



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: November 10, 2015

TO: Honorable Mayor and Members of the City Council
FROM: Mark Sorensen, City Administrator
Subject: Utilizing Crime Policies for the Purpose of Bonding City Officers and Employees.

Council is asked to consider a resolution approving crime policies for the purpose of bonding City officers and employees.

Background:

At the SCORE board meeting of 10/30/2015 there was a discussion regarding the use of a master crime policy, similar to that purchased by many SCORE members including the City of Biggs, rather than individual bonds for the Finance Director, City Clerk, City Administrator, or others who may be required to be bonded.

There is a reference to using a crime insurance policy in Government Code Section 1463 as authorized by the legislative body and a superior court judge.

SCORE administrators recommend that the City Council pass a resolution authorizing the use of a master policy and setting the appropriate limit. Resolution 15-26 accomplishes this recommendation.

Recommendation:

Approve RESOLUTION NO. 15-26.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
APPROVING GOVERNMENT CRIME POLICIES FOR THE PURPOSE OF BONDING
CITY OFFICERS AND EMPLOYEES AND ESTABLISHING POLICY LIMITS

Mark Sorensen, City Administrator

RESOLUTION NO. 15-26

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
APPROVING GOVERNMENT CRIME POLICIES FOR THE PURPOSE OF BONDING
CITY OFFICERS AND EMPLOYEES AND ESTABLISHING POLICY LIMITS**

WHEREAS, California Government Code section 36518 requires the City Council by resolution to establish the penal sum of the bond for the positions of City Clerk and City Treasurer; and,

WHEREAS, California Government Code section 36519 provides that the City Council may require bonds of any other officer or employee of the city; and,

WHEREAS, California Government Code section 37209 requires execution of a bond by a Director of Finance where duties imposed by law upon the City Clerk are transferred to a Director of Finance; and,

WHEREAS, California Government Code section 1480 provides that every officer agent or employee not required by statute to give an official bond may be required to give an individual official bond or other form of individual bond in the amount to be fixed by the appointing power and such bond shall inure to the benefit of the appointing power, state, county, or municipality by whom such officer, employee, or agent is employed as well as the officer under whom the employee or agent serves; and,

WHEREAS, Biggs Municipal Code section 2.15.060 requires the finance director shall give a bond for the faithful performance of the finance director's duties in the penal sum of not less than \$200,000 and all other officers and employees shall give bonds for the faithful performance of their duties in the penal sum of not less than \$25,000; and,

WHEREAS, Biggs Municipal Code section 2.15.060 also provides that these bonding requirements may be complied with by a single public employees' faithful performance blanket position bond; and,

WHEREAS, California Government Code section 1463 provides that a government crime insurance policy or employee dishonesty insurance policy, including faithful performance, may be provided as an alternative to the official bond by any county or city, subject to approval by the presiding judge of the superior court and recording and filing as provided in sections 1457 to 1460.1, inclusive. An insurance policy procured pursuant to this section may be used as a master bond as though it were an official bond, subject to approval of the appointing power or the legislative body as provided in section 1481; and,

WHEREAS, California Government Code section 1481(b) provides that notwithstanding any other provision of law when deemed expedient by the legislative body of a local public agency, a master official bond or other form of master bond may be used which shall provide coverage on more than one officer, employee, or agent of the local public agency, whether

elected or appointed who is required by statute regulation, the appointing power, the governing board of a local public agency, or the board of supervisors of a chartered or general law county to give bond; and,

WHEREAS, California Government Code section 1481(c) provides that a master bond under this section shall be in the form and for the term which is approved by the appointing power or the legislative body of a local public agency and shall inure to the benefit of the appointing power, state, or local public agency by whom the officer, employee, or agent is employed as well as the officer or officers under whom the employee or agent serves.

NOW, THEREFORE, BE IT RESOLVED by the Biggs City Council as follows:

1. That the City Council deems it expedient that the bonding requirements for public officers and employees required by California Government Code, Biggs Municipal Code, or City Council Resolution, shall be in the form of a Government Crime Insurance Policy that provides coverage for the City of Biggs officers and employees.
2. That the limits of the Government Crime Policy shall be at least \$1,000,000 per occurrence for employee theft, with a deductible amount of not more than \$10,000 per occurrence, with sub-limits for other forms of loss covered by the policy as deemed appropriate.
3. That the premiums shall be paid by the City.

The foregoing resolution was adopted by the City Council of the City of Biggs at its meeting held on Tuesday, November 10, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN

Robin Dewsnup
City Clerk

Roger Frith
Mayor