

# THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

## BY-LAW NO. 00-495

**Being a Bylaw to authorize the execution of an Agreement between the Corporation of the Municipality of Temagami and the Corporation of the Town of Haileybury of the Haileybury Court Service Area in relation to the Transfer of the Provincial Offences Responsibilities.**

WHEREAS Bill 108, Streamlining of Administration of Provincial Offences Act, provides authority for a municipality to enter into an agreement with the Ministry of the Attorney General with respect to the transfer of the provincial Offences responsibilities for court administration and support and prosecutions of Part I and III of the Provincial Offences Act;

AND WHEREAS a By-law to authorize the execution of an Agreement between The Corporation of the Municipality of Temagami and the Corporation of the Town of Haileybury is a requirement under the Memorandum of Understanding with Her Majesty the Queen in Right of Ontario as represented as the Ministry of the Attorney General.

NOW THEREFORE the Council of the Corporation of the Municipality of Temagami enacts as follows:

1. The Mayor and CAO be and they are hereby empowered and authorized to execute on behalf of the Corporation of the Municipality of Temagami, affix the Seal of the Corporation, and deliver the attached agreement known as Schedule 'A' to this By-law and forming part of the By-law, in accordance with the terms and conditions therein more specifically set forth.
2. This By-law shall come into force and take effect upon the final passing thereof.


Read a first and second time this 9<sup>th</sup> day of November, 2000.

Read a third time and finally passed this 9<sup>th</sup> day of November, 2000.

(A) Mayor



CAO



## INTERMUNICIPAL SERVICE AGREEMENT

THIS AGREEMENT made as of the day of, 2000. \_\_\_\_\_

BETWEEN:

THE CORPORATION OF THE TOWN OF HAILEYBURY

Hereinafter called the "Town of Haileybury"

-and-

THE DISTRICT MUNICIPAL AREA PARTNERS, being The Corporations of the

Town of Charlton	Township of Harley
Town of Cobalt	Township of Harris
Town of Englehart	Township of Hilliard
Town of Haileybury	Township of Hudson
Town of Kirkland Lake	Township of James
Town of Latchford	Township of Kerns
Town of New Liskeard	Township of Larder Lake
Township of Armstrong	Township of Matachewan
Township of Brethour	Township of McGarry
Township of Casey	Village of Thornloe
Township of Chamberlain	Township of Temagami
Township of Coleman	
Township of Dack	
Township of Dymond	
Township of Evanturel	
Township of Gauthier	

Hereinafter called the "Municipal Partners"

All of which are collectively referred to as the "Parties"

**WHEREAS** the Streamlining of Administration of Provincial Offences Act, 1997, S.O. 1998, c.4 (Bill 108) received Royal Assent on June 11, 1998;

**AND WHEREAS** the Municipal Council of each of the Parties hereto agree to have the justice responsibilities under the Provincial Offences Act, R.S.O. 1990, c.P.33, as amended (hereinafter the "POA"), overseen by an Advisory Committee (hereinafter the "Committee")..

**AND WHEREAS** the Municipal Council of each of the Parties hereto agree that the Town shall enter into, on behalf of the Committee, a Memorandum of Understanding and Local Side Agreement with the Attorney General of Ontario;

**NOW THEREFORE** in consideration of the premises and the mutual covenants herein contained, made jointly and severally by each and every Party herein to each and every of the other Parties hereto and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the Parties hereto) the Parties hereto agree as follows:

