



Appendix A Business Case.docx



Approvals Tracking Cover Sheet

Business Case: Processing Centre for Automated Speed Enforcement

Originating Department: Planning, Development & Legislative Services

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Table 1: Document Review & Approvals Tracking

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Executive Summary

Region of Waterloo Council approved a 5-Year Expansion Plan for automated speed enforcement (ASE) at the June 20, 2023, Council meeting to implement ASE at up to 175 school zones within the Region of Waterloo by the end of 2028.

Currently, through the Region's agreement with the City of Toronto, Toronto's Joint Processing Centre (JPC) handles ASE ticket processing for the Region of Waterloo, as well as a growing number of municipalities with an ASE program across Ontario. The JPC manages various aspects of the processing component of the program, including the agreement through the existing camera vendor to host the required infrastructure to review the images on-site. They also oversee the management of Provincial Offences Officers, who are responsible under Ontario Regulation to review the evidence, determine if a contravention occurred that meets all requirements of the Regulation, lay charges and provide the municipality where the incident occurred with the charge information for payment and resolution. Additionally, the JPC handles the overall administration of the program including the appointment and training of the Provincial Offences Officers.

Due to increasing interest in ASE by municipalities across Ontario, the JPC is experiencing capacity issues to meet the increasing program demand. This has resulted in challenges processing incidents within the regulated 23-day Limitation Period. Considering the Council-approved 5-Year Expansion Plan for the ASE program in the Region of Waterloo, it is crucial to assess the current state of the program and explore alternative options to accommodate anticipated volumes.

In 2023, the JPC has set a cap of 30,000 as the number of ASE charges they can process for the Region of Waterloo, increasing to 70,000 in 2024. These numbers represent only a fraction of the projected charges for 2023 and this represents a small portion of the projected charges for 2024. This gap will increase exponentially each year of the ASE expansion plan. While the City of Toronto has been a reliable, steady partner and leader in the program, it is unlikely that they can increase their JPC capacity to keep up with the Region's proposed ASE Program growth, and the processing caps will persist moving forward. This same rationale was recently noted by the City of Ottawa in their March 2023 Processing Centre Business Case. They cited a 2023 processing cap of 250,000 which was just under 40% of projected charges for the year. As a result, The City of Ottawa is moving forward towards hosting their own ASE processing centre (PC) in early 2024.

Based on a thorough analysis and review of both financial and non-financial benefits, staff recommend that the Region of Waterloo establish and operate its own ASE processing centre to be located at 99 Regina Street in Waterloo. This new unit would be positioned within Council and Administrative Services division; while Transportation Engineering unit within the Transportation division will continue to deliver the ASE program operations.

The processing costs per ASE charge remain similar regardless of whether the processing service is provided by the JPC or a Region of Waterloo PC. At the time of publishing this business case, there are no guarantees from the City of Toronto regarding their ability to meet our anticipated processing needs beyond 2024 and during the ASE expansion

Further rationale for a Region of Waterloo-based ASE PC include:

- Implementing a Region of Waterloo ASE allows for greater control over ASE infraction processing activities.
- Aligning with Council's decision to expand the ASE program to each school zone, establishing a dedicated ASE PC is necessary to accommodate the increased number of cameras and the corresponding need for additional processing capacity. This proactive approach supports the Region's commitment to enhancing road safety in all school zones.
- Operating an ASE PC in the Region supports the long-term effectiveness of the ASE program in achieving greater speed compliance. By issuing charges for speeding incidents captured by the cameras, the program can effectively deter speeding behaviour and contribute to future culture change and improved driver behaviour as it relates to speeding.
- Council's directive to investigate the expansion of ASE to community safety zones indicates potential future processing requirements that the Region would be better positioned to handle and support with the establishment of a dedicated Region of Waterloo PC.

The one-time capital start-up costs and annual operating costs of the ASE PC would be funded by the revenue generated by the ASE program, as considered, and outlined in the June 6, 2023, Council Report Financials and included in Table 2. This ensures that the financial considerations of establishing and operating the ASE PC is sustainable and aligned with the projected revenue generated by the program itself.

Section 1: Background and Business Need

Background

In 2018, the Region of Waterloo, in collaboration with other municipalities in Ontario participated in the City of Toronto's joint procurement initiative to secure a vendor for automated speed enforcement (ASE) cameras and the associated processing for ASE infractions. This contract was awarded to Redflex and includes the supply, operation, and maintenance of the cameras, as well as the software, equipment, and technical support services required for the processing of ASE infractions, referred to as a processing centre (PC).

The City of Toronto houses and operates a Joint Processing Centre (JPC) within their Transportation Division, currently the only processing available for ASE programs in Ontario. The City of Toronto also houses and operates a separate JPC for red-light camera offences from the Region of Waterloo and other participating municipalities. The scope of this business case is only focused on the processing of ASE offences.

The Region of Waterloo, along with other participating municipalities, has an agreement with the City of Toronto's JPC to process ASE offences based on the anticipated volumes of offences assumed in the initial start-up years of the ASE program. Each participating municipality pays a standard start-up fee and rate for administrative costs, which include facility rent, compensation, printing, mailing, and other associated expenses. The costs incurred by each municipality are determined using a formula based on the number of infractions reviewed.

