



Town of Milton

Administrative Monetary Penalty System (AMPS) Review

Business Case

Jason Ducharme
Partner

T: 416.263.6924

jason.ducharme@MNP.ca

111 Richmond Street West

Toronto, ON M5H 2G4

FINAL REPORT

January 31, 2020

EXECUTIVE SUMMARY

Milton is considering a transition to an Administrative Monetary Penalty System (AMPS) to administer its parking tickets, which is an alternative system to the lengthy and costly Provincial Courts process that is currently in use. Under an AMPS process, disputed parking tickets would initially be reviewed by a Town-employed Screening Officer who would review the reported offence and make a decision to reject, reduce or confirm the penalty. Should the customer disagree with the Screening Officer's decision, the matter is referred to an independent Hearing Officer who would make a final decision.

Key benefits of this change to the Town will include:

- Improved customer service for citizens dealing with parking violations because matters can be resolved at the Town offices or online which are more accessible service channels, and reviews are scheduled within a few weeks compared to months or potentially years with disputes via the courts.
- Fewer disputed parking infractions, and reduced likelihood that parking tickets are withdrawn due to excessive delays.
- Staff and enforcement officer time is used more efficiently as they no longer need to prepare for and attend provincial court.
- Provincial court resources are used more effectively by focusing on serious offenses instead of minor parking infractions.

The volume of parking violations issued in Milton for 2019 was 40,814. Assuming this volume continues, it is predicted that about 7,514 Screening Reviews and 640 Hearing Reviews will be required annually under an AMPS process. To process this volume of reviews will require

an additional Licensing & Enforcement Clerk, 1.5 FTE Screening Officer, and per diem expenditures to retain an independent Hearing Officer. A summary of the net financial impact of moving to the APMS program is presented below:

Revenues	
Parking Fine Revenues	Assumed no change to current level of fine recoveries
AMPS administration revenues	\$726,523
Loss of current POA Admin rev.	(\$309,436)
Total Net New Revenues	\$417,087
AMPS Ongoing Expenditures	
Field Enforcement	No change from current levels
MTO charges	No change from current levels
AMPS Staffing, incl Overhead	\$311,386
Reduced legal and court fees	(\$14,900)
IT licensing fee allowance	\$20,000
Reduced overtime	Not quantified
Office accommodation	No significant changes assumed
Total Change to Ongoing Costs	\$316,486
Net Change to Admin Revenue	\$100,600

Administrative revenues are based on a proposed AMPS fee schedule which is based on typical fees for other municipalities that have implemented an AMPS regime. The recommended fee schedule for Milton is comparable to other municipalities, and it is designed to recover the additional costs associated with administering AMPS.

	MTO Search Fee	Late Payment	Failure to Attend Screening Review	Failure to Attend Hearing Review	MTO Plate Denial Registration
Median of 13 municipalities that use AMPS	\$10.00	\$25.00	\$50.00	\$100.00	\$22.00
Recommended Milton Fee Schedule	\$10.00	\$25.00	\$50.00	\$100.00	\$22.00
Current POA Administrative Fees	\$10.00	\$16.00	NA	NA	\$20.00

Implementation of an AMP system is a complex undertaking that will likely require at least 6 months of preparation. The primary steps involved are illustrated in the following implementation road map:

Key Implementation Activities	Months							
	1	2	3	4	5	6	7	8
Develop Policies & Procedures	█	█						
Develop and Approve By-Laws	█	█	█					
Financial Systems and Collections Processes			█	█				
Schedule and Booking System			█	█				
Ticket Tracking and Notification System			█	█				
Get Facilities/Rooms Ready					█	█		
Recruit and Retain New Staff/Officers					█	█		
Internal Training and Communications				█	█	█		
External Website/Communication and Forms			█	█	█	█		
Go Live							▶▶▶	
Customer Service (Q&A)							█	█
Commence Screenings and Hearings								█

The primary investment for AMPS implementation will be the information technology infrastructure estimated at \$500,000 as follow:

Implementation and One Time Costs (\$)	
IT and AMP System	\$250,000 software and hardware costs.
Oversee AMPS IT acquisition and transition, prepare policies and procedures, By-laws, change management, communication and recruitment/training.	\$250,000 dedicated staff for 6-8 months.
Total One-Time Cost	\$500,000

In summary, there is a strong business case in support of the Town moving to an AMPS process for managing parking infractions. Customer service will be improved, the process will be considerably streamlined and shortened, and there is an ongoing operational surplus of over \$100,000 annually which ensures that the new processes pay for themselves. A risk assessment and scenario tests suggest that the actual surplus will be greater than this estimate because of other likely financial benefits that have not been quantified:

- Additional savings from reduced overtime costs for enforcement officers to attend court.
- Reduced rate of disputed parking tickets which will increase fines recovered and reduce administrative processing costs.
- Full recovery of fines, with no penalties dismissed due to extended wait times within the courts system.
- Additional process efficiencies such as telephone and online screening reviews will reduce staff costs to process parking infractions, and further improve customer service.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	1
BACKGROUND.....	1
SCOPE	1
APPROACH	1
PROPOSED ADMINISTRATIVE MONETARY PENALTY SYSTEM (AMPS)	2
CURRENT STATE: THE PROBLEM	2
THE SOLUTION: PROPOSED ADMINISTRATIVE MONETARY PENALTY SYSTEM (AMPS OR AMP SYSTEM)	2
DIFFERENCES BETWEEN POA AND AMPS.....	4
CUSTOMER SERVICE BENEFITS.....	4
BENEFITS TO THE TOWN.....	4
LESSONS LEARNED FROM OTHER MUNICIPALITIES.....	5
ADDITIONAL CONSIDERATIONS FROM OTHER MUNICIPALITIES.....	6
COMPARATIVE AMPS FEE SCHEDULES	8
PROJECTED AMPS VOLUMES IN MILTON.....	9
AMPS FINANCIAL BUSINESS CASE	10
CURRENT STATE POA REVENUES.....	10
PROJECTED AMPS ADMINISTRATION REVENUES	11
AMPS EXPENDITURES.....	12
OTHER OPERATING COSTS/SAVINGS	14
SUMMARY OF FINANCIAL POSITION.....	16
RISKS OF PROPOSED AMPS FOR MILTON	17
APPENDIX A: FEE SCHEDULE COMPARISON	20

INTRODUCTION

Background

The Town of Milton (Milton or the Town) is considering transitioning to the Administrative Monetary Penalty System (AMPS or AMP System), which is an option provided to municipalities as a result of Modernization of the Provincial Offences Act (POA). This option provides a legislative framework for municipalities to administer parking tickets through an alternative system to the Provincial Courts, which has experienced significant delays and backlog.

