

Toronto 2017 BUDGET



OPERATING BUDGET NOTES



Legal Services

2017 OPERATING BUDGET OVERVIEW

Legal Services provides the highest quality of legal services to the City of Toronto and functions as a strategic resource for Council, City Divisions and Agencies. Legal Services responds to the increasing demand by the City for legal services and promotes risk management and various mitigation strategies.

2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$56.930 million gross and \$22.391 million net as shown below:

(in \$000's)	2016 Budget	2017 Preliminary Budget	Change	
			\$	%
Gross Expenditures	50,921.1	56,930.2	6,009.1	11.8%
Revenues	30,587.2	34,539.0	3,951.9	12.9%
Net Expenditures	20,333.9	22,391.2	2,057.2	10.1%

Through increased cost recoveries of \$0.907 million from internal client programs and revenue increase of \$1.519 million comprised of inflationary increases in user fees and increased recovery of costs following completion of the development application fee review process, the Program is able to more than offset \$1.617 million in operating base budget pressures for salaries and benefits, reflecting a -4.0% net expenditure decrease from the 2016 Budget.

The increase of \$2.057 million is solely attributable to additional resources required for the implementation of the new Administrative Penalty System for parking violations.

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CONTACTS

Program:

Brian Haley

Interim City Solicitor

Tel: (416) 392-6757

Email: brian.haley@toronto.ca

Corporate:

Ritu Sadana

Manager, Financial Planning

Tel: (416) 395-6449

E-Mail: ritu.sadana@toronto.ca

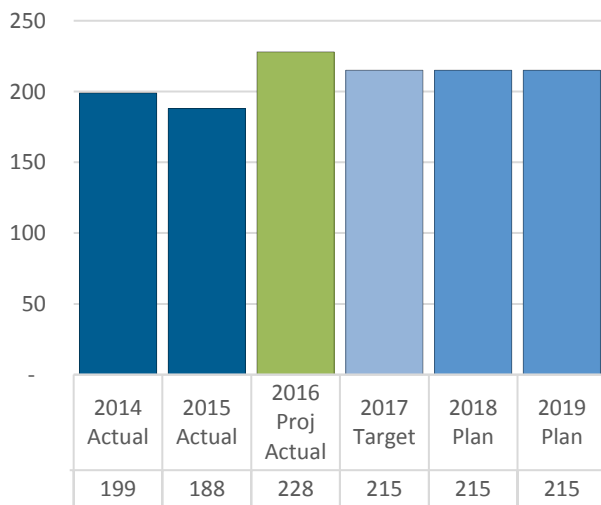
Fast Facts

- 87% of cases resolved after prosecutor action through early resolution
- Over 200 OMB hearings assigned and attended
- 98% of employment law matters referred to Legal Services are handled by in-house counsel
- Approximately 40,500 hours spent on drafting opinions/contracts/agreements
- Approximately 78,000 hours spent on reviewing contracts/agreements and other legal documents
- Represented the City at over 530 tribunal hearing dates as of October 2016.

Trends

- Approximately 20% of staff is eligible to retire over the next 5 years. As part of succession planning and a strategy to reduce salary and benefit costs, Legal Services continues to recruit junior lawyers, where feasible, to replace senior lawyers.
- Increasing complexity in Prosecution cases is resulting in increasing costs as cases require more investigation, court time, staff resources, and research materials.
- The number of OMB Hearings (excluding Liquor Licences Board Hearings) are expected to increase in 2016 and stabilize for 2017 and future years.

of OMB Hearings Heard

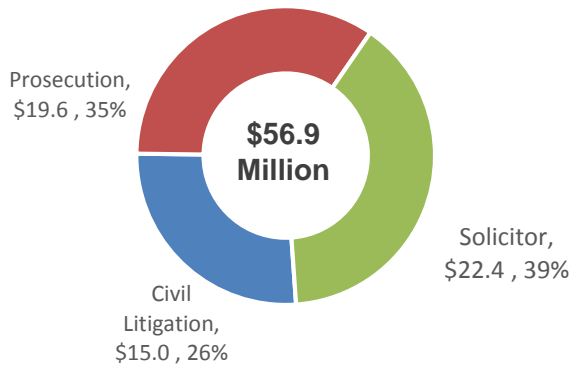


Key Service Deliverables for 2017

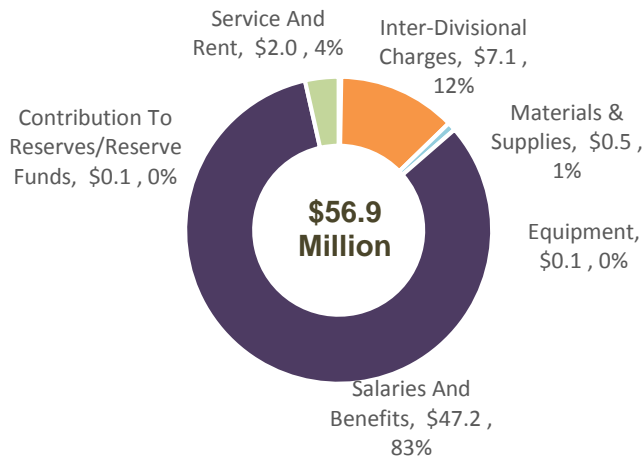
- Legal Services is responsible for the provision of legal services and the promotion of risk management and mitigation strategies to the City. The 2017 Preliminary Operating Budget will provide funding to:
 - Attend Committee/Community Councils and City Council meetings.
 - Continue working with Finance and Risk Management Division to increase claims work capacity.
 - Maximize court room trial time by rebalancing caseloads.
 - Continue successful implementation of the early resolution process.
 - Educate clients in the various practice areas to minimize City liabilities.
 - Educate clients in enforcement divisions in proper court process and procedures
 - Prosecute a wide range of City by-laws and Provincial statute violations, including:
 - Sewer pollution, tree destruction, parking offences, Fire Code and Building violations and zoning.
 - Inspector training and agreement negotiations relating to provincial offences.
 - Represent and defend the City at all levels of courts and tribunals which include the Ontario Municipal Board, the Alcohol and Gaming Commission, the Labour Relations Board, the Human Rights Tribunal, the Workplace Safety and the Insurance Appeals Tribunal.
 - Implement the new Administrative Penalty System, allowing for faster resolution of parking tag offences.

Where the money goes:

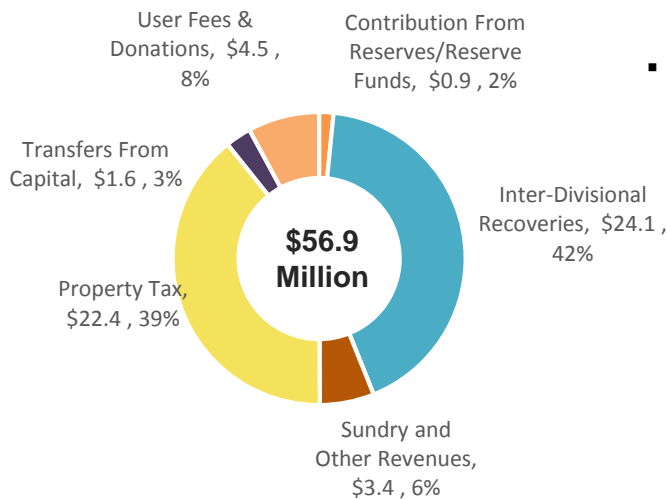
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Opportunities for savings or benefits to the City** through changes to Federal/Provincial Legislation
 - ✓ Continue to review relevant legislation to identify opportunities for cost savings as well as avenues for additional revenues to the City.
- **Manage increased service demands** due to increasing complexity and duration without any increases in resources
 - ✓ Continue to monitor and efficiently schedule staff resources.
 - ✓ Continue succession planning to maintain core body of knowledge and staffing.
 - ✓ The 2017 Preliminary Budget includes funding of \$2.867 million to implement the new Administrative Penalty System that will allow for faster resolutions of parking tag offences outside of the courtrooms.
 - ✓ Continue to educate clients in enforcement divisions in proper court processes and procedures.
- **Increasing numbers and complexity of Ontario Municipal Board hearings** is straining resources and resulting in delays in processing development agreements.

2017 Operating Budget Highlights

- The 2017 Preliminary Operating Budget of \$56.930 million in gross expenditures and \$22.391 million in net provides funding for three services: Civil Litigation, Prosecution and Solicitor.
- This represents an increase of 10.1% to the 2016 Approved Net Budget through measures taken based on the following:
 - Base budget pressures are primarily due to salary and benefit increases which were more than offset by revenue increases.
 - The increase over the 2016 Approved Operating budget can be entirely attributed to the implementation of new Administrative Penalty System
 - Staff complement increase of 41.5 from 2016 to 2017.

Actions for Consideration

Approval of the 2017 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2017 Preliminary Operating Budget for Legal Services of \$56.930 million gross, \$22.391 million net for the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Civil Litigation	14,983.0	7,759.2
Prosecution	19,579.4	5,141.9
Solicitor	<u>22,367.8</u>	<u>9,490.0</u>
Total Program Budget	<u>56,930.2</u>	<u>22,391.2</u>

2. City Council approve the 2017 service levels for Legal Services as outlined on pages 14, 16, and 18 of this report, and associated staff complement of 351.9 positions.



Part 1:

2017-2019 Service Overview and Plan

Program Map



Purpose:
 Responsible for the prosecution of a wide range of high profile offenses committed under City by-laws and Provincial statues and to field a variety of legal issues including constitutional and charter challenges.

