



MINUTES
269th MEETING
OF THE
BOARD OF DIRECTORS

9:00 a.m.
December 8, 2009
#300, 10320 – 102 Avenue
Edmonton AB T5J 4A1

Members in Attendance

Colin Kloot
John Bachinski
Pierre Boileau
Oceanna Hall
Sean Johnson
Dennis Kalma
Richard Luciani
Kirk MacDonald
Kristine Robidoux, Q.C.
Perry Sirota
Pat Stopa, Q.C.

Members Absent

Staff in Attendance

Jacquie Schaffter
Deb Miller
Greg Francis
Wanda Fish
Katherine Weaver
Jennifer Fowler
Pat Bard

The Meeting came to order at 9:00 a.m.

The Chair welcomed members and extended congratulations to Dr. Perry Sirota on obtaining his MBA. He advised that representatives from Myers Norris Penny (MNP) would be reporting to the Board in camera.

1. **Approval of Agenda**

It was duly Moved and Seconded to adopt the agenda as circulated. Carried Unanimously.

2. Approval of Minutes

It was agreed that the 268th Minutes should be amended at:

page 2 - "Mr. Colin" should be "Mr. Kloot"

page 3 - 4th paragraph, last point should read "... it was not identified as a strong need"

page 6 - 2nd paragraph should read "...Legal Aid Alberta operates on an accrual basis"

It was duly Moved and Seconded that the Minutes of the 268th Directors Meeting be approved as amended. Carried Unanimously.

3. Meeting Dates

- January 25, 2010 – Edmonton, LAA Review
- February 23, 2010 – Video Conference
- May 4, 2010 – Edmonton
- June 17, 18 and 19, 2010 - Sylvan Lake
- September 13, 2010 – Calgary
- December 7, 2010 - Edmonton

Ms. Schaffter advised that as the Association of Legal Aid Plans of Canada (ALAPC) meeting is being held in Kamloops, B.C. in September 2010, she proposed that the September Board meeting be scheduled for September 13, 2010. She advised that it is proposed that the 2010 ALAPC meeting will provide more information regarding best practices, and legal aid research and Board members are encouraged to attend.

Board Priorities

4. Governance (external) stakeholders and partners

a) LAA Review

Mr. Kloot congratulated the Legal Aid Alberta Administration on the excellent work in producing the Review document. He advised that the Board's ethical mandate is to ensure that Legal Aid Alberta services the needs of vulnerable Albertans and work collectively with Administration. The Board's role is to oversee and is not hands-on management.

Mr. Kloot reported that he and Peter Michalyszyn met with the Minister and Deputy Assistant Minister the previous week for approximately ½ hour. The meeting was more of a "meet and greet" meeting rather than a substantive discussion and the Minister extended her compliments on the work put into the Review.

Mr. Kloot reported that during discussions he made no apology for asking for more funds as Legal Aid Alberta cannot continue to provide necessary services given the decrease in revenue currently experienced. He advised the Minister that the Board does not want to have to cut the financial eligibility guidelines as that would put Alberta guidelines below LICO and will not service Albertans in need. As well, many non-mandated services would have to be cut, eg. duty counsel, and these cuts in service would also have a large negative impact on the justice system. Mr. Kloot advised that LAA would be facing an overall 21% decrease in revenue when considering the decrease in funds from the Alberta Law Foundation and a possible reduction in the Government of Alberta grant was by 3%. He reiterated to the Minister that Legal Aid Alberta needs to receive stable funding.

The Minister responded that she is not in charge of the budget and cannot guarantee stable funding. She advised that although the budget numbers are unknown and she appreciates the work being done by Legal aid Alberta, there will probably be a decrease in the grant by 3%.

5. Client Satisfaction Survey

This item was received as information only.

Financials

6. Budget Update

Ms. Schaffter reported that Legal Aid Alberta is required pursuant to the 2009/10 funding letter from the Minister to have \$15 million in reserve at fiscal year-end of 2010.

The Alberta Law Foundation Grant for 2010/11 is anticipated to be \$850,000.00. If the Government of Alberta grant is decreased for this period by 3%, this will equate to approximately a \$1.7 million decrease. LAA's expenditures for 2009/10 are estimated to be \$77 million.

A status quo budget would look at a very approximate level as follows:

Expenditures	\$77,400,000
Less GOA grant	\$52,195,000
Less ALF	\$ 850,000
Less other revenue from	
Recoveries and interest	\$ 2,500,000
Less Surplus	\$15,000,000

It is anticipated that unless cost saving initiatives are implemented, LAA will be in a deficit position by approximately \$6.7 million for 2010/11.

Although the ALF grant will probably increase in 2011/12 to the historical levels of about \$2.4 million, LAA will, without any changes to services and delivery methods, be facing a \$20 million deficit in 2011/12.

Ms. Schaffter advised that in order to go forward with recommendations, decisions will have to be made on which recommendations from the Review to proceed with and when we are in a position to do so. Major projects which are currently being developed are the expanded duty counsel (criminal and civil), the Legal Services Centre and mediation.

By consensus Administration was directed to prepare a report on various scenarios, starting with “bare-bones”, and budgets for each in preparation for the next Board meeting.

The Board discussed this issue further and it was agreed that a further meeting to discuss the Review and Budget will be held in Edmonton on January 25, 2010.

Release of Report

By consensus Administration was directed to release the Legal Aid Alberta Review on a neutral basis.

