

Re: Authority for the Execution of Claims

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the Municipal Council authorize the Municipal Manager in 1985 to approve for payment, without referral to Council, the payment of claims that do not exceed \$5,000.

REPORT

When Municipal Council dealt with the Municipal Manager's annual recommendation on delegating authority to staff to deal with routine transactions (Item 15, Report No. 79 dated 1984 December 10), Council amended the recommendation on claims and authorized the Manager to approve only those claims that do not exceed \$2,500 (claims exceeding this amount are referred to Council).

Staff's recent experience with claims indicates that it would be more efficient and more cost effective if the Manager could approve all claims up to \$5,000. Such authorization would reduce the number of reports that are now being processed on routine transactions, and would ensure that Council becomes involved only with those claims that are of a significant nature.

It should also be noted that where our Insurer settled a claim on behalf of the Corporation, the Insurer claims reimbursement of the deductible under the policy (there are two deductibles: (a) \$10,000 for each and every loss except (b) \$5,000 for occurrences involving water escape, sewer back-up). Payment for each of these "deductibles" are not reported to Council because they are considered to be a debt and are authorized by the Municipal Solicitor.

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cc: Municipal Solicitor
Director Finance