

RESOLUTION R2024-07

**A RESOLUTION TO REPLACE OFFICIALS AND EMPLOYEES SURETY BONDS
WITH FAITHFUL PERFORMANCE COVERAGE ON THE CITY'S LIABILITY
INSURANCE ACCORDING TO HB291**

WHEREAS, the City of Gallipolis is a member of the Public Entities Pool (PEP), a political subdivision risk pool established pursuant to Ohio Revised Code hereinafter "ORC," 2744.081; 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 trustees, employees, and appointees who are otherwise required by law to acquire a bond before entering upon the discharge of duties; and

WHEREAS, in accordance with ORC 3.061, the "political subdivisions", (meaning counties, townships, "municipal corporations," including villages and cities) must adopt a policy by resolution to allow the use of an "employee dishonesty and faithful performance of duty" coverage document, rather than a surety bond, to cover loss by fraudulent or dishonest actions of employees and failure of employees to faithfully perform duties; the following shall apply to the policy:

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 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 and appointed 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 ORC 3.061. Said approval shall be obtained by the City of Gallipolis.

WHEREAS, the City of Gallipolis in Gallia County, "employee dishonesty and faithful performance of duty policy through the PEP coverage document complies with ORC 3.061.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Gallipolis, State of Ohio:

Section 1: The City Commission hereby authorizes the public entity to purchase and use "employee dishonesty and faithful performance of duty policy" through PEP instead of individual surety bonds for officers, employees, and appointees who are otherwise required by law to acquire a bond before entering upon the discharge of duties.

Section 2: This Resolution shall be in full force and effect at the earliest period of time allowed by law.

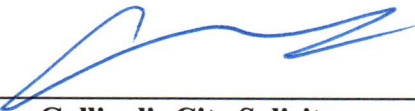
PASSED: August 6, 2024

ATTEST:

Shelly L. Clonch
Clerk of the City Commission
Shelly L. Clonch

Michael C. Fulks
President of the City Commission
Michael C. Fulks

The foregoing Resolution is hereby approved as to form according to City Charter.


Gallipolis City Solicitor
Andrew Noe