

**TO: Mayor & Council**

**FROM: Dawn Galusha, Deputy Treasurer**

**DATE: December 10, 2014**

**SUBJECT: Request from the Fort Frances Police Services Board re: Inclusion of board members in the Town's Insurance Policy**

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### **BACKGROUND**

On November 18, 2014, the Town of Fort Frances received a letter from the Police Services Board requesting that the Town of Fort Frances name the Police Services Board under their insurance policy. The letter was then presented to Council on November 24, 2014, where a resolution was passed for the request to be referred to the Administration and Finance Executive Committee for review and recommendation.

I have discussed the request with Bruce Armstrong, CAIB, Gillon's Insurance Account Executive for the Town of Fort Frances. He has advised that currently Mayor and Council sitting on any outside board, as appointed through Council, will be covered through the Town of Fort Frances insurance policy.

In addition, the Police Services Act, R.S.O. 1990, c.P.15 section 5 applies since the municipality fails to provide police services, and the Ontario Provincial Police provide police services to the municipality. As stated in subsection 5(9) there is protection from liability, "No action or other proceeding for damages shall be instituted against a community policing advisory committee or a delegate to a community policing advisory committee for any act done in good faith in the execution of a duty or for any alleged neglect or default in the execution in good faith of a duty. 1997, c.8, c.5."

Attached, please find further discussion via e-mail between Mr. Armstrong and myself regarding Directors and Officers liability coverage, which would cost an estimated \$600 per year for \$1 million coverage or \$800 per year for \$2 million coverage. This would include coverage for all Police Services Board members.

### **RECOMMENDATION**

The Administration and Finance Committee recommend adding Directors and Officers liability coverage for the Police Services Board with coverage of more than \$1 million.

Council Approval of This Report Will Agree to the recommendation of the Administration & Finance Executive Committee to add Directors and Officers liability coverage for the Police
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Services Board as a whole, for \$2 million coverage with an estimated cost of \$800.00.



Carrie Shouldice  
<Carrie.Shouldice@gillons.on.ca>

12/10/2014 04:35 PM

To "dgalusha@fort-frances.com"  
<dgalusha@fort-frances.com>, Bruce Armstrong  
<Bruce.Armstrong@gillons.on.ca>

cc

bcc

Subject RE: Fort Frances OPP Police Services Board

Hi Dawn:

I'm not sure if Bruce sent this to you but the \$2 million liability Directors and officers quote is \$800 plus tax. The company needs the application completed to confirm this amount, but it gives you a pretty close ball park.

Have a good evening.

Carrie

**From:** dgalusha@fort-frances.com [mailto:dgalusha@fort-frances.com]

**Sent:** Wednesday, December 10, 2014 10:38 AM

**To:** Bruce Armstrong

**Cc:** Carrie Shouldice

**Subject:** RE: Fort Frances OPP Police Services Board

Good Morning Bruce,

The A&F Executive Committee met yesterday and Mayor Avis discussed the liability of all members as their recommendations do not go to Council for further approval. As such, the committee feels that the coverage is necessary, however, there are still questions as to whether \$1 million coverage is enough and if the \$600 estimate is for the two people who are appointed by the Province, or the entire Police Services Board?

Thank you,

Dawn

Dawn Galusha, CPA, CGA  
Deputy Treasurer  
Town of Fort Frances  
807-274-5323 ext 247

Bruce Armstrong <Bruce.Armstrong@gillons.on.ca>

12/03/2014 03:43 PM

To "dgalusha@fort-frances.com" <dgalusha@fort-frances.com>

cc Carrie Shouldice <Carrie.Shouldice@gillons.on.ca>

Subject RE: Fort Frances OPP Police Services Board

Hi Dawn,

I have to agree with your comments. I don't believe there is much if any exposure. Certainly if the Town or the Board feels they would like to further pursue the coverage we can have the application completed and submit for a quote but if it is felt the coverage is not required we will leave it for now.

**Bruce Armstrong** CAIB  
Account Executive, Business Insurance

(807) 274-8595 ext 230  
(807) 276-5490 (Cell)  
(807) 274-2416 (Fax)  
[bruce.armstrong@gillons.on.ca](mailto:bruce.armstrong@gillons.on.ca)  
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**From:** [dgalusha@fort-frances.com](mailto:dgalusha@fort-frances.com) [<mailto:dgalusha@fort-frances.com>]  
**Sent:** Wednesday, December 03, 2014 3:22 PM  
**To:** Bruce Armstrong  
**Cc:** Carrie Shouldice  
**Subject:** Re: Fort Frances OPP Police Services Board

Hi Bruce,

Thank you for this information. I discussed this with Laurie, she said the Police Services Board is an advisory Board only. They will make recommendations to Council, but they make no decisions. In addition, they have no funds to mismanage as payments are through the Town and consist mostly of travel and board remuneration and there is no specific funding for this board.

Please consider this information and advise.

