CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
DECEMBER 6, 2016 AGENDA

Subject: APPROVAL OF BLANKET BOND - MAYOR
Type: RESOLUTION
Submitted By: PAM BUETHE

SYNOPSIS

A resolution has been prepared to approve the blanket bond in place of the individual bond of Mayor Douglas Kindig, who was re-elected to the position of Mayor at the general election held November 8, 2016.

FISCAL IMPACT

The FY 17 General Fund budget provides funding for bonds for elected and appointed officials.

RECOMMENDATION

Approval.

BACKGROUND

Changes in State Statute and the La Vista Municipal Code outlines bonding requirements for elected and appointed officials. The changes to State Statute in March 2007 and changes to the La Vista Municipal Code in October 2008 allow for coverage of elected and appointed officials under a blanket bond.

BE IT RESOLVED, that the penalty amount of the official bond of the Mayor is hereby set at $5,000.

BE IT FURTHER RESOLVED, that the City Council makes and approves the following findings:

The City Clerk has presented at this meeting a blanket bond, number 69372735, issued by Western Surety Company, as surety, in place of an individual bond, pursuant to Neb. Rev. Stat. Section 11-104(2), as enacted by LB 347 (2007), for the upcoming term of the Mayor of the City of La Vista ("Bond"); by additional indemnity rider, the Bond provides coverage in the amount of $5,000, conditioned for the faithful discharge of duties of the office of Mayor; the Mayor has executed an undertaking of the Bond in joint and several form; the Bond is payable to the City of La Vista in the penalty amount of $5,000, conditioned for the faithful discharge of the duties of office; the corporate surety of said Bond is legally authorized to transact business in the State of Nebraska; the Bond has been executed by the principal and surety thereof and the required oath has been endorsed by the principal by attachment incorporating or incorporated into the Bond by reference, which shall be effective as and constitute endorsement upon said Bond; the Bond has been previously filed with the City Clerk; and all applicable legal requirements with respect to said Bond have been satisfied.

BE IT FURTHER RESOLVED, that the Bond, including, but not limited to the penalty amount and all other terms and conditions thereof, is hereby approved, and the Mayor is hereby authorized to endorse approval of the Council and surety in writing on the Bond or by attachment incorporating or incorporated into the Bond by reference, which shall be effective as and constitute endorsement of approval upon said Bond.

BE IT FURTHER RESOLVED, that the City shall pay the premium for the Bond.

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized to take any other action as is necessary or appropriate to carry out the actions approved herein.

PASSED AND APPROVED THIS 6TH DAY OF DECEMBER, 2016.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk

K:\APP\City Hall\16 FINAL RESOLUTIONS\16. Official Bond - Mayor.Doc
Item 1. Name of Obligee: City of La Vista, Nebraska

Item 2. Name of Insured: City of La Vista, Nebraska

Item 3. Bond Period: From the beginning of the 20th day of August, 2002, to 12 o'clock midnight on the effective date of the cancellation or termination of this bond as an entirety.

Item 4. Table of Limits of Liability

<table>
<thead>
<tr>
<th>Insuring Agreement</th>
<th>Limit of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Honesty Blanket Bond Coverage</td>
<td>$________</td>
</tr>
<tr>
<td>2. Honesty Blanket Position Bond Coverage</td>
<td>$________</td>
</tr>
<tr>
<td>3. Faithful Performance Blanket Bond Coverage</td>
<td>$________</td>
</tr>
<tr>
<td>4. Faithful Performance Blanket Position Bond Coverage</td>
<td>$100,000.00</td>
</tr>
</tbody>
</table>

Item 5. The liability of the Surety is subject to the terms of the following riders attached hereto:

Item 6. The Obligee and the Insured by the acceptance of this Bond give notice to Surety terminating or canceling prior Bond(s) No.(s)

such termination or cancellation to be effective as of the time this bond becomes effective.

The Surety, in consideration of the payment of the premium, and subject to the Declarations made as part hereof, the General Agreement, Conditions and Limitations and other terms of this Bond, agrees, in accordance with such of the Insuring Agreements hereof as are specifically designated by the insertion of an amount of indemnity in the Table of Limits of Liability, to indemnify the Obligee for the use and benefit of the Insured for:

**INSURING AGREEMENTS**

1. **Honesty Blanket Bond Coverage**
   - Loss sustained by the Insured through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others, during the Bond Period, to an amount not exceeding the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement.

2. **Honesty Blanket Position Bond Coverage**
   - Loss sustained by the Insured through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others, during the Bond Period, to an amount not exceeding the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement.

3. **Faithful Performance Blanket Bond Coverage**
   - Loss caused to the Insured through the failure of any of the Employees, acting alone or in collusion with others, to perform faithfully his duties or to account properly for all monies received by virtue of his position or employment during the Bond Period, to an amount not exceeding the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement.

4. **Faithful Performance Blanket Position Bond Coverage**
   - Loss caused to the Insured through the failure of any of the Employees, acting alone or in collusion with others, to perform faithfully his duties or to account properly for all monies received by virtue of his position or employment during the Bond Period, to an amount not exceeding the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement.

