



City of Hamilton

**SPECIAL CITY COUNCIL
REVISED**

22-019

Friday, August 19, 2022, 10:30 A.M.

Council Chambers

Hamilton City Hall

71 Main Street West

Call to Order

1. APPROVAL OF AGENDA

(Added Items, if applicable, will be noted with *)

2. DECLARATIONS OF INTEREST

3. PRIVATE AND CONFIDENTIAL

3.1. Red Hill Valley Parkway Inquiry Update (LS19036(o)) (City Wide)

Pursuant to Section 9.1, Sub-sections (e), (f), (i) and (k) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-sections (e), (f), (i) and (k) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the City or a local board; the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons or organization; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board

***4. COMMITTEE REPORTS**

***4.1. STAFF REPORT**

***4.1.a. Red Hill Valley Parkway Inquiry Update (LS19036(p)) (City Wide)**

5. CONFIRMING BY-LAW

5.1. Bill 230

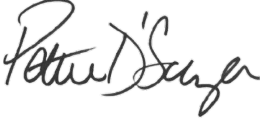
To Confirm the Proceedings of City Council

6. ADJOURNMENT



Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	August 19, 2022
SUBJECT/REPORT NO:	Red Hill Valley Parkway Inquiry Update (LS19036(p)) City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia D’Souza, (905) 546-2424 Ext. 4637
SUBMITTED BY:	Patricia D’Souza Acting Deputy City Solicitor, Legal & Risk Management Services
SIGNATURE:	

In early 2019, the City of Hamilton received information regarding a 2013 friction report related to the Red Hill Valley Parkway.

On April 24, 2019, the City passed a resolution pursuant to s. 274 of the *Municipal Act, 2001* requesting the Chief Justice of Ontario to appoint a Superior Court judge to investigate matters related to the disclosure of the friction report.

The Honourable Mr. Justice Herman J. Wilton-Siegel was appointed to preside over the Inquiry in May 2019. The Commissioner has retained Robert Centa of Paliare Roland Rosenberg Rothstein LLP to act as counsel to the Commission (“Commission Counsel”). The City has retained Eli Lederman and Delna Contractor of Lenczner Slaght LLP to act as counsel to the City in the Inquiry (“Litigation Counsel”).

In April 2022, at the commencement of the hearing phase of the Inquiry, Litigation Counsel, acting under the direction of City Council, sought and received direction from the Commissioner to appoint a designate to determine the City’s claim for privilege with respect to 64 documents that the Commission had requested production of and that the City had disputed on the grounds they were privileged. The parties agreed to the appointment of the Honourable Frank Marrocco as the Designate.

PRIVILEGE MOTION DECISION

On August 9, 2022 an *in camera* hearing took place before the Designate on this privilege issue. The Hon. Frank Marrocco issued his decision on August 15, 2022. The

Designate found that, by calling the Inquiry the City waived privilege over documents that are highly relevant to the Inquiry's Terms of Reference. The Designate has directed the City to produce, in whole or in part, the majority 51 of the 64 documents at issue, including those most significant to the Inquiry's work. The Designate concluded that the release of the documents is necessary to ensure fairness and consistency to all that may be affected by the Inquiry's final report and to avoid factual inconsistencies, erroneous findings of misconduct and unsuitable recommendations.

The Designate's decision has been posted on the Inquiry website under Legal Information. The Designate's decision included a 10-page chart in which he provided his reasons on the admissibility of each individual document. As this chart describes the documents at issue, it will not be posted until the privilege dispute, including any judicial review or appeal, is resolved.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report LS19036 (p) – Order on Application by the City of Hamilton for Privilege by the Honourable Frank Marrocco, dated August 15, 2022 (excluding chart)

Reference Material: Red Hill Valley Inquiry Updates (LS19036(f)) – September 8, 2021

ORDER ON APPLICATION BY THE CITY OF HAMILTON FOR PRIVILEGE

DATE: Heard on August 9, 2022

ARBITRATOR: Frank Marrocco, Q.C.