**PART I**  
**CREATION OF TEMISKAMING PROVINCIAL OFFENCES ACT ADVISORY**  
**COMMITTEE**

**1. ESTABLISHMENT OF TEMISKAMING POA ADVISORY COMMITTEE AND APPOINTMENT OF THE TOWN OF HAILEYBURY**

- (a) The Parties hereto hereby agree to form a joint Advisory Committee known as the Temiskaming Provincial Offences Act Advisory Committee (hereinafter referred to as the "Committee"). The parties hereto further agree that Haileybury shall enter into, on behalf of the Committee, a Memorandum of Understanding and Local Side Agreement with the Attorney General of Ontario. The Committee shall be responsible for overseeing Haileybury's administration and prosecution relating to proceedings commenced under Parts I and II of the POA and administration of Part III.
- (b) The Committee shall be composed of one (1) designate from each of the following areas:
  - (i) Kirkland Lake (2 appointed)
  - (ii) Englehart, McGarry, Larder Lake, Gauthier, Chamberlain, Charlton, Evanturel (1 appointed)
  - (iii) Haileybury (1 appointed)
  - (iv) Hudson, Temagami, Latchford, Coleman, Cobalt, Dymond, Harris, Kems (1 appointed)
  - (v) James, Matachewan, Armstrong, Hilliard, Brethour, Thornloe, Dack, Harley, Casey (1 appointed)
  - (vi) New Liskeard (1 appointed)
- (c) The Committee shall function in accordance with the Terms of Reference set out under Schedule "A".

**2. POWERS AND RESPONSIBILITIES OF THE COMMITTEE**

- (a) The Committee, on behalf of all of the Parties to this Agreement, shall generally oversee and direct the Town of Haileybury in its management of the POA, and without limiting the generality of the foregoing, shall have the following powers and responsibilities:
  - (i) The Committee is the organizational authority whose role is to provide the Municipal Partners with a framework within which they shall coordinate the performance of their obligations in relation to the Transfer Agreement and to provide direction to the Town of Haileybury in relation to matters generally regarding the provision of the administration and prosecution of offences under the POA;
  - (ii) The Committee shall determine annually the scheduling of the meetings of the Committee;
  - (iii) The Committee will keep minutes of its meetings, which minutes shall be circulated in a timely fashion to the Clerk of each of the Parties hereto, for distribution to members of the Councils of each of the Parties hereto;

- (iv) The Committee will review and approve the annual budget prepared by the Town of Haileybury, in relation to services provided by the Town of Haileybury under the POA. Once the budget is approved by the Committee, it will be submitted to the Town of Haileybury for final approval and subsequently to the respective municipal councils for budget purposes;
- (v) The Committee will authorize the Town of Haileybury regarding the entering into contracts by the Town of Haileybury necessary or advisable for the ongoing operations related to the POA Transfer Agreement;
- (vi) The Committee will provide annually a detailed accounting of the revenues and expenditures during the immediately preceding calendar year to each of the Parties hereto;
- (vii) The Committee will arrange for such insurance, legal and accounting services as may be necessary or advisable;
- (viii) The Committee shall borrow monies only as required for approved budget items;
- (ix) The Committee may from time to time as requested by one or more of the Parties, report on levels of service.
- (x) The Committee will serve in the resolution of dispute process as set out in this Agreement.

## PART II

### ADMINISTRATION AND PROSECUTION OF OFFENCES UNDER THE POA

#### 3. ADMINISTRATION OF JUSTICE

The Parties hereto, through their appointed members, recognize and shall adhere to the following guidelines, without limitation:

- (a) The independence of the judiciary shall be preserved;
- (b) The confidence of the public in the administration of justice must be maintained through every effort by all Parties. Further to this end, open access to the justice system, just and timely prosecutions and freedom from political interference must be assured;
- (c) The fundamental tenets of procedural fairness and natural justice and the rights and freedoms guaranteed by the Canadian Charter of Rights and Freedoms shall be assured;
- (d) The separation of prosecutorial and policing powers as set out in the Police Services Act, R.S.O. 1990, c. P.15, as amended, must be maintained;
- (e) The Attorney General of Ontario is and shall continue to be responsible for the integrity of the administration of justice in Ontario; and
- (f) Officially bilingual access to the administration of justice, as prescribed by the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended, shall continue. In areas designated under the French Language Services Act, R.S.O. 1990, c. F.32, as amended, out of court services must be provided at the same level as provided by the Attorney General at the time of the execution of this Agreement.