Purpose:
 To provide legal representation to City of Toronto in the resolution of lawsuits, claims and Administrative hearings.

Purpose:
 To provide legal advice and to review/prepare contracts and related documentations



Service Customer

Prosecution

- Mayor & City Council
- City Divisions
- Agencies and Boards
- Municipal Bylaw Offender
- Provincial Statue Offender

Civil Litigation

- Mayor & City Council
- City Divisions
- Agencies and Boards

Solicitor

- Mayor & City Council
- City Divisions
- Agencies and Boards

Table 1
2017 Preliminary Operating Budget and Plan by Service

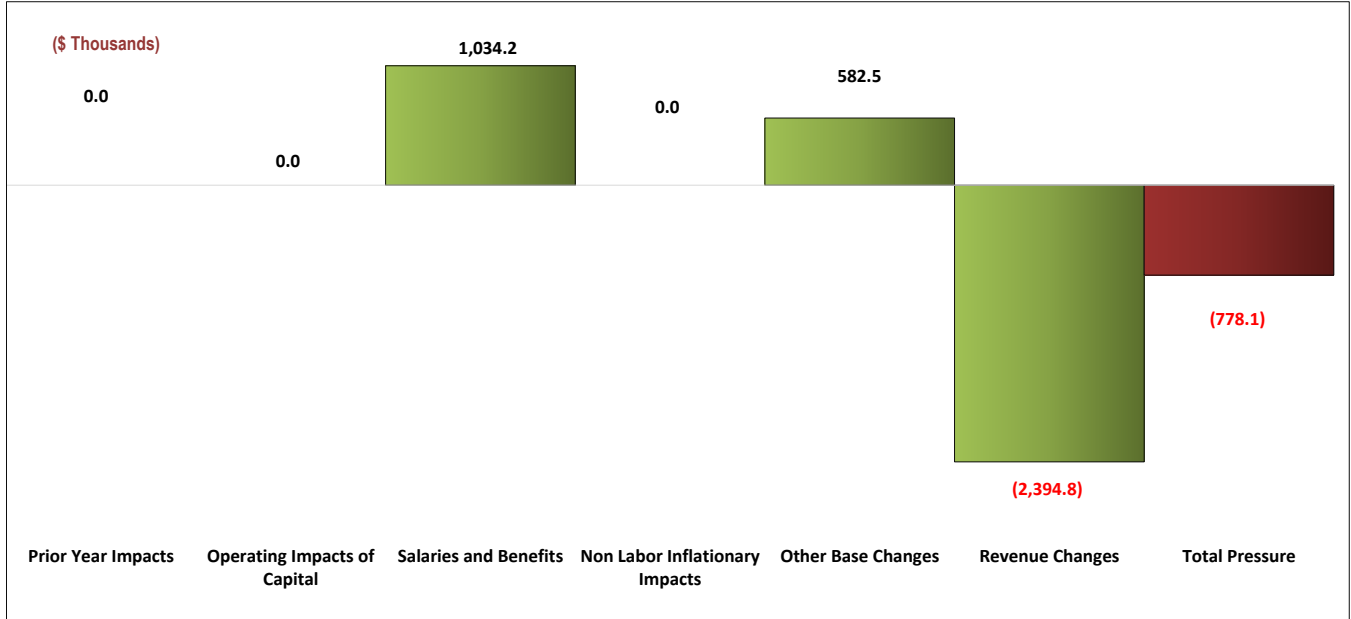
(In \$000s)	2016		2017 Preliminary Operating Budget			2017 Preliminary vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget	\$	%	2018 Plan	%	2019 Plan	%
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Civil Litigation											
Gross Expenditures	14,051.9	12,426.1	14,056.2	926.8	14,983.0	931.0	6.6%	640.2	4.3%	559.5	3.6%
Revenue	6,091.9	5,100.8	6,297.0	926.8	7,223.8	1,131.8	18.6%	24.5	0.3%	25.4	0.4%
Net Expenditures	7,960.0	7,325.3	7,759.2	(0.0)	7,759.2	(200.8)	(2.5%)	615.7	7.9%	534.1	6.4%
Prosecution											
Gross Expenditures	16,073.0	15,533.4	16,712.5	2,866.9	19,579.4	3,506.5	21.8%	(9.0)	(0.0%)	168.2	0.9%
Revenue	13,842.7	7,173.4	14,437.5	289.4	14,437.5	594.8	4.3%	(2,000.0)	(13.9%)	5.5	0.0%
Net Expenditures	2,230.3	8,359.9	2,275.0	2,866.9	5,141.9	2,911.7	130.6%	1,991.0	38.7%	168.2	2.4%
Solicitor											
Gross Expenditures	20,796.2	22,441.8	22,078.4	289.4	22,367.8	1,571.6	7.6%	485.8	2.2%	807.8	3.5%
Revenue	10,652.6	18,018.0	12,588.4	289.4	12,877.8	2,225.2	20.9%	(450.6)	(3.5%)	5.5	0.0%
Net Expenditures	10,143.7	4,423.8	9,490.0	(0.0)	9,490.0	(653.6)	(6.4%)	936.4	9.9%	802.3	7.7%
Total											
Gross Expenditures	50,921.1	50,401.3	52,847.2	4,083.1	56,930.2	6,009.1	11.8%	1,117.0	2.0%	1,535.5	2.6%
Revenue	30,587.2	30,292.3	33,322.9	1,216.2	34,539.0	3,951.9	12.9%	(2,426.2)	(7.0%)	30.9	0.1%
Total Net Expenditures	20,333.9	20,109.0	19,524.3	2,866.9	22,391.2	2,057.2	10.1%	3,543.2	15.8%	1,504.6	5.8%
Approved Positions	310.4	300.4	313.4	38.5	351.9	41.5	13.4%	340.9	96.9%	340.9	49.2%

The Legal Services' 2017 Preliminary Operating Budget is \$56.930 million gross and \$22.391 million net, representing a 10.1% increase to the 2016 Approved Net Operating Budget and is \$2.586 million, or 12.7% away from the reduction target as set out in the 2017 Operating Budget Directions approved by Council.

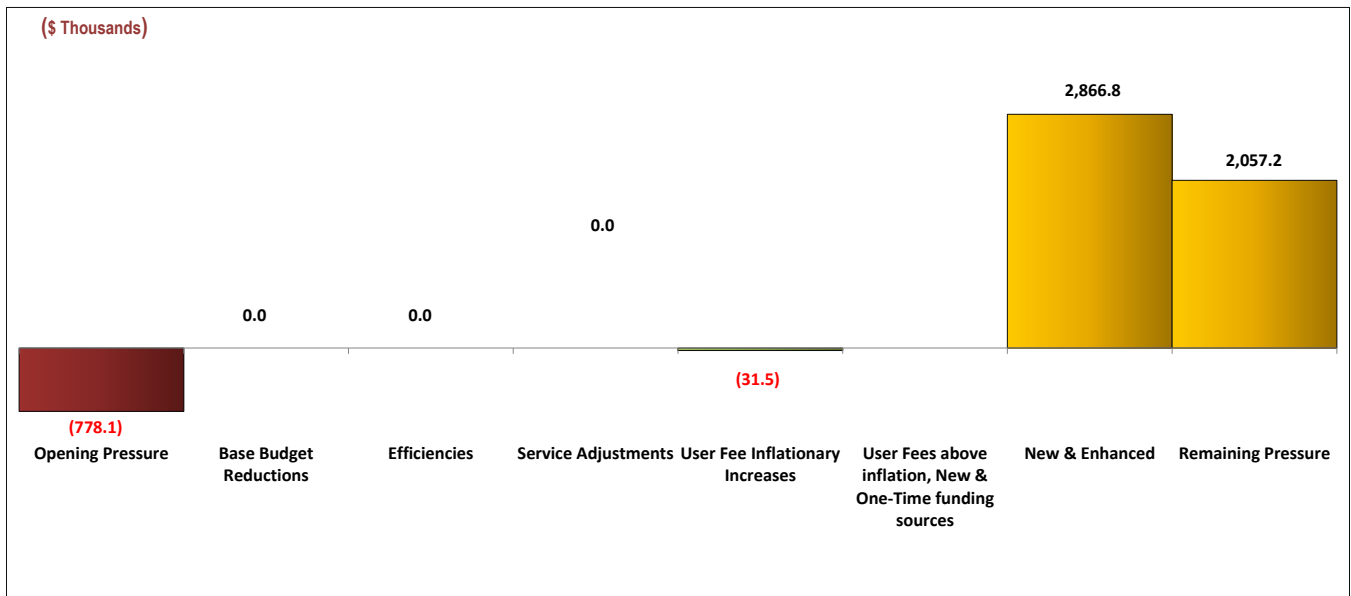
- Base pressures are mainly due to known salary and benefit adjustments such as Cost of Living Allowance (COLA), step increases for union staff and progression pay for non-union staff as Legal Services' budget is primarily salary based.
- To help mitigate the above pressures, the Program was able to increase cost recoveries from internal client Programs including one-time recovery to address the backlog for parking violations from Court Services, and development application fee increases.
- The increase over the 2016 Approved Operating Budget is entirely attributable to funding for the Council-approved Administrative Penalty System (APS), which will require new funding of \$2.867 million, as well as 30.5 new permanent positions to provide legal support for the new APS system, 4 new permanent positions for faster processing of development applications and 4 permanent positions to process insurance claims, for a total of 38.5 permanent positions. These costs will be partially recovered from client programs through the Insurance Reserve Fund and increased fees from development applications.
- Excluding this new service funding, the 2017 Preliminary Operating Base Budget for Legal Services is \$19.524 million net, which is 4% below the 2016 Approved Budget.
- The 2018 and 2019 Plan increases are attributable to known salary and benefits increases and the elimination of positions for the Provincial Offences Act (POA) parking system that will be no longer required after the 2017 transition year of APS implementation.

