



## STAFF REPORT ACTION REQUIRED

### Request for Reimbursement of Legal Expenses Incurred by Councillor Giorgio Mammoliti in Relation to a Compliance Audit Application

<b>Date:</b>	August 21, 2008
<b>To:</b>	Executive Committee
<b>From:</b>	Acting City Solicitor
<b>Wards:</b>	all
<b>Reference Number:</b>	

#### **SUMMARY**

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City Council has invited members of Council who have incurred legal and related expenses as a result of compliance audits to submit an application for reimbursement of these expenses. City Council has also directed the City Solicitor to review the legal bills associated with the applications and report on the reasonableness of the expenses. This report relates to an application made by Councillor Mammoliti in a communication to Executive Committee at its meeting on June 26, 2008. The Executive Committee referred the communication to the City Solicitor for a report to the Executive Committee at its meeting of September 2, 2008. This report recommends a deferral to the October meeting of the Committee to ensure the appropriate review, as directed by the Committee.

#### **RECOMMENDATIONS**

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The Acting City Solicitor recommends that:

1. The matter of Councillor Mammoliti's request for reimbursement for legal and consultant's fees be deferred to the October meeting of the Executive Committee.
2. The City Solicitor report to the October meeting on the reasonableness of Councillor Mammoliti's legal expenses and, in respect of the reasonableness of consultant expenses, in consultation with the Deputy City Manager and Chief Financial Officer and that such report be considered for debate at that meeting.

## **FINANCIAL IMPACT**

There are no direct financial impacts of this report.

## **DECISION HISTORY**

At its meeting of May 26 and 27, 2008, City Council adopted a motion to invite Members of Council who incurred legal and related expenses as a result of campaign audits to submit applications for reimbursement to the Executive Committee for recommendations to Council. It also adopted a motion instructing the City Solicitor to review the legal bills associated with these applications and to report to the Executive Committee only on the reasonableness of the expenses.

The City Solicitor had previously reported with respect to the legal issues associated with reimbursement of compliance audit expenses. In a report, dated November 9, 2007, from the City Solicitor to City Council, the City Solicitor explained that courts have established that municipalities lack jurisdiction to reimburse councillors for legal expenses incurred outside of the office of councillor such as expenses incurred as a candidate for municipal council.

The City Solicitor's report can be found at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/bgrd/ex13.1e.pdf>.

At its meeting of June 26, 2008, the Executive Committee had before it a communication from Councillor Mammoliti attaching invoices for both legal and consultant expenses and requesting that the Executive Committee approve and pay the legal and consultant's fees once the City Solicitor has reviewed and deemed them to be reasonable. The Committee referred the communication to the City Solicitor for report to the Committee's meeting scheduled on September 2, 2008.

## **ISSUE BACKGROUND**

The application by Councillor Mammoliti covers both legal and consulting expenses which were incurred in relation to an application for a compliance audit of his election campaign finances. The Compliance Audit Committee rejected the application.

## **COMMENTS**

The communication from Councillor Mammoliti attaches only two invoices, one from the legal firm of Cassels Brock in the amount of \$36,593.87 and another from a real estate appraisal firm in the amount of \$17,346.00 including interest. In order for a review to be done, obviously more detailed documentation will need to be received.

Additional documentation will be requested of the councillor and, for consistency with similar matters, any review will be conducted personally by the City Solicitor who will

be returning from vacation after Labour Day. Consistency in approach and in direction as to the standard of reasonableness is required and will be maintained by handling the matter this way.

In addition, the matter of related expenses needs to be addressed. While the original Council decision regarding reimbursement contemplated that there may be expenses other than legal expenses, the Council direction to the City Solicitor appropriately refers only to the review of legal bills. The Executive Committee has referred both Councillor Mammoliti's legal and consulting expenses to the City Solicitor; however, the latter should be reviewed with staff familiar with appraisal services.

For the above reasons, it is recommended that the City Solicitor report to the Committee's October meeting.

## **CONTACT**

James Anderson, Director, Municipal Law, Legal Services, Tel: 416-392-8059  
Fax: 416-397-5624, [janders1@toronto.ca](mailto:janders1@toronto.ca)

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Albert Cohen  
Acting City Solicitor