



TO: Mayor and Council
FROM: Laurie Rudolph, CAO
DATE: January 10, 2022
RE: **Annual Fidelity Bond**

ISSUE:
Annual Fidelity Bond

BACKGROUND:

Section 113 of *The Municipalities Act*:

113(1) The council shall annually obtain a fidelity bond, or equivalent insurance, to cover, with respect to each of:

- (a) the administrator; and
 - (b) any other employees of the municipality while carrying out duties relating to any money or security belonging to or held by the municipality.
- (2) The amount of the bond or insurance required in subsection (1) must be:
- (a) at least \$10,000; or
 - (b) any greater amount that the council considers appropriate.
- (3) At the first meeting of the council in January in each year, the administrator shall provide all bonds or equivalent insurance of employees mentioned in subsection (1) to the council, and the council shall renew or change the bonds or equivalent insurance as may be required.

2021 Certificate of Insurance included #3 Crime (attached).

The Town has not yet received the full details of the Certificate of Insurance for 2022. SUMAssure emailed the Memorandum of Insurance (attached) to present to Council regarding the fidelity bond portion.

ALTERNATIVES:

Recommend the Town remain with the amount as stated in 2022 Certificate of Insurance due to the number of employees.



FINANCIAL IMPLICATIONS:

ANALYSIS:

ADMINISTRATIVE RECOMMENDATION(S):

That the Town obtain in the 2022 year a fidelity bond of \$500,000 (Employee Dishonesty Coverage – Form A – Dual Signatures, Loss discovered) to cover the administrator and any other employees of the Town while carrying out duties relating to any money or security belonging to or held by the Town.