Based on the first quarter 2023 information, the JPC is processing at approximately a rate of 700,000 tickets per year, serving the twelve municipalities including their own City of Toronto ASE program.

ASE is a system that uses a camera to enforce speed limits. When an automated speed enforcement camera captures an image of a vehicle exceeding the posted speed limit, the image is securely provided to the PC. A municipal Provincial Offences Officer reviews the photo evidence, and if the offense is confirmed and all regulatory requirements are met, a charge is laid. The registered vehicle license holder receives a ticket by mail, which includes a digitized copy of the image and an enlargement of the license plate image.

The processing costs for ASE charges are calculated for each municipality based on their respective share of the total number of ASE images reviewed and processed on a quarterly basis. The Region of Waterloo pays these costs to the City of Toronto through a cost-sharing agreement.

In 2023, Region of Waterloo-based charges processed through the JPC are capped at 30,000, and in 2024 the cap increases to 70,000. The cap does not align with the current ASE program or Council's approved 5-year Expansion Plan and it compromises the program's effectiveness in improving safety through greater speed compliance. Regional staff shared the 5-year expansion projections with City of Toronto JPC staff in June 2023 and are awaiting formal response, but do not anticipate that the JPC will be able to meet the anticipated growth beyond 2024.

The current vendor agreement with Redflex would need to be amended to allow for the establishment of the PC and would follow the Region's Procurement By-Law requirements. The Region will need to negotiate with Redflex such amendment. The Region has initiated conversations with the Vendor and are in receipt of a quote for the creation of a Region of Waterloo ASE PC.

To address these challenges and meet the increasing demand for ASE processing while ensuring compliance with regulatory requirements, alternative solutions need to be considered. This business case aims to explore options for ASE charge processing that maximize the effectiveness of the Region's ASE Program, align with the expansion goals and timelines approved by Regional Council, and ultimately to ensure continued road safety improvements.

In the Region of Waterloo, cross-department collaboration and the Camera-Based Enforcement Steering Table play crucial roles in the operation and management of the ASE Program. These collaborative efforts involve various departments and stakeholders to ensure effective implementation, coordination, and ongoing improvement of the program.

The ASE Program in the Region of Waterloo operates across departments based on the following governance structure:

Program Operations: The program is managed by Transportation Engineering unit within the Transportation division, which oversees the implementation, operation, and expansion of the ASE Program. This unit collaborates with area municipalities to determine camera locations, maintains applicable bylaws, and manages agreements with the Vendor, and other stakeholders including the JPC.

Processing: The PC plays a crucial role in the ASE program by facilitating the efficient and timely handling of ASE charges. Whether it is operated by the City of Toronto's Joint Processing Centre (JPC) or established within the Region, the PC serves as a centralized hub for processing ASE infractions within the 23-day Statute of Limitation. Through the Vendor's technology, municipal staff review captured images of vehicles exceeding the speed limit, conduct the necessary reviews and assessments, and issue

tickets (or Penalty Orders under future administrative penalties program) to the registered vehicle license holders.

Administration: In early 2024, the Region will implement an administrative penalty program for camera-based offences, including ASE charges. This program will streamline the administrative procedures from the already burdened Provincial Offences Court system. Fine payments and the appeal process will be handled through municipal Screening Offices or appointed Hearing Officers, ensuring more efficient processing and resolution of ASE infractions that meet the ASE program expansion anticipated charge volume.

This information is illustrated in Appendix B: Automated Speed Enforcement Infographic.

Section 2 – Options Analysis and Recommendation

OPTIONS

Given the provincial regulations that guide a municipality in determining their processing needs for automated speed enforcement the current options are limited:

OPTION 1: Continue Partnership with City of Toronto's Automated Speed Enforcement Joint Processing Centre and Cost Sharing Agreement

Under this option, the Region would maintain its existing partnership with the City of Toronto for the automated speed enforcement (ASE) processing services and Cost Sharing Agreement. The City of Toronto's Joint PC (JPC) would continue processing ASE charges for the Region of Waterloo. There are several considerations associated with this option, including both positive and negative aspects.

OPTION 2: Establish a Region of Waterloo Automated Speed Enforcement Processing Centre

Under this option, the Region would establish its own dedicated processing centre (PC) to handle all ASE charges in the Region of Waterloo. The capital and operating costs associated with the PC would need to be understood and recovered from the revenue generated by the ASE Program. There are several considerations associated with this option, including both positive and negative aspects.

STRATEGIC ANALYSIS

Option 1: Continue Partnership with City of Toronto's Automated Speed Enforcement Joint Processing Centre and Cost Sharing Agreement

By continuing the partnership with the City of Toronto's Joint Processing Centre (JPC), the Region of Waterloo maintains the advantage of relying on an established and experienced program delivery partner. The City of Toronto has been a reliable partner since 2001 and possesses the necessary expertise in ASE program administration.

The positive aspects of this option include:

1. Program Expertise: The City of Toronto's JPC has extensive experience in administering the ASE program, ensuring effective program delivery and adherence to provincial regulations.

2. Established Processes: Continuing with the JPC allows the Region to benefit from established processes and procedures for ASE charge processing, minimizing potential disruptions during the Region's ASE program expansion.
3. Cost Sharing Agreement: The current cost sharing agreement ensures that costs are distributed among participating municipalities based on the proportion of incidents or charges processed, without additional mark-ups or fees.