The following graphs summarize the operating budget pressures for this Program and the measures/actions taken to offset these pressures and meet the budget target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target



**Table 2
Key Cost Drivers**

(In \$000s)	2017 Base Operating Budget						Total	
	Civil Litigation		Prosecution		Solicitor			
	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes								
Prior Year Impacts								
Completion of the City-wide Real Estate Review							(2.0)	(2.0)
Salaries and Benefits								
COLA, Progression Pay, STEP and Benefits	(16.4)	(2.7)	349.8	1.8	700.8	0.9	1,034.2	(0.0)
Other Base Changes								
Realignment of Expenditure Account based on Actual	(5.8)		7.3		(1.5)			
Increase/(Decrease) in IDC	26.5		56.1		273.5		356.1	
Positions Transfer from Revenue Services for APS			226.4	5.0			226.4	5.0
Total Gross Expenditure Changes	4.3	(2.7)	639.6	6.8	972.8	(1.1)	1,616.7	3.0
Revenue Changes								
Increase/(Decrease) in IDR	205.1		594.8		107.4		907.3	
Fee Increase from Development Application Fee Review					1,487.5		1,487.5	
Total Revenue Changes	205.1		594.8		1,594.9		2,394.8	
Net Expenditure Changes	(200.8)	(2.7)	44.8	6.8	(622.1)	(1.1)	(778.1)	3.0

Key cost drivers for Legal Services are discussed below:

- **Prior Year Impacts:**
 - The completion of the City-wide Real Estate Review in May 2017 will result in a deletion of 2.0 temporary Policy & Planning Advisor positions. These positions are currently funded from Innovation Reserve Fund.
- **Salaries and Benefits**
 - The inflationary increase in salaries and benefits including cost of living allowance (COLA), progression pay, step increases and associated benefits, common across all services, will add a pressure of \$1.034 million.
- **Other Base Changes:**
 - Increase in inter divisional charges of \$0.356 million is mainly attributed to the increase cost for POA Court Security from the Toronto Police.
 - Implementation of the APS program will require a transfer of 5 permanent positions from Revenue Services to Legal Services to manage and administer the dispute review process at the Screening Offices under the new APS program.
- **Revenue Changes:**
 - Inter-divisional recoveries have been adjusted to reflect the current level of legal support being provided to the Programs. Legal Services will fully staff all Prosecutor positions to clear the backlog by the end of 2017 for parking tickets prior to moving to the fully functional APS model in 2018. A one-time recovery of \$0.500 million from Court Services is included in the 2017 Preliminary Operating Budget for Legal Services to complete the work.
 - Fee increases resulting from the Development Application Fee Review will generate \$1.488 million in additional revenues.

In order to achieve the budget reduction target, the 2017 service changes for Legal Services consists of base revenue changes of \$0.032 million net.

**Table 3
Actions to Achieve Budget Reduction Target
2017 Preliminary Service Change Summary**

Description (\$000s)	Service Changes						Total Service Changes			Incremental Change			
	Civil Litigation		Prosecution		Solicitor		\$	\$	#	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:													
Base Revenue Changes													
Inflationary Increase on Existing Fees								(31.5)					
Base Revenue Change								(31.5)					
Total Changes								(31.5)					

Base Revenue Changes (Savings of \$0.032 million net)

- As per the City's User Fee By-Law, Legal Services has increased the existing user fees by the inflationary factor which will result in an increase of \$0.032 million in revenues. Please see Appendix 7 for a detailed listing of inflation-driven increases in user fees for reference purposes.

Table 4
2017 Preliminary New & Enhanced Service Priorities

Description (\$000s)	New/Enhanced						Total			Incremental Change			
	Civil Litigation		Prosecution		Solicitor		\$		Position	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities													
Increase Internal Claim Support	768.2						768.2		4.0				
4 Positions for Processing Development Applications	158.6				289.4		448.0		4.0	176.4			
Sub-Total	926.8				289.4		1,216.2		8.0	176.4			
New Service Priorities													
Implementation of Administrative Penalty System (APS)			2,866.9	2,866.9			2,866.9	2,866.9	30.5	(431.6)	(9.0)	(86.4)	
Sub-Total			2,866.9	2,866.9			2,866.9	2,866.9	30.5	(431.6)	(9.0)	(86.4)	
Total	926.8		2,866.9	2,866.9	289.4		4,083.1	2,866.9	38.5	(255.2)	(9.0)	(86.4)	

Enhanced Service Priorities (\$1.216 million gross & \$0 million net)

- Additional Positions Required as per the Development Application Fee Review
 - The report entitled "*Development Application Review Fee Update (EX18.14)*" which summarized the findings provided by Watson and Associates Economists Ltd., was presented to the Executive Committee at its meeting on October 26, 2016, and will be considered by Council on December 13. The report recommended that City divisions involved in development review services receive an allocation based on their level of effort involved in processing Planning applications.
 - As a result, 4 permanent full time positions (3 Solicitors and 1 Legal Assistant) effective April 2017 will be added to process development applications. The costs for these positions will be offset by the increase in revenue from the development application fees with \$0.448 million required in 2017 and an annualized cost of \$0.176 million in 2018.
- Increase Legal Insurance Claims Support
 - In order to be more cost efficient, the Civil Litigation Service is increasing its complement by 4 permanent full time positions (3 Solicitors and 1 Law Clerk) for insurance claims related work, which will be fully funded by the Insurance Reserve Fund. The purpose is to reduce the outsourcing as it is more economical to do the work in-house than retain a private law firm to do the work.

New Service Priorities (\$2.867 million gross & \$2.867 million net)

- Implementation of the Administrative Penalty System (APS)
 - On July 12, 2016 City Council adopted a report called "Administrative Penalty System for Parking Violations" to establish an administrative penalty and dispute resolution process for parking violations.
 - The Administrative Penalty System (APS) program that Council has approved, will commence on May 15th, 2017 will divert parking disputes from the provincial court system to a City operated administrative review process. This will free up limited court time for more serious matters, allow parking violation disputes to be heard and resolved within 120 days (and ideally within 60 days) compared to an average of 18 months under a court-based system. The program will also improve the customer experience by providing increased avenues for resolution, providing the City with more flexibility in serving a penalty notice and by closing loopholes that contribute to the non-payment of parking tickets.
 - The new APS system will require additional 30.5 permanent positions for Legal Services which include: Manager Prosecution (1 position), Supervisor (2 positions), Support Assistant B (9 Positions), Prosecutor (18 positions), and Records' Clerk (0.5 position). The additional positions will result in a pressure of \$2.867 million.
 - Legal Services will realize savings of \$1.500 million and 9 positions in 2018 as a result of the end of the current parking court-based system. The savings are partially offset by the annualization costs for the new positions added in 2017 and the 5 positions that were transferred from Revenue Services.

➤ A more detailed discussion on APS system is presented in the Issue Section on page 22.

Approval of the 2017 Preliminary Operating Budget for Legal Services will result in a 2018 incremental net cost of \$3.543 million and a 2019 incremental net cost of \$1.505 million to maintain the 2017 service levels, as discussed in the following section.

**Table 5
2018 and 2019 Plan by Program**

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
Prior Year Impact										
Completion of the Rail Deck Park Preliminary Implementation Project	(25.0)	(25.0)			(2.0)					
Annualized Impact for the Internal Claim Support Positions	24.5	24.5				25.4	25.4			
Annualized Impact for Positions Transferred from Revenue Services	165.5		165.5	0.7%		18.6		18.6	0.1%	
Annualized Impact for Positions Added as per the Development Application Fee Review	176.4		176.4	0.8%		25.6		25.6	0.1%	
Annualized Impact of APS System Establishment	1,068.4		1,068.4	4.8%						
Elimination of POA Positions No Longer Required	(1,500.0)	(1,500.0)			(9.0)					
Salaries and Benefits										
COLA, Progression Pay, STEP, Benefits and Adjustments	1,646.1		1,646.1	7.4%		1,465.9		1,465.9	5.7%	
Other Base Changes										
Increase/(Decrease) In IDR		(486.7)	486.7	2.2%			5.5	(5.5)	(0.0%)	
Total Incremental Impact	1,555.9	(1,987.3)	3,543.2	15.8%	(11.0)	1,535.5	30.9	1,504.6	5.8%	

Future year incremental costs are primarily attributable to the following:

Known Impacts:

Prior Year Impact

- Elimination of 2 temporary positions due to anticipated completion of the Rail Deck Park Preliminary Implementation Project. No financial impact as the positions are currently funded from the capital project.
- Annualized impacts for positions added for the internal claim support will generate costs of \$0.025 million for 2018 & 2019. However, these costs will be fully funded by the Insurance Reserve, which will result in a net zero impact for Legal Services.
- Annualized impact for the 5 positions transferred from Revenue Services for the APS system, it will result in a pressure of \$0.166 million in 2018 and \$0.019 million in 2019.
- Annualized impact of adding 30.5 permanent positions for APS results in \$1.068 million pressure in 2018.
- Elimination of the POA parking system will result in savings of \$1.500 million and a reduction of 9 positions after the full implementation of APS system in 2018. The savings will be offset by the lower recovery from Court Services, which will result in a net zero impact for Legal Services.

