



## STAFF REPORT INFORMATION ONLY

### Toronto Police Services Board – Response to the City of Toronto Budget Committee Request for a Report on Internal and External Legal Costs

<b>Date:</b>	October 31, 2007
<b>To:</b>	Budget Committee, City of Toronto
<b>From:</b>	Alok Mukherjee, Chair, Toronto Police Services Board

#### SUMMARY

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The purpose of this report is to provide Budget Committee with the Toronto Police Services Board's response to the City of Toronto-Budget Committee's request for a report on internal and external legal costs.

#### Financial Impact

There are no financial implications in regard to the receipt of this report.

#### ISSUE BACKGROUND

At its meeting held on September 20, 2007, the Toronto Police Services Board was in receipt of a report, dated July 30, 2007, regarding the Toronto Police Services Board's response to the City of Toronto-Budget Committee's request for a report on internal and external legal costs.

#### COMMENTS

The Board approved the foregoing report and agreed to forward a copy to the City of Toronto Budget Committee for information.

A copy of Board Minute No. P310/07, in the form attached as Appendix "A", regarding this matter is provided for information.

#### CONTACT

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Toronto Police Services Board  
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## **SIGNATURE**

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Alok Mukherjee  
Chair, Toronto Police Services Board

## **ATTACHMENT**

Appendix A – Board Minute No. P310/07

A:city\_rprt\_07\_legal\_costs.doc

## APPENDIX "A"

### THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON SEPTEMBER 20, 2007

**#P310.        RESPONSE TO THE CITY OF TORONTO BUDGET COMMITTEE  
REQUEST FOR A REPORT ON INTERNAL AND EXTERNAL LEGAL  
COSTS**

The Board was in receipt of the following report July 30, 2007 from Alok Mukherjee, Chair:

Subject:        RESPONSE TO CITY OF TORONTO BUDGET COMMITTEE REQUEST  
FOR A REPORT: LEGAL COSTS

Recommendations:

It is recommended that:

- (1) the Board authorize the Chair to discuss setting a flat-rate chargeback with the City of Toronto, as has been the practice in the past; and
- (2) the Board forward a copy of this report to the City of Toronto Budget Committee.

Financial Implications:

There are no financial implications relating to the recommendation contained within this report. Should recommendation (1) be approved, there may be budgetary impacts in future years.

Background/Purpose:

At its April 2007 meeting, City Council approved the following Motion:

*In an effort to control the legal costs in the Toronto Police Services Board Operating Budget, it is recommended that the Chair of the Toronto Police Services Board report to the Budget Committee prior to the 2008 Budget process on the drivers associated with the increased legal costs, and any options which can be taken to minimize both internal and external legal costs.*

Discussion:

The following discussion responds to City Council's motion:

*Control of External Costs*

There is currently a contract in place for labour relations legal services. This is managed by the Service's Labour Relations Unit. The contract is tendered and the Board selects the successful

firm. Cost efficiency is a consideration in the selection process. The Manager of Labour Relations makes a determination as to whether an arbitration case can be handled by a more junior lawyer, i.e. with a lower hourly rate. If, during the course of the case, the Manager of Labour Relations sees an opportunity for a reasonable settlement to be made, the Manager will pursue this option; this means fewer days will be spent at a hearing. After the conclusion of a case, the Manager reviews the bill to ensure it is accurate and that the costs are appropriate to the work performed. The costs of each case are tracked and all of the information is summarized in an annual report.

### *Control of Internal Costs*

Currently, internal legal costs are presented as a chargeback from the City of Toronto Legal Division. The primary users of this service are the Board, Professional Standards and Finance and Administration. The City of Toronto Legal Division provides critical advice from a risk management perspective. Indeed, there have been a number of recent occasions when more extensive use of the City of Toronto Legal Division would have been beneficial.

The City of Toronto invoices on a quarterly basis; these invoices are reviewed by the various “client units” for accuracy.

Although we have only two years of experience with the current chargeback system based on docketing, there have been some difficulties with this process. Invoices for the services only come at year end and in some cases, later than this, making it difficult to track and review charges as well as to budget for the future. Invoicing is also labour-intensive for the City. As a result, I believe that it would be beneficial to return to a system of a flat-rate chargeback, as has existed in the past.

### Conclusion:

Therefore, I am recommending that:

- (1) the Board authorize the Chair to discuss setting a flat-rate chargeback with the City of Toronto, as has been the practice in the past; and
- (2) the Board forward a copy of this report to the City of Toronto Budget Committee.

**The Board approved the foregoing report.**