Scope

MNP was engaged by the Town to prepare a business case to explore the use of AMPS for managing parking violations, which would replace the current system which falls under the Provincial Offences Act (POA). The business case is meant to outline a **financial cost and benefit analysis** by comparing the current system against the proposed system, a **risk analysis** which highlights the key risks and mitigations strategies, a **road map** with critical steps to undertake the transition, and a **gap analysis** to identify gaps in organizational capacity, technical support deficiencies, etc. This document is intended to provide supporting analysis related to the potential implementation of an AMP System for the Town of Milton.

Approach

In order to undertake the business case for the conversion to AMPS, MNP has performed the following:

- Reviewed existing financial information and KPIs related to the enforcement and collection of penalties;
- Reviewed Milton's original business case;
- Reviewed the experience of other municipalities that have undertaken a successful transition;
- Determined the cost of administering the proposed AMP system;
- Projected AMPS administrative revenues that are over and above the fine revenues collected from parking penalties; and
- Determined the implementation costs including capital costs for the transition.

PROPOSED ADMINISTRATIVE MONETARY PENALTY SYSTEM (AMPS)

Current State: The Problem

The Provincial Offences Act (POA) is the current system in place to prosecute parking violations within the Town of Milton. The POA was enacted in 1979 as procedural code to govern the prosecution of regulatory offences created by provincial laws and municipal by-laws. The POA defines three types of violations:

- Part I, which governs minor offences;
- Part II, which deals with parking offences; and
- Part III, which is for serious violations.

Part II governs parking violations for the administration of parking ticket payments and the dispute process which begins with an enforcement officer serving a parking infraction notice and fine to a person or vehicle. Within 15 days, the defendant must either pay the fine or request a trial date during the first attendance process with a Licensing & Enforcement Clerk. Milton is allotted 150-175 parking infraction trial spots in court, spanning over 10 days per year. In 2019, the number of issued parking infraction notices almost doubled compared to the statistics from 2016-2018. The number of trials requested also increased during that period, nearly fourfold between 2016 and 2019. Additionally, Milton has contracted overnight parking enforcement duties to a 3rd party agency, which has increased the number of parking infraction notices issued and subsequently, increased the number of people requesting a trial. With an expected increase in trials requested and the court system's limited capacity, the traditional dispute process is ineffective as it incurs prolonged wait times. This negatively impacts customer service and puts a strain on the court system, which is already backlogged from Part I and Part III offences.

The Solution: Proposed Administrative Monetary Penalty System (AMPS or AMP System)

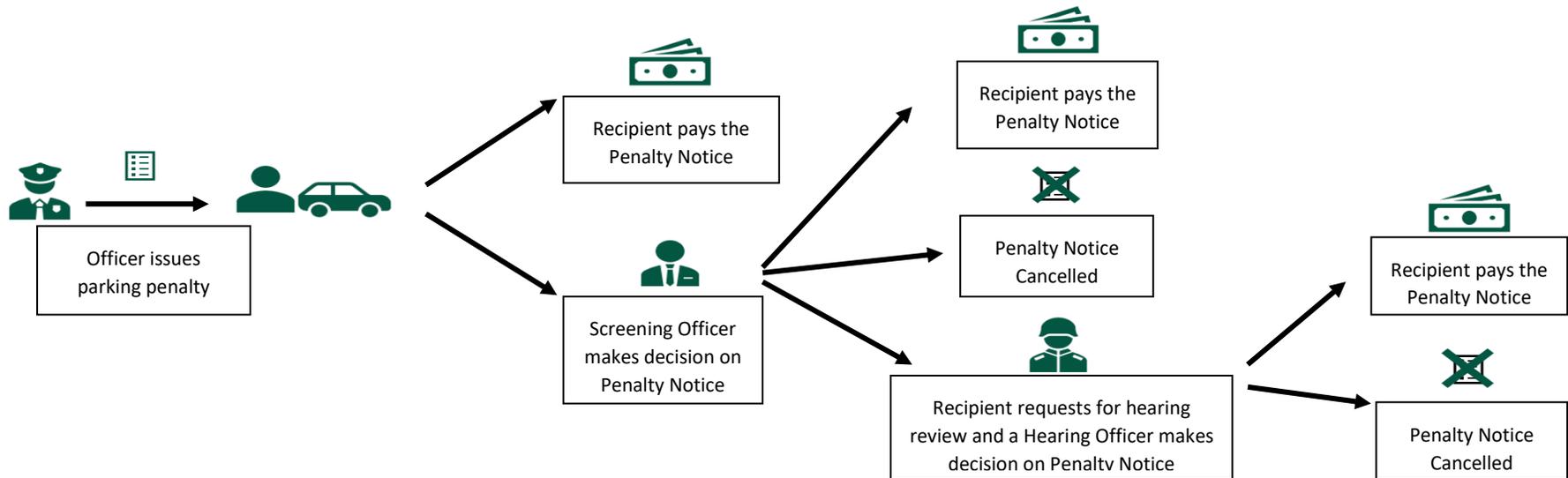
An AMP System is an alternative parking enforcement scheme that includes an efficient dispute process and replaces the traditional POA system. Bill 130, the *Municipal Statute Law Amendment Act, 2006* amended the *Municipal Act* to permit municipalities to establish a system of Administrative Penalties for parking offences. Under a system of Administrative Penalties, an enforcement officer will issue a Penalty Notice to a person or vehicle found in violation of a municipality's parking bylaws and the penalty becomes a debt owed to the municipality. The individual may contest the penalty through a Screening Review with a Screening Officer and can appeal that decision via an additional review with a Hearing Officer. Having the matter heard in court is not an option as the Hearing Officer's decision is considered final and binding. An AMP System allows the municipality to control the timelines associated to the life of a penalty notice as the process is no longer constrained by the backlogged Provincial Court system.

The AMP System has been reviewed by the Law Commission of Ontario, and they recommend all municipalities adopt AMPS for parking offences in their report "Modernization of the Provincial Offences Act" released in August 2011. The report also recommends that the POA be amended to remove parking violations from that statute within three years. Although this transition has not yet occurred, numerous municipalities across southern Ontario have voluntarily converted to an AMP System in recent years.

