



AGENDA ITEM SUMMARY FORM

MEETING DATE: June 9, 2026
Colleen Martin, Director of HR & Risk Management

AGENDA CONTENT: Discussion and possible action on the purchase of a fidelity bond(s).

AGENDA ITEM SECTION: Regular Session

BUDGETED AMOUNT: **FUNDS REQUESTED:**

FUND:

EXECUTIVE SUMMARY:

This agenda item is being brought back to Council at their request made in the April 28, 2026, meeting.

A Fidelity Bond is a surety bond and serves as a guarantee of faithful performance of duty. They protect the city against losses from breach of duty or misappropriation of funds by officials. Such bonds are conditioned on the faithful performance of duties. Bond companies pursue the person who commits the act. The bond amount is based on the request.

TML Intergovernmental Risk Pool provides Crime Coverage which includes Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction and Computer Fraud, the aggregate limit for each is \$100,000 with a \$1,000 deductible. TML does not typically pursue the person who commits the act.

As of now, a \$50,000 Public Official Bond cost \$175; a \$100,000 bond cost \$350; a \$150,000 bond cost \$525, and a \$200,000 bond cost \$700.

According to the City's records, Surety bonds have been purchased annually since 2008, each year in the amount of \$100,000 for the City Manager, Director of Finance, City Secretary, and Municipal Court Judge. Currently, the Municipal Court Judge is bonded.

According to the City Finance Director, one bond has been paid as a result of theft by a former employee.

Of the 11 cities in Texas who responded to my request for information only 2 do not purchase bonds. Of the 11, only 2 include this in their charter and the others allow their Risk Manager to purchase necessary bonds. Of those 11, 2 purchase a bond on the CFO only. All others purchase bonds for positions who handle money or have the authority to sign checks; the bond amount is

between \$50,000 and \$100,000, with 1 city purchasing \$250,000. The Finance Director and City Manager have the highest bonds.

The City of Angleton Charter Section 3.10 states, “The City Manager and the City Secretary and such other officers and employees as the City Council may require, shall, before entering upon the duties of their offices, enter into a good faith and sufficient fidelity bond in a sum to be determined by the City Council payable to the City of Angleton and conditioned upon the faithful discharge of the duties of such person and upon the faithful accounting of all monies, credit, and things of value coming in to the hands of such persons, and such bonds shall be signed as surety by some company authorized to do business under the laws of the State of Texas, and the premium of such bonds shall be paid by the City of Angleton, and such bonds must be acceptable to the City Council.”

RECOMMENDATION:

Staff recommend at minimum the purchase of a Fidelity Bond on the City Manager, City Secretary, Director of Finance, and any other person who has check signing or banking authority and continue the bond on the Municipal Court Judge.