SUBJECT: Comprehensive Legal Services Report for the Period January 1 to June 30, 2023

File Number ACS2023-CMR-OCM-0008

Report to Finance and Economic Development Committee on 3 October 2023 and Council 11 October 2023

Submitted on October 3, 2023 by David White, City Solicitor, City Manager's Office

Contact Person: David White, City Solicitor

613-580-2424, ext. 21933, david.white@ottawa.ca

Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE

OBJET : Rapport Général sur les Services juridiques pour la période du 1 janvier au 30 juin 2023

Dossier: ACS2023-CMR-OCM-0008

Rapport au Comité des finances et du développement économique

le 3 octobre 2023

et au Conseil le 11 octobre 2023

Soumis le 3 octobre 2023 par David White, Avocat général, Bureau du directeur municipal

Personne ressource : David White, Avocat général

613-580-2424, poste 21933, david.white@ottawa.ca

Quartier : CITY WIDE / À L'ÉCHELLE DE LA VILLE

REPORT RECOMMENDATION(S)

That the Finance and Corporate Services Committee recommend that Council Receive this report for information.

RECOMMANDATION(S) DU RAPPORT

Que le Comité des finances et des services organisationnels et le Conseil municipal prennent connaissance du présent rapport.

BACKGROUND

The inaugural Comprehensive Legal Services Report covering the first and second quarters of 2011 was approved by City Council on August 25th, 2011. A revised, quarterly report format originated from a motion that was passed by Council on April 27, 2011, that directed "the City Clerk and Solicitor to combine the existing Claims Settlements, Litigation Record and External Legal Costs reports into a single comprehensive report." On December 3, 2014, City Council approved an amendment to the *Delegation of Authority By-law* thereby revising the reporting requirement for these matters to a semi-annual basis. Therefore, the information provided herein is with respect to the first and second quarters of 2023

EXECUTIVE SUMMARY

This report details the work undertaken and results achieved by Legal Services in the first and second quarters of 2023. In keeping with the format approved by City Council on August 25, 2011, the Comprehensive Legal Services Report combines the former Claims Settlements, Litigation Record and External Legal Costs reports into a single comprehensive report. It also includes information with respect to the recent renewal of the City's insurance program for the 2023-2025 policy term.

In respect of all forms of litigation undertaken by Legal Services (civil, labour, Ontario Land Tribunal, human rights, etc.), the reported outcomes are consistent with prior reports and highlight the City's preference to resolving matters without the expense of full proceedings. The litigation outcomes also reflect the fact that, where the City does not resolve a case through a mutually-agreeable settlement, its rate of success is very high, with favourable decisions or orders in 11 of 19 cases concluded in the first two quarters of 2023. The costs associated with the settlement of 15 claims over \$100,000 in the first two quarters reflect the prevailing growth in court awards in personal injury matters for general damages, future loss of income/competitive advantage and future care costs.

The report details the fact that more than 86 per cent of litigation involving the City is handled by in-house resources, with fewer than 14 per cent of the current 535 litigated matters being referred to external counsel.

Legal Services also continued its support of a number of key City initiatives in Q1 and Q2 2023. Further, Legal Services drafted or reviewed 423 legal agreements and contracts in Q1 and Q2 2023 and processed more than 240 development agreements and requests.

In terms of outsourcing costs in Q1 and Q2 2023, these continued to be largely driven by the support for large capital projects such as Light Rail.

RÉSUMÉ

Le présent rapport expose le travail effectué et les résultats atteints par les Services juridiques aux premier et deuxième trimestres de 2023. Suivant le modèle approuvé par le Conseil municipal le 25 août 2011, le Rapport général sur les Services juridiques regroupe en un seul document les rapports sur les règlements de réclamations, le bilan des litiges et les frais judiciaires externes. Il donne également de l'information sur le renouvellement récent du programme d'assurance de la Ville pour la période 2023-2025.

