

Policy Briefing Summary

City Council



Regarding:	Repeal of Section 2-4 of the City Code Regarding Bonds of Officers and Employees
Staff Contact(s):	John Maddux, City Attorney
Presenter:	John Maddux, City Attorney
Date of Proposed Action:	April 6, 2026

Issue

Whether to repeal Section 2-4 of the City Code, which requires certain City officers and employees to obtain surety bonds.

Background / Rule

As part of an ongoing internal review of the City Code to identify outdated or unnecessary provisions, the City Attorney's Office evaluated Section 2-4, which requires designated City officials and employees to provide surety bonds, with specified penalty amounts, as a condition of service.

Historically, bonding requirements were a common mechanism used by local governments to safeguard public funds. Over time, however, local governments have increasingly relied on a combination of internal financial controls, auditing practices, and insurance products (including fidelity and crime coverage) to manage these risks.

The City currently maintains financial policies, internal controls, and insurance coverage designed to protect against loss arising from employee misconduct or error. These mechanisms serve substantially the same purpose as the bonding requirement set forth in Section 2-4.

Analysis

The bonding requirement in Section 2-4 appears to be largely duplicative of existing risk management tools already in place.

From an operational standpoint, requiring individual bonds for multiple employees can create administrative burden without providing meaningful additional protection beyond what is already achieved through the City's internal controls and insurance coverage. In many jurisdictions, these types of blanket protections have replaced individual bonding requirements as a more efficient and comprehensive approach to risk management.

Repealing Section 2-4 would eliminate an outdated requirement while maintaining the City's existing safeguards. The City would continue to rely on its current financial controls, auditing processes, and insurance coverage to mitigate risk.

There is no identified legal requirement under state law mandating that the City maintain the specific bonding structure set forth in Section 2-4 for these positions. Accordingly, repeal is a policy decision within Council's discretion.

Financial Impact

The City does not currently maintain these bonds, so there would not be any financial impact. The City will continue to maintain insurance coverage and internal controls, which are already accounted for in the City's annual budget.

Recommendation

Staff recommends that City Council adopt the ordinance repealing Section 2-4 of the City Code.

Recommended Motion (if Applicable)

I move to adopt the ordinance repealing Section 2-4 of the Code of the City of Charlottesville.

Optional: I further move that City Council waive the requirement for a second reading of this ordinance and that it take effect immediately upon adoption.

Attachments

1. Ordinance Repealing Sec 2-4 - Security Bonds