**GENERAL AGREEMENT**

Loss Under Prior Bond

If the coverage of an Insuring Agreement of this Bond is substituted for any prior bond carried by the Insured or by any predecessor in interest of the Insured which prior bond is terminated, canceled or allowed to expire as of the time of such substitution, the Surety agrees that such Insuring Agreement applies to loss sustained by, or caused to, the Insured, as the case may be, prior to or during the Bond Period, provided that such loss is discovered after the beginning of the Bond Period and prior to the expiration of three years from the cancellation or termination of this Bond as an entirety and that such loss would have been recoverable by the Insured or such predecessor under such prior bond except for the fact that the time within which to bring suit, action or proceeding of any kind theretofore had expired, and provided further:

1. The indemnity afforded by this General Agreement shall be a part of and not in addition to the amount of coverage afforded by the applicable Insuring Agreement of this Bond;
2. such indemnity shall be paid under such Insuring Agreement only as a part of and in addition to the amount which would have been recoverable under such prior bond except for the fact that the time within which to bring suit, action or proceeding of any kind theretofore had expired, and
3. such indemnity shall be recoverable in the same manner and subject to the same defenses and limitations as such loss would have been recoverable under such prior bond except for the fact that the time within which to bring suit, action or proceeding of any kind theretofore had expired.
THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENT ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

DEFINITIONS

Section 1. The following terms, as used in this Bond, shall have the respective meanings stated in this Section:

"Employee" as used in Insuring Agreements 1 and 2 means a person while in the employ of the Insured during the Bond Period who is not required by law to give bond conditioned for the faithful performance of his duties and who is a member of the staff or personnel of the Insured but does not mean the Treasurer or Tax Collector, by whatever title known, of the Insured;

"Employee" as used in Insuring Agreements 3 and 4 means a person while in the employ of the Insured during the Bond Period who is not required by law to furnish an individual Bond to qualify for office and who is a member of the staff or personnel of the Insured but does not mean any Treasurer or Tax Collector by whatever title known.

STUDENT ACTIVITIES

When this bond is written for a Public School System, "Employee" as so defined shall also be deemed to include any student enrolled in a school under the jurisdiction of the Insured while handling or having possession of property or funds in connection with student activities or while handling or having possession of U.S. Savings Bonds or Stamps or funds in connection with the purchase or sale of such Bonds or Stamps.

Any loss of such property, funds, Bonds or Stamps through any act or default covered by this Bond and committed by any Employee shall be deemed to be a loss sustained by the Insured under this Bond, whether or not the Insured is legally liable therefor.

UNIDENTIFIABLE EMPLOYEE

Section 2. In case a loss is alleged to have been caused to the Insured through acts or defaults by any Employee covered under an applicable Insuring Agreement of this Bond, while such Insuring Agreement is in full force and effect and the Insured shall be unable to designate the specific Employee causing such loss, the Insured shall nevertheless have the benefit of such Insuring Agreement provided that the evidence submitted reasonably establishes that the loss was in fact caused by such Employee through such acts or defaults and provided, further, that regardless of the number of such Employees concerned or implicated in such loss, the aggregate liability of the Surety for any such loss shall not exceed the amount stated in Item 4 of the Schedule applicable to such Insuring Agreement.

LIMIT OF LIABILITY UNDER THIS BOND

Section 3. This Bond does not cover any loss sustained by, or caused to, the Insured under circumstances whereby and to the amount which the Insured or the Insured voluntarily undertakes or is obligated by law to compensate or indemnify any of the Employees against liability incurred by them in the performance of their duties.

UNEXHAUSTED PREMIUM

Section 4. Indemnification by the Surety for any loss under Insuring Agreements 1 or 2 shall not reduce the Surety's liability for other losses under the applicable Insuring Agreement, whenever sustained; provided, however, that the Surety's total liability under such Insuring Agreement for any loss caused by any Employee in which such Employee is concerned or implicated is limited to the applicable amount of indemnity specified in the Table of Limits of Liability.

The indemnification by the Surety for any loss under Insuring Agreement 2 or 4 shall not reduce the Surety's liability for other losses under the applicable Insuring Agreement, whenever sustained; provided, however, that the Surety's total liability under such Insuring Agreement as to each Employee is limited to the applicable amount of indemnity specified in the Table of Limits of Liability.

LEGAL PROCEEDINGS

Section 7. No suit, action or proceeding of any kind to recover on account of loss under this Bond shall be brought after the expiration of three years from the cancellation of this Bond as an entirety provided, however, that if such limitation for bringing suit, action or proceeding is prohibited or made void by any law controlling the construction of this Bond, such provisions to the extent they are so prohibited or made void shall be deemed to be null and of no effect.