Thank you,  
Dawn

Dawn Galusha, CPA, CGA  
Deputy Treasurer  
Town of Fort Frances  
807-274-5323 ext 247

Bruce Armstrong <[Bruce.Armstrong@gillons.on.ca](mailto:Bruce.Armstrong@gillons.on.ca)>

12/03/2014 02:59 PM

To: "[dgalusha@fort-frances.com](mailto:dgalusha@fort-frances.com)" <[dgalusha@fort-frances.com](mailto:dgalusha@fort-frances.com)>  
cc: Carrie Shouldice <[Carrie.Shouldice@gillons.on.ca](mailto:Carrie.Shouldice@gillons.on.ca)>  
Subject: Fort Frances OPP Police Services Board

Hi Dawn:

We discussed the Police Service Act with the underwriter at Northbridge. He did agree that the statement holding the Board not liable of good faith decisions does help mitigate the D&O exposure, however he pointed out that there may still be a need for Directors & Officers (D&O) liability coverage. Even if the board made all their decisions in good faith, there could arise defense costs to prove this was the case, so unless the board has money set aside in the budget to self-insure this, a D&O policy may be beneficial to have in place. Miss-management of their funds is also a claim that could potentially arise.

The underwriter gave us a rough indication that for \$1M D&O would be about \$600. If the board is interested in obtaining a policy, we can firm this quote up with the company by completing and submitting the attached application.

Please let me know your thoughts and if you would like a formal quote.

Also, what kind of travel accident coverage was the Board requesting? Was it for death and disability while working as a board member or was it travel accident?

Thanks

[cid:image002.png@01D00F09.57ED5BC0]

Bruce Armstrong CAIB  
Account Executive, Business Insurance

(807) 274-8595 ext 230

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(807) 274-2416 (Fax)

[bruce.armstrong@gillons.on.ca](mailto:bruce.armstrong@gillons.on.ca)<<mailto:carrie.shouldice@gillons.on.ca>>

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November 26, 2014

Fort Frances Police Services Board  
Attn: John McTaggart, Chair  
c/o Ms. E.L. Holt, Board Secretary  
via e-mail at [laholty@shaw.ca](mailto:laholty@shaw.ca)

Dear Mr. McTaggart:

At their meeting November 24, 2014, Council referred the request from Fort Frances Police Services Board re: Inclusion of the Police Services Board under the Town's insurance policy to Administration and Finance Executive Committee for recommendation.

By copy of this letter, your request has been referred as directed.

Please direct any questions you may have to L. Witherspoon, Treasurer, at 274-5323, ext 248.

Yours very truly,

ADMINISTRATION & FINANCE DIVISION

A handwritten signature in cursive script, appearing to read 'E. Slomke'.

Elizabeth Slomke, Clerk

ES/kl

c.c. L. Witherspoon, Treasurer  
D. Galusha, Deputy Treasurer (att'd)

Administration & Finance Division  
Civic Centre

Operations & Facilities Division  
Fifth Street & Wright Avenue  
Phone: 807-274-9893  
Fax: 807-274-7360

Civic Centre  
320 Portage Avenue  
Phone: 807-274-5323  
Fax: 807-274-8479  
email: town@fort-frances.com

THE TOWN OF FORT FRANCES



FORT FRANCES, ONTARIO  
CANADA

Planning & Development Division  
Civic Centre

Community Services Division  
740 Scott Street P9A 1H8  
Phone: 807-274-4561

Mailing Address:  
320 Portage Avenue  
Fort Frances, Ontario  
P9A 3P9

www.fort-frances.com

## POLICE SERVICES BOARD

November 17, 2014



Town of Fort Frances  
320 Portage Avenue  
Fort Frances, ON  
P9A 3P9

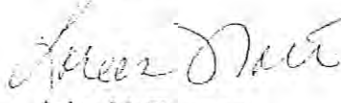
Attention: Mayor and Council

Dear Sirs:

At the recent meeting of the Police Services Board held November 12, 2014, the issue of Insurance Coverage for Police Services Board members was discussed and the Board would like to bring to Councils attention that there is no insurance for Board members doing business of the Board whether it is travel or heaven forbid that there be a law suit against the Board. The following resolution was passed:

**G. Witherspoon - R. Wiedenhoeft:** That the Police Services Board request that the Town of Fort Frances name the Police Services Board under their Insurance Policy.

Yours truly

  
for John McTaggart  
Chair

/elh



# TOWN OF FORT FRANCES

## COUNCIL

Session No. 121

Moved by [Signature]

Seconded by [Signature]

Resolution No. \_\_\_\_\_

Dated November 24, 2014

THAT the resolution passed November 12, 2014 from the Town of Fort Frances Police Services Board re: Inclusion of board members in the Town's Insurance Policy be referred to Administration and Finance Executive Committee for review and recommendation.

TO: Laurie W.  
FROM: Lisa Slomke

Approved as Regular  
Nov 25/14 Consent item.

	Yea	Nay	Disclosure of Interest
R. Avis			
J. Albanese			
A. Hallikas			
D. Kitowski			
K. Perry			
G. Paul Ryan			
R. Wiedenhoeft			

☐ CARRIED

☐ DEFEATED

\_\_\_\_\_  
MAYOR or DEPUTY MAYOR