There are several strategic considerations that should be taken into account:

1. Program Control: Relying on an external partner for ASE processing limits the Region's control over program activities and decision-making. It may impact the Region's ability to adapt and implement changes aligned with the Council-approved ASE Program expansion.
2. Processing Capacity Limitations: The JPC may continue to face challenges in meeting the increasing demands of the growing number of partnering municipalities, including the Region of Waterloo. This could result in processing delays and backlog, potentially affecting the timely implementation of the program expansion.
3. Future Expansion: As the ASE program continues to gain interest across Ontario, it is uncertain whether the capacity of the JPC will expand sufficiently to accommodate the needs of the Region and other participating municipalities in the long term.

4. **Option 2: Establish a Region of Waterloo Automated Speed Enforcement Processing Centre**

By establishing a dedicated processing centre (PC) within the Region of Waterloo, the Region gains greater control and flexibility over Automated Speed Enforcement (ASE) charge processing activities. This option allows the Region to align with the Council-approved ASE program expansion and support its commitment to enhancing road safety.

The positive aspects of this option include:

1. Control and Flexibility: Establishing a Region of Waterloo PC provides the Region with full control over ASE charge processing activities. It eliminates processing caps and enables timely expansion of resources and equipment to accommodate the growing needs of the program. It also allows for timely expansion of the PC, both in terms of resources and equipment, to accommodate the increasing number of speed cameras and charges issued throughout Council-approved ASE 5-Year Expansion.
2. Program Alignment: This option ensures that the Region's ASE Program is closely aligned with its road safety goals and objectives. It allows for effective enforcement of speed infractions, contributing to future culture change and improved driver behavior regarding speeding.
3. Potential for Future Expansion: By establishing its own PC, the Region can potentially provide processing services to other participating municipalities, increasing overall ASE charge processing capacity and supporting long-term resource planning.

However, there are strategic considerations that should be taken into account:

1. Internal Resource Management: Establishing and operating a PC requires the Region to manage internal resources, including human resources, facility requirements, equipment maintenance, and ongoing operational costs. Adequate staffing and efficient management including the potential for job enrichment opportunities to mitigate anticipated turnover are crucial for the success of the PC.

2. Capacity Management: As the Region expands its ASE Program and potentially provides processing services to other municipalities, careful capacity management and resource allocation are essential to ensure efficient and effective processing.
3. Adherence to Provincial Regulations: The Region must ensure compliance with provincial regulations governing ASE charge processing, including the designation of qualified employees and adhering to the legal framework of the program.

The existing Toronto JPC processing cap for ASE charges in the Region of Waterloo is significantly lower than the anticipated potential charges resulting from the implementation of speed cameras by the end of 2023. With an estimated 140,000 potential charges in 2024, the maximum charges processed in 2024 by the Toronto JPC is set at 70,000. As the ASE program expands in 2025, it is projected that over 350,000 charges will be generated. If the same processing cap of 70,000 charges remains in effect in 2024 and 2025 and the subsequent years of the program expansion, the revenue will remain the same, while the capital and operating costs will increase with each new camera installation.

Under this option, the Region would establish a dedicated PC to handle all charges laid in the Region of Waterloo by current and future speed cameras. The capital and operating costs associated with the PC would be recovered from the ASE Program revenue. Additionally, given the growing interest in automated speed enforcement across Ontario, there is potential for future expansion to provide ASE-related processing services to nearby municipalities, subject to the Region's internal capacity to scale up. Revenue projections and associated risks are influenced by several factors, such as driver behavior, changes in road conditions, and the number of cameras deployed. Ongoing monitoring and assessment of the ASE program's performance and revenue projections will be essential to ensure effective financial management and mitigate potential risks.

With the establishment of a Region of Waterloo ASE PC, the Council-approved ASE Program will continue to be run by Transportation Engineering within the Transportation division. The PC would be established and operate as its own unit under the Council and Administrative Services division. The administration for the collection of ASE related payments and a dispute resolution (currently occurs within the Provincial Offences Court Administration but will be changed to an Administrative Penalties Program in early 2024) will be managed under the Administrative Penalties Program.

OPTIONS ANALYSIS – FINANCIAL

A financial analysis for both Option 1 - Continuing the Partnership with the City of Toronto's Joint Processing Centre (JPC) and Option 2 - Establishing a Region of Waterloo Automated Speed Enforcement (ASE) Processing Centre (PC) assesses the costs, revenues, and overall financial sustainability of each option.

Ongoing operating costs associated with human resources and compensation, facility requirements, office supplies, and equipment were considered. The proposed PC would be located on the fifth floor of the Region of Waterloo building at 99 Regina Street in Waterloo. One-time start-up costs and facility renovation costs of this space were also included in the assessment.

Revenue projections and associated risks are influenced by various factors, such as driver behavior, changes in road conditions, and the number of cameras deployed. Ongoing monitoring and assessment of the ASE program's performance and revenue projections will be essential to ensure effective financial management and mitigate potential risks.

