

LEGAL

VALUE STATEMENT

I expect legal services to provide advice regarding the law and represent municipal interests in a cost-effective manner that supports quality outcomes and reduces risk.

LEGAL

What is this Service?

The goal of Legal Services is to provide responsive, cost-effective legal support to Council, Boards and Agencies, and staff on strategic initiatives, legislative compliance, risk management and operations issues, using best efforts to ensure the actions undertaken by the municipality comply with applicable laws and have the desired legal effect.

Objectives May Include:

- Meeting the needs of Council, department heads and staff for timely, accurate and effective legal advice
- Protecting, advocating for, and advancing, the legal interests of the municipality and the public interest
- Providing efficient and cost-effective representation of the municipality before the courts and board/tribunals
- Preparing, negotiating and reviewing contracts and agreements effectively to protect the municipality's interests
- Overseeing the delivery of services under the Provincial Offences Act (Ontario-only) consisting of administrative, prosecutorial and court support functions

Influencing Factors:

- **Organizational Form:** Determines whether all legal costs are controlled centrally. Also, mix of external vs. in-house lawyer, and ratio of non-lawyer staff to lawyer staff affects the cost per lawyer hour.
- **Demand Drivers:** The demand for specific types of legal services differs from municipality to municipality and/or from year to year. Other demand drivers include one-of-a-kind or significant litigation, contracts, projects and the collective bargaining process. The respective Council's philosophies on the cost-benefit of settling claims at different stages of litigation will impact results and level of insurance deductible.
- **Municipal Services Provided:** Different services can demand varying levels of legal support. Upper Tier and single tier municipalities provide different municipal services.
- **Reimbursement of Legal Fees Indemnification By-Laws:** These are handled differently by municipalities, which will impact the cost of providing Legal services.
- **Council Policy/Direction:** Council policy or direction on budgets, tax rates, collective bargaining, etc. will impact total municipal spending, which in turn will impact the reported total municipal operating expenditures. This can cause fluctuations in year-over-year results, despite stability in total legal in-house costs.

- **External Legal Costs:** The cost of external legal services differs between municipalities and is influenced based on the hourly rate of external legal counsel and type of work being performed. Individually negotiated rates per municipality will also influence the external spend.
- **Duration of time since lawyer was called to the Bar:** length of time since call to the Bar is a proxy for level of experience. Lawyers with increased practice area expertise equals increased total salary costs.

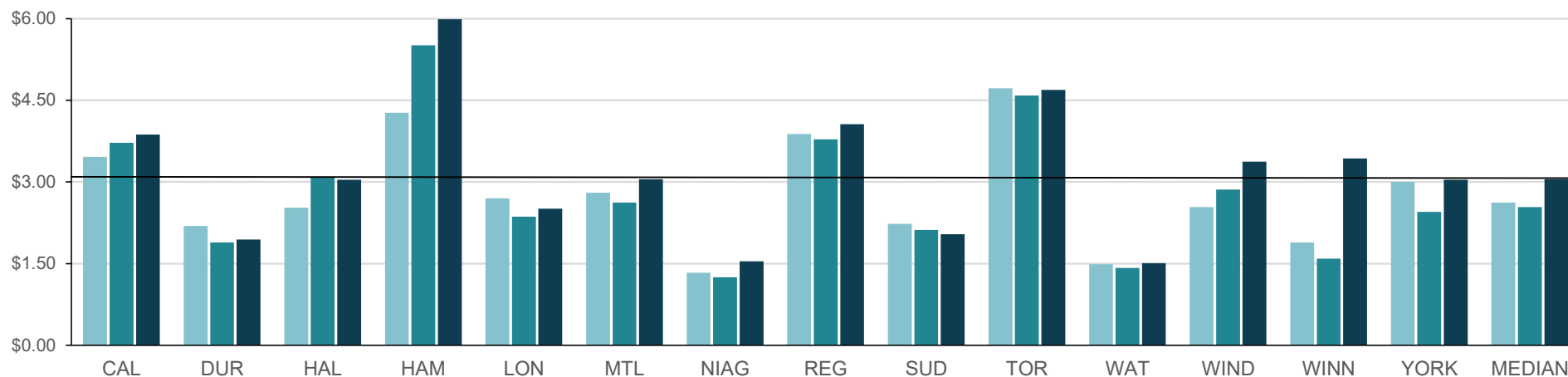
Extenuating Circumstances:

- **COVID-19 Pandemic:** Increased work demands due to legislative changes, staff working from home, signature requirements, redeployment of staff, increase in external counsel to address the overwhelming labour relations and human resources health advice required of internal legal and specialized advice.

Legal

Figure 17.1 In-House Legal Operating Cost per \$1,000 Municipal Operating and Capital Expenditures

This measure represents the operating cost to provide in-house legal services. Council direction on budgets, tax rates, collective bargaining, etc., will impact the total municipal spend, which in turn will impact the reported total municipal operating and capital expenditures. This can cause fluctuations in year-over-year results, even if total in-house costs remain stable.



2018	\$3.46	\$2.19	\$2.53	\$4.27	\$2.70	\$2.80	\$1.33	\$3.88	\$2.23	\$4.72	\$1.49	\$2.54	\$1.89	\$3.00	\$2.62
2019	\$3.72	\$1.89	\$3.09	\$5.51	\$2.36	\$2.62	\$1.25	\$3.78	\$2.12	\$4.59	\$1.42	\$2.86	\$1.59	\$2.45	\$2.54
2020	\$3.87	\$1.94	\$3.04	\$5.99	\$2.51	\$3.05	\$1.54	\$4.06	\$2.04	\$4.69	\$1.51	\$3.37	\$3.43	\$3.04	\$3.05

Source: LEGL252 (Efficiency)

Halton: The change in 2019 was a reflection of an increase of in-house lawyers.

Hamilton: Municipal operating and capital expenditures have decreased in each respective year while legal services costs have remained relatively constant.

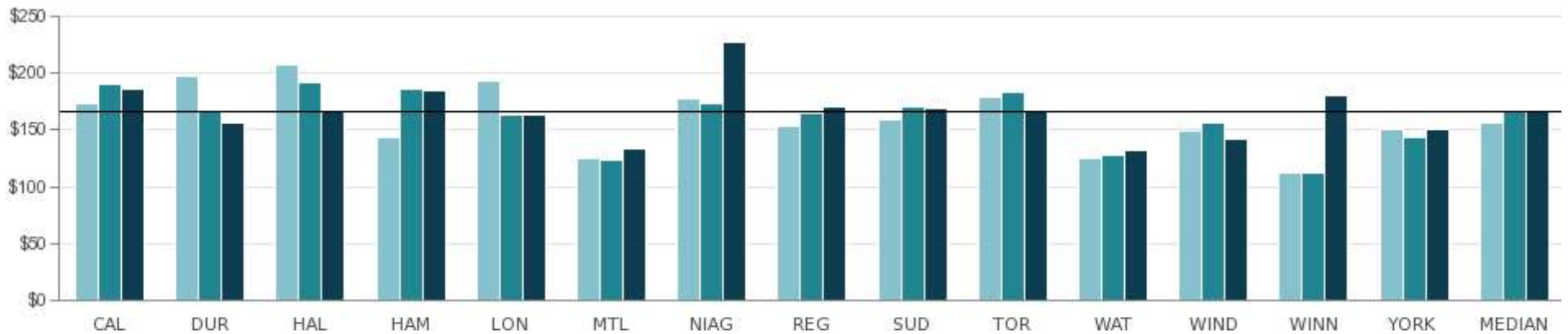
Windsor: COVID-19 was the major driver of reduced expenditures across many departments in the denominator of this measure. There was also one new legal counsel position, increasing the numerator of this measure.