Pour tous les types de litiges traités par les Services juridiques (affaires civiles, droit du travail, affaires devant le Tribunal ontarien de l'aménagement du territoire [TOAT], droits de la personne, etc.), les résultats sont similaires à ceux présentés dans les rapports antérieurs et viennent mettre en lumière la préférence de la Ville pour les règlements à l'amiable. L'examen des litiges révèle également que lorsque la Ville ne parvient pas à une entente qui convient aux deux parties, son taux de succès est élevé : en effet, elle a obtenu une décision ou une ordonnance en sa faveur dans 11 des 19 affaires conclues au cours des deux premiers trimestres de 2023. Par ailleurs, les coûts associés au règlement de 15 litiges d'une valeur supérieure à 100 000 \$ dans les deux premiers trimestres reflètent l'augmentation actuelle des montants adjugés par les tribunaux pour les préjudices personnels en ce qui concerne les dommages-intérêts généraux, les pertes futures de revenus ou d'avantages concurrentiels et les coûts liés à des soins futurs.

Le rapport précise que plus de 86 % des litiges de la Ville concernant la Ville sont traités à l'interne, moins de 14 % des 535 litiges actuels ayant été confiés à un avocat externe.

Les Services juridiques ont aussi continué de contribuer à plusieurs initiatives municipales clés au cours des premier et deuxième trimestres de 2023. En outre, les Services juridiques ont rédigé ou examiné 423 accords juridiques et contrats au cours

des premier et deuxième trimestres de 2023, et traité plus de 240 ententes et demandes d'aménagement.

Quant aux coûts de sous-traitance au cours des premier et deuxième trimestres de 2023, ils ont continué à être largement déterminés par des projets d'immobilisations de grande envergure comme le train léger.

DISCUSSION

Civil litigation / labour and employment

In keeping with the format developed as part of the initial Comprehensive Legal Services Report, outlined below is the litigation record for the 2023 first and second quarters, as well as an overview of claims received and concluded in that same period.

The report also provides a breakdown of the range and volume of civil litigation currently being handled by Legal Services, as well as information on whether carriage of these matters rests with in-house legal staff or with external legal counsel.

(a) Labour Relations Unit

A summary of labour arbitrations during the first and second quarters is set out below in Figure 1.

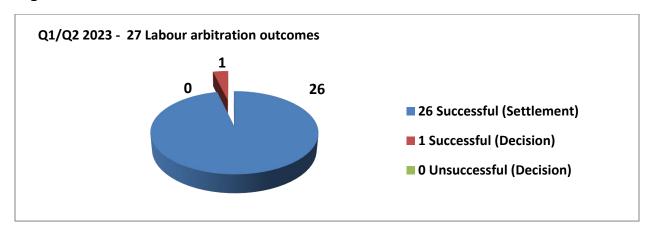


Figure 1 - Labour arbitration outcomes

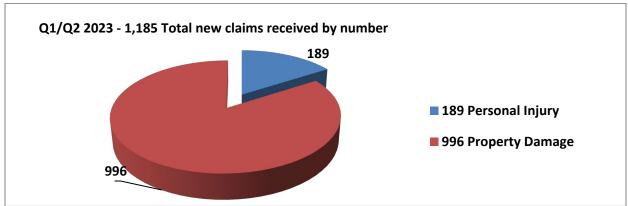
(b) Claims Unit

The Claims Unit received a total of 1,185 new claims in the first two quarters of 2023. This figure is made up of 996 property damage claims and 189 personal injury claims that were filed with the Unit. Of the total number of new claims received during

this period, 572 (48 per cent) represent pothole claims, which tend to be the most common type of claim received by the Unit and are heavily influenced by seasonal weather patterns.

A summary of the 503 claims received during the first and second quarters is set out below in Figure 2 by number.

Figure 2 - Total new claims received by number



The Claims Unit also concluded a total of 1,053 claims in the first two quarters of 2023. This figure represents the 902 property damage claims and 151 personal injury claims that were either closed-settled or closed-denied during this period. A summary of the 257 claims that were closed-settled (i.e. paid in whole or in part) during the first and second quarters is set out below in Figures 3 (by number) and 4 (by value).