#### **4. THE TOWN OF HAILEYBURY**

The Town of Haileybury shall:

- (a) by and with the approval of all of the Parties hereto by way of resolution or by-law of each of the Municipal Councils, enter into a Memorandum of Understanding and Local Side Agreement with the Attorney General of Ontario.
- (b) provide each of the Parties hereto with the following services:
  - (i) the administration, court support and prosecution of offences commenced under Part I of the POA; and
  - (ii) any remaining administration, court support and prosecution of offences commenced under Part II of the POA that was carried out by the Attorney General of Ontario prior to this Agreement;
  - (iii) any remaining administration and court support relating to proceedings under Part III of the POA.
- (c) carry out its duties and obligations in accordance with the Memorandum of Understanding and Local Side Agreement.
- (d) provide, at a minimum, the same services and level of service delivery as was provided by the Attorney General of Ontario before the execution of this Agreement.
- (e) abide by and give full force and effect to the requirements of this Agreement.
- (f) provide the Parties with copies of the draft reports which are required by the Memorandum of Understanding to be given to the Attorney General of Ontario, prior to their submission to the Attorney General of Ontario. Prior to the submission of the reports, the Committee must approve the said reports.
- (g) advise the Committee within seven (7) days of receipt from the Attorney General of any proposed amendments to the Memorandum of Understanding and/or the Local Side Agreement. In addition, the Town of Haileybury shall not submit any proposed amendments to the aforesaid agreements to the Attorney General of Ontario without first obtaining the approval of the Committee; and
- (h) advise the Committee within seven (7) days of receipt from the Attorney General of Ontario of any proposed amendments to any legislation and/or regulations concerning the administration of justice as is contemplated by this Agreement.
- (i) consult with the affected Parties and seek the approval of the Committee when significant change to a service level is proposed and further, should a dispute arise resulting from the proposed change, agrees that the change will not proceed until the dispute resolution process has reached conclusion.

#### **5. THE MUNICIPAL PARTNERS**

Each of the Parties hereto shall be responsible for the prosecution of any matters relating to:

- (a) their own municipal by-laws;
- (b) Fire Code compliance within their municipality;
- (c) Building Code compliance within their municipality;

- (d) any other matter for which each party was individually responsible before the execution of this Agreement.

## **6. REVENUE**

- (a) The Town of Haileybury shall collect fines, fees, costs and surcharges and enforce their payment in accordance with section 165(1) of the POA. Collection, enforcement, and disbursement of revenues and payment of expenditures are to be carried out as specified in the Memorandum of Understanding and the Local Side Agreement, the POA and the Contraventions Act, S.C. 1992, c. 47, as amended and regulations thereto.
- (b) The Parties agree that the sharing of revenues and expenses between the Town of Haileybury and each of the Parties shall be carried out in accordance with Schedule "B" to this Agreement.
- (c) The Parties agree that the net revenues shall be disbursed to the Parties to this Agreement, in accordance with Schedule "B" to this Agreement.

## **7. REPORTS AND ACCOUNTING**

- (a) The Town of Haileybury shall manage and maintain separate bank accounts, in trust for the Parties to this Agreement, with respect to all monies received by the Town of Haileybury on behalf of the Parties to this Agreement in regard to fines, costs, surcharges and fees and payment of expenditures pursuant to this Agreement.
- (b) The Town of Haileybury shall maintain books of account, separate from those relating to the municipal affairs of the Town of Haileybury, with respect to all monies received and disbursed by the Town of Haileybury in regard to fines, costs, surcharges, fees and expenses pursuant to this Agreement. These books of account shall be made available for inspection without notice by the Committee during regular office hours;
- (c) All monies received and expended by the Town of Haileybury in respect of fines, costs, surcharges pursuant to this Agreement are to be separately and clearly identified in the financial records of the Town of Haileybury and are subject to an external audit for the review of the Committee. Copies of this audit will be submitted to each Party for their information.
- (d) Each Party shall be entitled to review the financial records maintained by the Town of Haileybury under the POA.

## **8. LIMITATION OF LIABILITY**

- (a) The Parties hereto hereby agree, jointly and severally, to indemnify and save harmless the Committee and its members as constituted from time to time from and against all actions, causes of action, losses, damages, suits, judgments, awards, orders, claims and demands whatsoever and from all costs to which the Committee and/or its members may be put in defending or settling any such action, causes of action, losses, damages, suits, judgments, awards, orders, claims and demands, which may arise either directly or indirectly by reason of or as a consequence of or in any way related to the Committee and/or any of its members acting properly in a manner authorized by this Agreement. The Parties hereto further agree that if any one of them should be called upon by any Third Party to pay any amount whatsoever in excess of its proportionate share herein for any reason whatsoever, then such Party shall be entitled to be indemnified for such payment made by it from all of the other Parties hereto up to the amount of their proportionate share as set out herein. It is further provided that each of the Parties hereto shall forthwith notify their respective insurers of this

provision.

