

District of Barriere
REPORT TO COUNCIL
Request for Decision

Date: May 4, 2026	File: 530.20/Rpts
To: Council	From: Corporate
Re: Indemnification Bylaw No. 277	
Recommendation: THAT Council give 1st, 2nd, and 3rd readings to Indemnification Bylaw No. 277	

Purpose

For Council to consider giving first three readings to Indemnification Bylaw No. 277, that clearly sets out how the District protects Council and Staff from legal costs and liabilities when acting in good faith while performing their duties.

Background

The District’s current bylaw, Indemnification Bylaw No. 03, was adopted in 2008. While it provides general protection for municipal officials, it does not reflect more recent legislative updates, case law, or evolving municipal governance practices in British Columbia.

In 2024, Council undertook a broader governance review through the adoption of the Council Code of Conduct Bylaw No. 250. That process focused on strengthening accountability, clarifying expectations for conduct, and aligning with current best practices across BC. As part of that review, it was identified that several related governance bylaws and policies required updates to ensure consistency and alignment. The draft Indemnity Bylaw as proposed completes this process. In doing so, it ensures that protections for Council and Staff are clearly defined, while maintaining accountability for conduct that falls outside those expectations.

Summary

As drafted, Bylaw No. 277 provides protection from legal liability for current and former Council members, Staff and certain volunteers or committee members (referred to as “District Officials”), when acting in good faith and in the performance of their duties.

Under Section 740 of the Local Government Act, municipalities are authorized to adopt indemnification bylaws to protect local government officials from legal action or prosecution arising from their duties. This bylaw establishes a clear and modern framework for when the District will cover legal costs, damages, and related expenses.

The updated bylaw reflects:

- Recent case law and best practices, which have further clarified the limits of indemnification and the importance of defining conditions and exclusions;
- Alignment with Council's Code of Conduct expectations, reinforcing accountability, ethical behaviour, and clarity around when protection applies; and
- General housekeeping updates, including clearer definitions, expanded coverage for different types of officials, and more detailed procedures for administering indemnification.

The key provisions of the bylaw are summarized as follows:

Indemnification (Section 3)

- The District will cover legal costs, damages, and related expenses
- Applies to current and former officials acting in their duties

Good Faith Protection (Section 4)

- Protection applies when acting in good faith
- The District will not seek repayment unless misconduct is found

Conditions (Sections 5–6)

- Officials must report claims, cooperate, and not settle independently
- The District retains full control over legal proceedings
- Compliance by an Official is a requirement to receive indemnification

Accountability (Section 7)

- Indemnification is removed in cases of dishonesty, misconduct, or breaches
- Officials may be required to repay costs

Exclusions (Section 8)

- Does not apply to criminal matters, certain fines, or disputes with the District

Council Discretion (Section 9)

- Council may approve indemnification in specific cases if needed

Overall, this update is intended to replace the existing Bylaw No. 03 as it strengthens clarity, accountability, and consistency.

Benefits or Impact

General

Brings an existing bylaw up to date that aligns with current legislation and Council expectations.

Finances

Potential financial impacts may arise if claims occur, however, these would typically be managed through MIABC insurance coverage.

Strategic Impact

Priority #4: General Governance and Community Engagement

Goal 2. – Bylaws and legislated reports are complete

Actions to get us there:

- a. Continue to work in-house and with external resources where appropriate on various governance documents that are necessary to be updated to meet Council and provincial objectives.

Risk Assessment

Compliance: Aligns with the Community Charter and Local Government Act

Risk Impact:

Low – Reduces legal and financial uncertainty by clearly outlining when indemnification applies and when it does not, in alignment with current legal frameworks.

Next Steps / Communication

- Should Council give first three readings to the attached Bylaw, the draft will be placed on the following Council Meeting agenda for adoption.
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Attachments

- DRAFT Indemnification Bylaw No. 277
- Indemnification Bylaw No. 0003

Recommendation

THAT Council give 1st, 2nd and 3rd readings to Indemnification Bylaw No. 277

Alternative Options

1. Council could choose not to adopt the draft bylaw at this time
2. Council could choose to amend the draft bylaw prior to providing 3rd reading.