APPEARANCES:

Counsel:

Parties:

**Counsel for the moving party,
the City of Hamilton:**

Eli S. Lederman, Delna Contractor, and Samantha Hale,
Lenczner Slaght LLP

**Counsel for the responding
party, Commission Counsel:**

Tina Lie, Shawna Leclair, and Lauren Rainsford,
Paliare Roland Rosenberg Rothstein LLP

Overview

1. The moving party, the City of Hamilton (the “**City**”), has commenced this application to quash the summons issued by the responding party, Commission Counsel, in the Red Hill Valley Parkway Inquiry (the “**RHVPI**”). Specifically, the City takes the position that Commission Counsel cannot compel the production of 56 unique documents over which it asserts solicitor-client privilege and/or litigation privilege.
2. Commission Counsel contests the City’s characterization of the application, and distills the parties’ dispute to two fundamental questions:
 1. Does solicitor-client privilege and/or litigation privilege apply to each of the 56 unique documents?; and
 2. If so, has that claim of privilege been waived by the City’s decision to call the RHVPI?

3. I find that my jurisdiction only extends to the two issues set out by Commission Counsel. As such, I provide my reasons on the admissibility of each individual document in chart format.

Framework & Applicable Law

(a) The Purpose of Public Inquiries

4. Public inquiries fulfill an important function in Canadian society. They are “ad hoc bodies” that can be called on an “as needed” basis. However, they are often convened in the aftermath of a major event or tragedy to help the community “uncover the truth” of what occurred, and to develop recommendations for the prevention of similar, future incidents. According to the Supreme Court of Canada, the primary purpose of public inquiries is “fact-finding.”¹ To that end, public inquiries are usually granted broad investigative powers and work independently, free of the many procedural impediments that can constrain other institutions like the judiciary.
5. In Ontario, the *Public Inquiries Act, 2009*, S.O. 2009, c. 33, Sched. 6, provides the framework for the establishment of public inquiries, and the processes to be followed. Subsections 8(3) and 33(13) make clear that a commission cannot collect or receive evidence as part of the public inquiry if the information is inadmissible “by reason of any privilege under the law of evidence.”
6. Here, the City asserts solicitor-client privilege and/or litigation privilege over the 56 unique documents. I thus restrict my reasons to these two types of privilege.

(b) Solicitor-Client Privilege

7. Solicitor-client privilege is fundamental to the operation of our justice system. It ensures that individuals can speak with a lawyer candidly, so they can obtain appropriate advice and have

¹ [1995] 2 S.C.R. 97, at paras. 60 and 62.

their interests fully represented.² Over the years, “solicitor-client privilege has evolved from being treated as a mere evidentiary rule to being considered a rule of substance and, now, a principle of fundamental justice.”³

8. Solicitor-client privilege comes into existence the moment that a client seeks legal advice from their lawyer, irrespective of whether they face current or imminent litigation.⁴ The privilege attaches not only to the advice itself, but to all communications between the lawyer and their client for the provision of legal advice.⁵ This includes documents that constitute a “necessary step” in the process of receiving legal advice, that become “incidental” to the acts of obtaining and giving of legal advice, and/or that if produced, could reveal the legal advice.⁶
9. In order to assert solicitor-client privilege, a party must make out three elements:
 - (1) That there is a communication between a solicitor and their client;
 - (2) That the communication entails the seeking or giving of legal advice; and
 - (3) That the parties intended the communication to be confidential.⁷
10. Solicitor-client privilege may apply to communications between a lawyer and a third party. In the seminal case of *General Accident Assurance Co. v. Chrusz*, Doherty J.A. stated that when a third party serves as a messenger, translator, or conduit for the client to instruct their lawyer, the communications between the third party and the lawyer would be privileged. Additionally, any communications from a third party, which assemble or explain the client’s information so

² *Foster Wheeler Power Co. v. Société intermunicipale de gestion et d’élimination des déchets (SIGED) inc.*, 2004 SCC 18, [2004] 1 S.C.R. 456, at para. 34.

³ *Canada (National Revenue) v. Thompson*, 2016 SCC 21, [2016] 1 S.C.R. 381, at para. 17.

⁴ *Blank v. Canada (Minister of Justice)*, 2006 SCC 39, [2006] 2 S.C.R. 319, at para. 28 [“Blank”].

⁵ *Archean Energy Ltd. v. Minister of National Revenue* (1997), 202 A.R. 198 (Alta. Q.B.), at para. 5.

⁶ *Wintercorn v. Global Learning Group Inc.*, 2022 ONSC 4576, at para. 45(viii).

