



Municipality of the District of Argyle

Item: Consent for exceeding budget – legal fees

Date: November 11, 2019

## VISION

We see Argyle as home to a healthy and thriving rural population. Our municipality promotes and supports economic and social opportunities for the region and engages in the active expression of our unique Acadian heritage. We are a place of choice for rural living and are widely recognized for our warm hospitality and joie de vivre. Surrounded by fresh air and cool ocean breezes, we work and play in the great outdoors. People choose to live in Argyle because of our commitment to each other, to our community and to our neighbors. Argyle is a place we are proud to call home.

### **Background:**

During the course of budget planning, staff anticipated a considerable increase in legal fees due to the defense of the UARB appeal re; Sea Cucumber development. Actual costs were below budget. However, during negotiations for the Airport Corporation it became evident that further legal support was needed. This support had the blessing of Council but no formal motion as we were not aware of the extent of the work required.

As it turns out, the work required shall result in an overage of budget. The purpose of this memo is to request formal motion to support this ongoing situation.

### **MGA considerations:**

Legal fees are a qualified expenditure under Section 65.

### **CAO's Conclusion:**

It is still unclear where the legal costs will land at year end. Council has, in my view, a number of options. It can set an upper limit on the cost overage with no flexibility. Alternatively, you may decide to approve a budget overage, with staff to return to Council for permission past that amount.

Current budget overage is estimated to be a minimum of \$7,000. My recommendation is to approve a budget overage of \$10,000, which should cover contingencies. Should Council require additional legal advise to support an ongoing negotiation, then this should be clarified by motion, guiding the CAO in ensuring we are acting in the interests of Council.

I would favor the first motion below, as there is still uncertainty surrounding our legal requirements, and the second motion is quite restrictive.

The overage in this line item will be more than offset with additional revenues under Deed Transfer Taxes and additional sale of services to the Airport Corporation.

**Suggested motion:**

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Move that a budget overage of \$10,000 in legal fees be approved, and if additional services are required by the CAO or by Council, that the amount be brought to Council for pre-approval.

*Alternative motion*

Move that a budget overage of \$10,000 in legal fees be approved and capped at this amount.