Salaries and Benefits

- Salaries and Benefits increases contribute to a pressure of \$1.646 million in 2018 and \$1.466 million in 2019.

Other Base Changes

- Reversal of the one-time recovery from Court Services for the 5 prosecutors to clear the backlog for parking tickets prior moving to the APS system, as a result, the IDR with Court Services will decrease by \$0.500 million.



Part 2:

2017 Preliminary Operating Budget by Service

Civil Litigation



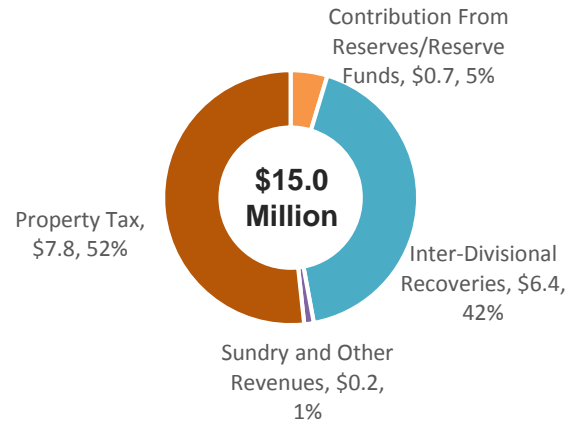
What We Do

- Provide legal representation to the City of Toronto in the resolution of lawsuits, claims and Administrative hearings.

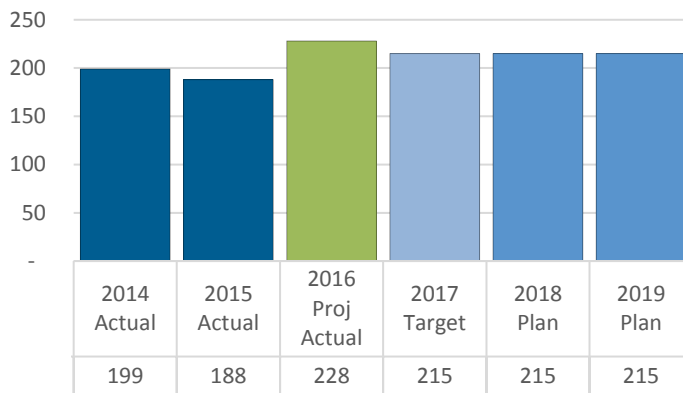
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



of OMB Hearings Heard



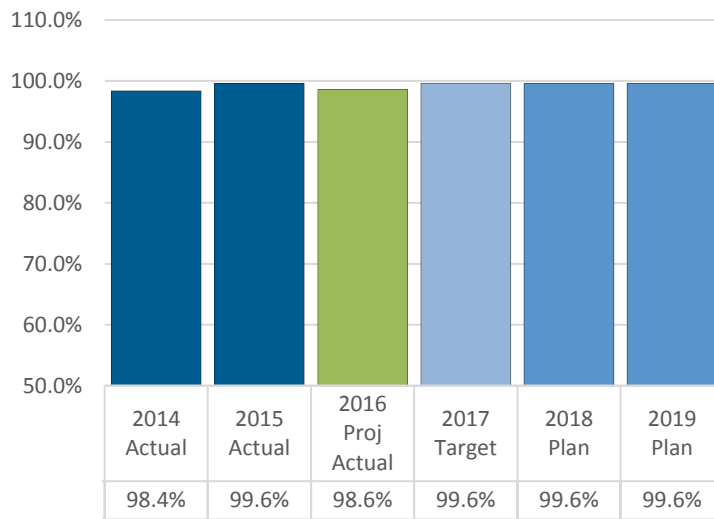
- Legal Services is required to attend the OMB Hearings to represent the City of Toronto and to provide resolution for lawsuits, claims and Administrative hearings.
- The numbers presented here exclude the Liquor Licences Board Hearings.
- The number of OMB Hearings are expected to increase in 2016 and stabilize

2017 Service Levels Civil Litigation

Activity	Type	Status	2014	2015	2016	2017
	Legal Counsel for the City contacts Union Legal Counsel in relation to grievance matters referred to arbitration	Approved	N/A	N/A	N/A	within 30 days

For the 2016 Approved Operating Budget, service levels for Legal Services were not finalized; therefore, no service levels were approved. The 2017 Service levels have been completed and are recommended.

% of Employment Law Matters Referred to Legal Services that are Handled by In-house Counsel



- Legal Counsel for the City contacts Union Legal Counsel in relation to grievance matters referred to arbitration. It is more cost efficient to use in-house Legal Counsel to handle these type of matters.
- The number of employment law matters that are handled by in-house counsel are expected to remain in the 99th percentile in 2017, and expected to stabilize for future years.

Table 6
2017 Preliminary Service Budget by Activity

(\$000s)	2017 Preliminary Operating Budget										Incremental Change				
	2016 Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Civil Litigation	14,051.9	14,056.2		14,056.2	4.3	0.0%	926.8	14,983.0	931.0	6.6%	640.2	4.3%	559.5	3.6%	
Total Gross Exp.	14,051.9	14,056.2		14,056.2	4.3	0.0%	926.8	14,983.0	931.0	6.6%	640.2	4.3%	559.5	3.5%	
REVENUE															
Civil Litigation	6,091.9	6,297.0		6,297.0	205.1	3.4%	926.8	7,223.8	1,131.8	18.6%	24.5	0.3%	25.4	0.4%	
Total Revenues	6,091.9	6,297.0		6,297.0	205.1	3.4%	926.8	7,223.8	1,131.8	18.6%	24.5		25.4	0.3%	
NET EXP.															
Civil Litigation	7,960.0	7,759.2		7,759.2	(200.8)	(2.5%)	(0.0)	7,759.2	(200.8)	(2.5%)	615.7	7.9%	534.1	6.4%	
Total Net Exp.	7,960.0	7,759.2		7,759.2	(200.8)	(2.5%)	(0.0)	7,759.2	(200.8)	(2.5%)	615.7	7.9%	534.1	6.0%	
Approved Positions	91.5	88.8		88.8	(2.7)	(2.9%)	5.5	94.3	2.8	3.1%		0.0%			

The *Civil Litigation Service* provides legal representation to the City of Toronto in the resolution of lawsuits, claims Administrative hearings.

- The Civil Litigation's 2017 Preliminary Operating Budget of \$14.983 million gross and \$7.759 million net is \$0.201 million or 2.5% under the 2016 Approved Net Budget.
- The base budget reduction in this service were achieved through increased inter-divisional recoveries.
- This service includes funding for new permanent 5.5 full time positions, of which, 1.5 positions are required to augment processing of development applications, which will be fully funded from the increased development application revenues; and 4 permanent positions to increase support for internal claims, which will be fully funded from the Insurance Reserve.

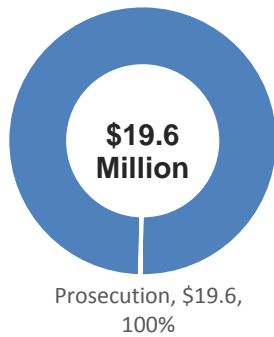
Prosecution



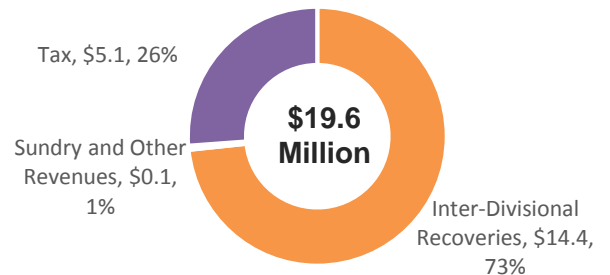
What We Do

- Provide prosecution of a wide range of high profile offences committed under City by-laws and Provincial statutes. The Prosecutions team fields a variety of legal issues including constitutional and Charter challenges.

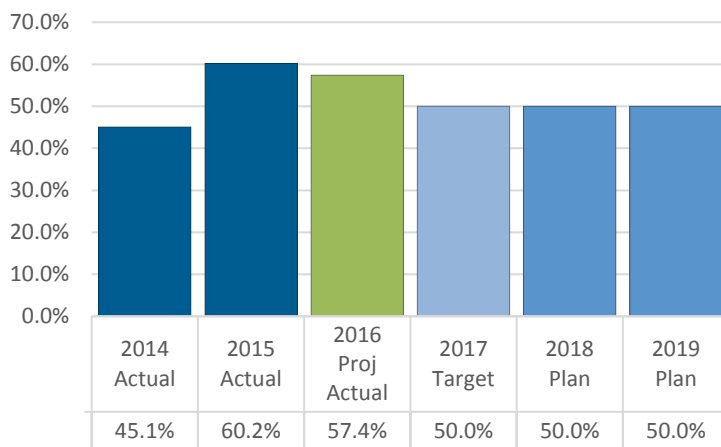
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



% of Parking Ticket Charges with Fines Imposed after Prosecution



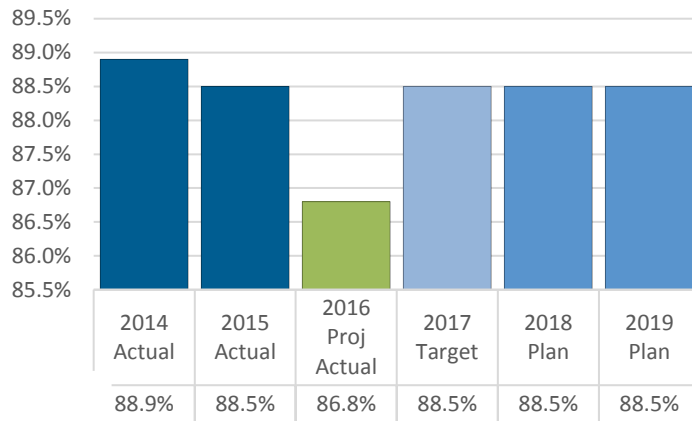
- Legal Services is responsible to prosecute parking ticket disputes in court.
- The percentage of parking ticket charges with fines imposed after prosecution is expected to decline to 50%.
- The new Administrative Penalty System will replace the current court-based POA system for parking disputes resolution, which may require modification to the 2017 and future year targets.

