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## **2006 BUDGET BRIEFING NOTE – External Legal Service Costs**

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### **Issue/Background:**

At the January 5, 2006 Administration Committee meeting, staff were asked to provide additional information related to the External Legal costs for all City Programs including Agencies, Boards and Commissions and any overspending of the budgets.

### **Key Points:**

#### **Operating Budget and Expenditures**

The table on page 2 provides a breakdown of the 2005 Operating Budget by Program and Agency, Board and Commission, compared to the 2005 actual expenditures. Please note, actual expenditures reflect preliminary year end results. The 2006 Proposed Operating Budget by ABCD is also provided.

#### **City Programs**

The 2005 budget for External Legal Services for City Programs was \$0.793 million. Actual expenditures totaled \$0.963 million, which is \$0.170 million over budget. The Human Resources Division had no separate budget for legal costs in 2005 and an expenditure of \$0.232 million. This was explained in the Briefing Note provided to Budget Advisory Committee and distributed on January 12, 2006. A copy of the previous Briefing Note is attached for your information. In addition, legal expenses were incurred in the Information and Technology Division for the MFP litigation.

#### **Agencies, Boards and Commissions**

The 2005 budget for External Legal Services for Agencies, Boards and Commissions totals \$1.505 million with 2005 total actual expenditures of \$1.676 million, resulting in an over expenditure of \$0.172 million.

#### **Non-Program**

Actual expenditures for External Legal Services totaled \$4.372 million in the Non-Program Expenditure Budget. In addition, other charges for experts and consultants for insurance claims defence in the amount of \$1.663 million were incurred, for a total of \$6.035 million. These costs are for insurance claims defence and are fully recoverable from the City's Insurance Reserve Fund, which itself is funded from contributions from program operating

budgets based on claims experience. These expenses are not budgeted, but are offset by the Insurance Reserve fund as required.

**Capital Budget Expenditures**

In addition to the above External Legal Costs, the following three programs incurred costs paid out of their 2005 Approved Capital Budgets:

Facilities and Real Estate: \$0.037 million  
 Parks and Recreation: \$0.255 million  
 City Planning \$0.250 million

**2005 - 2006 External Legal Services Operating Budget & 2005 Expenditures**

City Programs	External Legal Services			
	2005 Budget	2005 Actual	2005 Variance over/(under)	2006 Budget
Children's Services				
City Clerks		31.1	31.1	
CNS			0.0	
Council			0.0	
Facilities & Real Estate		88.2	88.2	
Office of the DCM and Chief Financial Officer	17.1	71.6	54.5	97.5
Office of the Treasurer	26.0	0.0	(26.0)	16.5
Affordable Housing	25.5		(25.5)	25.5
Shelter, Housing & Support			0.0	2.5
Human Resources		230.8	230.8	
Information & Technology		122.2	122.2	120.0
Legal	381.5	239.8	(141.7)	389.2
City Planning	145.8	28.5	(117.2)	145.7
Municipal Licensing & Standards	4.7		(4.7)	4.7
Solid Waste Management	99.0	124.3	25.3	50.9
Technical Services	2.0		(2.0)	2.0
Toronto Water		1.5	1.5	
Transportation			0.0	
Waterfront Secretariat	91.6	25.2	(66.4)	91.6
<b>Total</b>	<b>793.2</b>	<b>963.2</b>	<b>170.0</b>	<b>946.1</b>

Agencies, Boards and Commissions	External Legal Services			
	2005 Budget	2005 Actual	2005 Variance over/(under)	2006 Budget
Toronto Police Services	497.8	497.8	0.0	497.8
Toronto Transit Commission	557.7	658.4	100.7	563.7
Public Health	0.0	4.2	4.2	1.0
Toronto Public Library	0.0	133.7	133.7	0.0
Toronto Zoo	40.9	5.7	(35.2)	41.7
Arena Boards Management	0.0	8.0	8.0	0.0
Yonge Dundas Square	0.0	3.6	3.6	3.8
Toronto & Region Conservation Authority	290.0	285.0	(5.0)	290.0
Exhibition Place	29.0	6.4	(22.6)	20.0
Toronto Centre for the Arts	40.0	23.9	(16.1)	40.0
Hummingbird Centre	37.5	34.7	(2.8)	37.5
Toronto Atmospheric Fund	12.0	15.0	3.0	8.0
<b>Total</b>	<b>1,504.9</b>	<b>1,676.4</b>	<b>171.5</b>	<b>1,503.5</b>

Sub-total City Programs, ABCs excluding Non-Programs	2,298.1	2,639.6	341.5	2,449.6
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Non-Program Expenditures	External Legal Services			
	2005 Budget	2005 Actual	2005 Variance over/(under)	2006 Budget
Insurance Claims Defence		4,372.0	4,372.0	
<b>Total</b>	<b>0.0</b>	<b>4,372.0</b>	<b>4,372.0</b>	<b>0.0</b>

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**Date: January 18, 2006**