- (b) The Town of Haileybury shall protect itself from and against all claims that might arise from anything done, purported to be done or admitted to be done under this Agreement by the Town of Haileybury, its elected officials, employees, agents or contractors and shall maintain a policy of comprehensive general liability insurance providing coverage for a limit of not less than five million dollars (\$5,000,000.00) per occurrence as required by the Memorandum of Understanding. Each Party will co-operate fully with the Town of Haileybury so that this insurance can be obtained and continued.
- (c) Each Party shall indemnify and save harmless the Town of Haileybury, its elected officials, employees, agents and contractors from all manner of claims, losses, costs, expenses, actions or proceedings of any kind or nature whatsoever based on, occasioned by or attributable to anything done or admitted to be done by each Partner or by its elected officials, employees, agents or contractors in connection with this Agreement or with the performance of each partner's obligations under this Agreement.
- (d) The Town of Haileybury shall indemnify and save harmless each Party, their elected officials, employees, agents and contractors, from all manner for claims, losses, costs, expenses, actions or proceedings of any kind or nature whatsoever based on, occasioned by, or attributable to anything done or admitted to be done by the Town of Haileybury or by its elected officials, employees, agents, or contractors in connection with this Agreement or with the performance of the Town of Haileybury's obligations under this Agreement.

## **9. DISPUTE RESOLUTION**

- (a) The Parties agree to foster and participate in a cooperative approach to disputes arising under this Agreement. The Parties also agree that all reasonable efforts will be made to resolve disputes informally and amiably at an early stage.
- (b) In the event that a dispute arises between a Party hereto and the Town of Haileybury with respect to the terms and considerations of this Agreement, or with respect to a service level issue, the parties agree to use the mechanism set out in this section to resolve the dispute.
- (c) The provisions of this section do not apply to issues governed by the Ministry of the Attorney General, the provisions and obligations under the Memorandum of Understanding or Local Side Agreement or any issues relating to the judiciary, principles of justice, or corporate management issues of the Town of Haileybury; or issues related to budget unless the dispute is supported by the Committee.
- (d) In the event that a dispute or concern arises between a Party and the Town of Haileybury, and such dispute or concern cannot be resolved through initial discussion between the Town of Haileybury and the Party, such dispute or concern will be referred to the Committee.
- (e) The members of the Committee will foster and assist in the resolution of the dispute and will make appropriate recommendations to the concerned Party and the Town of Haileybury in order to facilitate such resolution.
- (f) Where any dispute impacts more than one Party, the Committee shall consult with each of the concerned Parties, as well as the Town of Haileybury.
- (g) The Committee, together with the concerned Parties and the Town of Haileybury will attempt to resolve the dispute or alternatively agree upon a recommendation for consideration of the Town of Haileybury or the Parties, as may be appropriate.
- (h) If such recommendation or resolution results in a necessary amendment to this Agreement, upon the Agreement of all impacted Parties and the Town of Haileybury, such amendment

shall be reduced to writing and become part of this Agreement after being duly executed by the Town of Haileybury and all of the Parties. Should all of the Parties not agree, any Party may proceed to arbitration.

- (i) Where the Parties, with the assistance of the Committee are unable to reach a resolution to the dispute or where the recommendation of the Committee does not resolve the dispute, the Parties may choose to:
  - i) discontinue the dispute, or
  - ii) choose the services of a third party mediator to facilitate resolution of the dispute, or
  - iii) proceed to arbitration.
- (j) The mediator shall inquire into the issue in dispute and shall attempt to assist the Parties in resolving the dispute.
- (k) In the event that the Parties do not agree with the recommendations of the mediator, any of the Parties may apply to an arbitrator to resolve the dispute and the dispute shall be settled in accordance with the Arbitration statutes then in force in the Province of Ontario. This section constitutes a submission under such Arbitration statutes. The arbitrator shall be selected in accordance with Paragraph 8(1).