Ticket Processing Costs: Currently, the Region's average ticket processing cost through the City of Toronto's Joint PC (JPC) is estimated to be \$6.77 per ticket. As per the Cost-Sharing Agreement, processing cost through the City of Toronto's Joint PC (JPC) are subject to change based on the overall incidents or charges processed on behalf of each participating municipality. The JPC distributes the operating costs among the participating municipalities proportionately. For instance, if the JPC processes 100,000 incidents, with 20,000 incidents attributed to the Region of Waterloo, the Region would be responsible for 20% of the overall JPC operating costs. These costs include compensation for staff, office supplies, rental of required equipment and office spaces, and other related expenses. Postage fees are also charged back to the municipalities based on the number of charges mailed out. The City of Toronto does not impose mark-ups or additional fees to process on behalf of other municipalities.

Based on preliminary program projections, we estimate an average processing cost of \$5.85 per ticket if the Region of Waterloo handles its own processing. This estimation considers various factors, including staffing, equipment, and office-related expenses. It is important to highlight that there is no service agreement that guarantees us a certain volume or potential cost changes from the City of Toronto's JPC.

Revenue Projection: Revenue projections are based on an annual anticipated average of 5,000 tickets per camera during the 5-year program implementation stage. As the ASE program expands and more cameras are deployed, there is potential for increased revenue generation. However, it is important to consider the existing processing cap with the City of Toronto's JPC for ASE charges in the Region, which is significantly lower than the anticipated potential charges resulting from the implementation of speed cameras. If the same processing cap remains in effect, the revenues will remain the same, while vendor costs will increase with each new camera installation.

Revenue projections and associated risks are influenced by various factors, such as driver behavior, changes in road conditions, and the number of cameras deployed.

Capital and Operating Costs: Establishing a PC involves one-time and ongoing costs. The one-time costs include renovations at 99 Regina Street and a one-time vendor start-up fee, as per the existing agreement. These costs have been included in the updated Table 2: Automated Speed Enforcement Financial Implications since the June 6, 2023 ASE 5-Year Expansion plan was presented. The ongoing operating costs include expenses such as the hiring and training in addition to employee compensation and administrative costs. It is important to note that the Region has already made an initial investment of approximately \$100,000 in start-up costs to the JPC in 2020.

The financial analysis of establishing a dedicated PC indicates some potential for cost savings but focuses on overall control over processing costs that will allow the Region to maintain the projected revenues and cover all the ASE program related costs.

Table 2: Automated Speed Enforcement Program Financial Implications

	2024	2025	2026	2027	2028	2029
Automated Speed Enforcement 5-Year Expansion Plan						
Total No. of Sites	60	90	120	150	175	175
Projected Charges ¹	140,000	350,000	500,000	650,000	791,666	875,000
Operating Budget Implications (\$ Millions)						Annualized Post Implementation (\$Millions)
Automated Speed Enforcement (ASE) Program Operations						
Staffing Related Costs	0.88	0.98	1.00	1.02	1.03	1.05
Camera Operations Costs	0.23	1.33	3.73	5.05	7.31	7.31
Processing Costs (JPC)	0.27	-	-	-	-	-
Total Operations Expenditures	1.30	2.30	4.72	6.07	8.35	8.37
Processing Centre (PC)						
Staffing Related Costs	0.61	1.79	2.33	2.91	3.40	3.80
Processing Costs	0.24	0.38	0.53	0.69	0.84	0.93
Total PC Expenditures	0.86	2.16	2.87	3.60	4.24	4.73
Administrative Penalties (AP) Program						
Staffing Related Costs	1.22	1.97	2.98	3.66	4.25	4.82
Administrative Costs	0.31	0.93	1.29	1.66	2.02	2.24
Total AP Program Expenditures	1.54	2.90	4.27	5.32	6.27	7.06
Cross-Departmental Program Support						
Staffing Related Costs	0.78	0.82	0.84	\$0.86	0.88	0.89
Total Support	0.78	0.82	0.84	0.86	0.88	\$0.89
Total Automated Speed Enforcement Program						
Expenditures	4.56	8.19	12.71	15.85	19.73	21.05
Revenues	6.72	16.80	24.00	31.20	38.00	42.00
Net (Revenues)	2.16	8.61	11.29	15.35	18.27	20.95
Existing Tax Levy Support (2023)	0.31	0.31	0.31	0.31	0.31	0.31
Subtotal Net Program Revenue	(1.85)	(8.30)	(10.98)	(15.04)	(17.96)	(20.64)
Contribution to Road Safety Reserve	1.85	8.30	10.98	15.04	17.96	20.64
Incremental Property Tax Impact	-	-	-	-	-	-
Capital Expenditure (\$ Millions)						
ASE Program Operations	1.49	1.75	1.92	2.11	1.92	
PC Start Up One Time Costs	0.70	-	-	-	-	
AP Program	0.09					
Total Capital Costs	2.29	1.75	1.92	2.11	1.92	

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	2024	2025	2026	2027	2028	2029
Funding Sources						
Road Safety Reserve	1.85	2.19	1.92	2.11	1.92	
General Tax Supported Capital Reserve	0.44	(0.44)				
Total Funding Sources	2.29	1.75	1.92	2.11	1.92	

* Revenue projections are based on an annual anticipated average of 5,000 tickets per camera during the 5-year program implementation stage.