Figure 3 - Claims concluded under \$100,000 by number

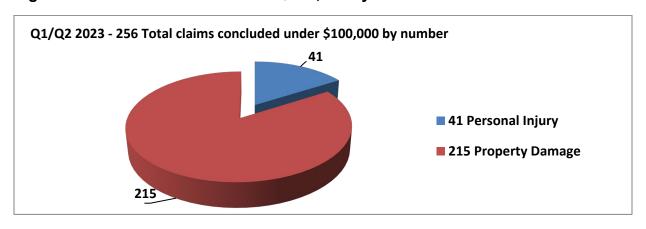


Figure 4 - Claims concluded under \$100,000 by value

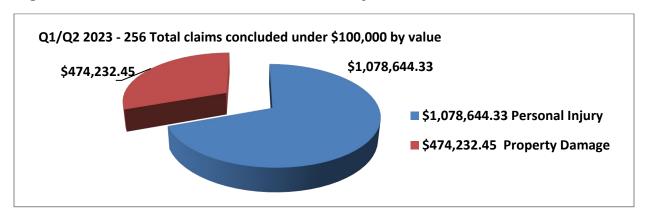


Table 1 - Claims concluded over \$100,000 - Q1 and Q2 2023

Department			Net City Cost
Emergency and	Property Damage or	Losses from Fire Fighting	\$183,519.29
Protective Services	Loss	Activities	
Infrastructure And	Property Damage or	Third Party Property	\$246,107.00
Water Services	Loss	Damage/Loss	
Public Works	Bodily/Personal	Third Party MVA-	\$136,350.95
	Injury	Ice/Snow Accumulation	
Public Works	Bodily/Personal	Third Party MVA-Road	\$360,309.46
	Injury	Design/Engineering	
Public Works	Bodily/Personal Injury	Slip and Fall	\$186,204.75
Public Works	Bodily/Personal	Third Party MVA-	\$266,557.24
	Injury	Signage/Markings/Signals	·
Public Works	Bodily/Personal Injury	Slip and Fall	\$350,739.59
Public Works	Bodily/Personal Injury	Slip and Fall	\$131,082.67
Public Works	Bodily/Personal Injury	Third Party MVA-Road Design/Engineering	\$116,080.97
Public Works	Property Damage or Loss	Damage from Tree Roots	\$252,815.90
Public Works	Property Damage or Loss	Third Party Property Damage	\$329,951.50
Public Works	Property Damage or Loss	Damage from Tree Roots	\$103,089.96
Transit Services	Bodily/Personal Injury	MVA-Accident Benefits	\$100,266.01
Transit Services	Bodily/Personal Injury	MVA-City and Third Party Vehicle	\$260,896.67

		Total:	\$3,278,971.96
	Injury	Pedestrian/Cyclist	
Transit Services	Bodily/Personal	City Vehicle Hitting	\$250,000.00

The above-noted figures represent settlement of litigated and non-litigated claims, and include all costs borne by the City in finalizing a settlement, such as court costs, legal fees, investigative costs, etc. Furthermore, claim settlement payments include those made pursuant to negotiated settlements as well as any court-ordered damages. The details with regard to these claims are confidential in keeping with standard settlement practices. The specific circumstances and facts surrounding these confidential settlements are available to Members of Council from the City Solicitor.

(c) Civil Litigation Unit

In the first and second quarters of 2023, 69 new Statements of Claim were received by Legal Services. With these, there are currently 535 outstanding civil proceedings against the City that are being addressed. Of the current open files, the City's in-house Legal staff has carriage of 86 per cent, with 14 per cent of the remaining files referred to external counsel either at the direction of the City's insurer or due to the scope, complexity or volume of the litigation.

A summary of outcomes for civil litigation, Ontario Land Tribunal ("OLT") and other administrative tribunals for the third and fourth quarters is set out below in Figures 5, 6 and 7.

Figure 5 - Civil litigation outcomes

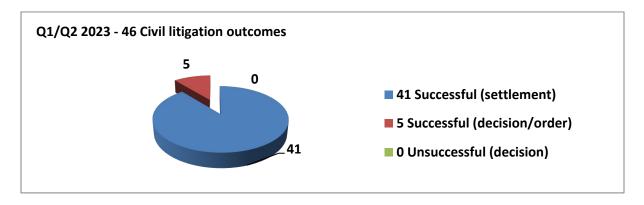
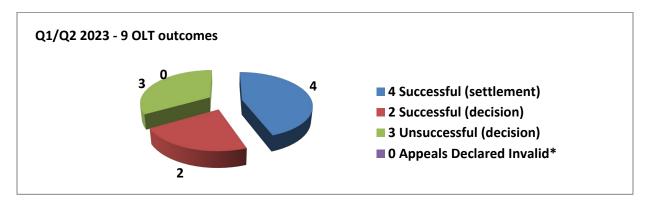