The following is an overview of how the proposed AMPS program would function:

- 1) An enforcement Officer will issue a penalty notice to an individual or vehicle for a parking violation;
- 2) The person can pay the penalty within 15 days or choose to dispute their penalty notice;
- 3) If the dispute process is chosen, the individual requests to meet with a Screening Officer to conduct a screening review. Many municipalities are streamlining this process by allowing requestors to directly submit their screening request online, rather than having to come into the municipal office;
- 4) The Screening Officer has the authority to reduce fines, provide payment programs, and decide whether the penalty notice stands or should be dismissed;
- 5) If a person is not satisfied with the decision of the Screening Officer, they have the option to request a hearing review;
- 6) A Hearing Officer will adjudicate matters at a hearing review and will make a final and binding decision about the penalty notice;
- 7) Town staff would provide administrative support throughout the hearing process by scheduling screening and hearing reviews, collecting payments, and answering customer calls and inquiries;
- 8) Similar to the current POA process, late penalty payments are subject to a fine and unpaid penalties are sent to MTO for Plate Denial Registration. In addition, there are administrative fees when MTO ownership searches are required or if the individuals fails to attend a review by either a Screening or Hearing Officer. These administrative fees are intended to encourage prompt payment, discourage frivolous requests and help cover costs of processing claims.

The image below depicts the penalty notice process of the proposed AMPS.



Differences Between POA and AMPS

There are four main differences for disputing parking penalty notices under AMPS compared to the current POA court process.

Wording – The wording used to describe parking tickets and fines shifts from being an “offence” with a “fine”, to a “notice” with a “administrative penalty”. This will require public education and awareness so there is no confusion when individuals receive a penalty notice.

Appeals – Under POA, individuals can appeal their parking ticket during the first attendance process with a Licensing & Enforcement Clerk to have their matter heard before a Justice of Peace in Provincial Court. This option is not available when disputing penalty notices under AMPS. Instead, individuals who wish to dispute their matter must first meet with a Screening Officer. If the individual wants to appeal the decision of the Screening Officer, they can have their matter reviewed by a Hearing Officer. Under the POA regime, motorists can appeal their convictions or reopen their paid ticket for an additional review/appeal. This option is no longer available under AMPS and the decision made by the Hearing Officer is final and binding.

Additional Fees – Currently, fines established by municipalities must be approved by Ontario’s Chief Justice. Under AMPS, Milton would have the discretion to develop penalty amounts and any additional administrative fees deemed appropriate. The intention of the administrative fees is to encourage prompt payment, discourage frivolous requests and help cover costs to the municipality. A comparison of the current POA fines and the proposed AMPS fees can be found in Appendix A.

Staffing – Milton currently has one administrative staff dedicated to parking infractions. Under the AMP System, there would need to be an additional administrative staff to manage scheduling and respond to customer inquiries and process and review disputed penalties, as well as new Screening Officer and Review Officer duties to support the AMPS process.

Customer Service Benefits

The proposed AMP System would provide an increased level of customer service to citizens dealing with parking violations.

- Both the Screening and Hearing Officers may be located at Milton’s Town offices or local satellite facilities which would give citizens timely access to administrative penalty disputes. Potential online and telephone screening reviews would further enhance customer service.
- Citizens would be able to have their reviews scheduled within a few weeks compared to months or potentially years with disputes under POA.
- In addition, a screening and hearing review offers the public a citizen-friendly dispute resolution process compared to the traditional process held in court which can be intimidating.

Benefits to the Town

Historically, municipalities have been frustrated by the long delays in scheduling court dates which often results in the parking ticket being dismissed due to the excessive time between offence and hearing. It is noted that in previous years, the Halton Court Services had 40% of its charges withdrawn due to lack of available court time. In 2019, the Town reported that 410 trials were requested but only 193 were scheduled within the same year, that is less than half of the necessary trials scheduled. The Supreme Court of Canada decision of R v Jordan rejected the traditional framework to determine whether an accused was tried within a reasonable time under section 11(b) of the Canadian Charter of Rights and Freedoms and replaced it with a presumptive ceiling of 18 months between the charge and the trial in a provincial court. This can result in a large number of tickets and municipal revenues being lost due to cancellation of the ticket.

Under an AMP System, dispute hearings can occur within weeks of the offence date, increasing the administration of justice and resulting in a more

streamlined and efficient dispute resolution process. Additionally, AMPS is not impacted by the decision of R v Jordan and will result in fewer penalty revenues lost through delays in the prosecution process.

AMPS will allow Milton to recover parking related administrative costs incurred while obtaining registered owner information through MTO and requesting the denial of a license plate renewal. Under the AMP System, the penalty is a debt owed to the Town and the associated fees can be added to the initial penalty amount and are recoverable through approved penalty enforcement strategies.

Milton will have greater control of the parking violation dispute process under the AMP System as the Town would have the ability to manage its screening and hearing schedule. This would allow the Town to schedule additional screening review days, hearing appeal days, or add part-time review officers, should a backlog of hearing requests arise.

Lessons Learned from Other Municipalities

Ontario municipalities have increasingly adopted the AMP System, with the City of Vaughan implementing the first AMP System in 2009. This was followed with implementations in Oshawa, Mississauga, Brampton, Hamilton, Toronto, Oakville, Burlington, London, Richmond Hill, Kitchener, Waterloo, Niagara Falls, Port Colborne, and others. Each municipality migrated to the AMP System to resolve minor by-law infractions such as parking matters which could potentially take months in the backlogged court system.

Many municipalities who have implemented the new AMP System have realized significant benefits summarized as follows:

- The system improved customer service as citizens have more flexibility and the appeal process is less intimidating than the provincial courts system. Wait times were also reduced as a fixed time for a review hearing is not provided under an AMPS regime.

The public does not have to book extensive time off from work to wait around the courthouse until their matter is reached on the docket;

- The amount of time spent processing infractions has been reduced because matters are heard much more quickly, and tickets can no longer be reopened;
- The system closed loopholes that contributed to non-payment of parking tickets. Specifically, there is evidence of “gaming” by offenders who request a court date, (or reschedule court dates) in the hopes that the officer won’t show, or the elapsed time between infraction and hearing is so long that ticket will be dismissed. Under an AMPS regime this opportunity is not available;
- Staff and enforcement officer time is used more efficiently as they no longer need to spend time preparing for and attending provincial court. Staff spend an estimated 1 hour per parking infraction notice for each trial request and with AMPS, this time spent will decrease to approximately 10-15 minutes;
- The system often reduces the overall numbers of disputes raised. Communities such as Richmond Hill and Vaughan have seen a lower rate of disputed parking infractions since implementing AMPS. Recent evidence in Vaughan suggests that the percentage of matters going to a hearing officer is roughly 1.5% of tickets issued, which is lower than the roughly 3.5% of tickets that were challenged in court under a POA regime;
- The hearings scheduled are within municipal control and are not subjected to court schedules at the Provincial Courthouse. This allows the municipality to better manage overtime costs of those that need to appear at a hearing;

- The system reduces backlog and congestion in provincial courts which increases court capacity for more serious offences;
- Savings in enforcement costs. When parking matters are heard in court, municipalities may need to pay enforcement officer overtime since court scheduling is not tailored to the officer's working hours. In addition to the wage savings of the municipal law enforcement officer, no prosecutor needs to attend an AMPS hearing.

