

Federation of Canadian Municipal (FCM) Legal Defense Fund**Report Purpose**

To update Council on a request from the Federation of Canadian Municipalities for a voluntary contribution to the FCM legal defense fund.

Recommendation

THAT the Mayor, on behalf of Council, write a letter to FCM to acknowledge the benefit of the legal defense fund and encourage FCM to include this cost within the annual membership fee.

Strategic Plan Priority Areas

Economy: n/a

Governance: The County's involvement with FCM aligns with the County's goal of maintaining strong relationships with civic organizations and other municipalities.

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: n/a

Legislative/Legal: n/a

Interdepartmental: Corporate Planning and Intergovernmental Affairs and Legislative and Legal Services prepared this report.

Summary

The Federation of Canadian Municipalities (FCM) advocates to the federal government on behalf of Canadian municipalities.

In 1997, FCM established a legal defense fund to cover the costs of defending the national legal interests of Canada's municipalities. FCM has established criteria to guide the use of the fund:

- the case must be in the national interest,
- precedent-setting, and
- involve an issue where there is a relatively unified position among FCM members.

On March 2017, FCM sent a letter to the County requesting a voluntary contribution in the amount of \$2233.63 towards this legal defense fund. This amount is based on a 2-cents per capita formula; however, the contribution is voluntary and at the discretion of the municipality. Moreover, the contribution would be in addition to the County's membership fee. FCM notes that it plans to invite its members to make annual contributions to this fund starting next fall as a way of providing more long-term sustainability for the legal defense fund (see enclosure 1 for FCM letter).

FCM is an important organization and the legal defense fund has supported a number of worthwhile municipal cases. A summary of the key cases and areas of law the FCM legal defense fund has been involved with is provided as enclosure 2 of this report.

Currently, FCM's membership fee is paid by all members on an annual basis and the fee includes both a base amount as well as a per capita amount. However meritorious the legal defense fund may be, it should properly be funded by a portion of membership fees and not by individual voluntary contributions from members. Not only is the financial burden not distributed proportionately among members (as it would be if funded by a portion of membership fees) but the governance of the fee structure is removed from FCM Board oversight. It would be more appropriate for the FCM Board, as elected or appointed representatives of the members, to decide on the amount to be raised for the legal defense fund and to budget for its inclusion in the annual fee. This will also enhance sustainability of the fund.

Enclosure

- 1 FCM Legal Defense Fund Letter – March 17, 2017
- 2 Summary of FCM Legal Defense Fund Key Cases and Areas of Law