Figure 6 – OLT outcomes



8

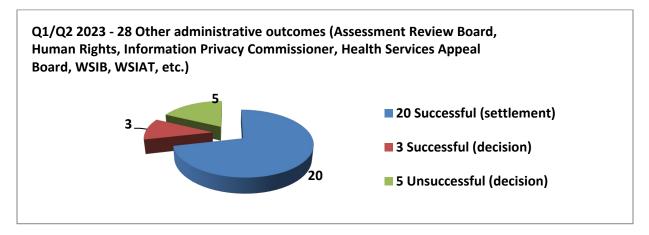
Reasons for unsuccessful outcomes:

- 1. 7935 Cooper Hill Road This was an appeal by the City of a consent to sever granted by the Committee of Adjustment. The proposed lot was less than 10 ha as required by the general provisions of the Official Plan. The Official Plan policies did permit limited exceptions to this requirement. The Tribunal preferred the evidence of the applicant over that of the City, which evidence was based on looking at a wider area where there would similarly sized lots to the one proposed.
- 2. 229-247 Beechwood This was an application for a heritage approval for new buildings. Two buildings, one 3 storey and one 4 storey building were proposed. It was the position of the City that the Heritage Conservation District Plan did not anticipate multi-unit buildings in this location. However, the Tribunal noted that the secondary official plan did allow for multi-unit buildings and given the nature of Beechwood Avenue and that to the west of the property was the former works yard site, the Tribunal was of the view that the development could be permitted. However, the Tribunal did accept certain of the City's concerns with the sufficiency to top floor stepbacks, façade colour and texture and greenspace and required modifications to be made to address such concerns.
- 3. 100 Steacie Legal Services was not able to find a planner who could provide opinion evidence in opposition to the proposed development.

^{*}Appeals Declared Invalid – these numbers reflect appeals to OLT that did not meet the tests of raising issues of inconsistency with the Provincial Policy Statement and/or non-conformity with the Official Plan.

9

Figure 7 - Other administrative outcomes



Reasons for unsuccessful outcomes:

- 1. Upon review, the Appeals Resolution Officer of the WSIB found that the Worker should be entitled to additional benefits in relation to their workplace injury. With respect to the first workplace injury, the WSIB concluded that the Worker had sustained an exacerbation of a pre-existing condition and should be granted entitlement, accordingly. It was determined that they had reached maximum medical recovery with a permanent impairment with respect to the exacerbation of this condition. The WSIB further concluded that the Worker should be entitled to ongoing benefits further to a secondary condition that they had developed as a result of the workplace injury.
- Upon review, the Appeals Resolution Officer of the WSIB found that the Worker had sustained a recurrence of their workplace injury, as there was medical compatibility between the Worker's workplace injury and their subsequent injury. The WSIB granted entitlement to benefits, accordingly.
- 3. The Appeals Resolution Officer decided that the evidence on file did not support an ongoing lower back strain/impairment. However, to make a determination as to whether the Worker was entitled to a right hip labral tear, the Officer concluded that more medical information was needed. Therefore, the Officer agreed with the Worker's representative that the Worker should have an assessment at the Lower Extremity WSIB Specialty Program.
- 4. Three decisions were made with respect to this case. The first found that the Worker was not entitled to benefits flowing from the injury (adhesive capsulitis). The second found that based on the medical information, the Worker had a

bilateral shoulder permanent impairment. The last decision was about the quantum of loss of earnings benefits the Worker should be entitled to from March 2016 onwards. The panel remitted the question back to the Board for determination.

Corporate Commercial / Planning, Development and Real Estate / Municipal and Regulatory

Legal Services, in the first and second quarters of 2023, provided key legal support for various projects and strategic initiatives of the City. Some of the results of the varied services provided by in-house legal staff include the following:

- 1. Legal Services provided support to Transit Operations, Rail Construction Program, Confederation Line Light Rail office, Capital Railway, with respect to a wide variety of rail matters including specific projects, regulatory, and legal matters, including Regulatory Monitor Compliance Officer for the Confederation Line, Chief William Commanda Bridge and Trillium Line regulatory requirements. In addition, liaising with Stage 1 and Stage 2 Light Rail offices and external legal counsel concerning OLRT/Stage 2 matters in a support role and a number of other rail matters affecting the City's rail corridors together with assisting in drafting legal agreements.
- 2. Legal Services provided support to Transportation Services (including Transit Operations, Transportation Planning, Traffic Services), Roads and Parking Services, Infrastructure Services, and Right of Way Branch with respect to a wide variety of road, lanes, cycling and pedestrian transportation matters relating to existing and new infrastructure, by providing timely and effective legal advice together with support for drafting, negotiating, and the execution of a number of agreements including funding/contribution agreements.
- 3. Legal Services provided extensive support and timely legal advice and comments to Transit Services, Traffic Services, Transportation Planning, Right of Way Branch, and Roads and Parking Services for a number of new and existing initiatives through Committee and Commission reports concerning a wide variety of projects.
- 4. Legal Services provided legal support to CREO and Finance with the refinancing of the mortgage on the Retail Component of the Lansdowne Redevelopment. In additional, Legal Services provided legal advice and support on a number of issues related to Landsdowne 2.0.

- 5. Legal Services continued to provide support to Infrastructure and Water Services on the construction of the new Ādisōke Library project. This has included advising on the Direct Energy System Agreement with the Federal Government, as well as providing support interpreting and applying the contract between the City and PCL, the general contractor building the library.
- 6. Legal Services provided assistance to the Public Works Department on the Provincial Individual Producer Responsibility (IPR) Blue Box Program transition. This included advising on the proposed contracts to be entered into between the City and Circular Materials Ontario (CMO) for the City to collect Blue Box Material on behalf of CMO.
- 7. Legal Services continued to advise PRED and IWSD on various lien claims, construction deficiency claims, and contractual interpretation claims.
- 8. Legal Services continued to review and advise on various IT contracts for the procurement of software products for the City.

Table 2 - General agreements and contracts - Metrics

General Agreement/Contract	Routine	Moderately	Complex	Total
Туре		Complex		
Agreements and Contracts	182	205	36	423
Reviewed/Drafted				
Reports Reviewed/Drafted	55	34	13	102
Real Estate Purchases and	2	12	3	17
Sales				
Tax Sale Registrations, Property	15	6	1	22
Standards Orders				
By-laws Reviewed/Drafted	145	39	4	188
Construction Lien Payments	266	n/a	n/a	266
Reviewed / Processed				

Planning, Development and Real Estate

The Planning, Development and Real Estate Law Unit is collectively responsible for the preparation of a variety of Development Agreements such as Subdivision, Site Plan, and Condominium, as well as agreements related to consent or minor variance applications. In addition, staff are also responsible for providing real estate law services (purchases, sales, expropriations, tax sales, leases, easements, mortgages, title searches and registrations) on behalf of the City.

In the first and second quarters of 2023, 403 individual documents were logged by the Development Law Unit that were required for drafting and registration. Of these 403 requests, 49 per cent were considered routine; 38 per cent were considered moderately complex and 13 per cent were considered complex. A summary is set out below in Figure 8 (by type).

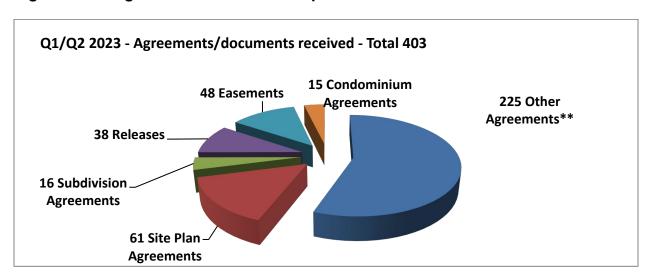


Figure 8 - All agreements/document requests received - Total

The Unit also completed registration on 243 individual agreements and documents in the first and second quarters of 2023. Of these 243 documents registered, 52 per cent were considered routine; 40 per cent were considered moderately complex; and 8 per cent were considered complex. A summary is set out below in Figure 9 (by type).