Additional Considerations from Other Municipalities

Public Communication and Education: Municipalities that have transitioned to AMPS have experienced an increase in customer inquiries during the implementation period because the change can confuse and concern the public. This is typically managed through an effective communication plan posted on a municipal website outlining the changes and what this means for citizens. In addition, the implementation is often broadcasted on the local news to ensure citizens are aware of the new process before they receive a parking violation notice. During any AMPS implementation it is critical to provide an AMPS awareness and education campaign for the public to advise people about the importance of acting on a penalty notice.

Managing Variable Screening Volumes: The City of Brampton conducted a status report one year after AMPS was implemented which indicated its net parking infraction revenues are comparable and slightly higher than parking infraction revenues under the POA, due to additional administration fees. The report recommended that City-appointed Hearing Officers should also be appointed as Screening Officers, to assist with Screening Reviews if the Penalty Notice volumes fluctuate greatly. The use of a Hearings Officer for Screening Reviews would only be permitted on the condition that a Hearings Officer cannot serve as a Screening Officer and Hearings Officer for the same Penalty Notice. The City of London has responded to variable screening

volumes by expanding the number of City roles that have the authority to screen files. Its By-law designates Screening Officers as any of the following: 1. The Chief Municipal Law Enforcement Officer, 2. Manager of Municipal Law Enforcement Services. 3. Parking Coordinator or 4. Inquiry Clerks.

Reduce MTO Search Fees: Another recommendation from Brampton was to improve customer service and minimize unnecessary MTO Search Fees by delaying the administrative AMPS enforcement by 7 days. This would reduce the number of MTO vehicle owner information retrievals and reduce the cost for late payments received on or immediately after the 15-day time frame.

Application of AMPS to other by-law infractions: The City of Oshawa, the City of Vaughan, the City of Mississauga, and the Town of Oakville have applied the AMP System to licensing and by-law matters beyond parking, including business licensing. Other municipalities like Brampton and Richmond Hill are also investigating the expansion of its AMP System to encompass licensing and other by-law matters beyond parking. An expansion of the AMPS would reduce the need for the court system to address minor offences and allow the courts to concentrate its capacity on more complicated matters with serious implications.

Extended Hours: The City of Vaughan has implemented, and Brampton is investigating alternative service hours for Screening and Hearing Reviews (e.g. evening and weekends). Additionally, Richmond Hill and Markham have implemented an online screening review process, and Brampton is in the process of investigating a similar online structure to further streamline the process and improve customer service.

Shared AMPS Programs: The City of Kitchener and the City of Waterloo jointly launched an AMP System in 2019. This unique partnership allows for shared efficiencies during the development process and after the AMPS

program launches as they can utilize the same Hearings Officer. The Hearing Reviews take place at both Kitchener City Hall and Waterloo City Hall. There may be savings on the Hearing Officer expenditures should this be a salaried position; but under third party per diem basis, there would likely be less savings. This shared program does add a customer service benefit to the two municipalities as a Kitchener ticket holder can be seen in Waterloo and the same process follows for a Waterloo ticket holder. Additionally, the neighbouring municipalities have been able to share research and development resources, and they only need to purchase and maintain a single AMPS technology platform to serve both communities.

Reduced rate of Disputes: The Town of Richmond Hill prepared an implementation status report 6 months after the AMP System was in place. The report compares the forecasted and actual percentage of penalty notices paid at various stages of the AMPS process. The report found that there were more penalty notices paid on time than predicted (60% vs 48%,

respectively), fewer penalty notices proceeding to Screening Review than estimated and fewer matters sent to MTO for plate denial than forecasted. Additionally, when comparing the estimated and actual AMPS fee revenue over a 6-month period, the actual fee revenue was greater than what was estimated.

Short Term Volume Increase: During the first six-month period of Richmond Hill's implementation of AMPS, staff responded to higher than normal customer service volumes, with 2,800 phone calls, emails, and in person visits related to the booking of Screening reviews, and 300 additional phone calls, emails and in-person visits related to time extensions and the booking of Hearing Reviews. In the same timeframe, staff facilitated 3,043 Screening Reviews and coordinated 69 Hearing Reviews. The wait time to attend a Screening Review was 2-4 weeks and 4 months for a Hearing Review, compared to an 8-12 month wait time for a court appearance under POA.

Comparative AMPS Fee Schedules

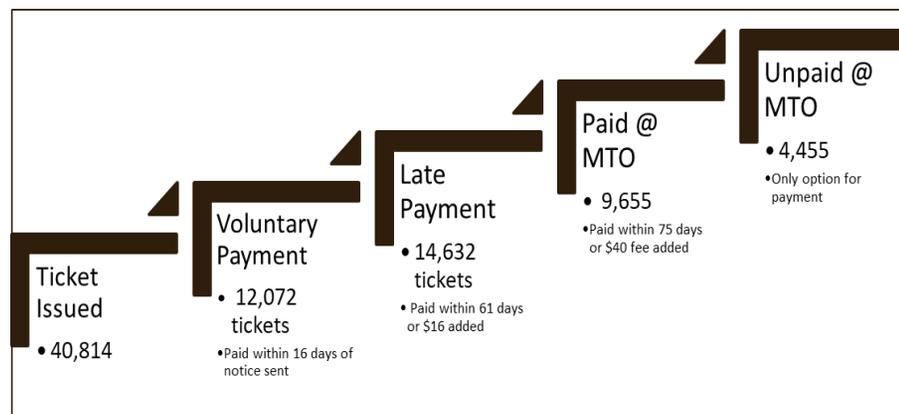
Table 1 outlines each the current AMPS fee schedule for each municipality. A comparison of Milton’s current POA fines with the proposed AMPS fines and municipality AMPS fee schedule can be found in Appendix A.