2017 Service Levels Prosecution

Activity	Type	Status	2014	2015	2016	2017
Respond to written public complaints		Approved	N/A	N/A	N/A	80% of complaints responded within 30 days

For the 2016 Approved Operating Budget, service levels for Legal Services were not finalized; therefore, no service levels were approved. The 2017 Service levels have been completed and are recommended.

% of Cases Resolved after Prosecutor Action Through Early Resolution



- Legal Services provides early resolution through prosecutor action to reduce the number of cases going to court.
- The percentage of cases resolved after prosecutor action through early resolution process are expected to remain around 88.5% in 2017 and beyond.

Table 7
2017 Preliminary Service Budget by Activity

(\$000s)	2016		2017 Preliminary Operating Budget							Incremental Change				
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget		New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan	
					\$	%			\$	%	\$	%	\$	%
GROSS EXP.														
Prosecution	16,073.0	16,712.5		16,712.5	639.6	4.0%	2,866.9	19,579.4	3,506.5	21.8%	(9.4)	0.0%	168.2	0.9%
Total Gross Exp.	16,073.0	16,712.5		16,712.5	639.6	4.0%	2,866.9	19,579.4	3,506.5	21.8%	(9.4)	0.0%	168.2	0.9%
REVENUE														
Prosecution	13,842.7	14,437.5		14,437.5	594.8	4.3%		14,437.5	594.8	4.3%	(2,000.0)	-13.9%		
Total Revenues	13,842.7	14,437.5		14,437.5	594.8	4.3%		14,437.5	594.8	4.3%	(2,000.0)			
NET EXP.														
Prosecution	2,230.3	2,275.0		2,275.0	44.8	2.0%	2,866.9	5,141.9	2,911.7	130.6%	1,990.6	38.7%	168.2	2.4%
Total Net Exp.	2,230.3	2,275.0		2,275.0	44.8	2.0%	2,866.9	5,141.9	2,911.7	130.6%	1,990.6	38.7%	168.2	2.3%
Approved Positions	80.0	86.8		86.8	6.8	8.5%	30.5	117.3	37.3	46.7%	(9.0)	-7.7%		

The *Prosecution* Service provides prosecution of a wide range of high profile offences committed under City by-laws and Provincial statutes. The Prosecutions team fields a variety of legal issues including constitutional and Charter challenges.

- The Prosecution Service's 2017 Preliminary Operating Budget of \$19.579 million gross and \$5.142 million net is \$2.912 million or 131% over the 2016 Approved Net Budget.
- The base budget pressures in this service of \$0.045 million are due to inflationary salary and benefit increases partially offset by inter-divisional recoveries.
- New funding of \$2.867 million gross and net is included in the 2017 Preliminary Operating Budget for establishing an administrative penalty and dispute resolution process for parking violations, which will increase the staff complement by 30.5.

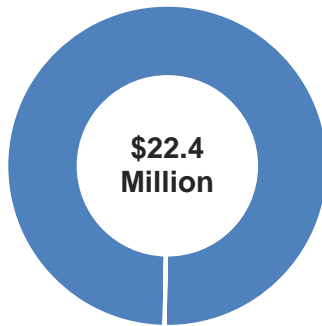
Solicitor



What We Do

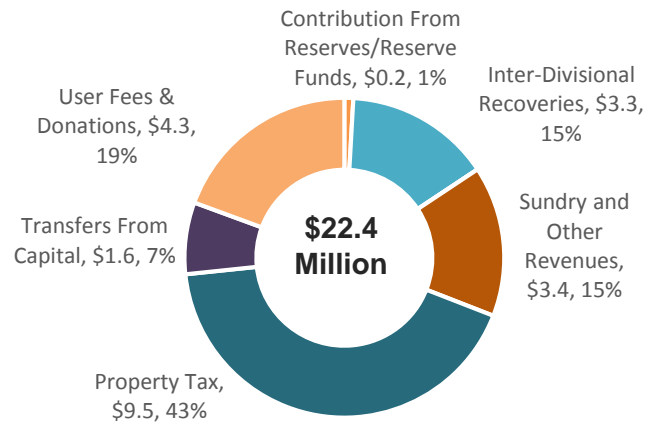
- Provide legal advice and the review/preparation contracts and related documents.

2017 Service Budget by Activity (\$Ms)

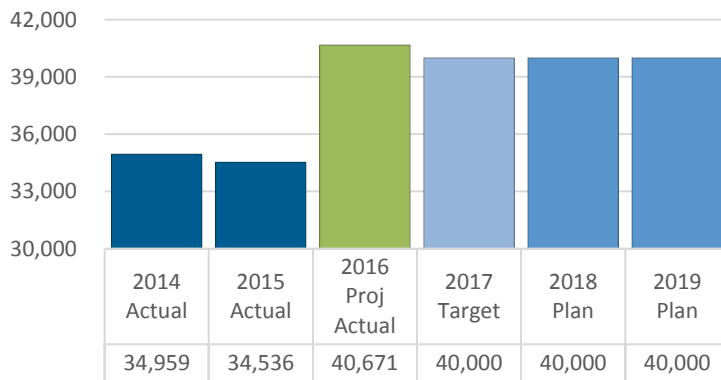


Solicitor, \$22.4, 100%

Service by Funding Source (\$Ms)



of Hours Spent on Drafting Opinions/Contracts/Agreements



- Legal Services is responsible for drafting City contracts and agreements.
- The number of hours spent on drafting opinions, contracts & agreements are expected to remain around 40,000 per year in future years.

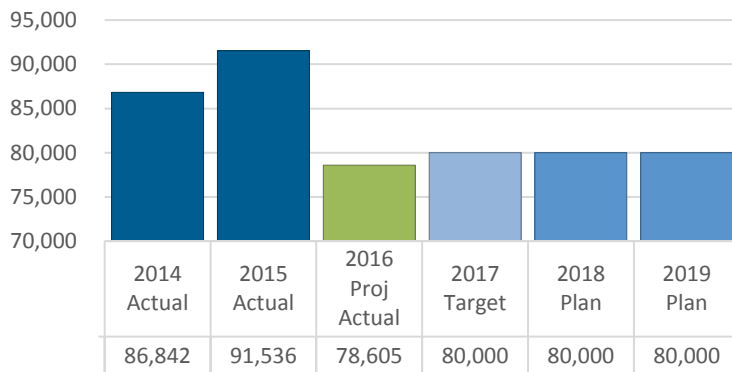
2017 Service Levels

Solicitor

Activity	Type	Status	2014	2015	2016	2017
Sign off on property requisitions within 7 days of receipts		Approved	N/A	N/A	N/A	90%
Close real estate transactions on contracted dates, except due to 3rd party responsibility.		Approved	N/A	N/A	N/A	90%
Standard Site Plan Agreements will be registered on title within 8 weeks of receipt		Approved	N/A	N/A	N/A	90%

For the 2016 Approved Operating Budget, service levels for Legal Services were not finalized; therefore, no service levels were approved. The 2017 Service levels have been completed and are recommended.

of Hours Spent on Reviewing Contracts/Agreements and Other Legal Documents



- Legal Services is responsible drafting reviewing, providing legal opinions and signing off on City contracts and agreements.
- The number of hours spent on reviewing contracts and agreements are expected to remain around 80,000 per year.

Table 8
2017 Preliminary Service Budget by Activity

(\$000s)	2016		2017 Preliminary Operating Budget							Incremental Change				
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan	
									\$	%	\$	%	\$	%
GROSS EXP.														
Solicitor	20,796.2	22,078.4		22,078.4	1,282.2	6.2%	289.4	22,367.8	1,571.6	7.6%	485.8	2.2%	807.8	3.5%
Total Gross Exp.	20,796.2	22,078.4		22,078.4	1,282.2	6.2%	289.4	22,367.8	1,571.6	7.6%	485.8	2.2%	807.8	3.4%
REVENUE														
Solicitor	10,652.6	12,588.4		12,588.4	1,935.8	18.2%	289.4	12,877.8	2,225.2	20.9%	(450.6)	-3.5%	5.5	0.0%
Total Revenues	10,652.6	12,588.4		12,588.4	1,935.8	18.2%	289.4	12,877.8	2,225.2	20.9%	(450.6)		5.5	0.0%
NET EXP.														
Solicitor	10,143.7	9,490.0		9,490.0	(653.6)	(6.4%)	(0.0)	9,490.0	(653.6)	(6.4%)	936.4	9.9%	802.3	7.7%
Total Net Exp.	10,143.7	9,490.0		9,490.0	(653.6)	(6.4%)	(0.0)	9,490.0	(653.6)	(6.4%)	936.4	9.9%	802.3	7.1%
Approved Positions	139.0	137.9		137.9	(1.1)	0.6%	2.5	140.4	1.4	2.5%	(0.6)	0.0%		

The *Solicitor Service* provides legal advice and the review/preparation of contracts and related documents.