⁷ *Solosky v. The Queen*, [1980] 1 S.C.R. 821, at p. 837.

that they can seek out or obtain legal advice, would be privileged. The key question is whether the third party plays an essential role in the formation and maintenance of the solicitor-client relationship.⁸

11. Documents, information, or communications deemed to be solicitor-client privileged are *prima facie* inadmissible, subject to a few limited exceptions.⁹ The privilege will remain in force even after the parties' solicitor-client relationship has been terminated.¹⁰ As emphasized by Major J. in his oft-quoted sentence from *R. v. McClure*, once proven, "solicitor-client privilege must be as close to absolute as possible to ensure public confidence and retain relevance."¹¹

(c) Litigation Privilege

12. Unlike solicitor-client privilege, the law does not restrict the application of litigation privilege to the communications between a lawyer and their client. It can also cover non-confidential communications, and sometimes other documents, that pass between a lawyer and third parties.
13. The objective of litigation privilege is to ensure the efficacy of the adversarial process. Parties "represented or not, must [therefore] be left to prepare their contending positions in private, without adversarial interference and without fear of premature disclosure."¹²
14. A party can assert this privilege over a certain document or communication if the dominant purpose behind its creation was the preparation for any existing, reasonably contemplated, or

⁸ (1999), 45 O.R. (3d) 321 (C.A.), at 353-59.

⁹ *Currie v. Symcor Inc.*, [2008] O.J. No. 2987 (Div. Ct.), at para. 35.

¹⁰ *Blank*, at para. 37.

¹¹ 2001 SCC 14, [2001] 1 S.C.R. 445, at para. 35.

¹² *Blank*, at paras. 27-28.

anticipated litigation.¹³ However, litigation privilege is neither absolute in scope nor permanent in duration. It ends when litigation, or related litigation, concludes.¹⁴

(d) Implied Waiver

15. As described above, Commission Counsel submits that the City implicitly waived its claims of privilege over the 56 unique documents when Council called the RHVPI and enacted the associated Terms of Reference.

16. In *Roynat Capital Inc. v. Repeatseat Ltd.*, the Divisional Court confirmed that a party may be held to have implicitly waived solicitor-client privilege “where fairness and consistency so require.” The “double elements” of “implied intention,” as well as “fairness and consistency,” must be present. That is, the client must show “some manifestation of a voluntary intention to waive the privilege, at least to a limited extent.”¹⁵

17. Ultimately, “whether fairness and consistency require [an] implied waiver of privilege is case specific and factually dependent.” The use of implied waiver “will be limited to circumstances where the relevance of the evidence in question is high, and the principles of fairness and consistency require disclosure....”[Emphasis added.]

18. The jurisprudence suggests that there can be an implied waiver of litigation privilege on the same basis as solicitor-client privilege.¹⁶

19. For the purpose of my reasons, I note that public inquiries operate differently from adversarial proceedings. They are established to perform certain fact-finding and recommendation-making

¹³ *Lizotte v. Aviva Insurance Company of Canada*, 2016 SCC 52, [2016] 2 SCR 521, at para. 19.

¹⁴ *Blank*, at paras. 34-35, 37.

¹⁵ 2015 ONSC 1108, 125 O.R. (3d) 596, at paras. 80-81.

¹⁶ *Cromb et. al. v. Bouwmeester et al.*, 2014 ONSC 5318, at para. 48.

functions, including in relation to misconduct. In order to strike a balance between the need to maintain privilege and advance the truth-seeking, fact-finding, and recommendation-making goals of the RHVPI, I only found a waiver of privilege over the City's documents if they were "highly relevant" to the plain and ordinary meaning of the Terms of Reference. Fairness and consistency to all those who may be affected by the final report from the RHVPI mean that it is necessary to produce documents highly relevant to the Terms of Reference, so as to avoid factual inconsistencies, erroneous findings of misconduct, and unsuitable recommendations.

Dated Toronto, Ontario this 15th day of August 2022



The Honourable Frank Marrocco, Q.C.

CITY OF HAMILTON

BY-LAW NO. 22-230

To Confirm the Proceedings of City Council at its special meeting held on August 19, 2022

**THE COUNCIL OF THE
CITY OF HAMILTON
ENACTS AS FOLLOWS:**

1. The Action of City Council at its meeting held on the 19th day August, 2022, in respect of each motion, resolution and other action passed and taken by the City Council at its said meeting is hereby adopted, ratified and confirmed.
2. The Mayor of the City of Hamilton and the proper officials of the City of Hamilton are hereby authorized and directed to do all things necessary to give effect to the said action or to obtain approvals where required, and except where otherwise provided, the Mayor and the City Clerk are hereby directed to execute all documents necessary in that behalf, and the City Clerk is hereby authorized and directed to affix the Corporate Seal of the Corporation to all such documents.

PASSED this 19th day of August, 2022.

J. Danko
Acting Mayor

A. Holland
City Clerk