Prepared by:

J. Mosdell, Deputy Corporate Officer

Prepared by:

D. Drexler, Chief Administrative Officer

**DRAFT DISTRICT OF BARRIERE
INDEMNIFICATION BYLAW NO. 277**

A BYLAW TO PROVIDE FOR THE INDEMNIFICATION OF DISTRICT OFFICIALS

WHEREAS Council of the District of Barriere, in open meeting assembled, enacts as follows:

Citation

1. This bylaw may be cited as the “District of Barriere Indemnification Bylaw No. 277”

Definitions

2. In this bylaw, unless the context otherwise requires:
 - 2.1. “**Chief Administrative Officer**” means the Chief Administrative Officer for the District of Barriere;
 - 2.2. “**District**” means the District of Barriere;
 - 2.3. “**District Official**” means:
 - 2.3.1. a current or former member of *Council*;
 - 2.3.2. a current or former officer or employee of the *District*; and
 - 2.3.3. a person who is or was a person referred to in section 738(1) of the *Local Government Act*, but only in relation to the exercise of powers or the performance of duties or functions for or on behalf of the *District* (which, for clarity, does not include an independent service provider, professional advisor, or contractor engaged by the *District* from time to time or on a fee-for-service basis);
 - 2.4. “**Council**” means council of the *District*;
 - 2.5. “**Indemnification**” means the payment of amounts required or incurred:
 - 2.5.1. to defend an action or prosecution brought against a person in connection with the exercise or intended exercise of the person’s powers or the performance or intended performance of the person’s duties or functions;

- 2.5.2. to satisfy a judgement, award, or penalty imposed in an action or prosecution referred to in paragraph 2.5.1;
 - 2.5.3. to an inquiry under the Public Inquiry Act; or
 - 2.5.4. in relation to another proceeding that involves the administration or the conduct of *District* business, including, without limitation, any damages, awards, fines, penalties, Reasonable Legal Costs, and reasonable out-of-pocket costs, but excluding any fine that is imposed as a result of a *District Official's* conviction for an offence that is not a strict or absolute liability offence; and
- 2.6. **“Reasonable Legal Costs”** means the reasonable costs, including disbursements, incurred by the *District Official* or by the *District* in seeking, retaining, and engaging legal counsel in respect of a matter for which Indemnification is provided under this bylaw, as determined by the *Chief Administrative Officer* or the *District's* legal counsel.

Provisions

3. Subject to the provisions of this bylaw, the *District* will provide Indemnification for any *District Official* in relation to, and from and against, any claim, action, prosecution, inquiry, complaint, or proceeding brought against such *District Official* as a result of, or relating to, the performance of the *District Official's* duties, whether arising during or after their term of office or employment or service to the *District*, including without limitation any damages, awards, fines, penalties, Reasonable Legal Costs, and reasonable out-of-pocket costs that may be incurred by the *District Official*.
4. The *District* will not seek indemnity against a *District Official* in respect of any conduct of the *District Official* that results in a claim for damages against the *District*, unless a court makes a finding in the action that the *District Official* has been guilty of dishonesty, gross negligence, or malicious or willful misconduct.
5. Where:
 - 5.1. *Indemnification* under this bylaw is or may be claimed by any *District Official*, such *District Official* shall immediately, upon receipt thereof, forward to the *District* every statement of claim, letter, document, or advice relating to an actual or potential claim against such *District Official* in respect of which Indemnification is or may be claimed under this bylaw;

5.2. *Indemnification* under this bylaw is or may be claimed by a *District Official*, such *District Official* shall not:

5.2.1. voluntarily assume any liability, assume fault, or settle or compromise any claim; or

5.2.2. interfere with the *District* in any negotiation, settlement or in any legal process with respect to such claim;

and that whenever requested by the *District* such *District Official* shall:

5.2.3. aid in securing of information and evidence and the attendance of witnesses and shall, where required by the *District*, give evidence or statements in writing or orally, as requested by the *Chief Administrative Officer* or the *District's* legal counsel; and

5.2.4. co-operate with the *District* in the defence of any action or proceeding or in the prosecution of any appeal taken by the *District* on behalf of the *District Official*.

