Cumberland Town Council
Ordinance 2015 -22

Ordinance Approving Bond Policy and Authorizing Blanket Bonds and Crime Insurance

WHEREAS, Indiana Code § 5-4-1 requires certain elected and appointed officials, deputies, employees and contractors to file official bonds for the faithful performance of their duties; and

WHEREAS, the obligation to file the bonds may be satisfied by individual bonds, blanket bonds, or crime insurance policies; and

WHEREAS, individual bonds are required unless the County Council authorizes the purchase of a blanket bond or a crime insurance policy; and

WHEREAS, if a blanket bond or a crime insurance policy can be purchased in an amount which is less than the aggregate cost of the individual bonds, it is in the best interest of the taxpayers to purchase a blanket bond or a crime insurance policy rather than an individual bond; and

WHEREAS, the Cumberland Town Council, being the fiscal body of the Town of Cumberland, finds it is in the best interest of the Town to purchase a blanket bond or crime insurance policy pursuant to Indiana Code § 5-4-1-18(b) if the costs of the blanket bond or crime insurance policy is less than the costs of individual bonds.

IT IS THEREFORE ORDAINED that a new section of the Town of Cumberland Code of Ordinances, Section 00-03-32-03 should be added and that this section reads as follows:

“Section 00-03-32-03 Bond Policy

(A) Authorization: The Town may purchase individual bonds, blanket bonds, or crime insurance policies endorsed to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including Town judges and clerk-treasurers and those employees required by law or directed to file an individual bond.

(B) Clerk-Treasurer Bond: The Town of Cumberland’s fixes the amount of a bond for the Clerk-Treasurer at $30,000 for each $1,000,000 of receipts of the officer’s office during the last complete fiscal year before the purchase of a blanket bond, provided that this amount may

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not be less than $30,000 nor more than $300,000. The Town Council must approve the bond if sufficient.

(C) Other Officials, Appointees and Employees: Every elected or appointed officer, official, deputy, employee, or contractor of the Town of Cumberland who is required to file a bond for the faithful performance of their duty, must file the bond in the office of the Clerk-Treasurer and the County Recorder. Bonds must be filed with the Recorder within 10 days of their issuance.

(D) Filling With State Board of Accounts: The Clerk-Treasurer must file a copy of the bonds with the state board of accounts contemporaneously with the filing of the Town's annual financial report and electrically in the manner prescribed by I.C. § 5-14-3.8-7.

(E) Time of Bonding: An officer required to give a bond must give the bond before the commencement of his or her term of office. The officer may not take office until the policy is given.

(F) Payee: All bonds must be payable to the state of Indiana. Every such bond shall be obligatory to such state, upon the principal and sureties, for the faithful discharge of all duties required of such officer by any law, then or subsequently in force, for the use of any person injured by any breach of the condition thereof.

(G) Validity of Bonds: No policy shall be void on a first recovery, but suits may be instituted thereon, from time to time, until the penalty thereof is exhausted. No bond shall be void because of defects in form or substance or in the approval and filing thereof, but, upon the suggestions of such defects, such policy shall be obligatory as is properly executed, filed and approved.

(H) Forms: The commissioner of insurance shall prescribe the form of the bonds as required by I.C. § 5-4-1-18, in consultation with the Indiana archives and records administration under I.C. § 5-15-5.1-6.

(I) Effectiveness: Unless the bond is canceled, the bond must continue in force for the terms of office of the individual who files the bond or policy. The aggregate liability of the surety or insurer is the amount specified in the bond.

(J) Intent to Comply: It is the policy of the Town of Cumberland to comply with all provisions of the Indiana Code. If a policy of the Town and a provision of the Indiana Code regarding bonds under I.C. § 5-4-1 conflict, the Indiana Code will be deemed to be the policy of the Town and will be enforceable as if specifically written in this policy.”
It is further ordained that this Ordinance takes effect upon adoption.

Adopted this 2 day of December, 2015

A Majority of the Cumberland Town Council:

Joe Siefker, President

Anna Pea, Vice President

Nicole Bell, Council Member

Brian Gritter, Council Member

Mark Reynolds, Council Member

ATTEST:

Erica Salmon, Clerk-Treasurer