Municipality	MTO Search Fee	Late Payment	Failure to Attend Screening Review	Failure to Attend Hearing Review	Each MTO Plate Denial Registration
Kitchener/Waterloo	\$10.00	\$25.00	Unknown	\$50.00	\$25.00
Oshawa	\$10.00	\$15.00	\$50.00	\$100.00	\$22.00
Vaughan	\$10.00	\$50.00	\$100.00	\$100.00	Unknown
Richmond Hill	\$10.00	\$25.00	\$51.00	\$100.00	Unknown
Brampton	\$10.00	\$15.00	\$50.00	\$100.00	\$22.00
Oakville	\$10.00	\$50.00	\$50.00	\$100.00	\$20.00
Hamilton	\$10.00	\$25.00	unknown	\$50.00	\$22.00
Toronto	\$12.00	\$25.00	\$50.00	\$75.00	\$25.00
Markham	\$10.00	\$25.00	\$50.00	\$100.00	Unknown
Burlington	\$16.00	\$26.00	unknown	\$52.00	\$26.00
City of Niagara Falls	\$15.00	\$20.00	unknown	\$50.00	Unknown
Mississauga	\$10.00	\$25.00	\$50.00	\$100.00	\$20.00
London	\$10.00	\$25.00	\$50.00	\$100.00	\$20.00
Mean	\$11.00	\$27.00	\$55.67	\$82.85	\$22.44
Mode	\$10.00	\$25.00	\$50.00	\$100.00	\$22.00
Median	\$10.00	\$25.00	\$50.00	\$100.00	\$22.00

Projected AMPS Volumes in Milton

In 2019, there were 40,814 parking infraction tickets issued by the Town under the traditional POA system, totalling \$1,717,915 in fines with an actual recovery of \$1,386,683.

The diagram below illustrates the quantity of tickets from 2019 that proceeded through each stage of the POA process.



It is noted that the number of parking tickets in 2019 – 40,814 – is substantially greater than previous years due to a new model for parking enforcement that has been implemented by the Town. This new model is likely to remain in place, and so the new higher level of parking infractions is assumed to continue into the future.

With about 40,800 tickets issued in 2019, referral pattern statistics can be used to estimate the volume of screening reviews that Milton can expect should it implement an AMPS process. Table 2 describes the predicted volumes and rationale of screening and hearings reviews in Milton.

Table 2: Projected Volume of Screening and Hearing Reviews

Penalty Lifecycle	Volume	Rationale
Issued	40,814	The volume of parking violations issued in Milton for 2019 was 40,814
Screenings	7514	Richmond Hill published a report indicating the number of screening reviews conducted in the first 6 months of AMPS operation. Using the number of screenings as a percentage of total tickets issued it is estimated that 18.41% of Milton’s issued tickets will request a screening review (3043/16528=18.41%). This equates to 7514 screening reviews for Milton (18.41%X 40814=7514).
Hearings	612	From the same report, the volume of hearing reviews scheduled as a percentage of total tickets issued was 0.42% for Richmond Hill. However, Vaughan reported 1.5% of notices going to hearing review. Applying the more conservative Vaughan ratio to Milton’s total ticket volume, it is estimated that there will be 612 hearings.

AMPS FINANCIAL BUSINESS CASE

Current State POA Revenues

Fine Revenues and Recoveries

Table 3 presents the fine revenues and cost recoveries from 2016-2019 under the traditional POA system. It should be noted that fines received may be carry-overs from a previous year and represented in the current year.

Table 3: Fine Revenues and Cost Recoveries 2016-2019

Year	Tickets Issued	Set Fine	Actual Cost Recovery
2016	24,596	\$990,840.00	\$983,120.00
2017	19,734	\$833,734.00	\$872,299.00
2018	20,830	\$860,160.00	\$948,651.00
2019	40,814	\$ 1,717,915.00	\$1,386,683.25

As noted above, the Town implemented a new enforcement regime in 2019, including third-party enforcement of overnight permit parking infractions. This increased enforcement has led to almost a 100% increase in the number of tickets issued when compared to previous years. Based on discussions with staff, the increased enforcement is likely to remain in place on a go-forward basis. Thus, we have assumed that that infraction volume, fine revenues and recoveries will remain generally unchanged under the proposed AMP System because current face value of ticket fines and the associated recoveries will remain.

Current POA Administrative Fee Recoveries

The table below presents estimates of current administrative fees that are collected under the POA system, based on 2019 ticket volume.

	Per Ticket Admin Fee Total	Per Ticket Admin Fee to Milton
Ticket Status		
Paid on time	\$ -	\$ -
Court convictions	\$ 16	\$ 4
Paid convictions	\$ 16	\$ 4
Plate denials	\$ 56	\$ 24

2019 Volume	Ticket Status	Total Fees	Allocation of Fees to Milton
11580	Paid on time	\$ -	\$ -
14632	Court convictions	\$ 234,112	\$ 58,528
4977	Paid convictions	\$ 79,632	\$ 19,908
9625	Plate denials	\$ 539,000	\$ 231,000
40814	Totals	\$ 852,744	\$ 309,436

Based on current allocation of administrative fees, it is estimated that the Town collects approximately \$309,000 annually; although it should be noted that 2019 experienced high volumes and this level of collections would not have been realized in any prior year.

Projected AMPS Administration Revenues

Table 4 displays a proposed AMPS fee schedule based on an analysis of the typical fees for other municipalities that have implemented an AMPS regime. The full municipality fee schedule comparison can be found in Table 1 and Appendix A of this report. The recommended fee schedule for Milton is comparable to other municipalities, and it is designed to recover the additional costs associated with administering AMPS.

Table 4: Proposed Fee Schedule

	MTO Search Fee	Late Payment	Failure to Attend Screening Review	Failure to Attend Hearing Review	MTO Plate Denial Registration
Mean of 13 municipalities	\$11.00	\$27.00	\$55.67	\$82.85	\$22.44
Mode of 13 municipalities	\$10.00	\$25.00	\$50.00	\$100.00	\$22.00
Median of 13 municipalities	\$10.00	\$25.00	\$50.00	\$100.00	\$22.00
Recommended Milton Fee Schedule	\$10.00	\$25.00	\$50.00	\$100.00	\$22.00

Table 5 estimates the volume of tickets at each stage of the parking violation process for 2019 and the AMPS fee revenue. The volume of tickets in each stage of the process was available for 2018 and an 11-month period for 2019. The distribution of the available data of ticket volumes was pro-rated to the 12-month period of volume of issued tickets for 2019, which is 40,814. From this equation, the fee revenue is estimated across each process for Milton in 2019 as displayed in Table 5. The total estimated fee revenue is \$726,533 for 2019.

Table 5: Estimated AMPS Administration Revenues

Process	AMPS Fees		2019	
	Fee	Type of Fee	# Tickets	Fee Revenue
Parking Infraction Notices Issued	\$0	None	40,814	\$0
Notice of Impending Conviction	\$10	\$10 MTO Search Fee	21,567	\$215,670
Notice of Fine and Due Date	\$25	\$25 Late Penalty	10,154	\$253,862
Certificate Requesting Plate Denial	\$42	\$22 MTO Plate Denial \$20 MTO Surcharge	6,074	\$255,125
Failure To Attend Screening Review	\$50	\$50 Failure to Attend Screening Review Fee	23	\$1,125
Failure To Attend Hearing Review	\$100	\$100 Failure to Attend Screening Review Fee	8	\$750
Total Fee Revenue				\$726,533

In addition, the volume of tickets that failed to attend a screening review and hearing review were estimated based on the 2019 data of people who failed to appear at trial. In 2019, 30 out of 40,814 (or 0.07%) tickets that were issued, failed to attend their trial. From this data, we assumed about 75% of that statistic would fail to attend their screening review and about 25% would fail to attend their hearing review.

