



## REPORT FOR ACTION

### Council direction regarding payment of legal fees related to a Code of Conduct Investigation

**Date:** July 9, 2019

**To:** City Council

**From:** City Clerk

**Wards:** All

#### SUMMARY

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The City Clerk has received a request from a former Council member to pay legal expenses related a Code of Conduct investigation. Under the Constituency Services and Office Budget Policy, legal fees related to Code of Conduct investigations are eligible expenses. Automatic payment is up to a limit of \$20,000. As the submitted request brings the legal fees related to this investigation over the limit, the City Clerk is seeking Council direction on payment of the additional legal fees.

#### RECOMMENDATIONS

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The City Clerk recommends that:

1. City Council adopt one of the following options in response to a request for reimbursement of legal expenses:

**Option A - pay the current legal fees and any future fees**

City Council authorize the payment of legal fees above the \$20,000 limit in the amount of \$25,269.24, as outlined in the letter (June 27, 2019) from Gardiner Roberts and City Council direct that further invoices related to this matter also be reimbursed.

**Option B - pay the current legal fees but no future fees**

City Council authorize the payment of legal fees above the \$20,000 limit in the amount of \$25,269.24, as outlined in the letter (June 27, 2019) from Gardiner Roberts and City Council direct that no further invoices related to this matter be reimbursed.

**Option C - do not pay any legal fees**

City Council direct that no further legal costs be covered for the former Councillor related to this matter.

## **FINANCIAL IMPACT**

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To date, the City Clerk's Office has paid invoices related to this Code of Conduct investigation, totalling \$20,000.00 in accordance with City policy.

The current request submitted by the former Council member totals \$25,269.24 inclusive of HST. This would bring the total legal expenses for this application to \$45,269.24, or \$25,269.24 over the \$20,000 limit.

Any payment of additional legal fees would be funded from the 2019 Council General Expense Budget. There is sufficient budget available to cover this expense.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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City Council at its meeting on February 5, 6, 7 and 8, 2007 authorized coverage of legal fees related to Code of Conduct investigations:

<http://www.toronto.ca/legdocs/mmis/2007/cc/bgrd/cc2.5.pdf>

At its meeting on June 11, 12, 13 and 14, 2014, City Council adopted EX42.2, "Amendment to Legal Fees Section in Constituency Services and Office Budget Policy and Authority to Pay a Legal Invoice" and amended the legal fees section of the Constituency Services and Office Budget Policy so that all legal fees are paid out of the Council General Expense Budget and legal fees related to investigations by the four Accountability Officers mandated under the City of Toronto Act, 2006, are eligible expenses.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX42.2>

## **COMMENTS**

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Legal fees related to Code of Conduct investigations are covered to a maximum of \$20,000. Any amounts incurred over this limit must be authorized by Council in order to be reimbursed by the City.

Council needs to decide whether to pay all, part of, or none of the submitted legal fees. City Council should also provide direction concerning potential future invoices related to the same Code of Conduct investigation.

If Council decides to reimburse additional legal fees in this case, those fees will be subject to review by the City Solicitor to determine reasonableness in accordance with City policy.

The City Solicitor has been consulted in preparation of this report.

## **CONTACT**

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## **SIGNATURE**

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Ulli S. Watkiss  
City Clerk

## **ATTACHMENTS**

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Attachment 1 - Letter dated June 27, 2019 from Gardiner Roberts re: Claim for Reimbursement of Legal Fees