

ORDINANCE NO. 17 - 2023

AN ORDINANCE APPROVING AND AUTHORIZING THE PURCHASE OF EMPLOYEE DISHONESTY AND FAITHFUL PERFORMANCE INSURANCE COVERAGE IN LIEU OF INDIVIDUAL SURETY BONDS FOR VILLAGE OFFICERS AND EMPLOYEES; AND DECLARING AN EMERGENCY.

WHEREAS, the Village is a member of the Public Entities Pool of Ohio ("PEP"), an inter-governmental self-insurance pool established pursuant to § 2744.081 of the Ohio Revised Code, which provides for the pooling of financial and administrative resources for Ohio political subdivisions to afford self-insurance protection; and

WHEREAS, Art. XIX, § 19.5 of the Charter provides that the Council is vested with the power "to establish such bonds of employees whether elected or appointed as in the opinion of the Council are necessary for the faithful discharge of their duties;" and

WHEREAS, House Bill 291 was signed into law on December 20, 2018 and became effective March 20, 2019; authorizes the use of an "employee dishonesty and faithful performance of duty policy," instead of individual surety bonds, for employees and appointees who are otherwise required by law to acquire a bond before entering upon the discharge of duties; and

WHEREAS, the Village has available through PEP employee dishonesty and faithful performance coverage; and

WHEREAS, the Council has determined that it is in the best interests of the Village to exercise its Charter and applicable statutory powers to purchase officer and employee dishonesty and faithful performance policy coverage through PEP for all officers and employees required to be bonded pursuant to law in the coverage amount of \$250,000.00, per employee / officer.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF MADISON VILLAGE, COUNTY OF LAKE, STATE OF OHIO:

SECTION 1. That the Mayor is hereby authorized and approval herein given to purchase through PEP officer and employee dishonesty and faithful performance of duty policy coverage which coverage is and shall be in lieu individual surety bonds for the officers and employees who are otherwise required by law to acquire a surety bond before entering upon the discharge of duties.

SECTION 2. It is Council's express purpose and intent that this dishonesty and faithful performance of duty policy coverage through PEP is and shall be in furtherance of and compliant with R.C. § 3.061 to the full extent that Ohio statutory law may, independently of the Charter, require surety bonding and such that the policy shall apply as follows:

- 1) An officer, employee, or appointee shall be considered qualified to hold the office or employment, without acquiring a bond, on the date the oath of office is taken, certified, and filed as required by law.

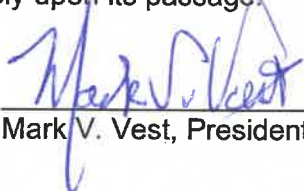
- 2) An officer, employee, or appointee shall have the employee dishonesty and faithful performance of duty policy in effect before the individual's term of office or employment and the officer, employee or appointee shall not commence the discharge of duties until coverage is documented.
- 3) All officers, employees, or appointees who would otherwise be required to file a bond before commencing the discharge of duties shall be covered by and are subject to the employee dishonesty and faithful performance of duty policy instead of a surety bond requirement.
- 4) The coverage amount for an officer, employee, or appointee under an employee dishonesty and faithful performance of duty policy shall be equal to or greater than the maximum amount of the bond otherwise required by law.
- 5) Elected officials, prior to taking the oath of office and holding office, shall obtain approval of the intent to use the PEP coverage agreement and affirm that the public entities coverage complies with R.C. § 3.061.

SECTION 3. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including § 121.22 of the Ohio Revised Code.

SECTION 4. That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, welfare and safety of the inhabitants of this Village, and for the further reason that faithful performance coverage must be entered into forthwith so as to provide continuous protection against losses; WHEREFORE, this Ordinance shall take effect and be in force from and immediately upon its passage.

PASSED:

April 10, 2023



Mark V. Vest, President of Council

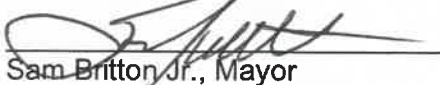
Attested:



Kristie M. Crockett, Fiscal Officer / Clerk

Approved:

Date: 4/10/2023



Sam Britton Jr., Mayor