5.3. *Indemnification* under this bylaw is or may be claimed by a *District Official*, such *District Official* shall consent, in writing or otherwise, that the *District* shall have complete discretion to defend, manage, settle, compromise, or otherwise resolve the action, prosecution or proceeding, including by:

5.3.1. appointment and instruction of legal counsel;

5.3.2. assumption of the defence or management of any action, prosecution or proceeding;

5.3.3. conduct of all necessary investigations and reviews;

5.3.4. compromise or settlement of any action, prosecution or proceeding; and

5.3.5. payment or satisfaction of any judgment, award or penalty imposed in connection with the action, prosecution or proceeding.

6. Compliance by any *District Official* with the provisions of section 5 of this bylaw is a condition precedent to the *District's* obligation to provide *Indemnification* for such *District Official* as provided in this bylaw.

7. Where a court, tribunal, or other investigating or regulating agency or body, makes a finding in an action, prosecution, or proceeding that a *District Official* who has been indemnified, or is seeking *Indemnification*, under this bylaw, has:

7.1. been guilty of dishonesty, gross negligence, malicious or willful misconduct;

7.2. willfully acted contrary to the lawful direction or order given by a person in authority over the *District Official*;

7.3. libeled or slandered a person or persons;

- 7.4. not met the duty to respect confidentiality under section 117 of the Community Charter or other applicable enactment;
- 7.5. been disqualified from holding office under section 111 of the Community Charter; or
- 7.6. been convicted of an offence that is not a strict or absolute liability offence,

then the *District's* obligation to provide Indemnification under section 3 of this bylaw shall cease and the *District Official* shall reimburse the *District* for all amounts expended by the *District* in the conduct of the *District Official's* representation or defence, and the *District* shall not be obligated to pay any judgement, award, or penalty imposed in such action, prosecution, or proceeding.

8. The *District* will not provide *Indemnification* to a *District Official* in relation to:
 - 8.1. any fine imposed as a result of a *District Official's* conviction for an offence that is not a strict or absolute liability offence;
 - 8.2. the defence of a *District Official* arising from a criminal proceeding;
 - 8.3. any matter, action, prosecution, or proceeding where damages are claimed by the *District Official* against the *District*;
 - 8.4. any matter, action, prosecution, or proceeding where damages are claimed by the *District* against the *District Official*; or
 - 8.5. a motion of censure by *Council*.
9. Nothing in this bylaw precludes a *District Official* from seeking that *Council*, by resolution in a specific case, provide *Indemnification* to the *District Official*.

Repeal

10. The "*Indemnity for Municipal Officers Bylaw No. 0003, 2008*", is hereby repealed.

General

11. Any enactment referred to herein is a reference to an enactment of British Columbia and regulations thereto, as amended, revised, consolidated or replaced from time to time.