A higher ratio was used for failure to attend a screening review as we presume there will be a lower volume of files scheduling hearing review thus, less failing to attend hearings. These assumptions should be revisited when there is more data about the number of people who fail to attend either the AMPS screening or hearing review.

AMPS Expenditures

Field Enforcement Regime and Costs Remain Unchanged

Currently the Town has a comprehensive parking enforcement model that includes Town enforcement during daylight hours and supplemental contract parking enforcement for overnight parking. The Town's Licensing and Enforcement services operate with nine municipal by-law enforcement officers, 7 of which are generalists who are trained to issue parking tickets, one is an animal control specialist, and one is a parking specialist. The transition to an AMP System is not anticipated to change the Town's parking enforcement model, so no change to parking enforcement costs or staffing has been assumed.

Additional Organizational Capacity to Administer AMPS

The volume of work associated with administration of parking is high and the addition of AMPS processes will require specialized functions. The Ministry of Attorney General (MAG) also requires adjudicative standards of practice for these functions that need to be attained. For example, the AMPS Screening Officer requires specific qualifications and specialized knowledge of prosecutorial and evidentiary standards. Additional cost-recovery associated with an AMPS will allow the Town to create the capacity and structure necessary to adequately deliver the AMPS service for the Town. Based on interviews, practices elsewhere and the projected volume of parking infraction disputes, the following net additional staffing resources are anticipated.

- **One new Licensing & Enforcement Clerk** – Currently the Town employs three Licensing & Enforcement Clerks, one of which specializes in parking. These resources offer customer services to

residents that have questions or wish to dispute a parking ticket, processing notices, as well as scheduling screening/hearing meetings and day-to-day administrative tasks. Based on a projected increase in workload associated with scheduling and booking hearings, and processing requests for screening under a new AMPS model, it is expected that one additional Clerk will be needed to boost the Town's processing capacity, and to handle additional customer service inquiries about the new AMP system. The current parking specialist Clerk position would re-defined and retrained to support the new AMP System. The two AMPS Clerk positions (one existing and one new) would schedule the Screening Officer meetings, hearings and track the life cycle of a ticket in the software system. The role would also be required to deal with Licensing & Parking enforcement complaints and to educate the public on the new AMPS process at the customer service counter. The Clerk position would monitor the infractions tracking software to ensure that parking tickets subject to MTO plate denial are transmitted and reminder notice letters sent to individuals. The cost of the one-net new position was estimated based the established rate in the Town to be approximately \$85,000 annually, including benefits. Additionally, the new Licensing & Enforcement clerk will have overhead costs attributed to about 20% of their salary which will cover costs such as training, IT software, licences and hardware, administrative supplies, office furniture, etc.

- **1.5 FTE Screening Officer** – Based on anticipated volume of disputed penalties, it is recommended that a 1.5 full-time equivalent Screening Officer be added to the Town's Licensing and Enforcement Unit.

The rationale for 1.5 FTE assumption is set out below:

- The average duration of a Screening Officer review, including preparation and post meeting documentation, would be about twenty minutes. It is reasonable to assume that a Screening Officer can conservatively complete on average 24 screening reviews per day. There are typically about 240 workdays per years, which means a single Screening Officer would be able to process approximately 5,760 files annually. Based on evidence from other municipalities, an online screening review system could increase the average number of screens that a Screening Officer can complete per day.
- Based on a volume of 40,800 parking penalties issued annually it is anticipated that approximately 7,500 notices would need to be screened. Therefore, in order to process 7,500 screening reviews, the Town would require 1.5 FTE for the position of Screening Officer (capacity to screen 8,640 files annually) or potentially less with the support of an online review system.
- Costs of the Screening Officer role are calculated based on Salary Band 5 which is \$94,659 per year (\$73,952 base salary plus \$20,707 in benefits). Thus, the salary cost for 1.5 FTE would be \$141,988.
- **Hearing Officer** – This position would only be required for potentially 3 days every two weeks. It is recommended the position be retained from an outside legal or paralegal firm on a fee for services basis. Estimating about 78 hearing days a year, at 10 hearings per day would allow for 780 hearings to be scheduled in a

year. Based on the estimated volume of ticket notices going to hearing review (612), 78 hearing days a year would be more than sufficient. The estimated rate per day for a Hearing Officer is \$500, or \$39,000 annually. There will be criteria developed that will help guide in the Hearing Officer retention process, such as: Not being a resident of Milton, not being an employee, Member of Council, or their relatives, and not owe a debt to the Town.

- **Additional supervision and corporate support** (HR, payroll, etc.) may also be required after the new staff are onboarded, however, this potential cost has not yet been incorporated into this analysis.

The ongoing staffing costs associated with the implementation of AMPS and the recommended staffing enhancements are summarized below:

● Additional Licensing & Enforcement Clerk	\$85,000
● 1.5 FTE Screening Officer	\$141,988
● Overhead costs for clerk and screening officer	\$45,398
● Hearing Officer	<u>\$39,000</u>
● Total	\$311,386

Other Operating Costs/Savings

Technology Licensing Costs

Incremental licensing costs are likely to be incurred on an annual basis in order to support the implementation of AMPS. An allowance of \$20,000 per year has been included for the purpose of this analysis with further validation required as part of any potential implementation.

MTO Charges

To obtain vehicle ownership information, Town must pay \$10 per licence plate ticket that results in a conviction. In the event a ticket is issued and paid voluntarily there is no requirement to remit money to the MTO. Data for 2019 MTO payments is not yet available because no query has been done, so an estimate of \$58,600 was prepared based on previous 2016-18 average of MTO ratio of payments to ticket volume. It is not assumed that MTO charges will change substantially as a result of AMPS implementation, however if the rate of parking penalties paid on time increases (i.e. more people voluntarily pay their penalties) then MTO charges would decline accordingly.

Savings from Current POA Process

There are a number of additional cost avoidance savings that are likely to be realized by the Town should it move to an AMPS regime.

- **Reduced Legal Fees:** 2019 legal fees were approximately \$8,700 (\$10,771.28 in fees less \$2,074.25 in court awarded penalties). These fees are related to parking offences prosecuted in the courts. Under the AMPS process, these fees should be reduced because penalty notice challenges are adjudicated by the Town, thus avoiding the more expensive POA legal process.