LIMIT OF LIABILITY UNDER THIS BOND AND ANY PRIOR BOND

Section 5. With respect to loss under Insuring Agreement 1 or 2 caused by any Employee or in which such Employee is concerned or implicated which is chargeable to such Employee as provided in Section 2 of this Bond and with respect to loss under Insuring Agreement 3 or 4 caused by any Employee or which is chargeable to such Employee as provided in Section 2 of this Bond and with respect to loss under any Insuring Agreement which occurs partly during the Bond Period and partly during the period of other bonds issued by the Surety to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period specified therein for bringing suit, action or proceeding of any kind, or if no such period is specified therein, then within the period prescribed by the applicable statute of limitations, has not expired at the time such loss thereunder is discovered, the total liability of the Surety under this Bond and under such other bonds shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Bond on such loss or the amount available to the Insured under such other bonds, as limited by the terms and conditions thereof, for any such loss if the latter amount be larger.

WES TERN SURETY COMPANY

Resident Agent

21st day of August 2002

By

Resident Agent

Stephen T. Pate, President

By NOT NEEDED
It is agreed that:

1. Additional indemnity, in accordance with the terms of such of the Insuring Agreements in force under the attached bond as are specifically designated opposite the following positions, respectively, is granted by this rider on Employees performing the duties of such positions, to the amount set opposite the names of such positions, respectively.

2. The liability of the Surety under this rider on account of any one Employee in any one or more of such positions (in the original or in an increased or decreased amount) shall not exceed the largest single amount of indemnity on any one position occupied by such Employee.

3. No losses shall be recoverable under this rider unless caused by an Employee who has been identified as having caused such loss, anything to the contrary in said bond or this rider notwithstanding.

<table>
<thead>
<tr>
<th>Position</th>
<th>Location</th>
<th>Insuring Agreement</th>
<th>Total Number of Employees in Each Position</th>
<th>Amount of Additional Indemnity on Each Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerk</td>
<td>4</td>
<td>1</td>
<td>$5,000.00</td>
<td></td>
</tr>
<tr>
<td>Assistant Clerk</td>
<td>4</td>
<td>1</td>
<td>$5,000.00</td>
<td></td>
</tr>
<tr>
<td>Mayor</td>
<td>4</td>
<td>1</td>
<td>$5,000.00</td>
<td></td>
</tr>
<tr>
<td>Administrator/</td>
<td>4</td>
<td>1</td>
<td>$5,000.00</td>
<td></td>
</tr>
<tr>
<td>Finance Director</td>
<td>4</td>
<td>1</td>
<td>$5,000.00</td>
<td></td>
</tr>
<tr>
<td>Police Magistrate</td>
<td>4</td>
<td>1</td>
<td>$1,000.00</td>
<td></td>
</tr>
<tr>
<td>Police Magistrate</td>
<td>4</td>
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<td>$1,000.00</td>
<td></td>
</tr>
<tr>
<td>Clerk</td>
<td>4</td>
<td>1</td>
<td>$1,000.00</td>
<td></td>
</tr>
<tr>
<td>Council Member</td>
<td>4</td>
<td>1</td>
<td>$1,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Dated this 21st day of August, 2002

Countersigned

By NOT NEEDED

Resident Agent

By Stephen T. Pate, President
CHANGE NOTICE

To be attached to and form part of Public Official and Employee's Faithful Performance and Honesty Blanket
Position Bond No. 69372735 issued by Western Surety Company to
City of La Vista, Nebraska

City of La Vista, Nebraska

Insured, effective as of August 20, 2002

In consideration of certain premium adjustments, it is agreed that the Additional Indemnity Rider attached
to and forming part of the attached bond is hereby amended, effective on and after the date set opposite the
designation of each position, respectively, as hereinafter set forth:

1. By deleting therefrom the following:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Position</th>
<th>Location</th>
<th>Number of Additional Officers or Employees in Each Position</th>
<th>Amount of Indemnity on or Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-07-04</td>
<td>Council Member</td>
<td></td>
<td>1</td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

2. By adding thereto the following:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Position</th>
<th>Location</th>
<th>Number of Additional Officers or Employees in Each Position</th>
<th>Amount of Indemnity on or Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-07-04</td>
<td>Council Member</td>
<td></td>
<td>8</td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

Provided that - (a) in the event any amendment herein reduces the amount of additional indemnity on any
Officer or Employee performing the duties of any position, the liability of the Surety under the applicable
Insuring Agreement with respect to any loss through acts or defaults of such Officer or Employee committed on
or after the date set opposite the designation of such position or committed prior to the last mentioned date,
shall not exceed the amount set forth in paragraph numbered 2 hereon opposite the designation of such position;
(b) in case any Officer or Employee performing the duties of any position added to said Additional Indemnity
Rider by this rider, has been previously covered under the applicable Insuring Agreement of the attached bond,
liability on account of such Officer or Employee for acts or defaults committed during the period of such prior
coverage, or during each of the periods of such prior coverages, if more than one, and during the period of the
coverage added to said Additional Indemnity Rider by this rider, shall not be cumulative except for an Officer or
Employee under Section 1 of the bond and as set forth in Section 4.

Accepted
City of La Vista, Nebraska

By

OFFICIAL TITLE

7-74