This table presents an overview of the annual financial implications of **Option 2 – Establish a Region of Waterloo Processing Centre**, as well a summary of the overall ASE financial implications for the 5-Year program expansion. The financial model has been updated since the June 21, 2023 ASE – 5-Year Expansion Plan – Additional Information, report to Council, incorporating more comprehensive representation of the overall ASE program financial impact, including ancillary full time equivalent (FTE) support roles that will be included in the 2024 Plan and Budget request

The PC one-time costs includes the budget for renovation at 99 Regina Street, Waterloo, and a one-time vendor start-up fee as per the existing agreement (which as mentioned will need to be amended).

As the ASE program expands from 2024 to 2028, the number of infractions is expected to grow, and average speeds are anticipated to decrease once the program has matured. For financial and staffing modeling purposes, an assumption of 5,000 tickets per camera was used based on experience with existing Regional sites and other municipalities in Ontario. Under this assumption, the program is projected to be self-sustaining, with revenues covering all operating costs.

Once the program becomes annualized, any net revenue generated from ASE, exceeding all operating and capital costs in a given year, will be allocated to a newly established Road User Safety Reserve. This reserve will be used to mitigate future ASE program revenue risks and costs and fund initiatives aimed at improving safety for all road users in the Region. Similar practices are followed by other municipalities in Ontario operating camera-based enforcement programs

Recommendation

Based on the analysis and evaluation conducted, **OPTION 2 – Establish a Region of Waterloo Automated Speed Enforcement Processing Centre** in 2024 is recommended. The following key points summarize the rationale for recommending Option 2:

- **Similar processing costs:** The analysis has shown that processing costs per ASE charge are similar whether the processing service is delivered by the City of Toronto or the Region of Waterloo.
- **Greater control:** Establishing a Region of Waterloo ASE PC allows for greater control over ASE infraction processing activities. This ensures that the Region can effectively manage and oversee the processing operations, leading to more efficient and responsive enforcement.
- **Alignment with Council's decision:** The establishment of a dedicated ASE PC aligns with Council's decision to expand the ASE program to each School Zone. It enables the Region to accommodate the increased number of cameras and the corresponding need for additional processing capacity. This

proactive approach supports the Region's commitment to enhancing road safety at critical school locations.

- Long-term effectiveness: Operating an ASE PC within the Region supports the long-term effectiveness of the ASE program in achieving greater speed compliance. By issuing charges for speeding incidents captured by the cameras, the program can effectively deter speeding behavior and contribute to future culture change and improved driver behavior related to speeding.

By choosing Option 2, the Region of Waterloo demonstrates its commitment to the ASE 5-year Expansion Plan and achieving strategic road safety goals. The ASE Program plays a vital role in reducing fatal and major injury collisions, and by ensuring enforcement of speed camera charges, the program's reputation and effectiveness are upheld. Option 2 aligns with Council's plan to expand the ASE Program, while Option 1 would require a reconsideration of the program expansion if processing capacity cannot be guaranteed. The Region's dedication to achieving its road safety goals and ultimately striving for zero deaths on municipal roadways is safeguarded through the implementation of Option 2.

Establishing a Region of Waterloo Automated Speed Enforcement PC in 2024 offers numerous advantages, including greater control, alignment with Council's decision, long-term effectiveness, increased revenue, and the preservation of the program's reputation and commitment to road safety.

Strategic Context

The establishment of a processing centre (PC) for automated speed enforcement (ASE) in the Region of Waterloo contributes to Strategic Objective 5.4, which emphasizes the Region's commitment to providing value for money and long-term financial sustainability. By establishing a dedicated facility for processing ASE charges, the Region can optimize resource allocation. This results in improved program efficiency in managing the ASE program.

Moreover, the PC provides crucial administrative support for the Region's ASE program. The ASE program itself aligns with strategic objectives within the Region's strategic plan:

1. **Enhancing Road Safety:** The ASE program aims to improve road safety within the Region by enforcing speed limits and deterring speeding behavior. By establishing a PC, the Region can ensure accurate and timely processing of ASE charges, supporting the objective of enhancing road safety and reducing the incidence of collisions and injuries on municipal roadways.
2. **Building Strong Communities:** Through the enforcement of speed limits and the promotion of safer driving behaviors, the ASE program contributes to building strong and resilient communities. By implementing a dedicated PC, the Region reinforces its commitment to creating a community environment that prioritizes road safety and responsible driving behaviors.

Section 3: Implementation

Facility Space and Resource Utilization

Based on legislative requirements, it is necessary to conduct the ASE processing on-site in a secure location with limited access to only those involved in the processing of ASE charges. The Region has identified suitable space at its owned building located at 99 Regina Street in Waterloo, which can accommodate the PC and meet the anticipated program needs. The space is well-suited to provide a secure and efficient working environment for the employees and the vendor's IT equipment.

However, to optimize the space and ensure it aligns with the specific requirements of the PC, there are one-time costs associated with renovations and furniture installation. This work includes flooring replacement, painting, new furniture installed in accordance with the Region's space optimization standards, and infrastructure upgrades. These investments will create a secure and efficient working environment that meets the needs of the PC employees and facilitates smooth operations.

As the ASE program expands and the human resource needs increase, there may be a requirement to introduce shiftwork in 2028 to accommodate the growing team and minimize the overall office space requirements. This strategic approach to resource utilization will ensure efficient use of available space, optimize staffing levels, and effectively manage ongoing operational costs. It will also allow for the accommodation of additional employees as the ASE program continues to grow, or if future decisions are made to process infractions for other municipalities.