- **Reduced Halton Court Expenses:** Data for 2019 court payments is not yet available, so an estimate of \$6,200 was prepared based on previous 2016-18 averages, prorated to 2019 ticket volumes.
- **Officer overtime costs.** The AMP System allows the municipality to control all of the timelines associated with the life of a penalty notice, including hearing date schedules. This control should allow the Town to better manage overtime expenses incurred as a result of enforcement officers attending hearings during their days off. There is currently limited data to quantify this benefit, however it is clearly one of the financial advantages of an AMP System. Additionally, with the amount of Officer time saved, Milton would be able to enforce more Town bylaws.

Office and Public Hearing Space

For the purposes of this analysis, it is assumed that the accommodations required to administer AMPS (two new FTE workspaces, customer service counter, and appropriate hearing rooms for weekly hearings) can be accommodated within the Town's current municipal building or satellite facilities. This assumption will require validation as part of a detailed implementation plan based on the potential constraints within the Town's facilities.

Annual Costs of Online Screening Process

An online screening process under AMPS requires relatively simple processes and can be supported through current internal resources such as Microsoft Outlook, with the opportunity of future integration with myMilton Mobile App. The initial online screening may consist of emailing the necessary documents and speaking on the phone or online chat. More complex applications can be used for video conferencing however, this is not necessary for the initial screening review.

Start-Up and Implementation Costs

Implementation of an AMP System is a complex undertaking that will likely require at least 6 months of preparation. The primary steps involved are illustrated in the following implementation road map:

Key Implementation Activities	Months							
	1	2	3	4	5	6	7	8
Develop Policies & Procedures	█	█						
Develop and Approve By-Laws	█	█	█	█				
Financial Systems and Collections Processes			█	█				
Schedule and Booking System			█	█				
Ticket Tracking and Notification System			█	█				
Get Facilities/Rooms Ready					█	█		
Recruit and Retain New Staff/Officers					█	█		
Internal Training and Communications				█	█	█		
External Website/Communication and Forms			█	█	█	█		
Go Live							»»»	
Customer Service (Q&A)								█
Commence Screenings and Hearings								█

The primary investment for AMPS implementation will be the information technology infrastructure, which is currently estimated at \$500,000, based on an updated review of AMPS Capital Budget estimate Project ID 240123. The funds would be utilized for software upgrades to existing systems, or additional software applications, procurement of hardware and staff training. The funds would be used to purchase tablet computers for the mobile officers (as required), secure office materials, computer mounts for vehicles, smart phones for new staff and scheduling software for both staffing and parking/licensing customer service events. Other municipalities that have proceeded with AMPS have implemented a parking management software (such as AIMS, GTechna etc.). A detailed investigation of alternatives would be required as part of any potential next step.

Dedicated staff and/or consulting resources would also be needed to:

- Oversee the IT vendors, including vendor/solution selection and quality control of IT implementation.
- Develop and approve internal processes and procedural policies to operationalize the new AMP System.
- Investigate online and telephone options for Screening Reviews to further streamline processing and improve customer service.
- Prepare AMPS By-laws.
- Recruit and onboard the two new positions.
- Retrain current Licensing & Enforcement Clerk to the new AMPS.
- Prepare appropriate accommodations for two new FTEs and a venue for weekly hearings.
- Continue to process and resolve “in-progress” tickets that are issued and disputed within the POA process (i.e. tickets that are issued before AMPS go-live date will remain within the court system).
- Update public facing websites to inform and educate the public about the new system.
- There will have to be reports to Council to ensure buy in with policies, procedures, communications, and by-law amendments.

Based on the establishment of a cross functional resources team (IT, licensing, project management) to support implementation, we estimate approximately one dedicated staff person for 6-8 months would be required to complete the above tasks. This timeline may be extended based on the form of procurement process that may be required to secure the software solution.

Summary of Financial Position

The summary of expenditures and cost-recovery is outlined in the chart below which illustrates the likely changes that would be triggered by a move to an AMPS based parking administration.

Revenues	(\$)
Parking Fine Revenues	Assume no change to current levels, however it is expected that fine recoveries will increase due to fewer (if any) penalties being withdrawn due to excessive delay (>18 months)
AMPS administration revenues	\$726,523
Loss of current POA Admin rev.	(\$309,436)
Total Net New Revenues	\$417,087
AMPS Ongoing Expenditures	(\$)
Field Enforcement	No change from current levels
MTO charges	No change from current levels
AMPS Staffing, incl Overhead	\$311,386
Reduced legal and court fees	(\$14,900)
IT licensing fee allowance	\$20,000
Reduced overtime	Not quantified
Office accommodation	No significant changes assumed

Total Change to Ongoing Costs	\$316,486
Net Change to Admin Revenue	\$100,600

Implementation and One Time Costs	(\$)
<ul style="list-style-type: none"> IT and AMP System 	\$250,000 software and hardware costs
<ul style="list-style-type: none"> Oversee AMPS implementation, prepare policies and procedures, By-laws, change management and recruitment/training. 	\$250,000 dedicated staff for 6-8 months.
Total One-Time Cost	\$500,000

Risk assessment and scenario tests suggest that the actual surplus will be greater than this estimate because of other likely financial benefits that have not been quantified:

- Additional savings from reduced overtime costs for enforcement officers to attend court.
- Reduced rate of disputed parking tickets which will increase recovery of the face value of ticket penalties.
- Full recovery of fines, with no penalties dismissed due to extended wait times within the courts system.
- Additional process efficiencies such as telephone and online screening reviews will reduce staff costs to process parking infraction.

RISKS OF PROPOSED AMPS FOR MILTON

Based on the growing track record from numerous other municipalities, there is an improved understanding of the potential risks associated with transitioning from a POA to AMPS based approach for managing parking fines and penalties. Some of the main risks from the Town’s perspective that have been identified are set out below:

