



BOARD OF DIRECTORS MEETING

**December 5, 2017
9:30 am – 4:00 pm
Legal Aid Alberta
Edmonton, Alberta**

MINUTES OF THE 307th MEETING

Members in Attendance

Deanna Steblyk, Chair
Ryan Callioux, Vice-Chair
Robert Calvert, Q.C.
Peter Carter
Owen Edmondson
Graham Johnson
Christine Hutchinson
Nancy Peck
Hilary Rose

Regrets

Daryl Royer
Jim Donihee

Management in Attendance

John Panusa, President & CEO
Steve Burford
Tyler Tollefson
Lyle Toop
Brian Mulawka
Dale Burgess
Pat Bard

Call to Order

Notice having been given, a quorum was present and the meeting was duly constituted for the transaction of business. Deanna Steblyk called the meeting to order and Pat Bard acted as the Recording Secretary for the meeting.

Consent Items

1. Approval of Agenda

Upon motion moved and seconded, it was resolved that:

The Agenda be approved.

The motion was carried unanimously.

2. **Approval of Minutes of the 306th General Meeting**

Upon motion moved and seconded, it was resolved that:

The Minutes of the 306th General Meeting be approved as amended.

The motion was carried unanimously.

Declaration of Conflict of Interest

No conflicts were declared.

Business Items

3. *CEO and Operations Report*

John Panusa provided an overview of, and responded to questions related to, the CEO Report, noting in particular that: (1) LAA has had some successes as well as challenges which are set out in his report and are self-explanatory; and (2) the Operations reports of the various business units are attached to his report.

Hilary Rose requested that administration set out the Occupational Health & Safety compliance policies with respect to Hazard Assessment, Violence in the Workplace, and Working Alone and staff training be a standing item on the Board agenda until a strategy has been built.

Hilary Rose further reported that Jim Donihee had suggested that staff capacity issues should be a one liner on all financial reporting to GoA. Peter Carter further suggested that administration build in funds for more staff as necessary. John reported that administration is looking at restructuring and if that does not address the capacity and security issues then it will be reviewed further.

Lyle Toop provided an overview of, and responded to questions related to Client Services, Communications and Human Resources noting in particular that: (1) commencing in February, the hours of operation will be standardized across all offices and there will be no Wednesday afternoon closure of the LSC; (2) there have been some glitches with CISCO with respect to the Live IVR phone and which are currently being addressed. It is shown through a pilot that Live IVR cuts down on applicants' wait times; (3) in response to the employee engagement survey, Communications has redesigned the Intranet page and a lot of emphasis has been centered on internal communications; (4) LAA is in the process of hiring a Communications Manager to assist Brian Mulawka and allow him to focus more on the external communications; (5) mediation is moving forward with AUPE in January 2018.

Christine Hutchinson reported that the Client Services Dashboard should also include the number of in-persons.

Tyler Tollefson provided an overview of, and responded to questions related to Legal Representation and Advice services, noting in particular that: (1) the reports are self-explanatory; (2) CRO certificate numbers are down and a review on the reasons is currently being conducted; and (3) a Roster & Case Management group is being developed internally and will build KPI's. This initiative will also address leadership, teamwork and succession planning

Steve Burford provided an overview of, and responded to questions related to Finance and Technology, noting in particular that: (1) a Compliance Audit Letter for the roster lawyers is being drafted and will be brought to the Board for consideration; (2) Collections from clients is under review; (3) LAA is working with KPMG on an independent audit pursuant to section 15 of the Governance Agreement.

Hilary reported that the message on costs needs to be high level and suggested the following model:

$$\begin{array}{ccccccc}
 \textit{Eligibility} & X & \textit{Tariff} & X & \textit{Hours} & = & \textit{Cost} \\
 \textit{(caseload)} & & \textit{Rate} & & & & \\
 1 & & 2 & & 3 & & 4
 \end{array}$$

1 and 2 – controlled by Minister

3 – Board Policies in abeyance at the request of the Minister

Business Plan Report

John Panusa reported that the Business Plan is currently being drafted and will be submitted to the Finance & Audit Committee with the draft 2018/19 Budget Submission for review.

Operations Projects

John Panusa provided an overview of, and responded to questions related to Operations Projects, noting in particular that: (1) The list provides the Board with a sense of the work being completed by staff other than client services; and (2) the executive is constantly monitoring and updating the list.