The Solicitor's 2017 Preliminary Operating Budget of \$22.368 million gross and \$9.490 million net is \$0.654 million or 6.4% under the 2016 Approved Net Budget.

- The base budget reductions in this service were achieved through increased development application fee revenues as well as inter-divisional recoveries.
- This service includes funding for new permanent 2.5 positions to augment processing of development applications, fully funded from the increased development application revenues.



Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target

- At its meeting on July 12, 2016, the "2017 Budget Process: Budget Directions and Schedule" staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the establishment of the 2017 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2017 Operating Budget and 2017-2026 Capital Budget and Plan for the City of Toronto. (<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf>)
- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including but not limited to controlling expenditures through cost saving measures, and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery.
- The Legal Services' 2017 Preliminary Operating Base Budget is \$52.847 million gross and \$19.524 million net, representing \$0.810 million or 4.0% decrease from the 2016 Approved Net Operating Budget.
- Legal Services was able to more than offset \$1.617 million in operating base budget pressures arising mainly from increases for staff salaries and benefits through increased cost recoveries from internal client programs of \$0.907 million and additional revenue of \$1.519 million comprised of inflationary increases in user fees and increased recovery of costs following completion of the development application fee review process achieving a -4 % reduction for the 2016 Approved Budget.
- The net increase of \$2.057 million can be entirely attributed to the new service priority, implementation of the APS system in May 2017 to provide greater access to dispute resolution outside of the courtrooms requiring an additional \$2.867 million and 30.5 positions.

Funds for New Enhanced Service Priorities Included in the 2017 Budget

Development Application Review Fee Update

- In accordance with the City's User Fee Policy, Planning application fees must be reviewed and updated every four years. The review is intended to re-evaluate the assumptions upon which the user fee is based, and consider the degree to which the User Fee Policy is complied with. The Planning application fees are reviewed annually through the budget process to adjust for inflationary changes and capture changes in service delivery.
- The City retained Watson and Associates Economists Ltd. in 2011 to develop a fee model for the development review process to establish Planning application fees for the City to move to full cost recovery. Watson and Associates Economists Ltd. were retained again in 2015 to conduct the four year comprehensive review of the Planning application fees and to update the fee model in accordance with the City's User Fee Policy.
- A staff report entitled "*Development Application Review Fee Update (EX18.14)*" summarized the findings provided by Watson and Associates Economists Ltd. and was presented to the Executive Committee at its meeting on October 26, 2016. This report outlined the process undertaken in the Development Application fee review together with a summary of the results and provided recommendations on new Planning application fees to ensure that the City's costs to provide development review service are recovered.

- The report indicated that the annual processing costs for development review are currently being under-recovered (28% or approximately \$14 million annually) and the Planning Application Fees need to be increased by 34%. Attached is the link to the staff report for details:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX18.14>.
- The 2017 Preliminary Operating Budget for Legal Services includes an additional revenue of \$1.935 million resulting from the Development Application Fees Review. The increased revenues will provide funding for 4 additional full time positions (3 Solicitor 2 and 1 Legal Assistant) for faster processing of the development application.

Administrative Penalty System

- The Administrative Penalty System (APS) approved by City Council on July 12, 2016 is planned to commence on May 15th, 2017, and will divert parking disputes from the provincial court system to a City operated administrative review process. This will free up limited court time for more serious matters, allowing parking violation disputes to be heard and resolved within 120 days (and ideally within 60 days) compared to an average of 18 months under a court-based system. The program will also improve the customer experience by providing increased avenues for resolution, provide the City with more flexibility in serving a penalty notice and by closing loopholes that contribute to the non-payment of parking tickets.
- The APS System will be implemented part way through the year, with 2017 being a transition year requiring both new APS and current POA parking systems working parallel. It is anticipated that the parking tickets issued on or before May 15, 2017 requiring provincial courts for resolution will be cleared by December 31, 2017. For this purpose, one-time funding of \$0.500 million for 5 additional prosecutors is included in this 2017 Preliminary Operating Budget for Legal Services, fully funded by Court Services.
- To begin transitioning to the new system, funding of \$2.867 million and 30.5 new permanent positions to manage and administer the dispute review process is included in the 2017 Operating Budget of Legal Services, which will result in an annualized impact of \$1.068 million in 2018 and \$0.138 million in 2019.
- In order to delineate the administration component of the new initiative from enforcement activities the incremental fee revenue from the APS system is included in the 2017 Non-Program Revenue Budget. For more information, please refer to the "Issues for Discussion" of the 2017 Preliminary Operating Budget Notes for Parking Tags Enforcement and Operation.

New/Enhanced Priorities Not Included in the 2017 Preliminary Operating Budget

New / Enhanced Service Description (\$000s)	2017 Impact				Incremental Change			
	Gross	Revenue	Net	Positions	2018 Plan		2019 Plan	
					Net	Positions	Net	Positions
Not Included								
Staff Initiated:								
Conveyancing Clerk to Support Fire Services	56.1	56.1	0.0	1.0	28.1		0.0	
Additional Solicitor to Support Fire Services	140.4	140.4	0.0	1.0	70.2		0.0	
Budge Analyst	70.1		70.1	1.0	27.8		4.7	
Total New / Enhanced Services (Not Included)	266.6	196.5	70.1	3.0	126.1		4.7	

- Conveyancing Clerk and Solicitor to Support Fire Services
 - In 2013, City Council, in response to the Fire Underwriters Survey (FUS) Report, approved hiring an additional 115 staff for the fire prevention bureau by the end of 2017. The increase in fire prevention staff has resulted in an increase in the number of fire safety inspections and a corresponding growth in the number of inspection orders, charges under the *Fire Protection and Prevention Act (FPPA)*, trials and appeals. The combination of the regulatory changes and rise in *Provincial Offences* charges requires a parallel increase in legal resources.
 - As well, the recent *Regulations* and *Fire Marshal Directives*, made pursuant to the *FPPA*, have increased the duties and responsibilities of all assistants to the Fire Marshals (all members of the fire prevention bureau) with respect to fire safety inspections and enforcement.
 - As a result, a *Conveying Clerk* and a *Solicitor* position are required to assist fire code enforcement to support the fire prevention bureau in addressing Fire Code violations and fire safety hazards within the authority of the *FPPA* and applicable regulations and Fire Marshal directives. The costs have been estimated to be \$0.196 million in 2017 and \$0.098 million in 2018, which will be fully recovered from Fire Services.
- Budget Analyst
 - A budget analyst position has been requested by Legal Services with an estimated costs to be \$0.070 in 2017 and \$0.028 million in 2018. Legal Services currently does not have a dedicated budget position. This new position will be responsible to provide meaningful variance reports, operational statistic measures and the preparation of the annual operating budget for the division.
- The 2017 Preliminary Operating Budget for Legal Services does not include funding for the above initiatives, however, they have been included for the Council's consideration as part of the list of New/Enhanced requests to be distributed for Budget Committee's consideration in the 2017 budget process.

Issues Referred to the 2017 Operating Budget Process

Opportunities for Savings or Benefits to the City through Changes to Federal/Provincial Legislation

- In 2015, a report titled "*Five-Year Review of the City of Toronto Act, 2006*", prepared by the City Manager, was presented to City Council identifying amendments required to the City of Toronto Act (CoTA) from the City's perspective. Some amendments have the potential to generate cost savings or generate additional revenues and some of the amendments enable the City to implement an authority that may have impacts on the operating budgets in future years. Please refer to the link for the report: <http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-83510.pdf>.
- During the 2016 Budget process, at its meeting on February 17, 2016, City Council directed the City Manager, in consultation with the City Solicitor and Executive Director of Financial Planning to report on Non-City of Toronto Act legislative changes that could realize savings and benefits to the City as identified by Legal Services in their Budget Briefing Note dated September 15, 2015.
- Legal Services is currently working with other City Divisions and Agencies to identify potential modification required to the Federal and Provincial legislations, and will report back on any operating savings or revenue opportunities through future year budget processes.

Ontario Municipal Board Hearing Costs for Legal Services

- Development related applications and hearings continue to increase in volume and complexity, thereby putting additional pressure on the resources of the Planning and Administrative Tribunal Law Practice Group. To date in 2016, approximately 33.4% of the Planning and Administrative Tribunal Law Practice Group's time was spent in attending at or preparing for Ontario Municipal Board Hearings.
- The average cost for Legal Services to attend an OMB Hearing is approximately \$15,352 per hearing or \$5,317 per day based on the 2016 data. These costs include staff salaries and benefits as well as overhead costs for Legal Services only without factoring in the costs of having a Planner or other professionals attend those hearings.
- From a customer service and efficiency perspective, the issue in the future will be how to reduce the number of OMB Hearings and spend more time on processing development applications with results satisfactory to City Council. The means by which to accomplish this will be addressed in a report recently requested by Planning and Growth Management Committee.
- At its meeting held on November 16, 2016 under Item PG16.1 – Development Application Review Fee Update, the Committee recommended that Council direct the Deputy City Manager, Cluster B, in consultation with the Chief Planner and Executive Director, City Planning and the City Solicitor to report to the Budget Committee through the 2017 budget process and concurrently to the Planning and Growth Management Committee at its January 11, 2017 meeting with an analysis on a Division by Division basis, of additional staffing resources required to meet each Division's Key Performance Indicators, Planning Act timelines and current and anticipated application volumes, and that the report include options that may be required to cover the cost of any additional staff resources to meet those timelines, volumes and Key Performance Indicators including potential impact on the tax base and the Development Application Review Fees.
- 2017 Budget has funding for 4 additional positions to review development applications.

