


MEMORANDUM

TO: Eric W. Olson, City Administrator

FROM: Richard Barker, Jr., Chief Financial Officer 

CC: Lysia Bowling, City Attorney

DATE: May 23, 2016

SUBJECT: Pensacola City Council Special Council Meeting – May 26, 2016
Investigative Report and Termination of Fire Chiefs

In my capacity as Chief Financial Officer, I am charged with the oversight of the Risk Management Activity of the City of Pensacola. As such, the Mayor and City Council should be notified concerning a few provisions in the City's Public Officials Insurance Policy that are potentially applicable to the scheduled "Investigative Report & Termination of Fire Chiefs" Special City Council Meeting scheduled for May 26, 2016.

The City's Public Officials Insurance Policy identifies the "Insured" as (1) the City of Pensacola; (2) all past, present or future duly elected, appointed or employed officials; (3) employees and (4) all persons providing services to the Insured under a mutual aid or similar agreement with specific qualifiers. Should a claim arise, the provisions of the policy relating to the defense and settlement of claims provides, among other things, that the Insured does not admit liability for a claim without the Insurer's written consent. Additionally, the policy provides that the Insured will do nothing that may prejudice the Insurer's position or potential or actual rights of recovery.

Should a breach of the aforementioned provisions occur, this could result in the Insurer declining coverage, which would put the City of Pensacola taxpayers at risk for any claims that may arise from the dismissal of the Interim Fire Chief and the Deputy Fire Chief. Therefore, knowledge of the provisions of the policy should be taken into consideration before any assertions or statements are made by the "Insured" as it relates to the dismissal of these two individuals.

In my thirty-five year career with the City of Pensacola, I do not recall any public meeting held to discuss employees dismissed by a City Manager or Mayor of the City of Pensacola. Certainly, from a risk management perspective, it would be best to maintain the past practice of not publicly discussing employee related matters. As the Chief Financial Officer of the City of Pensacola it is important that you, the Mayor and the City Council be informed of the potential risks associated with this matter.