Legal and Regulatory Considerations

Legal and regulatory considerations that need to be addressed include:

1. Existing JPC Agreement: The Region of Waterloo is currently party to an agreement (as well as other partnering municipalities) for the Joint Processing Centre (JPC) with the City of Toronto, which is set to expire on July 15, 2026. The decision to establish a dedicated PC would need to consider that such agreement would need to be terminated once the Region of Waterloo ASE PC was fully operational and the Region of Waterloo would need to ensure a smooth transition. Such agreement can be terminated on 90 days' notice.
2. Current Vendor Agreement: The Region's current vendor agreement for the provision of speed cameras and associated products and services will need to be amended to allow for the set-up of the PC by the Vendor. Such acquisition of services would follow the requirements of the Region of Waterloo's Purchasing By-Law.
3. Designation of Provincial Offence Officers (POOs): According to the regulations set by the Ministry of Transportation (MTO), only municipal employees with the designation of Provincial Offence Officers are allowed to lay camera-based offence charges. This means that the PC would need to ensure that the designated employees meet the necessary qualifications and designations required by the MTO.

4. **Assurances and Training:** Prior to designating an individual as a Provincial Offence Officer, the MTO requires sufficient assurances that the individual has been adequately trained to review all elements of the contravention and issue an Administrative Penalty or lay a Provincial Offences Act (POA) charge. This ensures that the enforcement process adheres to the legal requirements and maintains program integrity.
5. **Agreements and Information Access:** The PC would need to establish agreements, such as the MTO Automated Speed Enforcement Administrative Penalty Agreement, to access licensed information through the Automated Roadside Inspection System (ARIS). These agreements define the terms and conditions for accessing and processing relevant information.
6. **In-House Processing:** It is important to clarify that the processing and operation of the ASE program will be conducted by the municipality directly. This ensures that the Region of Waterloo retains control and accountability over the processing activities and maintains compliance with applicable Ontario regulations.
7. **Information Management and Privacy:** The establishment of a PC requires careful consideration of information management practices and privacy considerations. The Region would need to conduct a Privacy Impact Assessment (PIA) and consult with the Information and Privacy Commissioner (IPC) of Ontario to ensure compliance with privacy laws and regulations. Safeguarding personal information and maintaining data security are paramount in the PC's operations.

Human Resources

To establish the new PC program area unit, a new team will be created, reporting to the Director of Council and Administrative Services. The following preliminary model is proposed:

Table 3: Proposed Program Staffing & Full Time Equivalent (FTE) Projections

Position	2024	2025	2026	2027	2028	2029
Program Manager	1	1	1	1	1	1
Supervisor – Administration & Operations	1	2	2	2	2	2
Provincial Offences Officer	5	12	17	22	26	29
Total FTE	7	15	20	25	29	32

The proposed staffing model assumes that an additional Provincial Offences Officer is required per 30,000 infractions, one Manager, and one Supervisor in 2024 as the program is launched. The high turnover rate of the Provincial Offences Officer role, as noted by the City of Toronto, has been factored into the human resources model and an additional Supervisor with a focus area of workforce development has been included in year two of the program to provide the relevant resource planning and training. The Region's Human Resources team are engaged to support appropriate recruitment and retention strategies.

As the volume of potential charges grows with the expansion of the ASE program, human resource operating costs will increase. Any additional human resources needed to support the program's growth

will be identified in future budgets, with the associated compensation offset by the gross revenue generated by the program.

Under Ontario regulation only municipal employees designated as Provincial Offence Officers are allowed to lay ASE charges. The PC would need to adhere to these regulations and ensure that the designated employees have the necessary qualifications and designations to fulfill this role. Collaboration with the Ministry of Transportation (MTO) is necessary to ensure compliance with regulations and obtain the necessary designations for the employees involved in laying ASE charges.

The Region would need to work closely with the MTO to ensure compliance with regulations and obtain the necessary designations for the employees involved in laying ASE charges. This collaboration ensures that the program operates within the legal framework and maintains the integrity of the ASE enforcement process.

Risk Analysis

Risks associated with the implementation of an automated speed enforcement (ASE) processing centre (PC) in Region of Waterloo, with a targeted go-live date in Q3 2024, have been identified by a cross-departmental consultation team and are summarized in the following table.

Table 4: Risks and Mitigation Measures

Risk and Description	Probability (Low, Medium, High)	Risk Impact (Low, Medium, High)	Mitigation Strategy
<p>1. Timeline for Council Approval</p> <p>The Council-approved implementation of the ASE Program expansion may be delayed if approval is not given to establish the Region's own PC. The Council decision plays a crucial role in determining the rollout schedule for the ASE program expansion.</p>	Low	High	<p>Staff have developed a comprehensive business case with the input of many external and internal stakeholders. It documents the need and benefits of operating a PC in the Region of Waterloo.</p> <p>The business case will be presented at the August 15, 2023 Administration & Finance Committee with an accompanying staff report to address any questions or concerns related to the PC.</p> <p>By developing a strong business case, the aim is to address any concerns, provide necessary clarifications, and demonstrate the importance of the PC in achieving the region's road safety goals through the ASE program. This approach increases the likelihood of gaining Council's approval and securing the necessary support for the PC to support the ASE Program expansion.</p>