Rail Deck Park – Proposed Work Plan

- City Council, at its meeting of October 5, 6 and 7, 2016 adopted the report EX17.1 "*Rail Deck Park - Work Plan for Official Plan Amendments and an Implementation Strategy*" to initiate planning for a new park above the rail corridor between Bathurst Street and Blue Jays Way to be completed by the end of 2017, for (i) Official Plan Amendments to establish a park above the rail corridor and (ii) an Implementation Strategy for Rail Deck Park.
- In the same report, to give effect to the above, City Council,
 - Approved the creation of a Rail Deck Park capital project within the Corporate Initiatives Capital Program with cash flows of \$0.078 million in 2016 and \$2.345 million in 2017 funded through a combination of Development Charges, Sec 42 and Capital from Current savings from completed capital projects.
 - Increased the 2016 Operating Budget for 3 City divisions by \$0.078 million and 7 positions fully funded from a contribution from the above capital project.
- Funding of \$0.302 million for 2 temporary positions, fully funded from a contribution from the Rail Deck Park Capital project is included in the 2017 Preliminary Operating Budget for Legal Services to provide legal support for this initiative.
- Staff will report back to City Council in 2017 with an update and for approval of the proposed Official Plan Amendments and the Rail Deck Park Implementation Strategy. Any future year implications will be reported out as part of the annual budget processes.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, Legal Services accomplished the following:

Prosecutions

- ✓ Worked with Court Services and Revenue Services to move parking violations into an administrative penalty system by May 2017
- ✓ Secured significant fines in relation to Fire Code charges
- ✓ Undertaken major training of various enforcement staff with regards to By-Law enforcement and procedures
- ✓ Providing strategic advice to MLS on a variety of enforcement initiatives
- ✓ Carriage of over 1,500 charges against unlicensed private transportation related matters and 250 marijuana dispensary charges

Civil Litigation

- ✓ Provided strategic legal advice on funding issues related to Blue Box Arbitration Decision
- ✓ Provided strategic legal advice and support for Taxi/Uber review including drafting of new regulatory By-Law
- ✓ Provided legal representation for the Toronto Police Services Board on several complex Coroner's inquests
- ✓ Provided legal representation on several large claims files
- ✓ Represented the City at over 700 tribunal hearing dates as of October 2016
- ✓ Completion and registration of Phase 3 of the Regent Park Revitalization subdivision
- ✓ Settled large appeal of the Scarborough Development Charges By-Law
- ✓ Settled multi-party appeal to the Dupont Street Corridor Study Area Official Plan and Zoning By-Law Amendments

Solicitor

- ✓ Provided strategic legal advice to both the Gardiner Rehabilitation Project and The Project Under The Gardiner
- ✓ Provided strategic legal advice to the Basement Flooding Project Achievement
- ✓ Provided advice and drafting support on transit and transportation matters (i.e. SmartTrack, Metrolinx, LRTs, Scarborough Subway, traffic congestion measures), including construction co-ordination and cost-sharing
- ✓ Provided strategic legal advice to the Weston Community/Cultural Hub Project
- ✓ Provided strategic legal advice to the Bayside Waterfront Development in East Bayfront Project
- ✓ Provided advice on Municipal Elections Act review by the Province and Ward Boundaries reviews by the City
- ✓ Provided advice on amendments to unique COTA regulations to remove investment restrictions and establish a "prudent investor regime" for the City of Toronto, including implementation of a new investor board to advise and approve investment decisions
- ✓ Provided advice on available revenue tools for funding City initiatives, including taxes, fees, charges and development levies
- ✓ Provided Advice and drafting support in respect of the "Open Doors" Affordable Housing strategy and numerous individual affordable housing projects and transactions
- ✓ Provided advice on the Mayor's Task Force on the Toronto Community Housing Corporation and the implementation of the Task Force recommendations

Appendix 2

2017 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2014	2015	2016	2016	2017	2017 Change		Plan	
	Actual	Actual	Budget	Projected Actual *	Preliminary Budget	from 2016 Budget	%	2018	2019
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries And Benefits	36,673.5	38,501.1	42,288.0	39,269.7	47,169.4	4,881.4	11.5%	880.0	1,535.0
Materials & Supplies	342.4	363.1	442.0	333.6	507.2	65.2	14.7%	22.0	
Equipment	29.1	64.1	63.6	63.1	81.6	18.0	28.3%		
Service And Rent	2,076.4	1,367.7	1,319.9	2,234.5	2,008.3	688.4	52.2%		
Contribution To Reserves/Reserve Funds	58.9	69.5	69.5	69.5	69.5	0.0	0.0%		
Other Expenditures	5,679.7	5,914.6	6,738.2	6,256.6	7,094.3	356.1	5.3%	215.0	
Total Gross Expenditures	44,859.9	46,280.1	50,921.1	48,227.0	56,930.2	6,009.1	11.8%	1,117.0	1,535.0
Inter-Divisional Recoveries	19,414.4	20,627.6	22,400.4	22,288.6	24,108.3	1,707.9	7.6%	(2,124.0)	31.0
User Fees & Donations	2,209.2	2,342.1	2,529.6	2,693.1	4,496.6	1,967.0	77.8%		
Sundry and Other Revenues	3,408.5	3,400.7	5,657.2	3,136.1	5,934.2	277.0	4.9%	(302.0)	
Total Revenues	25,032.1	26,370.4	30,587.2	28,117.7	34,539.1	3,951.9	12.9%	(2,426.0)	31.0
Total Net Expenditures	19,827.8	19,909.7	20,333.9	20,109.3	22,391.2	2,057.2	10.1%	3,543.0	1,504.0
Approved Positions	297.0	301.4	310.4	300.4	351.9	41.5	13.4%	(11.0)	

* Based on the 2016 9-month Operating Variance Report

For additional information regarding the 2016 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2016" considered by City Council at its meeting on December 13, 2016. Link of the report:

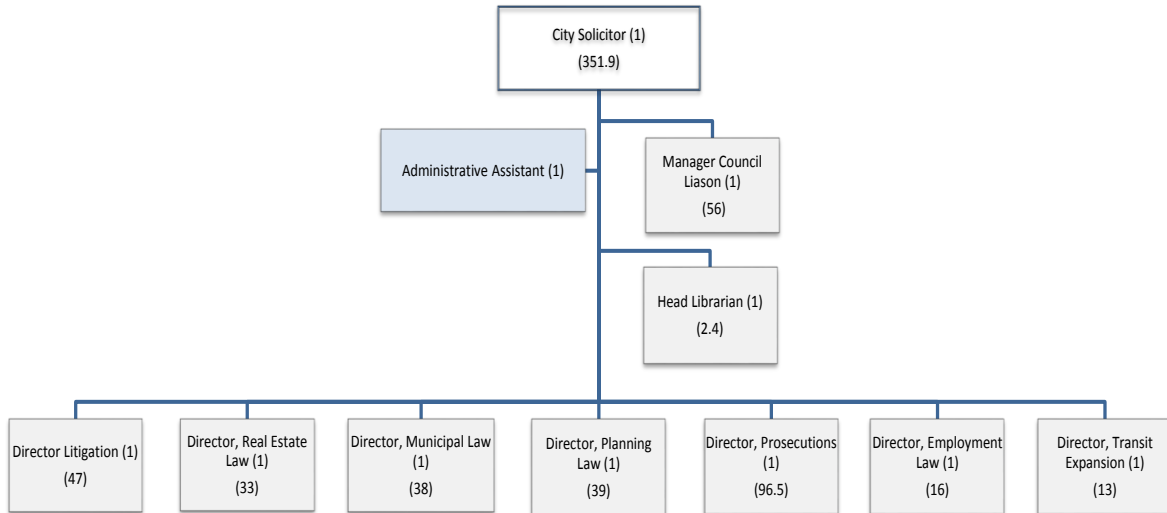
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.4>

Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

There is no impact of the operating variance on the 2017 Preliminary Operating Budget for Legal Services.