Risk	Potential Impacts	Mitigation Strategies
<p>Decrease in the rate of disputed tickets</p>	<p>There is growing evidence that under an AMPS regime, the likelihood that offenders will dispute a parking penalty is reduced. A recent report by the Law Commission of Ontario found that in the City of Vaughan, the percentage of matters going to a hearing officer is roughly 1.5% of tickets issued and Richmond Hill reported the same statistic at 0.41%, which is considerably lower than the 3.5% of tickets that were challenged in court under POA. Some of the reasons cited for this decline include the following:</p> <ul style="list-style-type: none"> • Less “gaming” by offenders. Under the POA system some offenders request a court date, (or reschedule court dates) in the hopes that the officer won’t show, or the elapsed time between infraction and hearing is so long that ticket will be dismissed. Under an AMPS regime this opportunity is not available. • More expensive as the process continues. Because AMPS administration fees increase as the dispute process continues, there is more of an incentive to avoid meritless disputes. This incents offenders to think more seriously about whether to file a dispute or not. • Under an AMPS regime, disputes must be filed by the registered owner of the vehicle, not the person who was driving the car. A person driving someone else’s vehicle may not wish to involve the registered owner in the dispute, and 	<p>Ultimately, a lower rate of parking disputes is an improvement because the AMPS process appears to do a better job of screening out meritless disagreements with parking offenses. However, to manage the risk of lower disputes:</p> <ul style="list-style-type: none"> • A lower rate of dispute will increase fine revenues recoveries, based on the face value of the ticket itself. This increase in collected fine revenues will partially offset a potential loss of AMPS administrative fee revenues that might occur. • The Town may wish to make the new Screening Officer position a temporary 1-year contract, with flexibility at the end of the year to renew or to switch to a 1.0FTE model, if lower volumes are experienced. • Consider securing temporary space to accommodate the AMPS processing team as well as public meeting and hearing rooms. Once actual volumes are better understood, the Town can then firm up accommodation commitments. • Adopt the City of London’s strategy to manage variable screening volumes by expanding the number of City roles that have the authority to screen files. Its By-law designates Screening Officers as any of the following: 1. The Chief Municipal Law Enforcement Officer, 2. Manager of Municipal Law Enforcement Services. 3. Parking Coordinator or 4. Inquiry

Risk	Potential Impacts	Mitigation Strategies
	<p>thus will simply pay the penalty rather than request a review, thus reducing the rate of disagreement.</p> <p>In the event that the rate of late or unpaid AMPS penalties is lower than assumed, then AMPS revenue forecasts may be overstated, and there is a risk that the Town may have over-invested in its AMPS administration processing capabilities.</p>	<p>Clerks. This would allow additional Town staff to “pitch in” if there is a short-term spike in screening volumes.</p>
<p>Independence of Screening and Hearing Officers</p>	<p>According to literature, there are some concerns that a screening officer and hearing officer may not be truly independent if they are paid by the Town. This issue is addressed in the Ontario Law Commission’s work which underscores the Town’s duty of procedural fairness to address some measure of the following procedural rights:</p> <ul style="list-style-type: none"> • Notice that an individual’s rights, privileges or interests may be affected with sufficient information so that the person may respond; • An opportunity to be heard orally or in writing and to make representations to the decision-maker before a decision is made; • An impartial decision maker with decisions that are made free from bias; and • A right to know the decision, and in some cases, the reasons for the decision. 	<p>When establishing Administrative Penalties for parking matters, the Municipal Act requires that a municipality implement a series of policies and procedures to provide for proper and transparent oversight, and to ensure the independence of the Screening and Review Officers. The requisite policies and procedures should include:</p> <ul style="list-style-type: none"> • Guidelines for Conflict of Interest • Financial Management and Reporting • Public Complaints • Extension of Time for Payment • Extension of Time to Request a Review • Prevention of Political Interference • Relief from Undue Hardship <p>To implement these policies and procedures, and to create the actual Administrative Monetary Penalty System, by-laws will likely be required to be passed:</p> <ol style="list-style-type: none"> 1. By-law amending the Licensing By-law. 2. By-law amending the Parking By-law. 3. By-law that creates the position of a Screening Officer and Hearings Officer.

Risk	Potential Impacts	Mitigation Strategies
		<p>The third By-law (or possibly a part of the above By-law) will make it an offence for any person, other than the appellant, to communicate with the Screening Officer or Hearings Officer for the purpose of influencing their decision. This will address the optics of political interference and meet the requirements of the Municipal Act.</p> <p>AMPS fees are to be listed within the municipality's fee bylaw in order to remove any perception that the additional fees are punitive or part of a hidden charge for the offence.</p>
Implementation schedule and costs	The implementation of a new AMPS process at Milton will be a complex undertaking that involves new skills, new organizational/FTE positions, training, public communication/education, Council approvals, and the implementation of a new/modified technology platform that will be needed to manage AMPS file processing. As with any complex undertaking, there is a risk that the implementation takes longer than anticipated, and costs more than expected.	<p>To ensure that the AMPS implementation is completed on time and on budget, the following precautions are recommended:</p> <ul style="list-style-type: none"> • Effective project management and oversight of the Implementation, including monthly progress/budget updates to ensure that the project is on track. • Ongoing risk assessments to track and mitigate potential risks. • Creation of a contingency for both budget and scheduled "go live" date. • Dedicated resources and expertise to oversee the successful procurement and implementation of the AMPS technology platform.

APPENDIX A: FEE SCHEDULE COMPARISON

This fee schedule displays the difference between POA and AMPS fee schedule as compared with 13 other municipality's fee structure.

Municipality	POA		AMPS		Kitchener/ Waterloo	Oshawa	Vaughan	Richmond Hill	Brampton	Oakville	Hamilton	Toronto	Markham	Burlington	City of Niagara Falls	Mississauga	London	Mean	Mode	Median
	Fee	Type of Fee	Fee	Type of Fee																
	Milton (current POA)		Milton (Proposed)																	
MTO Search Fee	\$0	None	\$10	\$10 MTO Search Fee	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$12.00	\$10.00	\$16.00	\$15.00	\$10.00	\$10.00	\$11.00	10	\$10.00
Late Payment	\$16	\$16 Conviction Fee	\$25	\$25 Late Penalty	\$25.00	\$15.00	\$50.00	\$25.00	\$15.00	\$50.00	\$25.00	\$25.00	\$25.00	\$26.00	\$20.00	\$25.00	\$25.00	\$27.00	25	\$25.00
Each MTO Plate Denial Registration	\$56	\$16 Conviction Fee \$20 Milton Surcharge \$20 MTO Surcharge	\$42	\$22 MTO Plate Denial \$20 MTO Surcharge	unknown	\$50.00	\$100.00	\$51.00	\$50.00	\$50.00	unknown	\$50.00	\$50.00	unknown	unknown	\$50.00	\$50.00	\$55.67	50	\$50.00
Failure to Attend Screening Review	\$0	Included in MTO surcharge	\$50	\$50 Failure to Attend Screening Review Fee	\$50.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$50.00	\$75.00	\$100.00	\$52.00	\$50.00	\$100.00	\$100.00	\$82.85	100	\$100.00
Failure to Attend Hearing Review	\$0	Included in MTO surcharge	\$100	\$100 Failure to Attend Screening Review Fee	\$25.00	\$22.00	Unknown	Unknown	\$22.00	\$20.00	\$22.00	\$25.00	Unknown	\$26.00	Unknown	\$20.00	\$20.00	\$22.44	22	\$22.00