



BOARD OF DIRECTORS MEETING

March 23, 2017
1:00 pm – 4:00 pm
Legal Aid Alberta
Edmonton, Alberta

MINUTES OF THE 304th MEETING

Members in Attendance

Robert Calvert, Q.C., Chair
Deanna Steblyk, Vice-Chair
Derek Cranna
Ryan Callioux
Peter Carter
Linda Cook
Jim Donihee
Graham Johnson
Nancy Peck
Hilary Rose

Regrets

Lori Bokenfohr

Management in Attendance

Maria David-Evans, Interim President & CEO
Steve Burford
Tyler Tollefson
Lyle Toop
Christine Huber
Brian Mulawka
Pat Bard

Staff in Attendance (item 3)

Amna Qureshi (CRO)
Suzette Willoughby (FLO)
Maria Gallo (YCDO)

Call to Order

Notice having been given, a quorum was present and the meeting was duly constituted for the transaction of business. Robert Calvert 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 as amended with one additional item under Other Business.

The motion was carried unanimously.

2. Approval of Minutes of February 7, 2017

Upon motion moved and seconded, it was resolved that:

The Minutes of the 303rd General Meeting be approved.

The motion was carried unanimously.

Declaration of Conflict of Interest

No conflicts were declared.

Business Items

3. Update on Efficiency Measures

Staff members, Mario Gallo (YCDO), Suzette Willoughby (FLO) and Amna Qureshi (CRO) attend the meeting for this item to present their experiences, comments received and examples of where they felt the efficiency measures were having a positive effect on all stakeholders.

4. New President & CEO

Linda Cook presented her report on the HR Committee, noting in particular, that (1) There were a large number of applicants which were shortlisted to four candidates; (2) two were provided with a second interview, and references checked; (3) an offer letter is being sent to Gianpaolo (John) Panusa who will commence mid-May and Maria David-Evans has agreed to stay and continue as Interim CEO until June 1, 2017.

Maria further reported that Linda Harris, Executive Search, did a tremendous job and was very professional. It was agreed that:

Management be directed to extend the gratitude of the Board to Linda and to send a letter to her employer.

5. Full understanding as to how additional shortfall was not anticipated in the modeling and in budget preparation and how it might be avoided in the future

Steve Burford presented his report on the certificate forecasting, noting in particular that: (1) 60% of total expenditure is for private bar billings; (2) the spikes in private bar billings could not have been foreseen; and (3) the forecasting model in place for 2017/18 has been evolving and now is enhanced with greater detail of service types, payment patterns and average cost. He reported that he is confident in the

forecasting process and that we have a dynamic model which will evolve over time to meet the ever changing environment we work in. However, there will always be factors which we cannot control and cannot predict which may impact either our certificates or our lawyer billings or both.

6. Interim Borrowing options

Maria David-Evans reported that unforeseen and unprecedented spikes in private bar billings in December and February left LAA with a cash flow issue for year end. A number of activities mitigated the shortfall, including receipt of the IT grant, GST refund, private bar actuals for March and delaying payment of the first cheque run in April for select vendors, but this still left LAA at a cash deficit of \$1.4 million as of March 17, 2017. If the bail hearing recovery and leasehold improvement recovery is received by March 31, 2017, LAA will have approximately \$0.5 M in the bank.

Upon motion moved and seconded, it was resolved that:

The Board approve an overdraft with Alberta Treasury Branch (ATB) in the amount of \$2M for the year ending March 31, 2017, to be used as needed, at a cost of approximately \$2,000.

The motion was carried unanimously.

7. Options for 2017/18 Amended Budget

Maria reported that LAA's 2017/18 budget submission was approved for \$81.4M by the Government of Alberta but that does not include funds to replenish the \$2.5M reserve. LAA has been instructed to submit their revised budget by May 15, 2017.

Tyler Tollefson presented the LAA operating model and savings opportunities, noting in particular that: (1) the fixed costs for LAA are 40% (of which 9% is administrative costs) and 60% are private bar expenditures; (4) options for savings opportunities were set out showing those that would likely generate little to no savings, savings initiatives that are not recommended, and savings initiatives that can be undertaken but would require a full list of pros and cons for review prior to final decisions.

A discussion ensued and it was agreed that:

Management be directed to move forward with option 6 but that the 3 LSO positions be retained; and that triage of level 1 matters be explored with the Crown. A revised Budget will be presented to the Board at the May 7, 2017 meeting.

8. Viability of continuing LAA in the long term with appropriate and sustainable funding

Peter Carter advised that at the Finance & Audit Committee meeting he has stated that a reserve fund of two months operating costs should be established. He has since given more thought to the suggestion and feels it would be more appropriate that LAA look at the overall GoA grant when the \$2.5 M reserve was put in place and proportionally increase the reserve to the present grant allocation.

Robert Calvert noted that an index for sustainable funding and a more reasonable reserve will form part of the Governance Agreement negotiations.

9. Risks surrounding the use of the reserve and operating a deficit

Discussion was held on option 7b which is a “rolling” cap on certificates on a monthly basis commencing April 1, 2017 in order to control costs and replenish the reserve.

Hilary Rose reported that LAA will receive the first 50% of grant funds on April 3, 2017 which will be depleted by September 1st, 2017, which is also when the second 50% of grants funds are received. Commencing in December 2017, LAA will have to closely monitor private bar billings with respect to potential cash flow issues for March 31, 2018.

10. Letter to Premier

The letter to the Premier is in draft form only and it was the consensus of the Board to not send it at this time.

11. Governance Agreement negotiations

Robert Calvert reported that the Governance Committee will be commencing negotiations in the near future and that Derek Cranna is Chair of the Committee. He further noted that Derek’s term on the Board will expire in September and that the negotiations may not be concluded.

Upon motion moved and seconded, it was resolved that:

Derek Cranna remain as Chair of the Governance Committee on an ad hoc basis until such time as negotiations are concluded.

The motion was carried unanimously. Derek Cranna abstained.

12. LAA Appeal Committee

Upon motion moved and seconded, it was resolved that:

The Board approve the members of the Appeals Committee as exhibited.

The motion was carried unanimously.

13. Other Business Arising

Maria David-Evans distributed a draft Call to Action paper from the Association of Legal Aid Plans (ALAP) regarding the Truth & Reconciliation Recommendations for review and discussion at the May 9,

2017 meeting. She also noted that LAA is well on its way to responding to the Call to action recommendations.

Next Meeting

The next General Meeting of the Board of Directors is scheduled for Tuesday, May 9, 2017.

In Camera

Upon motion moved and seconded, it was resolved that:

The Board move in Camera.

Upon motion moved and seconded, it was resolved that:

The Human Resources (HR) Committee of the Board complete the CEO Performance Management Agreement by April 1, 2017 taking into consideration the approved Business Plan and CEO job description.

The motion was carried unanimously.

Upon motion moved and seconded, it was resolved that:

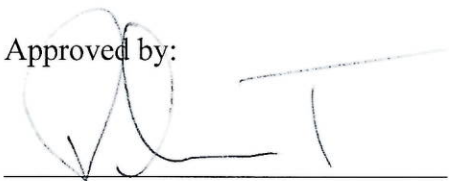
The Board move out of Camera.

The motion was carried unanimously.

Adjournment

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

Approved by:



Robert Calvert, QC
Chair of the Board



Pat Bard
Recording Secretary