Appendix 3

2017 Organization Chart



2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	7.0	18.0	142.0	161.9	328.9
Temporary	1.0		15.0	7.0	23.0
Total	8.0	18.0	157.0	168.9	351.9

Appendix 5

Summary of 2017 New / Enhanced Service Priorities

2017 Operating Budget - Preliminary New and Enhanced Services Summary by Service (\$000's)

Form ID		Other City Programs Program - Legal Services	Adjustments				2018 Plan Net Change	2019 Plan Net Change																				
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions																						
10994		Positions Increase for Processing Development Applications																										
74	0	Description:																										
<p>4 permanent full time positions (3 Solicitors and 1 Legal Assistant) will be added to process development applications. The costs for these positions will be offset by the increase in revenue from the development application fees.</p> <p>Service Level Impact: It will increase the legal support for the development application process and allow for faster processing of development applications.</p> <p>Service: Civil Litigation</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Preliminary New / Enhanced Services:</td> <td style="text-align: right;">158.6</td> <td style="text-align: right;">158.6</td> <td style="text-align: right;">(0.0)</td> <td style="text-align: right;">1.50</td> <td style="text-align: right;">62.4</td> <td style="text-align: right;">9.2</td> </tr> </table> <p>Service: Solicitor</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Preliminary New / Enhanced Services:</td> <td style="text-align: right;">289.4</td> <td style="text-align: right;">289.4</td> <td style="text-align: right;">(0.0)</td> <td style="text-align: right;">2.50</td> <td style="text-align: right;">114.1</td> <td style="text-align: right;">16.5</td> </tr> </table> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 40%;">Total Preliminary New / Enhanced Services:</td> <td style="text-align: right;">448.0</td> <td style="text-align: right;">448.0</td> <td style="text-align: right;">(0.0)</td> <td style="text-align: right;">4.00</td> <td style="text-align: right;">176.4</td> <td style="text-align: right;">25.6</td> </tr> </table>								Preliminary New / Enhanced Services:	158.6	158.6	(0.0)	1.50	62.4	9.2	Preliminary New / Enhanced Services:	289.4	289.4	(0.0)	2.50	114.1	16.5	Total Preliminary New / Enhanced Services:	448.0	448.0	(0.0)	4.00	176.4	25.6
Preliminary New / Enhanced Services:	158.6	158.6	(0.0)	1.50	62.4	9.2																						
Preliminary New / Enhanced Services:	289.4	289.4	(0.0)	2.50	114.1	16.5																						
Total Preliminary New / Enhanced Services:	448.0	448.0	(0.0)	4.00	176.4	25.6																						

10996		Positions Increase for the New Administrative Penalty System												
74	0	Description:												
<p>The 2017 Preliminary Operating Budget includes funding for the new Administrative Penalty System totalling \$2.867 million gross and net and an increase of 30.5 positions for governance and administration of parking violations (i.e. parking tickets) that will include an Administrative Penalty Tribunal. By adopting this new administrative structure for parking disputes, non-complex matter can be diverted from the provincial courts freeing up limited court time for more serious matters. The new APS system will require additional 30.5 permanent positions for Legal Services which include: Manager Prosecution (1 position), Supervisor (2 positions), Support Assistant B (9 Positions) and Prosecutor (18 positions).</p> <p>Service Level Impact: With the new APS system, parking violation disputes can be heard and resolved within 120 days (and ideally within 60 days) compared to an average of 18 months under current court-based system. The program will also improve customer experience by providing the City with more flexibility in serving a penalty notice and by closing loopholes that contribute to non-payment of parking tickets</p> <p>Service: Prosecution</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Preliminary New / Enhanced Services:</td> <td style="text-align: right;">2,866.9</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">2,866.9</td> <td style="text-align: right;">30.50</td> <td style="text-align: right;">(431.6)</td> <td style="text-align: right;">(86.4)</td> </tr> </table>								Preliminary New / Enhanced Services:	2,866.9	0.0	2,866.9	30.50	(431.6)	(86.4)
Preliminary New / Enhanced Services:	2,866.9	0.0	2,866.9	30.50	(431.6)	(86.4)								

2017 Operating Budget - Preliminary New and Enhanced Services Summary by Service (\$000's)

Form ID		Other City Programs Program - Legal Services	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Total Preliminary New / Enhanced Services:			2,866.9	0.0	2,866.9	30.50	(431.6)	(86.4)

11491	Increased in Legal Insurance Claims Support							
72	0	Description:	In order to be more cost efficient, the Civil Litigation is increasing its complement by 4 permanent full time positions (3 Solicitors and 1 Law Clerk) for insurance claims related work, which will be fully funded by the Insurance Reserve Fund. The purpose is to reduce the outsourcing as it is more economical to do the work in-house than retain a private law firm to do the work.					
		Service Level Impact:	No change to service level.					
		Service: Civil Litigation						
		Preliminary New / Enhanced Services:	768.2	768.2	0.0	4.00	(0.0)	(0.0)
		Total Preliminary New / Enhanced Services:	768.2	768.2	0.0	4.00	(0.0)	(0.0)

Summary:

		Total Preliminary New / Enhanced Services	4,083.1	1,216.2	2,866.9	38.50	(255.2)	(60.8)
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Category:

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		2,096.0	2,096.0	1,496.0	896.0
Arbitration & Legal Awards	XQ1709				
<i>Proposed Withdrawals (-)</i>			(600.0)	(600.0)	(600.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		2,096.0	1,496.0	896.0	296.0
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		2,096.0	1,496.0	896.0	296.0

* Based on 9-month 2016 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		23,896.6	19,645.5	19,773.9	19,902.3
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>		(4,359.7)			
<i>Contributions (+)</i>		108.6	128.4	128.4	128.4
Total Reserve / Reserve Fund Draws / Contributions		19,645.5	19,773.9	19,902.3	20,030.7
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		19,645.5	19,773.9	19,902.3	20,030.7

* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		18,836.8	14,061.0	13,859.8	13,658.6
IT Equipment Reserve Fund	XQ1508				
<i>Proposed Withdrawals (-)</i>		(4,775.8)	(201.2)	(201.2)	(201.2)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		14,061.0	13,859.8	13,658.6	13,457.4
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		14,061.0	13,859.8	13,658.6	13,457.4

* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		52,432.8	65,433.5	65,033.5	64,633.5
Building Code Act Reserve Fund	XR1305				
<i>Proposed Withdrawals (-)</i>		(1,183.3)	(400.0)	(400.0)	(400.0)
<i>Contributions (+)</i>		14,184.0			
Total Reserve / Reserve Fund Draws / Contributions		65,433.5	65,033.5	64,633.5	64,233.5
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		65,433.5	65,033.5	64,633.5	64,233.5

Appendix 7a

User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2016	2017			2018	2019
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Surrender, Discharge, Release or Assumption documentation	Solicitor	Full Cost Recovery	per document	240.54	3.01		243.55	243.55	243.55
Discharge of Mortgage	Solicitor	Full Cost Recovery	per discharge	240.54	3.01		243.55	243.55	243.55
Consent to document registration	Solicitor	Full Cost Recovery	per consent	240.54	3.01		243.55	243.55	243.55
Correcting Deed	Solicitor	Full Cost Recovery	per deed	240.54	3.01		243.55	243.55	243.55
Compliance Request	Solicitor	Full Cost Recovery	per property	240.54	3.01		243.55	243.55	243.55
Due Diligence Request by Purchasers of Municipal Property	Solicitor	Full Cost Recovery	per request	240.54	3.01		243.55	243.55	243.55
Review Tenant's Notice of Lease	Solicitor	Full Cost Recovery	per notice	240.54	3.01		243.55	243.55	243.55
Renewal of Lease/Licence	Solicitor	Full Cost Recovery	per renewal	482.20	6.03		488.23	488.23	488.23
Lease/Licence Amending Agreement	Solicitor	Full Cost Recovery	per agreement	482.20	6.03		488.23	488.23	488.23
Response to Applications for First Registration in Land Titles	Solicitor	Full Cost Recovery	per application	482.20	6.03		488.23	488.23	488.23
Encroachment Agreement	Solicitor	Full Cost Recovery	per agreement	601.93	7.52		609.45	609.45	609.45
Easement Agreement	Solicitor	Full Cost Recovery	per agreement	601.93	7.52		609.45	609.45	609.45
Preparation of Nominal Sum Lease or Licence	Solicitor	Full Cost Recovery	per document	601.93	7.52		609.45	609.45	609.45
Consent to Applications Where City is Interested Party	Solicitor	Full Cost Recovery	per consent	601.93	7.52		609.45	609.45	609.45
Landlord's or Tenant's Lease Acknowledgement (a) routine	Solicitor	Full Cost Recovery	per acknowledgment	361.37	4.52		365.89	365.89	365.89
Landlord's or Tenant's Lease Acknowledgement (b) complex	Solicitor	Full Cost Recovery	per acknowledgment	1,203.86	15.05		1,218.91	1,218.91	1,218.91
Consent to Assignment or Sublet of Lease/Licence (a) routine	Solicitor	Full Cost Recovery	per consent	240.54	3.01		243.55	243.55	243.55
Consent to Assignment or Sublet of Lease/Licence (b) complex	Solicitor	Full Cost Recovery	per consent	2,408.82	30.11		2,438.93	2,438.93	2,438.93
Consent to Security Documents or a refinancing (a) routine	Solicitor	Full Cost Recovery	per consent	601.93	7.52		609.45	609.45	609.45
Consent to Security Documents or a refinancing (b) complex	Solicitor	Full Cost Recovery	per consent	2,408.82	30.11		2,438.93	2,438.93	2,438.93
Preparation & Registration of Order	Solicitor	Full Cost Recovery	Per Order	453.00	5.66		458.66	458.66	458.66
Preparation & Discharge of Order	Solicitor	Full Cost Recovery	Per Discharge	283.93	3.55		287.48	287.48	287.48
Title Investigation	Solicitor	Full Cost Recovery	Per Title Investigation	113.78	1.42		115.20	115.20	115.20
Solicitor Services	Solicitor	Full Cost Recovery	Per Hour	170.14	2.13		172.27	172.27	172.27