Winnipeg: The increase reflects the cost to retain external legal counsel for a complex litigation matter commenced by the City.

Legal

Figure 17.2 In-House Legal Operating Cost per In-House Lawyer Hour

This measure represents the operating cost to provide in-house legal services. The in-house lawyer hours include standard work week and overtime hours only. Vacation and sick time are not included in the total number of in-house lawyer hours.



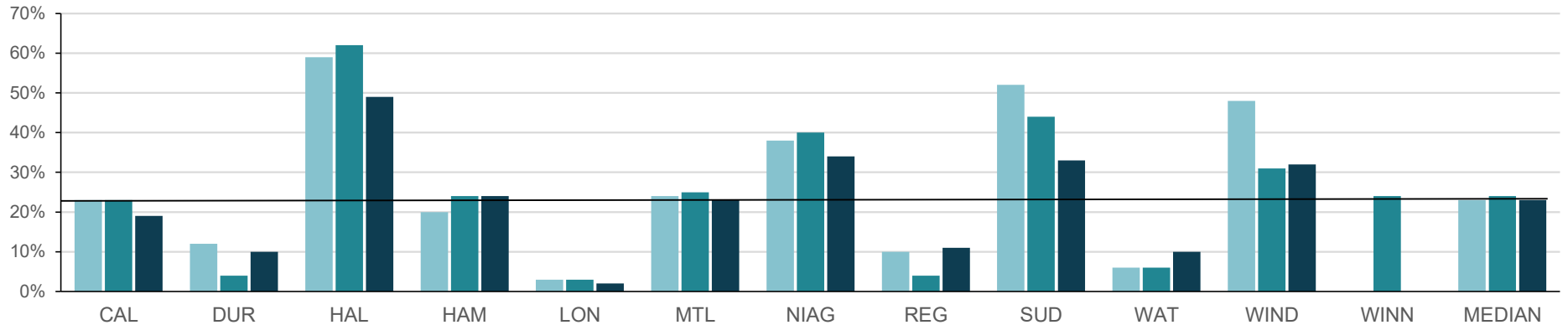
2018	\$174	\$197	\$207	\$144	\$194	\$125	\$178	\$154	\$159	\$179	\$125	\$149	\$112	\$151	\$157
2019	\$190	\$168	\$192	\$186	\$164	\$124	\$174	\$165	\$171	\$184	\$128	\$156	\$112	\$143	\$167
2020	\$186	\$157	\$167	\$185	\$164	\$134	\$228	\$170	\$169	\$166	\$132	\$142	\$180	\$151	\$167

Source: LEGL315 (Efficiency)

Legal

Figure 17.3 External Legal Cost per Total Municipal Legal Cost

The external costs include the total payment to external law firms for the purposes of providing legal services only. The calculation does not include payment for other services such as investigations, arbitrations, collective bargaining, etc.



	CAL	DUR	HAL	HAM	LON	MTL	NIAG	REG	SUD	WAT	WIND	WINN	MEDIAN
2018	23%	12%	59%	20%	3%	24%	38%	10%	52%	6%	48%	N/A	23%
2019	23%	4%	62%	24%	3%	25%	40%	4%	44%	6%	31%	24%	24%
2020	19%	10%	49%	24%	2%	23%	34%	11%	33%	10%	32%	N/A	23%

Source: LEGL330 (Efficiency)

Halton: Halton Region experienced a decrease in litigation hearings in 2020, compared to 2019, when the Region was involved in several lengthy and complex hearings.

Regina: Legal services are provided in-house. External legal counsel is only engaged on files that required specialized expertise.

Sudbury: Significant litigation matters requiring external counsel continued to decrease in 2020 resulting in a continued decrease in external legal fees as well as some matters being addressed and resolved in-house.

Toronto: Toronto's result is less than 1% and is excluded from the graph.

Winnipeg: 2019 was the first year the City reported on this measure. 2020 data was not available at the time of publication.

York: Data collection methodology under development for future reporting.