that describes the process for parking, bylaw and camera related offences - makes the system more easily navigable for the public (service-orientation) and aligns with trends evident with other municipalities who have also implemented AMPS.

The Administrative Monetary Penalty System Bylaw also includes a Schedule of Set Fines that lists the fine amounts for penalties within the system, as well as any applicable administrative fee(s) that may be attached to a penalty.

To summarize the Bylaw, a contravener has three options upon receipt of a penalty: they may pay a lesser fine within 15 days of receipt (i.e. 'Early Payment Fine'), pay after the 15 day period and be subject to the Set Fine amount; or dispute the penalty. Should a contravener wish to dispute the penalty, they must first participate in a Screening. Within a screening, an Officer may confirm, vary or cancel a penalty. Subsequent to a screening, the contravener has the option to request a hearing where an Officer may again confirm, vary or cancel a penalty. A Hearing Officer's decision is final. A contravener may be subject to administrative fees (e.g., late fees, MTO search fee) within the process. Should a contravener take no action upon receipt of a penalty, the municipality can advise the MTO so that penalties are collected at plate renewal, add penalties to the contravener's property taxes, or pursue other collections means as appropriate.

The Bylaw is currently drafted to include set fines for parking related offences only. Notwithstanding, the Bylaw also includes language for escalating fines for non-parking related infractions meaning that a person found in contravention of a bylaw for subsequent offences will be subject to higher fines. As the program is operationalized, Council can expect updates to the bylaw that add additional designated bylaws, and increase the number of infractions for which AMPS is used to manage both payments and disputes.

The Screening and Hearing Officer Bylaw functions in compliment to the Administrative Monetary System Bylaw and describes the eligibility for both Screening and Hearing Officers, as well as the appointment process for each. Screening Officers are typically municipal employees, but the legislation requires that Hearing Officers are external representatives; the Bylaw denotes that Hearing Officers are appointed by Council.

In addition to the aforementioned Bylaws, Regulation 333/07 also requires that policies are developed to address i) Conflict of Interest, ii) Financial Management, iii) Filing and Processing of Complaints, iv) Political Interference and v) Financial Hardship. The Administrative Monetary Penalty Bylaw includes language that delegates authority to the Commissioner, Corporate Services/Chief Legal Officer for developing and approving these policies and any other that may be requires or deemed necessary to establish an effective program. Once finalized, these policies will be posted on the Town's website for transparency.

Following adoption of these Bylaws, Caledon will be required to enter into new agreements with the Ministry of Transportation and the Ministry of the Attorney General to implement the program. These agreements, which exist today for the Provincial Offences Court office, establish the conditions to which Caledon must adhere to safeguard private information and correctly transfer funds related to the Victim Surcharge Component collected in addition to any penalty. Based on research, staff anticipate that these agreements may take up to six (6) months to finalize.

Staff are seeking immediate allocation of resources to move expeditiously and have an AMPS operational for Q2/Q3 2025.

Recognizing both the community and corporate benefit to introducing an AMPS, staff are looking for Council approval to source the necessary people, place and technology requirements that would enable to immediately begin implementation on AMPS while coordinating with the Province on the agreements noted above. Mobilizing promptly will be critical to ensuring Caledon can secure a technology vendor to support implementation, as other municipalities also in the process of implementing AMPS will be vying for support from the same vendors as well.

To implement the program, the following resources have been identified as most critical to secure in 2024:

- Funding for the implementation and operating of a software solution
 - Required to manage the workflow of penalties including the preparation of notices, payment processing, scheduling of disputes, reporting etc.
- Funding to support one (1) FTE: Financial Analyst
 - Required to support the financial reporting required for camera related offences in an AMPS; and overall revenue and expenditure management for a portfolio with significant cash flow.
- Funding to support one (1) FTE: Manager, Administrative Monetary Penalties
 - Required to support the development of policies, procedures, training, system configuration, communications and hiring of required personnel to support the program once operational
- Funding to support an AMPS and Community Safety Communication Campaign
 - Required to bring awareness on the Town’s traffic safety program and its effectiveness; as well as inform the community on the changes that result from moving to an AMPs. While the Town’s Public Notice Policy requires public consultation in advance of any new Bylaw, Council can direct alternative engagement opportunities that still support transparency and public participation. It is important to note that while the Administrative Monetary Penalty Bylaw is new, the Bylaws that will be subject to it are not; public consultation was conducted for each of the designated bylaws impacted by the introduction of AMPS. In this regard, staff recommend that Council consider this education campaign on how to navigate the new process sufficient in fulfilling the requirements denoted in this policy.

