

**Minutes of the Operational Review Committee
Meeting Held
Tuesday, May 24, 2016**

Present:

Councillor Maroosis, Committee Chair
Councillor Bain, Committee Member (5:30 p.m. to 6:55pm)
Councillor King, Committee Member
Councillor Serran, Committee Member
Councillor Mayne
Councillor Forgette
Councillor Vrebosch
Mayor McDonald, Committee Member
Jerry Knox, Chief Administrative Officer
John Severino, Managing Director Community Services
David Euler, Managing Director of Engineering, Environmental Services and Works
Margaret Karpenko, Chief Financial Officer
Gord Mulcahey, Executive Member North Bay Professional Firefighters' Association
(5:15 p.m. to 6:40 p.m.)
Grant Love, Fire Chief
April Adams, CUPE Local 122 (5:15 p.m. to 6:40 p.m.)

Regrets:

Councillor Anthony
Lea Janisse, Managing Director Corporate Services
Brian Phillips, President CUPE Local 122

Special Review Committee Chair, George Maroosis, called the meeting to order at 5:15 p.m.

1. Adoption of Minutes:
The May 16, 2016 Minutes were approved by the Committee and will be presented to Council on May 30, 2016.

Business Arising from Minutes:

The IS department intends to come back to the Committee with more information about their operations.

2. Operational Review of Corporate Services.
 - Peter Leckie presented information – Legal Department, Provincial Offences and By-Law Enforcement. Copies of the presentations were provided to the Committee.
 - The structure of the organizational chart goes beyond City of North Bay employees, to include insurance adjusters, insurance brokers, defense counsel, real estate appraisers, title researchers and a bilingual prosecutor.
 - The Law Clerk is a very hard worker. There are lots of great employees on staff.
 - Tax sales are properties that are in third year arrears. The tax sale letters start the clock ticking and have owners either pay in full, or move to an extension agreement.
 - When the City Solicitor gets out of his depth, work is referred to J.D. Sharp from Sudbury.
 - What amount of the arbitration issues are contracted out? Is this a budget line?
 - Yes, have budget line for external counsel. Corporate Services has a budget line for this as well. Council may approval a budget if needed. Our limits are essentially our deductibles.
 - Are any of these firms on retainer?
 - No. Bills are based on the hourly rates. Costs can range from \$350-\$800 per hour. It depends on the specialization of the lawyer. Try to use law clerks. Law

- clerks in Toronto charge double the cost of what law clerks charge in North Bay.
- Who monitors the hours and the work that is being done?
 - Depends on the file. Finance will help. Always keeping an eye on the deductible.
- Do we tender out Michael Birnie's position?
 - The City of North Bay has been using him for at least five years. The insurer picks the solicitor responsible for the file.
- The City has increased its deductible as a cost savings. How is this working out? Are we saving money from increasing our deductibles?
 - Depends on the file. We're always keeping an eye on the deductible. Our premium increases have been keeping in check. We're seeing small increases. Nothing in the double digits, like we have seen in the past. We're still struggling with our insurance history. Insurers look back at the last several years. They look at things like: 'do your operators have safety training?'
- Do you know if the City of North Bay has experienced an increased number of claims?
 - There are about 78 active claims right now- but not all will result in action against the City. For three years the City of North Bay was overrun with pothole claims. We had to develop a process to handle this.
- Are property value increases projected to increase? MPAC is showing a 2% decrease for the City.
 - The 2% decrease is for residential properties. These properties go beyond bricks and mortar, and include assets and equipment.
- When we moved from the \$25,000 to the \$50,000 deductible did we not get a summary from adjusters?
 - Yes. We get copied whenever there is work on a file. We could ask for data, to see how much we're spending on deductibles.
- Is that number reflecting the fire underwriter study?
 - Underwriters look at a basketful of information. Insurance companies will see costs increase as cases carry on. Numbers can change as time goes on.
- Transit has been doing really well at reducing costs.
- Do you know why some municipalities have had to go to higher deductibles?
 - Larger municipalities have bigger claims lists.
- Are larger centres seeing claims increasing? Will increases be coming our way?
- A lot of factors are driving increases. The Negligence Act states that if a municipality is even 1% involved in a claim, then they are responsible for the balance of a claim's cost. Whatever the claim cost is. AMO says municipalities can't be the insurer of last resort. But so far there is no change.
- The desire to "help" or "comment" isn't always in the best interest of the City. It is suggested you say things like "let the lawyers do their jobs" when asked questions related to legal issues. The new communication person will help us get ahead of the game.
- Senior managers and supervisors go through risk management training.
- Are you getting favorable results for the money you're spending on grievances and arbitrations?
 - We don't like to go to arbitration. But we have to protect certain principles. We prefer to work things out in the grievance process.

- This process of Operational Review is about saving money, but it could also cost us money. At what point can we help the City Solicitor? Does he have to time card every function? Can we look at this more thoroughly?
 - We will make this an action item.
- Do you have any idea how much Fort McMurray is going to cost?
 - No.

3. **ACTION ITEMS:**

- (i) Annual summary of insurance claims with deductible expenses.
- (ii) Provide a summary of law suits.
- (iii) Look at staffing levels for the legal department.

Moved by Councillor Serran, Seconded by Councillor Bain
That the Operational Review Committee adjourn in-camera pursuant to section 239(2) of the *Municipal Act, 2001*, as amended, at 6:40 p.m. to discuss advice that is subject to solicitor-client privilege.

Moved by Councillor Serran, Seconded by Councillor Bain
That the Operational Review Committee meeting reconvene at 6:55 p.m.

Next Meeting – Monday, June 6, 2016 – 4:15 p.m.
Agenda Items: Continuation of Legal Department

Meeting adjourned at 6:55 p.m.

Councillor George Maroosis
Chair Operational Review Committee

Melanie Shaye
Deputy City Clerk