Data Centre Move

John Panusa reported that the Data Centre move is the number one priority as the server is not secure where it is currently located. A Business case for the Data Centre Move was attached to the agenda and the cost is approximately \$585,000 but LAA has received a grant in the amount of \$300,000 leaving an unbudgeted balance of \$282,000.

A lengthy discussion ensued and upon motion moved and duly seconded, it was resolved that:

The Board of Directors approve the capital budget expenditure for the Data Centre Move at a total cost of \$582,000.

The motion was carried unanimously.

4. Strategic Planning

John Panusa reported that a series of Strategic Planning sessions have been held with the leaders at the LAA. The draft Strategic Plan document has been drafted that will be reviewed by the Strategic

Committee prior to coming to the Board. He is anticipating that the process will be completed by the end of February, 2018.

5. **Revised Budget 2017/18**

Steve Burford advised that the letter from the Minister, as exhibited on the agenda, directs that a revised 2017/18 Budget be submitted by December 15, 2017.

Upon motion moved and seconded, it was resolved that:

The Board of Directors approve the revised 2017/18 Budget Submission dated November 17, 2017/18 with minor formatting amendments.

The motion was carried unanimously.

6. **2018/19 Budget**

Steve Burford advised that administration will draft the 2018/19 Budget and Business Plan for review by the Finance & Audit Committee on January 15, 2018. The Budget Submission has been requested to be submitted to GoA by January 30, 2018. Hilary advised that Jim Donihee has suggested that the Budget set out clearly that the administrative costs are very low at x %.

Deanna Steblyk advised that the letter from the Minister, as exhibited on the Agenda, has been signed and returned with a covering email.

7. **Board Committee Reports**

a) ***Finance & Audit Committee***

Hilary Rose reported that the Finance and Audit Committee met and reviewed Financials, Enterprise Risk Management and the Internal Audit and mandate.

b) ***Human Resources and Compensation Committee (HRCC)***

Deanna Steblyk advised the Jim Donihee provided her with a written report. As Chair of the HRCC Committee, Jim contacted John Panusa to discuss various issues. The HRCC Committee will be meeting in the near future and will review the Terms of Reference, particularly with respect to strategy and succession.

c) ***Governance Committee***

Robert Calvert reported of the Governance Committee noting that there have been a number of meetings and preliminary engagement sessions for stakeholders. The stakeholder consultations were anticipated to be completed in January 2018 but have now been pushed back to April. A meeting of the Board Governance Committee has been scheduled for mid-December.

d) ***Roster Committee***

Graham Johnson reported that there has been no meeting of the Roster Committee and one should be scheduled to review the Terms of Reference and ensure LAA clients are receiving quality services. He cited a few instances of lawyers who have received citations or have been disciplined by the Law society who are on LAA's roster. Tyler Tollefson advised that a Roster

Representation Committee has been planned and will hopefully close some gaps. Roster training will commence on December 7, 2017.

A discussion ensued and it was agreed that LAA will look into this issue and report back to the Board.

8. Financial Statements

Dale Burgess provided an overview of, and responded to questions related to, the October 2017 Financial Statements, noting in particular that: (1) the financial statements have been reviewed by the Finance & Audit Committee; (2) the financials contain numbers that are rounded off, this is an area that is work in progress to ensure that all financial information is accurate; (3) there has been issues with cash flow amounts and a new format will be introduced to the Finance and Audit Committee for review which will be easier to read and ensure accuracy; (4) High Cost Cases was budgeted at \$3 million and as Oct 31, 2017 the spend has been \$2.6 M; and (5) all statutory obligations have been met for the period in question.

Peter Carter noted that High Cost Cases is a big expense and that going forward perhaps a note can be added to indicate that of the budgeted private bar expenses, “x” amount is for High Cost Cases.

ACTIONS ARISING

9. Directives to Management and results

John Panusa reported that the directives report is self-explanatory and invited any questions. No questions were raised.

Next Meeting

The next General Meeting of the Board of Directors is scheduled for February 6, 2018 commencing at 9:30 a.m.

In Camera

Upon motion moved and seconded, it was resolved that:

The Board move in Camera.

The motion was carried unanimously.

Upon motion moved and seconded, it was resolved that:

The Board move out of Camera.

The motion was carried unanimously.

Adjournment

There being no further business, the meeting was adjourned at approximately 4:00 pm.