Staff recommend that these immediate requirements be funded as an in-year request in order to meet the target go-live date of Q2/Q3 2025. More detailed financial implications are included in the Financial Implications section of this report.

FINANCIAL IMPLICATIONS

A total of \$155,752.81 is requested for approval in 2024, to be funded from the Tax-Funded Operating Contingency Reserve (TFOCR) to immediately source the resources required to start implementation of AMPS. This request is inclusive of two (2) FTE. The current balance of the TFOCR \$3,680,468.

Required Resource	2024 Prorated Cost Estimate
Manager, AMPS	\$ 19,515
Financial Analyst	\$ 13,777
Paper Rolls	\$ 2,460

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Software System	\$ 70,000
Communications Campaign	\$ 50,000
Total 2024 Cost	\$ 155,752

In addition to the above, and in anticipation of the needs required to manage the volume of parking, bylaw and camera related infractions expected over the next three years, an additional nine (9) FTE are proposed. The following requirements, inclusive of the nine (9) FTE are being proposed as unavoidable budget increases in 2025.

Details	2025 Budget	Annualized
Manager, AMPS	\$ 181,384	\$ 181,384
Coordinator/Admin (5)	237,801	446,485
Associate, Service Caledon	49,049	89,297
Financial Analyst	112,529	112,529
Bylaw Officer - MLEO I (3)	160,703	295,006
By-Law Vehicle (1)	70,000	
Screening Officers (1)	68,507	109,898
Hearing Officers (per-diem)	15,000	15,000
Office Supplies	2,500	2,500
ASE Camera Costs (6)		386,569
Total Expenses	\$ 897,473	\$ 1,668,849
Total Revenue	\$ 610, 877	\$ 2,121,662
(Deficit)/Surplus (Reserve Funded)	\$ (286, 596)	\$ 452,812

Note that the revenues and expenses outlined in this proposal are based on current parking, bylaw and camera-related infraction volumes, inclusive of a conservative growth projection for the next three years. There is the possibility of increased revenues to maximize the capacity of our camera program. The proposal also staggers the start date of resources to align with the expected go-live date of AMPS. It is expected that an AMPS will run at a deficit in 2025. Net of expected revenue from the program, the total anticipated cost of the program in 2025 is \$286,596.30. These net costs can be funded in the short-term from a loan from the TSOCR with the requirement to replenish the Reserve in upcoming net revenue years expected to commence in 2026. A reserve continuity schedule is provided.

Tax Supported Operating Contingency Reserve Continuity	
Year	Funding
2024	\$ (155,753)
2025	(286, 596)
2026	452,812
Funding to a Future AMPS Reserve/reinvest	(10,463)
Net Δ on Operating Contingency Reserve	\$ -

Based on the current volume of tickets issues and the project schedule, staff anticipate a complete return on investment in 2026, inclusive of the cost of existing automated speed enforcement cameras, and for the program to be completely self-funded in future years. AMPS are advantageous in that they are completely scalable; as the volume of infractions increases, so too can the resources required to support the program. Any revenues from the program may be reinvested into community safety programs, off-setting the tax-levy, and ultimately, support the Town’s commitment to fiscal responsibility.

COUNCIL WORK PLAN

Strategic Plan 2023-2035

This report is directly related to the following priority in Caledon’s 2023-2035 Strategic Plan:

Service Excellence and Accountability

More specifically, this report outlines how the implementation of AMPS aligns with the outcome, Caledon continuously improves the way we deliver service.

Additionally, the implementation of AMPS in Caledon is expected to improve bylaw compliance, thereby contributing to Caledon’s safe and reliable transportation network.

Details about Caledon’s 2023-2035 Strategic Plan can be found at caledon.ca/strategicplan.

ATTACHMENTS

- Schedule A: Administrative Monetary Penalty System Bylaw
- Schedule B: Screening and Hearing Officer Bylaw