Any arbitration will be conducted according to the rules for the conducting of arbitration's of the Arbitration Institute of Canada Inc., in effect at the day of commencement of the arbitration and by one arbitrator appointed in accordance with the Institute's rules. The arbitration will take place in the Town of Haileybury unless otherwise agreed. The arbitration will be final and binding upon the Parties. The law governing the procedures and the substance of the arbitration will be the law of Ontario.

- (l) The Parties in dispute may agree in writing upon the appointment of a single Arbitrator who will determine the dispute as sole Arbitrator. If the Parties in dispute cannot agree on a sole Arbitrator then each of the Parties in dispute will appoint an Arbitrator and provide the other Party with written notice of the appointment. If one Party does not provide such notice, then the Arbitrator who has been appointed by the other Party will be the sole Arbitrator and will constitute the Arbitral Tribunal.
- (m) Where the services of a mediator or an arbitrator are undertaken, the costs of such mediator or arbitrator's services shall be shared equally by the Parties as part of the costs associated with this agreement. It is understood that each Party shall be responsible for the costs of its own advisors and experts, if any.
- (n) Any dispute arising from the failure of the Town of Haileybury to fulfill its obligations as set out under the Memorandum of Understanding shall be filed with the Ministry of the Attorney General and the dispute resolution process as established within the Memorandum of Understanding for disputes between the Ministry of the Attorney General and the Town of Haileybury shall apply.
- (o) Subject to Paragraph 5(1) the Parties acknowledge and agree that when a matter is under dispute all service provided by the Town of Haileybury will continue in accordance with the terms of this Agreement and the requirements of the Transfer Agreement.

## **10. TERMINATION OF THE AGREEMENT**

- (a) The Town of Haileybury and each Party acknowledge that this Agreement may be terminated by either of them if the Memorandum of Understanding which will be entered into between the Town of Haileybury and the Attorney General is terminated.



- (b) The Town of Haileybury agrees to give twelve (12) months notice to each Party if the said Memorandum of Understanding is to be terminated so that the Town of Haileybury and each Party can deal with the proper termination of this Agreement.
- (c) Should the Memorandum of Understanding between the Town of Haileybury and the Attorney General be terminated resulting in the need for the Parties to seek another provider of administration, court support and prosecution related to proceedings commenced under the POA, the capital assets to the extent paid for by the parties shall be transferred to the provider chosen by the Parties.
- (d) A vote of two-thirds of the Parties may terminate this agreement upon giving twelve (12) months notice to the Town of Haileybury.

## **11. GENERAL**

- (a) This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts shall constitute one and the same instrument. This Agreement shall be deemed to have come into force and take effect once each party has signed its respective counterpart and delivered an originally signed copy of same to the Clerk for the Corporation of the Town of Haileybury.
- (b)
  - (i) Any notice under this Agreement shall be sufficiently given by personal delivery or by registered letter, postage prepaid and mailed in a Canadian post office addressed to the Clerk of each of the Parties hereto at their respective municipal addresses or to any other address that may be designated in writing by any party hereto and the date of receipt of any notice by mailing shall be deemed conclusively to be four days after the mailing;
  - (ii) Where a notice or document is required by this Agreement to be sent, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent of the Party entitled thereto;
- (c) Any of the terms of this Agreement may be amended with the consent in writing of a minimum of at least a majority of the Parties hereto; provided, however that those Parties who have approved said amendment represent a majority of the electors in the region covered by this Agreement and served by the Committee. Any and all such amendments shall be binding on all of the Parties to this Agreement.
- (d) This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

**IN WITNESS WHEREOF** the Parties hereto have hereunto affixed their respective corporate seals as attested by their proper officers duly authorized in that behalf this day of \_\_\_\_\_, 2000.

