

FAIRFIELD TOWNSHIP
RESOLUTION NO. 19-161

RESOLUTION TO AUTHORIZE THE TOWNSHIP TO PURCHASE AND USE “EMPLOYEE DISHONESTY AND FAITHFUL PERFORMANCE OF DUTY POLICY” THROUGH THE OTARMA COVERAGE DOCUMENT.

WHEREAS: Fairfield Township, Butler County is a member of the Ohio Township Association Risk Management Authority (OTARMA), 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 township 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; and

WHEREAS: Fairfield Township, Butler County’s, “employee dishonesty and faithful performance of duty policy” through the OTARMA coverage document complies with ORC 3.061.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of Fairfield Township, Butler County, Ohio, as follows;

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 5: Elected officials, prior to taking the oath of office and holding office, shall obtain approval of the intent to use the township’s OTARMA coverage agreement and affirm that the township’s coverage complies with ORC 3.061: and

SECTION 6: That on this date, December 11, 2019, the Fairfield Township, Butler County hereby authorizes the township to purchase and use “employee dishonesty and faithful performance of duty policy” through OTARMA 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 7: The Board hereby dispenses with the requirement that this resolution be read on two separate days pursuant to RC 504.10, and authorizes the adoption of this resolution upon its first reading.

SECTION 8: This resolution is the subject of the general authority granted to the Board of Trustees through the Ohio Revised Code and not the specific authority granted to the Board of Trustees through the status as a Limited Home Rule Township.

SECTION 9: That it is hereby found and determined that all formal actions of this Board concerning and relating to the passage of this Resolution were taken in meetings open to the public, in compliance with all legal requirements including §121.22 of the Ohio Revised Code.

SECTION 10: This resolution shall take effect at the earliest period allowed by law.

Adopted: December 11, 2019

Board of Trustees

Vote of Trustees

Shannon Hartkemeyer: Shannon Hartkemeyer

yes

Joe McAbee: Joe McAbee

yes

Susan Berding Susan Berding

yes

AUTHENTICATION

This is to certify that this is a resolution which was duly passed, and filed with the Fairfield Township Fiscal Officer this 11th day of December, 2019.

ATTEST:

Shelly Schultz
Shelly Schultz, Fairfield Township Fiscal Officer

APPROVED AS TO FORM:

L.E. Barbieri
Lawrence E. Barbieri, Township Law Director



OHIO TOWNSHIP ASSOCIATION RISK MANAGEMENT AUTHORITY

Service Center 315 S. Kalamazoo Mall Kalamazoo, MI 49007
Telephone: 1-888-748-7966 x3136 Fax: 1-269-276-4095

September 2019

TO: OTARMA Member

FROM: Wendy French

RE: Bonds/Faithful Performance Coverage

Election time is rapidly approaching and once again we are pleased to provide your township with the required coverage for your new or re-elected Trustee & Fiscal Officer who start their new terms in 2020.

We are excited to be able to offer a new coverage option, provided under the OTARMA Governmental Property Agreement. This coverage would be in place of a traditional surety bond for those public officials that are *required to be bonded under Ohio law*.

If you choose this option, the township must elect, by resolution, to use OTARMA's coverage document for all their required bonded public officials as an "employee dishonesty and faithful performance of duty policy," in lieu of surety bonds. (The sample resolution enclosed must be passed by you before coverage will be in effect.)

Benefits include:

- No premium due at this time (nominal charge at renewal)
- Simple application (no personal data requested)
- Included as part of the township's annual OTARMA coverage document
- No tracking of individual bonds

Please complete and return the enclosed application as soon as possible so coverage can be in place prior to 1/1/2020. Application can be submitted:

- By mail in the envelope provided to 315 S. Kalamazoo Mall, Kalamazoo, MI 49007
- By fax to 1-269-276-4095
- By email to wfrench@bfgroup.com

You also have the option to continue to purchase the Fiscal Officer bond (through Travelers, effective 4/1/2020) and the free trustee bond (through OTARMA, effective 1/1/2020). Applications for these can be found at otarma.org. If you have any questions, please contact me at 1-888-748-7966, ext. 3136.



FAITHFUL PERFORMANCE APPLICATION

Township: _____ County: _____

Mailing address: _____

Phone: _____ Email: _____

Has a formal resolution been passed authorizing the use of an employee dishonesty and faithful performance of duty policy as required by ORC 3.061?

____ YES
____ NO

Date it was passed: _____

Date scheduled to be passed: _____

Date of last Audit: _____

Did the Auditor make any Internal Control Recommendations? ____ No ____ Yes

Were there any: Finding for Recovery? ____ No ____ Yes Material Weakness? ____ No ____ Yes
Material Non-Compliance? ____ No ____ Yes Reportable Conditions? ____ No ____ Yes

Any prior bond or faithful performance of duty losses in the past 5 years? ____ No ____ Yes

If yes, please explain: _____

Annual budget range (please circle one):

Required Limit

Less than \$50,000	\$10,000
\$50,000 - \$100,000	\$35,000
\$100,000 - \$250,000	\$60,000
\$250,000 - \$500,000	\$85,000
\$500,000 - \$750,000	\$110,000
\$750,000 - \$1,500,000	\$135,000
\$1,500,000 - \$3,500,000	\$160,000
\$3,500,000 - \$6,000,000	\$195,000
\$6,000,000 - \$10,000,000	\$220,000
More than \$10,000,000	\$250,000

FAITHFUL PERFORMANCE APPLICATION Continued

OF ELECTED OFFICIALS REQUIRED TO BE BONDED:

1 Fiscal Officer Name: _____
(Term 4/1/2020 – 4/1/2024)

3 Trustees Name: _____
(Term 1/1/2020 – 1/1/2024)

Name: _____
(Term 1/1/2018 – 1/1/2022)

Name: _____
(Term 1/1/2018 – 1/1/2022)

____ Assistant Fiscal Officer(s) Name: _____

____ Zoning Inspector(s) Name: _____
(including assistants)

____ Road Superintendent(s) Name: _____
(including assistants)

____ Constable(s) Name: _____

The undersigned applicant hereby certifies that the answers given are the truth without reservation.

Name of Applicant (Print)

Title

Signature

Date

Resolution

WHEREAS, _____ Township, _____ County is a member of the Ohio Township Association Risk Management Authority (OTARMA), a political subdivision risk pool established pursuant to Ohio Revised Code hereinafter "ORC," 2744.081;

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 township 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 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 township's OTARMA coverage agreement and affirm that the township's coverage complies with ORC 3.061. Said approval shall be obtained by the _____ Township, _____ County.

WHEREAS, _____ Township, _____ County's, "employee dishonesty and faithful performance of duty policy" through the OTARMA coverage document complies with ORC 3.061: and

NOW, THEREFORE, BE IT RESOLVED, that on this date _____, the _____ Township, _____ County hereby authorizes the township to purchase and use "employee dishonesty and faithful performance of duty policy" through OTARMA 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.