

From: Oliver Hobson

Sent: Thursday, January 19, 2012 12:08 PM

To: Fontana, Joe; Baechler, Joni; Branscombe, Nancy; Brown, Denise; Hubert, Paul

Cc: Barry Wells; Philip McLeod; Patrick Maloney;

Subject: Delegation Status Request for the Finance and Administration Committee.

Finance and Administrative Services Committee

To the Committee's Chair: Joe Fontana & Councillors Baechler, Branscombe, Brown (Denise), Hubert.

RE: Indemnification and Defence of Members of Council Against Liability Incurred while Acting on Behalf of The Municipality (Indemnification By-law)

Following the instructions as listed on the City of London website, I request as of Jan 19th 2012 delegation status for the next Finance and Administrative Services Committee Meeting and that this communication be included on the agenda.

Background:

On Jan 16th and 17th 2012 articles appeared in the London Free Press detailing your committee received legal advice indicating the Indemnification By-law can be interpreted to mean councillors can hire their own lawyers at public expense to deal with the Ombudsman's investigation of Council.

In 2004 it was reported that Councillors White, Polhill, Caranci, Armstrong and Usher among others had legal fees paid from the public purse in a similar case that was conservatively costed at over \$130,000.

Observations:

The by-law as it is written gives ease of access to public funds by councillors for the purpose of paying legal costs incurred as a result of their decision making.

Easy access to public funds can allow for incautious, imprudent and injudicious decisions being made by councillors emboldened at the thought tax payers will automatically pay the tab.

Recommendations:

Review the 'Indemnification By-law' in its entirety giving specific consideration to the following:

- a.) Stripping out aspects of the bylaw allowing councillors to hire lawyers of their own choosing. It demonstrates a complete lack of confidence in the Corporation's existing legal team and exposes the Corporation to costs beyond its control.
- b.) Limiting indemnification so former councillors cannot continue to bill the tax payer for any legal defence required as a result of decisions they made during their time in elected office.
- c.) Introduce the possibility of recouping costs (through liens on personal property and garnishing of wages) from councillors who independently hire lawyers at taxpayers expense and engage in legal cases that fail in court.

Sincerely,

Oliver Hobson
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