Risk and Description	Probability (Low, Medium, High)	Risk Impact (Low, Medium, High)	Mitigation Strategy
<p>2. 2024 Capital Budget</p> <p>Securing 2024 ASE PC capital start-up and new operating budget for a Q3 2024 implementation for establishment of the PC and will have overall implications on the ASE Program expansion rollout.</p>	Medium	High	<p>Staff have engaged Corporate Finance to identify capital and operating costs associated with the PC. These will come forward as part of the 2024 Plan & Budget process.</p>
<p>3. Capacity building for onboarding a new program unit</p> <p>There is an overall risk associated with onboarding an entirely new program unit within the Region of Waterloo. The successful implementation of this endeavor necessitates building capacity both cross-departmentally and within the new unit. This includes addressing challenges related to recruiting and training human resources, developing program policies, creating training materials, and addressing overall labor market issues.</p>	Medium	High	<p>A cross-departmental consultation team has been involved in the planning and business case development. Following Council-approval of the PC report, a cross-departmental project team will work collaboratively on the project plan and deliverables.</p>
<p>4. Timing issues with the physical space requirements</p> <p>There is a risk of encountering difficulties securing contractor services and materials required to complete the renovations to the designated space to be ready for occupation Q3 2024.</p>	Low	High	<p>Staff in Facilities have been engaged at an early stage on the requirements to identify an appropriate space. The recommended space is Regionally owned and requires minimal construction for space optimization.</p> <p>Following Council-approval of the PC report, and once capital funds are assigned, staff will formalize a plan and timeline for the space to meet the Q3 timeline.</p> <p>The project plan will include alternative suppliers and materials (for example, alternate furniture) as a contingency where identified by Facilities and Property Management staff.</p>

Risk and Description	Probability (Low, Medium, High)	Risk Impact (Low, Medium, High)	Mitigation Strategy
<p>5. Finalizing the necessary agreements for implementation of the PC</p> <p>There are 3 key actions required for agreements for the implementation of the PC:</p> <ol style="list-style-type: none"> 1. An amendment to the existing agreement with the Vendor and the Region. 2. Enter into an Automated Speed Enforcement Administrative Penalty Agreement with the Ministry of Transportation of Ontario (MTO) for license plate look up. 3. Termination of the Centralized Municipal PC Agreement (I.e., JPC agreement) with the City of Toronto for the JPC once the Region of Waterloo ASE PC is fully operational. 	Medium	High	<p>Staff will continue consultation with key stakeholders, including the Vendor and the MTO to ensure ongoing engagement and cooperation. Legal Services are engaged and actively involved in the process and next steps.</p> <p>Clear timelines and milestones will be established and provided to relevant stakeholders. By maintaining open communication, engaging legal expertise, and establishing clear timelines, the aim is to expedite the agreement negotiation process and mitigate potential delays or challenges. This approach ensures that the necessary agreements are finalized in a timely manner, allowing for the successful implementation of the PC.</p>
<p>6. Information and Privacy Commissioner (IPC) of Ontario Compliance</p> <p>There is a risk that the IPC raises concerns about program design and compliance with privacy requirements.</p>	Low	Medium	<p>Staff have initiated consultation with the IPC to seek guidance and ensure compliance with MFIPPA requirements and best practices for the PC. While the PC design will closely mirror that of the City of Toronto's JPC which has already satisfied the IPC in terms of MFIPPA requirements, there are two key program areas that the Region along with the Vendor are looking to modernize including the method of transmission of the data evidence from the camera and a future plan to move to a cloud based architecture.</p> <p>The Vendor, in collaboration with the Region, will produce a Privacy Impact Assessment (PIA) of the PC program. Information Management and Privacy staff at the Region are fully engaged in the project.</p>

Risk and Description	Probability (Low, Medium, High)	Risk Impact (Low, Medium, High)	Mitigation Strategy
<p>7. Challenges securing agreements for equipment and services not provided by the Vendor.</p> <p>This includes folding machines, Canada Post mailing machines, shredding services and on-site Canada Post pickup mail service required for processing the tickets.</p>	Low	High	<p>To support the equipment and service needs, Procurement and Supply Services and Creative and Multimedia Services have been engaged.</p> <p>Information Management and Privacy is engaged on the Shredding Contract and aware of the requirements.</p> <p>Once the report recommending the establishment of the PC is approved by Council, the procurement process for the equipment and services, and any changes to existing vendor agreements can be initiated.</p>
<p>8. Anticipated challenges with recruiting and retaining employees for ASE Provincial Offences Officer positions</p> <p>Given the current tight labour market, with expectations of this trend continuing, there is a potential risk of encountering challenges in both recruiting and retaining qualified employees for the Provincial Offences Officer role. This challenge is exacerbated by the heightened demand for these roles, as other municipalities also seek to establish processing centres for their ASE programs. The nature of the work in these roles may lead to a higher turnover rate, further adding to the complexity of the recruitment process and resource allocation.</p>	Medium	High	<p>Management will consult with Human Resources partners on talent acquisition strategies, retention strategies, job design, employee development and employee engagement.</p> <p>The City of Toronto is being consulted for best practices as the role is prescriptive based on the MTO requirements and need for the Officers to be designated by the Minister of Transportation.</p>
<p>9. Timely designation of the Provincial Offences Officers by the Ministry of Transportation (MTO)</p> <p>There is a risk of encountering delays in the timely designation of Provincial Offence Officers by the MTO, as these designations are by Minister's Order and</p>	Medium	High	<p>Staff have actively engaged with the Ontario Traffic Council, the organization responsible for administering the required training for the Officer role, to identify the concerns regarding MTO's turnaround.</p> <p>Staff have conducted meetings with MTO to gain a thorough understanding of their</p>