Governance Agreement Review Committee

Mr. Kloot reported that Peter Michalyshyn advised that he is out-going as President of the Law Society in February but he will be retained to continue with the Governance Agreement negotiations. Mr. Kloot further advised that he got the sense that Grant Sprague will also be on the Governance team on behalf of Alberta Justice.

The Board felt that as many parts of the Governance Agreement are tied to the budget that negotiations should commence as soon as possible. Ms. Schaffter advised that Justice is also motivated as she received an email from Alberta Justice requesting that the three parties chose their teams and advise Jacqueline Schaffter in order to schedule a meeting in January.

By consensus it was agreed that the Legal Aid Governance Agreement Review Committee would comprise of:

Colin Kloot
Kirk MacDonald
Kristine Robidoux
John Bachinski

Administration was directed to scrutinize the relevant documents, identify any areas of concern and need for possible changes to the Governance agreement and to forward same to the committee members as soon as possible.

Myers Norris Penny Report

It was duly Moved and Seconded that the Board move into an in camera session. Carried unanimously.

It was duly Moved and Seconded that the Board move out of in camera session. Carried unanimously.

It was duly Moved and Seconded that the Audit Committee be requested to consider the findings of MNP and to work in consultation with the CEO to both identify the control weakness and gaps and to develop a remediation plan with respect to those gaps as might be identified. Carried Unanimously.

It was duly Moved and Seconded that MNP be requested to provide a written report at a cost of approximately \$4,700.00. Carried Unanimously.

7. Financial Statements for August 2009

This item was for information only.

8. Bank Resolution

It was duly Moved and Seconded that the Board of Directors approved that Banking Resolution as exhibited on the agenda. Carried Unanimously.

Board Committee Reports

9. a) *Audit Committee*

Mr. Johnson reported that at the request of the Board, a Request for Proposal (RFP) for External Auditors was initiated. The RFP was sent out to 5 firms: Ernst & Young, Deloitte, KPMG, Kingston Ross (KRP) and Myers Norris Penny (MNP). Proposals were received from all firms and interviews were conducted. He recommended that an RFP should be sent on a recurring basis of every 5 years.

It was duly Moved and Seconded that Ernst & Young be appointed as auditors for the fiscal year 2009/10. Carried Unanimously.

b) HR Committee

Tabled to the next meeting.

c) Governance Committee

Dr. Sirota reported that there has been no activity other than follow-up on debriefing the new Board members.

d) AGM Task Team

Mr. Stopa advised that there has been no activity by the task team. Mr. Kloot advised that the AGM had been created in the format of a “thank you” as a gratuity in place of an honorarium. This format included Regional representation and costs approximately \$25,500 with the main cost being accommodation.

Mr. Stopa advised that he believes the current format is good as it is as important to recognize volunteers as it is to recognize staff. Accommodations will be the largest part of any meeting but can be reduced by holding the meeting in Edmonton as fewer people will require rooms. Dr. Sirota noted that the format of the meeting has changed from the image of a “party” to a real working meeting with Board development and training, strategizing, planning etc. The value of the meeting is high relative to the cost; \$25,000 out of \$60 million is minimal and good value of the cost. Mr. Luciani reported that as a new Board member coming on the Board and the first contact being the AGM, it was extremely valuable to getting oriented and comfortable in the new role.

Mr. Kloot advised that in discussions with Regional representatives it was felt that there was much more value in having the CEO and a Board member attend their region and meeting with the whole committee rather than one Regional representative meeting with the Board. The Task Team is responsible for coming up with recommendations for the AGM for Board consideration

e) Standards Committee Task Force

Mr. MacDonald advised that he has draft a document but has not had an opportunity to run it by his committee. He indicated that the document is a change in policy is to qualify choice of counsel by way of amendment to the Rules.

By consensus this matter was tabled to the next meeting.

Operational Committees

10. *a) Red Deer Regional Legal Aid Committee*

It was duly Moved and Seconded that Shelby MacKenzie be appointed as a member of the Red Deer Regional Legal Aid Committee. Carried Unanimously.

Management Reports

11. Operation Reports

a) Report of CEO

Ms. Schaffter advised that her report is self explanatory and invited comment. Mr. Johnson requested that the Performance Report at page 3 include the actual number of outstanding certificates. He also requested that a schedule be included as part of regular reporting stating how much and where funds are invested with maturity dates.

By consensus the Operations Reports by the CEO was received for information.

b) Report of Senior Counsel of FLO

Ms. Miller highlighted her report and advised that the staff lawyer dismissed in the Calgary Office has filed a statement of claim. She advised that she worked with Gary McFadden, HR Director and outside counsel who both agree that Legal Aid has a good case. Ms. Miller further advised that she is a member of the Legal Services Centre project team and that there will be a trial run on funneling Legal Aid clients to mediation.

By consensus the Operations Reports by Senior Counsel for the Family Law Office was received for information.

c) Report of Senior Counsel of YCDO

Mr. Francis advised that his report was self explanatory and invited comments. He advised that the IT strategy is going well and platforms are being customized to meet needs. The report from IT is good and he is optimistic.

By consensus the Operations Reports by Senior Counsel for the Youth Criminal Defence Office was received for information.

Strategic Planning

12. Strategic Planning

Mr. Kloot advised that the strategies tie in closely with the Review and deferred discussion to the January 25, 2010 meeting.

List of Pending items

No items were pending.

Items for Information

No additional items for information

The meeting adjourned at 1:20 p.m.

Jacqueline Schaffter
President & CEO