

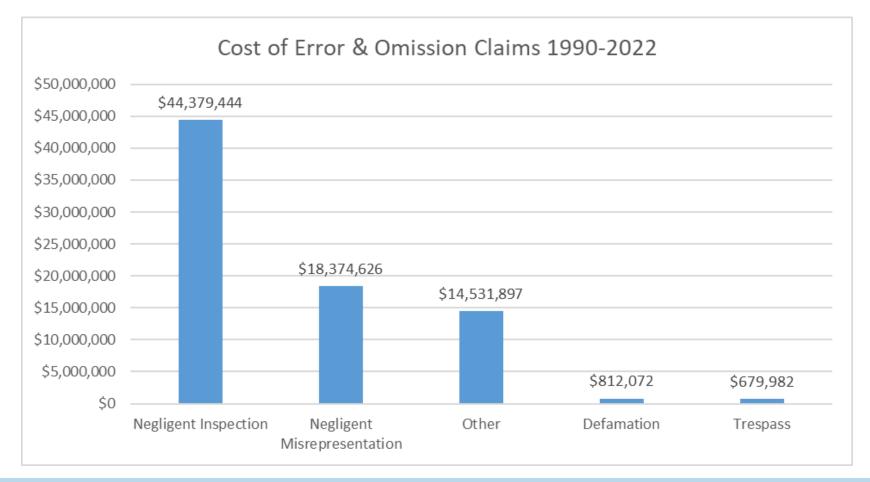
SINK TOWNSHIPS



Where does the liability exposure of elected officials arise?









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Cost of Claims

- Direct cost = lawyer's fees and disbursements, and possibly, the cost of settlement
- Indirect cost = local government time and resources
- **Intangible cost** = the stress felt by the local government staff and elected officials who may be involved in the litigation.



Negligent Misrepresentation



Negligent misrepresentation requires...

- 1. "Special relationship"
- 2. Untrue, inaccurate or misleading statement
- 3. Insufficient care in making the statement
- 4. Reasonable reliance
- 5. Resulting damage or loss





Where the party seeking information has an economic interest tied to the response.

Negligent misrepresentation

Examples:

- Information relating to future plans
- Contracts or tender documents
- Interpretation of bylaws
- Subdivision requirements



Negligent misrepresentation

Examples:

- Building regulations
- Business regulations
- Municipal assets or property for sale



Defamation is...



Publication by which other persons are likely to be induced to shun, avoid, ridicule or despise him



Defamation requires...

- Words used had a negative impact on the plaintiff
- Words referred to the plaintiff
- Communication made to third party



Real life examples...

- Accusing a mayor to have been misusing taxpayers' money to further his own career.
- Accusing a police officer of being drunk on duty.
- Calling another council member a "sick son of a bitch".
- Suggesting another council member is one of the "biggest jokes" to have been elected in a long time.



Communications can create unreasonable expectations.



Under promise + over deliver = reasonable expectations



Risk Management Tips for Communications

- 1. Have a communication plan.
- 2. Be 110% sure, or qualify your answer.
- 3. Understand who the party is and what is important to them.
- 4. Don't make promises you can't keep.
- 5. Develop an invariable practice.



Risk Management Tips for Communications

- 6. Keep good notes.
- 7. Write confirming letters/emails.
- 8. Remain professional and take the high road.
- 9. Avoid doing or saying anything that you would be embarrassed to see show up in an affidavit before a judge.



...and never hold a meeting with a developer at a White Spot.