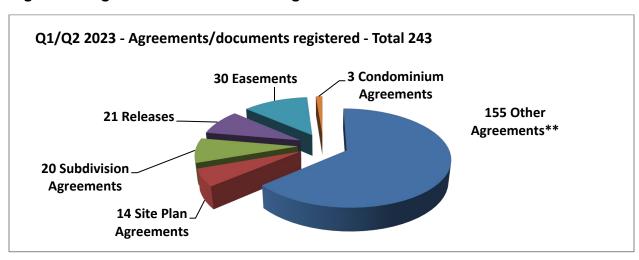


Figure 9 – Agreements/documents registered - Total

^{*}Stats shown in Figures 8 and 9 do not include work related to by-laws.

^{**}There are 17 different agreement types that fall under 'Other'

Table 3 - External legal costs - Q1 2023

Firm	Portfolio/ Practice Area	Legal Fees	Disbursements	Taxes	Total
Aird & Berlis	Corporate, Commercial, Development	\$46,088.00	\$399.50	\$6,043.39	\$52,530.89
Borden Ladner Gervais	Corporate, Commercial, Development	\$119,780.97	\$66,084.55	\$24,162.54	\$210,028.06
Borden Ladner Gervais	Insured Litigated Claims	\$89,263.55	\$880.00	\$11,614.08	\$101,757.63
Borden Ladner Gervais	Light Rail Project	\$67,725.00	\$3,094.40	\$9,206.54	\$80,025.94
Caza Saikaley	Insured Litigated Claims	\$3,635.16	\$0.00	\$472.63	\$4,107.79
Caza Saikaley	Litigation	\$35.25	\$45.00	\$10.43	\$90.68
Emond Harnden	Labour and Employment	\$101,943.79	\$0.00	\$13,253.27	\$115,197.06
Gowlings	Insured Litigated Claims	\$700,800.11	\$22,296.80	\$93,970.96	\$817,067.87
Gowlings	Litigation	\$23.50	\$0.00	\$3.06	\$26.56
Katie Black	Corporate, Commercial, Development	\$534.00	\$0.00	\$69.42	\$603.42
Lerners	Insured Litigated Claims	\$6,992.50	\$10,371.25	\$2,257.36	\$19,621.11
Norton Rose Fulbright	Light Rail Project	\$14,004.00	\$92.61	\$1,762.35	\$15,858.96
Singleton Urquhart	Light Rail Project	\$429,600.40	\$557,717.96	\$57,346.80	\$1,044,665.16
Totals:		\$1,534,338.23	\$660,582.57	\$214,129.44	\$2,461,581.13

Table 4 - External legal costs - Q2 2023

Firm	Portfolio/	Legal Fees	Disbursements	Taxes	Total
	Practice Area				
Agro Zaffiro	Insured Litigated	\$1,358.00	\$0.00	\$176.54	\$1,534.54
LLP	Claims				
Aird & Berlis	Corporate,	\$59,786.00	\$416.00	\$7,813.28	\$68,015.28
	Commercial,				
	Development				

Totals:		\$822,718.37	\$306,956.16	\$125,870.19	1,255,544.72
Urquhart	Project	, ,		. ,	·
Singleton	Light Rail	\$231,061.05	\$257,236.58	\$43,474.52	\$531,772.15
Shillington's	Insured Litigated Claims	\$1,448.00	\$0.00	\$188.24	\$1,636.24
Norton Rose Fulbright	Light Rail Project	\$17,315.50	\$92.61	\$2,220.93	\$19,629.04
Lerners	Insured Litigated Claims	\$23,362.50	\$0.00	\$3,037.15	\$26,399.65
Gowlings	Litigation	\$16,255.50	\$1,886.54	\$2,116.09	\$20,258.13
Gowlings	Insured Litigated Claims	\$47,689.50	\$723.12	\$6,290.53	\$54,703.15
Harnden	Employment	Ψ.00,700.07	Ψ3.30	Ψ= :,σσ : 1	φ.55,575.50
Emond	Commercial, Development Labour and	\$168,738.37	\$0.00	\$21,631.71	\$190,370.08
Courey Law	Corporate,	\$8,676.00	\$20,950.22	\$3,851.45	\$33,477.67
Caza Saikaley	Litigation	\$1,413.00	\$0.00	\$183.69	\$1,596.69
Caza Saikaley	Insured Litigated Claims	\$12,021.00	\$2,628.00	\$1,847.33	\$16,496.33
Ladner Gervais	Project	\$ 100,002.00	Ψ10,111.22	ψ10,000.00	\$171,100.10
Borden	Light Rail	\$103,392.00	\$48,114.22	\$19,686.88	\$171,193.10
Ladner Gervais	Claims				
Borden	Insured Litigated	\$66,879.40	\$8,945.08	\$9,615.14	\$85,439.62
Gervais	Development				
Borden Ladner	Corporate, Commercial,	\$154,693.55	\$11,450.01	\$21,576.26	\$187,719.82

For external legal costs relating to litigated matters, the above-noted figures may also be reported in the over \$100,000 claims concluded section, as those amounts include all costs borne by the City in finalizing a settlement, including any external legal fees incurred.

