

OAKLAND CITY COUNCIL

ORDINANCE NO. 12917 C.M.S.

ORDINANCE AMENDING ORDINANCE NO. 7997 C.M.S., WHICH ESTABLISHED A REQUIREMENT THAT THE CITY PROVIDE BOND INSURANCE FOR SPECIFIED CITY EMPLOYEES AND OFFICER TO INSURE THE HONEST AND FAITHFUL PERFORMANCE OF THEIR OFFICIAL DUTIES, TO: (1) ADD THE CITY ATTORNEY AS A BONDED CITY OFFICER, (2) AUTHORIZE THE CITY ADMINISTRATOR OR HIS/HER DESIGNEE TO APPROVE THE BOND INSURANCE AGREEMENTS, SUBJECT TO APPROVAL AS TO FORM AND LEGALITY BY THE CITY ATTORNEY; (3) SET THE MINIMUM BOND COVERAGE LIMIT FOR EACH SUCH EMPLOYEE AND OFFICER AT TWO MILLION DOLLARS (\$2,000,000); AND (4) AUTHORIZE THE CITY ADMINISTRATOR TO PROVIDE A MASTER OFFICIAL BOND, THAT WILL COVER ALL SUCH EMPLOYEES AND OFFICERS IF THE CITY ADMINISTRATOR OR DESIGNEE DETERMINES THAT IT IS IN THE CITY'S BEST INTERESTS TO DO SO.

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

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

WHEREAS, Oakland City Charter Section 811 requires the City Council to determine by ordinance which officers and employees shall be subject to group or individual bonds to insure the faithful performance of official duties, to fix the amount of such bonds and to provide payment of the premium of such bonds by the City; and

WHEREAS, Government Code Section 1481 allows the use of a "master bond" covering the group of officers and/or employees as required in Charter Section 811; and

WHEREAS, the City of Oakland, Ordinance No. 7997 CMS currently provides for only individual bonds to insure the faithful performance of the official duties of City officers and employees; and

WHEREAS, the individual bond limits legislated in Ordinance No. 7997 CMS were established in 1969 and have not been adjusted for inflation; and

WHEREAS, the bond limits legislated in Ordinance No. 7997 CMS are varied dependant on the position subject to the bonding requirement; and

WHEREAS, the purpose of this amendment to Ordinance No. 7997 CMS is to authorize the use of "master bond" for the group of officers and/or employees covered by Section 811 of the Charter of the City of Oakland; and

WHEREAS, this amendment to Ordinance No. 7997 CMS serves the additional purposes of streamlining the bond approval process and providing further protection to the City by bonding the performance of the City Attorney; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines the forgoing recitals to be true and correct and hereby adopts and incorporates them into this Ordinance.

SECTION 2. City of Oakland, Ordinance No. 7997 CMS is hereby amended to add, delete, or modify sections as set forth below (section numbers and titles are indicated in bold type; additions are indicated by underscoring and deletions are indicated by strike-through type; portions of the regulations not cited or not shown in underscoring or strike-through type are not changed.

SECTION 3. Ordinance No. 7997 CMS is hereby amended in its entirety to read as follows:

Section 1. Pursuant to the provision of Section ~~744~~ 811 of the Charter of the City of Oakland, the officers and employees hereinafter enumerated shall furnish faithful performance bonds in the respective amounts no less than Two Million Dollars (\$2,000,000): those set forth herein:

Mayor	\$ 10,000
Councilmenmember.....	\$ 10,000
City Manager- <u>Administrator</u>	\$100,000
Auditor	\$100,000
<u>City Attorney</u>	
Finance Director, ex officio City Treasurer and Tax Collector	\$500,000

Section 2. Each such bond shall contain the condition that the principal will well, truly, honestly and faithfully perform the duties of his office. Every bond must be approved by the City Administrator, or his or her designee, subject to the City Attorney's approval of the bond as to form and legality, and be filed with

the City Clerk when approved.

Section 3. A Blanket Employee's Dishonesty Bond in the amount of no less than \$500,000 Two Million Dollars (\$2,000,000) shall be obtained covering employees other than those enumerated in section 1.

Section 4. The premiums for the foregoing bonds shall be paid by the City.

Section 5. If deemed expedient by the City Administrator, or his or her designee, a master official bond or other form of master bond may be used to provide the combined coverages referred to in sections 1 and 3.

SECTION 4 This ordinance shall be effective immediately, if passed by the affirmative vote of at least six City Councilmembers; if this ordinance is passed by the affirmative vote of five City Councilmembers it will be effective seven days after final passage.

IN COUNCIL, OAKLAND, CALIFORNIA, FEB 17 2009

PASSED BY THE FOLLOWING VOTE:


AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST:



LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

Introduction Date: FEB 3 2009

NOTICE & DIGEST

ORDINANCE AMENDING ORDINANCE NO. 7997 C.M.S., WHICH ESTABLISHED A REQUIREMENT THAT THE CITY PROVIDE BOND INSURANCE FOR SPECIFIED CITY EMPLOYEES AND OFFICER TO INSURE THE HONEST AND FAITHFUL PERFORMANCE OF THEIR OFFICIAL DUTIES, TO: (1) ADD THE CITY ATTORNEY AS A BONDED CITY OFFICER, (2) AUTHORIZE THE CITY ADMINISTRATOR OR HIS/HER DESIGNEE TO APPROVE THE BOND INSURANCE AGREEMENTS, SUBJECT TO APPROVAL AS TO FORM AND LEGALITY BY THE CITY ATTORNEY; (3) SET THE MINIMUM BOND COVERAGE LIMIT FOR EACH SUCH EMPLOYEE AND OFFICER AT TWO MILLION DOLLARS (\$2,000,000); AND (4) AUTHORIZE THE CITY ADMINISTRATOR TO PROVIDE A MASTER OFFICIAL BOND, THAT WILL COVER ALL SUCH EMPLOYEES AND OFFICERS IF THE CITY ADMINISTRATOR OR DESIGNEE DETERMINES THAT IT IS IN THE CITY'S BEST INTERESTS TO DO SO

Enacting this ordinance would authorize the City Administrator to provide a Master Official Bond for all employees and City officers required to be bonded for honest and faithful performance of their official duties and set the minimum coverage limit for each said employee and officer at \$2,000,000.