

Request for Decision United Townships of Head, Clara & Maria Council

Type of Decision									
Meeting Date	Thursday, October 17, 2019				Report Date	Monday, October 7, 2019			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed
Report #17/10/19/1201- By-Law 2019-26 Indemnity By-Law									

SUBJECT: Indemnity By-Law

RECOMMENDATION:

That Council adopt By-law 2019-26 being a By-law to provide for the indemnity and defense of Councillors and Employees of the Corporation of the United Townships of Head, Clara and Maria against liability incurred while acting on behalf of the Corporation.

BACKGROUND/EXECUTIVE SUMMARY:

On September 19, 2019, Staff received advice from Mr. Bruce Beakley, who recommended that the municipality create and adopt an Indemnity By-law.

The purpose of an Indemnity By-law is to protect individuals who work for the municipal corporation against financial loss or damage if there are sued in connection with their work on behalf of the municipality or a municipal board. The intent is not to pay legal expenses of individuals who are acting outside of their authority.

The Indemnity By-law is created to complement the Municipality's insurance program, in response to claims against members of Council, employees and volunteers who are personally subjected to legal proceedings as a result of their good faith performance of municipal duties.

Section 279(1) of the Municipal Act, 2001 states:

“Despite the *Insurance Act*, a municipality may be or act as an insurer and may exchange with other municipalities in Ontario reciprocal contracts of indemnity or inter-insurance in accordance with Part XIII of the *Insurance Act* with respect to the following matters:

1. Protection against risks that may involve pecuniary loss or liability on the part of the municipality or any local board of the municipality.
2. The protection of its employees or former employees or those of any local board of the municipality against risks that may involve pecuniary loss or liability on the part of those employees.
3. Subject to section 14 of the *Municipal Conflict of Interest Act*, the protection of the members or former members of the council or of any local board of the municipality or any class of those members against risks that may involve pecuniary loss or liability on the part of the members.
4. Subject to section 14 of the *Municipal Conflict of Interest Act*, the payment of any damages or costs awarded against any of its employees, members, former employees or former

members or expenses incurred by them as a result of any action or other proceeding arising out of acts or omissions done or made by them in their capacity as employees or members, including while acting in the performance of any statutory duty.

5. Subject to section 14 of the *Municipal Conflict of Interest Act*, the payment of any sum required in connection with the settlement of an action or other proceeding referred to in paragraph 4 and for assuming the cost of defending the employees or members in the action or proceeding. 2001, c. 25, s. 279 (1).”

FINANCIAL CONSIDERATIONS/BUDGET IMPACT:

There are no direct financial implications of adopting an Indemnity By-law.

Approved and Recommended by the Clerk
Crystal Fischer, Clerk-Treasurer