Items of Interest

a) Metro Taxi Litigation Update

Further to the City Solicitor's memo of June 30, 2023, the Court was unable to hear closing arguments in the City's Taxi Litigation, on the originally-scheduled dates of July 4 and 5, 2023. As a result, final submissions have been rescheduled to November 28 and 29, 2023, with a decision to be released in due course thereafter.

b) Insurance Renewal 2023-2024

The City's integrated insurance program provides both protection of its physical assets, as well as indemnification against liability claims. It is a comprehensive insurance program that includes Automobile coverage for the municipal fleet (including OC Transpo buses), Property coverage for physical damage to the City's buildings, contents, and rolling stock, and municipal liability coverage. Each line of coverage has a primary policy in place and liability coverage is supplemented by additional layers of what is known as 'excess' insurance. Similar to a typical individual's home or auto insurance, the City's policies are subject to a deductible or self-insured retention (SIR) which requires the City to pay the first specified amount of a claim. The structure of the program reflects an attempt to balance the cost of premiums with the scope of risk retained by the City, based on an analysis of the City's loss history, and terms afforded by the insurance industry.

With respect to the 2023-2024 renewal, the City was able to maintain stable rates and premiums. This is the first term with stable rates since the 2017-2018 term, just prior to the observed "hardening" insurance market, and is a sign that the market is beginning to stabilize for certain coverage lines. In addition to this, the City was able to secure two-year-long agreements for most of the program. It is anticipated that this will serve to reduce the administrative burden associated with the renewal process and will provide more predictable premiums for those policies in 2024-2025.

c) Legal Fees - Stage 1 and Stage 2 OLT Project

In response to inquiries regarding the legal and associated fees paid in respect of the disputes arising out of Stage 1 and Stage 2 of the Ottawa Light Rail Transit project, set out below is an update to the City Solicitor's memo to Members of Council dated December 30, 2022. As of the date of that prior memo, the total amount paid for legal and associated fees in relation to disputes for Stage 1 of the Project since April 2018 was \$10,346,073.39, which included: legal fees; disbursements and fees for external experts/consultants engaged in support of the City's legal position; and taxes*.

Since that date, the City has expended a further \$462,157.73, which total is made up of: \$301,043.70 in legal fees; \$109,121.88 for disbursements and fees for external experts/consultants; and taxes* in the amount of \$51,992.15.

Regarding the legal disputes arising out of Stage 2 of the OLRT Project, since November 2020 the City has incurred legal fees of \$1,935,304.80, as well as

related external expert/consultant costs of \$4,019,328.02, and taxes* in the amount of \$289,618.04.

*Note regarding taxes: this is the amount paid and does not reflect the HST rebate to the City.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

LEGAL IMPLICATIONS

There are no legal impediments to receiving this report for information.

COMMENTS BY THE WARD COUNCILLOR(S)

This section is not applicable as this is a city-wide report.

CONSULTATION

This is largely an administrative report issued on a semi-annual basis to meet the requirements of the *Delegation of Authority By-law*. As such, no consultation was undertaken.

ACCESSIBILITY IMPACTS

Legal Services supports and considers the *Accessibility for Ontarians with Disabilities Act, (2005)* in its operations. This report is administrative in nature and has no associated accessibility impacts.

RISK MANAGEMENT IMPLICATIONS

There are no risk management concerns arising from this report.

RURAL IMPLICATIONS

There are no rural implications arising out of this report.

TERM OF COUNCIL PRIORITIES

This report supports the strategic priority of Council of providing Service Excellence Through Innovation with improved service delivery through data analysis and innovation in service design.

DISPOSITION

Subject to any direction by the Finance and Corporate Services Committee and Council, the City Solicitor will continue to produce this report on a semi-annual basis.