Risk and Description	Probability (Low, Medium, High)	Risk Impact (Low, Medium, High)	Mitigation Strategy
signed by the Minister of Transportation. The Officers are legally unable to perform their task until this designation has occurred.			<p>process, requirements, and timelines for the designations. MTO staff can initiate their designation process upon receiving a name from the municipality, even before the successful completion of training. This measure may help expedite the overall turnaround time.</p> <p>Management is working with Human Resources to streamline the process and timelines for hiring, training and designation. Given the importance of program integrity, the Region of Waterloo may need to advocate to the MTO for a shorter expected timeframe than the current anticipated three-month window to ensure proper paperwork and designations are obtained. This advocacy aims to streamline processes that may hinder the program's effectiveness and efficiency.</p>
<p>10. Impact of change to the ASE 5-year expansion plan</p> <p>There is a risk that Council may change the approved roll out of the ASE expansion, leading to a reduced need for ticket processing services at the PC. This change could have implications for the viability and necessity of the PC, as well as its associated operating costs, specifically staffing resources.</p>	Low	High	<p>The human resources model of the PC is designed to be scalable. As the ASE program expands and the demand for ticket processing services increases, the plan includes hiring additional Provincial Offence Officers each year. This approach ensures that the staffing levels can be adjusted to align with the evolving needs of the program. Regular assessments will be conducted to evaluate the workload and make necessary adjustments to the staffing capacity.</p> <p>Additionally, there is potential to operate as a Joint PC and establish sub-client and cost sharing agreements with other municipalities for future expansion to provide ASE-related processing services, subject to the Region's internal capacity to scale up.</p> <p>The impact of any changes to the ASE expansion plan on the viability of the PC will be continuously evaluated and cross-departmental collaboration on this will occur at the Camera-based Enforcement Steering</p>

Risk and Description	Probability (Low, Medium, High)	Risk Impact (Low, Medium, High)	Mitigation Strategy
			Table. This includes reassessing staffing resources required based on the revised demand for ticket processing services. The Region of Waterloo will actively monitor the program's progress and adjust the staffing levels as needed to optimize efficiency and cost-effectiveness.

Implementation Plan

The implementation plan for the PC will follow a structured approach with key milestones and considerations. The project will be managed by a Project Manager who will develop a Project Charter and Project Plan. The Camera-Based Offences Steering Table, consisting of cross-departmental stakeholders, will act as the project team throughout the implementation process.

To ensure a successful implementation by Q3 2024, the following assumptions have been made:

1. **Physical space readiness:** The selected location at 99 Regina Street has been assessed and deemed suitable to accommodate the PC's needs throughout the 5-year implementation phase.
2. **Favorable consultations with the Information and Privacy Commissioner (IPC):** The Region of Waterloo has engaged in consultations with the IPC and has addressed any concerns raised regarding program differences from the City of Toronto. These discussions have resulted in satisfactory outcomes, ensuring compliance with privacy legislation.
3. **Timely agreement ratification:** All necessary agreements, including those with the Vendor and the Ministry of Transportation, will be ratified in a timely manner. This includes agreements related to equipment, services, and Provincial Offences Officer employee designations, ensuring the smooth operation of the PC.
4. **Connectivity requirements:** The Vendor and Region of Waterloo Information Technology Services will fulfill the necessary connectivity requirements to establish seamless operations and ensure effective data transmission and processing.
5. **Staffing levels:** The new positions required for the PC are expected to be filled within the established project timelines. Adequate staffing levels will be maintained to ensure efficient and effective operations.
6. **Ministry of Transportation Ontario approval:** The MTO will approve the Region of Waterloo's individual employee designations for Provincial Offence Officers, as required by regulations. This designation is necessary for reviewing and laying charges.

7. Stakeholder engagement: Internal and external stakeholders will continue to be engaged and supportive throughout the implementation process. Their collaboration and cooperation will be essential for the success of the PC.

By making these assumptions and following a structured project plan, the Region of Waterloo aims to achieve the Q3 2024 implementation timeline for the PC. Effective project management, project team collaboration and stakeholder engagement, and adherence to privacy and regulatory requirements will be crucial for a smooth and successful implementation.

Table 5: Key Milestones

Project Deliverable	Target Completion
Initial Research & Discovery for a Regional Processing Centre	June 2023
Cross-departmental Consultations	June 2023
Business Case	July 2023
Council-approval of Processing Centre	August 2023
Project Charter Approval by Camera-based Enforcement Steering Table	August 2023
Facility Space Secured	August 2023
Vendor Agreement in Place	December 2023
Information and Privacy Commissioner Consultations	December 2023
Program Charter	January 2024
Hire Program Manager	March 2024
Hire Program Supervisor	April 2024
All Year One Positions Hired	June 2024
Facility, Equipment & Software Operational	June 2024
Provincial Offences Officer Designations	July 2024
Processing Centre Operational	July 2024