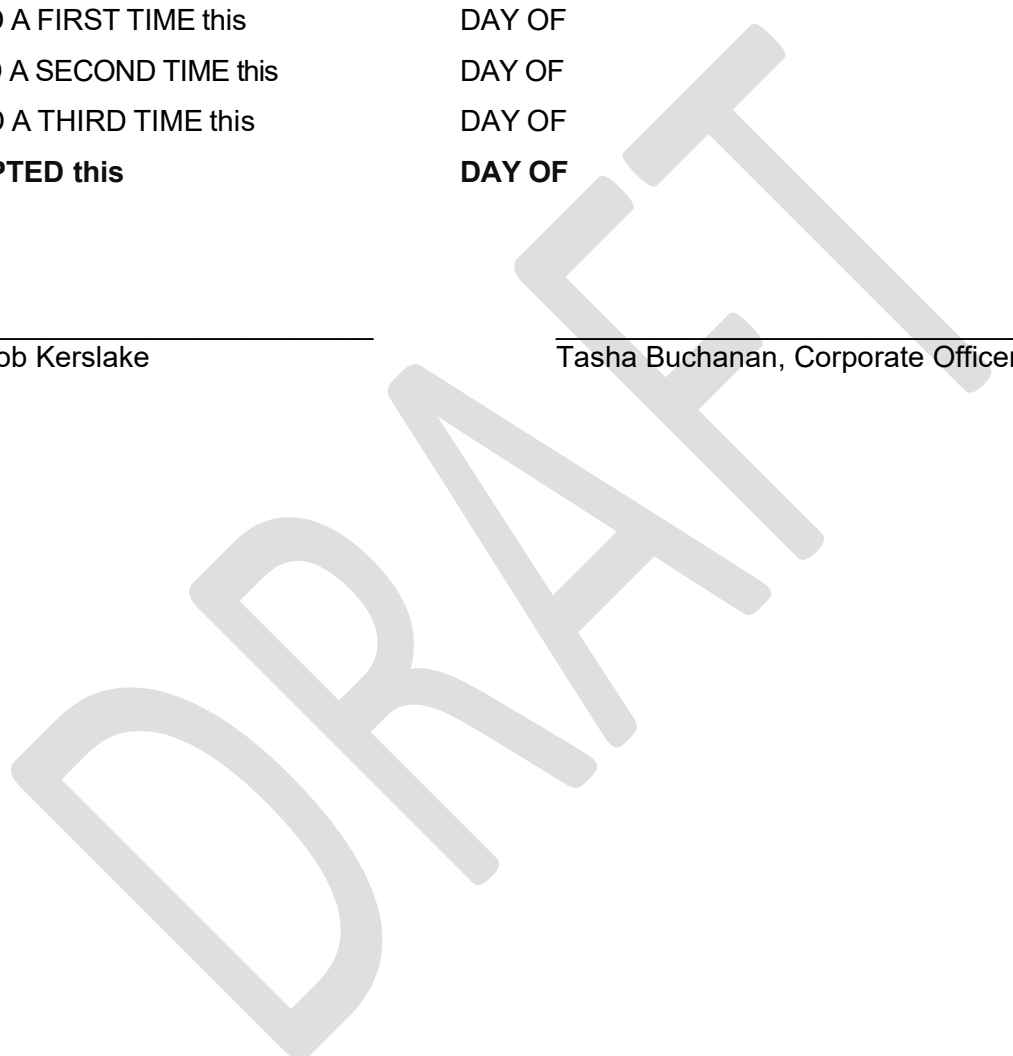
12. If any section, paragraph or phrase of this bylaw is for any reason held to be invalid by a decision of a Court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this bylaw.

READ A FIRST TIME this
READ A SECOND TIME this
READ A THIRD TIME this
ADOPTED this

DAY OF
DAY OF
DAY OF
DAY OF

Mayor Rob Kerslake

Tasha Buchanan, Corporate Officer



DISTRICT OF BARRIERE

BYLAW NO. 0003

A BYLAW TO INDEMNIFY MUNICIPAL OFFICIALS AGAINST DAMAGES AND THE COSTS OF LEGAL PROCEEDINGS ARISING OUT OF THE PERFORMANCE OF THEIR DUTIES AND THE CONDUCT OF MUNICIPAL BUSINESS

WHEREAS Section 287.2 of the *Local Government Act* authorizes a municipality to provide by bylaw for the indemnification of its municipal officials against claims for damages and the costs incurred in a legal proceeding arising out of such claim pursuant to the performance of their duties and the conduct of municipal business:

NOW THEREFORE the Council of the District of Barriere, in open meeting assembled, enacts as follows:

1. Title

This bylaw may be cited as “DISTRICT OF BARRIERE INDEMNIFICATION BYLAW 2007 NO. 0003”.

2. Definitions

“District” means the Barriere District Municipality, more commonly known as “District of Barriere”.

“Municipal Official” means

- (a) Member of Council for the District of Barriere;
- (b) members of a commission established by the District;
- (c) members of a select or standing committee of Council who are not also members of Council;
- (d) members of an advisory body of Council;
- (e) volunteers who participate in the delivery of services by the District or a body referred to in subsections (a) through (d) under the supervision of a person referred to in paragraphs (f) or (g);
- (f) an individual employed with the District under a Collective Agreement; and
- (g) those individuals employed by the District who are excluded from the Collective Agreement;

3. Indemnification

The District will:

- (a) indemnify a Municipal Official for any costs reasonably required or incurred to defend an action or prosecution brought against the Municipal Official in connection with the exercise or intended exercise of his or her powers or the performance or intended performance of his or her duties or functions, including amounts required to satisfy a judgment, award or penalty imposed in such an action of prosecution.