The Corporation of the Town of Haileybury

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Town of Charlton

---

Per:

---

Per:

The Corporation of the Town of Cobalt

---

Per:

---

Per:

The Corporation of the Town of Englehart

---

Per:

---

Per:

The Corporation of the Town of Kirkland Lake

---

Per:

---

Per:

The Corporation of the Town of Latchford

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Town of New Liskeard

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Armstrong

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Brethour

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Casey

---

Per:

---

Per:

The Corporation of the Township of Chamberlain

---

Per:

---

Per:

The Corporation of the Township of Coleman

---

Per:

---

Per:

The Corporation of the Township of Dack

---

Per:

---

Per:

The Corporation of the Township of Dymond

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Evanturel

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Gauthier

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Harley

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Harris

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Hilliard

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Hudson

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of James

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Kerns

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Larder Lake

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Matachewan

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of McGarry

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

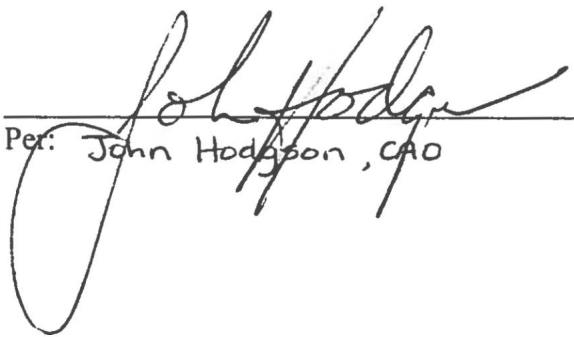
The Corporation of the Village of Thornloe

\_\_\_\_\_  
Per:

\_\_\_\_\_  
Per:

The Corporation of the Township of Temagami

  
\_\_\_\_\_  
Per: Wayne Adair, Mayor

  
\_\_\_\_\_  
Per: John Hodgson, CAO



**SCHEDULE "A"**

**THE TEMISKAMING POA ADVISORY COMMITTEE**

**TERMS OF REFERENCE**

1. The composition of the Committee is set out under paragraph 1 of this Agreement.
2. No person who works in any capacity in the administration and prosecution of offences under the POA shall be entitled to be a member of the Committee. Any member of the Board shall disclose any conflict concerning a matter before the Committee that involves a pecuniary interest and shall thereafter leave the meeting and abstain from any discussion and voting on said matter.
3. Each member shall be appointed for a term to commence December 11, 2000 and to coincide with the term of the elected councils of the parties.
4. The Committee shall convene a meeting on an annual basis with the Municipal Partners, to present the budget as submitted by the Town of Haileybury.
5. The Committee is a mechanism for local accountability. Its deliberations will be made in consultation with the Parties and will reflect the position of the majority. All decisions will be based on majority rule of those present. The Committee is responsible to disseminate information and report back to the Parties on a regular basis.
6. A simple majority of the Committee members constitutes a quorum. The Committee Chairperson will be the Town of Haileybury.

## SCHEDULE "B"

### APPORTIONMENT OF REVENUE AND EXPENDITURES

1. Revenue/Expenditure sharing will be apportioned, as follows, based on a pro-rata formula determined from the municipal population:
  - (a) Revenues and expenditures as of the Date of Transfer from the Province to the Town of Haileybury.
  - (b) All direct accounting and human resources costs in assuming the POA Transfer.
  - (c) All capital and operating start up costs.
2. It is hereby understood and agreed to by all Parties to this Agreement that the population count used herein are figures derived from the Population Census Summary which is issued by the Ontario Property Assessment Corporation. The Parties further agree that the population count is to be amended from time to time based on the updated information received from the Ontario Property Assessment Corporation.
3. The net revenues will be based on actual fines, fees, costs and surcharges collected, less Victims Fine Surcharge (VFS) and any dedicated fines or any other applicable charges and expenses approved by the Board in accordance with the annual budget.  
  
Administration costs will be based on Ministry figures as verified by the exit audit at the commencement of the first year.
4. Any revenue from a fine, court award or otherwise resulting from a prosecution of any matter pursuant to Article 5 of this Agreement shall not be distributed to the Parties herein but shall be paid entirely to the Municipality undertaking the prosecution save and except for court costs which are to be deducted therefrom.
5. Notwithstanding the above, it is agreed that because the Township of Temagami has already received the sum of \$7,745.57 representing its apportioned fine revenue from the Corporation of the City of North Bay and that this sum is to be withheld from the adjusted fine revenues owing to the Municipal Partner under the Local Side Agreement, the Township of Temagami shall not be entitled to receive the first \$7,745.57 of net revenue apportioned to it under the above formula.
6. In the event of a deficit, such deficit shall be divided and apportioned to each municipality being a party hereto on the pro-rata formula determined from the municipal population.