

From: Clerks@vaughan.ca
Subject: FW: Extract from oct council
Attachments: Finance1011_16_2.pdf; ATT00001.htm

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COMMUNICATION	
FAA -	<i>October 11/16</i>
ITEM -	<i>2</i>

From: Carrie Liddy <carrie.liddy@gmail.com>

Sent: Sunday, October 9, 2016 9:44 AM

To: Abrams, Jeffrey

Cc: Bevilacqua, Maurizio; Rosati, Gino; Ferri, Mario; Iafrate, Marilyn; Racco, Sandra; Shefman, Alan; DeFrancesca, Rosanna; Carella, Tony; Di Biase, Michael; Craig, Suzanne; Richard Lorello

Subject: Extract from oct council

Mr Abrams

Please consider this a written deputation on the insurance item from the finance committee meeting which was forwarded to the council meeting noted below.

You signed the report attached to this email. Please see the paragraph cut and pasted below. i cannot reconcile with the budget and cannot find anywhere in the fiscal plan.

An insurance premium cost of \$ 4.5 million is currently planned for in the 2017 operating budget. The successful bid has a premium cost of approximately \$ 2.5 million. The proposed transfer of the \$ 2 million to the Insurance Reserve would result in a reserve balance of \$ 5.8 million. Approving this reserve transfer and the proposed policy changes represents responsible fiscal planning from a sustainability perspective and would serve to mitigate the pressures on the tax base as a result of premium fluctuations.

Please explain how the reserves are calculated for insurance. Please explain how the surplus is created when OMEX was 8% above the budgeted item, and millions have paid to Frank Cowan Company from 2012 to present.

I note that there are literally millions of dollars still being paid to FCC, and the last contract they had was April 2011, which seemed to end in june 2012? These millions are not reconciled anywhere in the budget.

Where is this money coming from? why is FCC still being paid?

Why is the premium so low for AON? What is the deductible on each claim? FCC was \$50,000 as was OMEX. Is it the same?

I note that OMEX has placed all claims on hold. Have you notified the public how much money is at risk now that OMEX is effectively dropping Vaughan as a client?

What are the circumstances when the city would pay more than \$50,000 deductible per claim? There does not appear to be any explanation, and no budget items to explain the use of millions in taxpayer money, outside the approved budget.

You previously claimed all the millions paid to FCC after june 2012, were for "deductibles" and the contract states the maximum deductible per claim is \$50,000. I now have the summary of the claims paid to FCC and there are many many claims that the City is reimbursing FCC substantially more per claim than the \$50,000 maximum in the contract. These payments are marked "deductibles".

I remind you that both the previous City manager and you refused to meet and discuss this and items the Integrity Commissioner was deeply concerned about when the Integrity Commissioner issued her report on this item. The previous City Manager and yourself said what staff did was none of her business. However, what you failed to do was address the situation in anyway.

The final step in the report process is to send to council, prior to having the Ombudsman look into the matter. I will be completing this step next week. However if you choose to respond, i will take your responses into consideration.

Thank you in advance for your response. Please also respond to my previous email for questions regarding insurance.

https://www.vaughan.ca/council/minutes_agendas/AgendaItems/Finance1011_16_2.pdf