- (b) The District will indemnify a Municipal Official for any legal costs reasonably required or incurred in relation to a proceeding that involves the administration of the municipality or the conduct of municipal business.

4. Former Municipal Officials

The terms “Municipal Officials” include persons who are former “Municipal Officials”, as applicable, but only in relation to the exercise of powers of the performance of duties or functions for or on behalf of the District.

5. Exclusions from Indemnification

- (a) Notwithstanding Section 3 and 4 above, the District will not pay or indemnify a Municipal Official for any fine or penalty imposed as a result of the Municipal Official’s conviction for an offense that is not a strict or absolute liability offence.
- (b) Further, Section 3 and 4 above does not apply in any case where the Municipal Official:
 - i. has not acted within the scope of his or her duties;
 - ii. has been grossly negligent or dishonest, or engaged in willful or malicious misconduct; or
 - iii. in the case of an officer or employee, has acted contrary to the terms and conditions of his or her employment, or contrary to law, or has acted contrary to an order given by a person in authority over him or her; or
 - iv. in the case of a Council Member, has acted in a conflict of interest with the District or otherwise not in accordance with his or her duties.
- (c) If a court or tribunal makes a finding listed in subsections 5 (b) i to iv of this bylaw, and the District has already paid the costs or damages of the Municipal Official, the Municipal Official must repay those costs or damages to the District.

6. Indemnification Process

- (a) Where indemnity is or may be claimed under this bylaw by a Municipal Official, the Municipal Official shall, within 7 days of receipt, forward to the Corporate Officer appointed by the Members of Council under section 148 of the *Community Charter*, every statement of claim, writ of summons, information letter, document or advice relating to the claim or prosecution in respect of which the indemnity is or may be claimed.

- (b) Upon Receipt of all information available under section 6 (a) above, the Corporate Officer must make a determination as to whether the Municipal Official is entitled to indemnification pursuant to this bylaw, and in order to make this determination, may request additional information from the Municipal Official, which must be provided to the best of the Municipal Official's knowledge and ability.
- (c) If the Corporate Officer determines that the Municipal Official is entitled to indemnity, pursuant to this bylaw, the Corporate Officer shall proceed to provide the indemnity to the Municipal Official, and report the provision of the indemnity to Council at its next regular meeting or, if necessary, at a special Council meeting.
- (d) Where indemnity is or may be claimed under this bylaw by a Municipal Official, the Municipal Official shall not:
 - i. voluntarily assume any liability, settle any claim, or enter any plea except at his or her own cost, and no indemnification shall be paid in relation to any such assumption of liability, settlement or plea; nor
 - ii. interfere with the District in any negotiation or settlement in any legal proceedings with respect to the claim or prosecution.
- (e) Whenever requested by the District or its legal counsel, a Municipal Official shall:
 - i. assist in securing information and evidence and the attendance of witnesses;
 - ii. give evidence himself or herself; and
 - iii. co-operate with the District in the defense of any action or proceeding or in the prosecution of any appeal taken by the District of behalf of the Municipal Official.
- (f) The District or its insurer will have sole discretion to appoint legal counsel to defend the claim or prosecution.
- (g) It is a condition precedent to the District's liability to indemnify a Municipal Official, as provided in this bylaw, that the Municipal Official shall comply with the provisions of subsections 6 (a), (b), (d), (e) and (f) of this bylaw.

7. Specific Case

Nothing in this bylaw precludes a Municipal Official from applying for indemnification pursuant to Council's jurisdiction under Section 287.2 (2) (b) of the *Local Government Act* for a resolution indemnifying the Municipal Official in a specific case.

PASSED FIRST READING 2007 December 17

PASSED SECOND READING 2007 December 17

PASSED THIRD READING 2007 December 17

ADOPTED January 07, 2008

Mike Fennell

MAYOR

Wayne Vollrath

DIRECTOR,

CORPORATE ADMINISTRATION