

RESOLUTION NO. 2062

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY TO APPROVE AND ACCEPT THE NINTH AMENDED AND RESTATED TRUST AGREEMENT OF THE LOCAL GOVERNMENT INSURANCE TRUST (THE "TRUST").

WHEREAS, the City of Salisbury is a member of the Trust and a party to the Eighth Amended and Restated Trust Agreement; and

WHEREAS, the Board of Trustees of the Trust has recommended to the Trust membership Certain amendments to the Eighth Amended and Restated Trust Agreement which modify the composition of the Board of Trustees and should facilitate governance of the Trust's affairs by the Board of Trustees; and

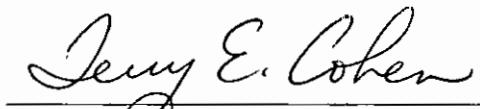
WHEREAS, the amendments have been presented to the Trust membership in the form of a Ninth Amended and Restated Trust Agreement, and which the specific amendments to Article II, Section 2.02 have been reviewed by the City Council of the City of Salisbury and/or the City Attorney; and

NOW, THEREFORE, BE IT HEREBY RESOLVED, by the City Council of the City of Salisbury, Maryland, in regular session on the 13th day of June, 2011, pursuant to proper authority granted it, that the Ninth Amended and Restated Trust Agreement of the Local Government Insurance Trust is approved and accepted, as incorporated herein, and that the appropriate officials are hereby authorized and directed to take any and all action necessary or appropriate, including execution and delivery of all documents and certificates, in connection with the approval and acceptance of the Ninth Amended and Restated Trust Agreement of the Local Government Insurance Trust.

The above Resolution was introduced and read and passed at the regular meeting of the Council of the City of Salisbury held this 13th day of June, 2011.

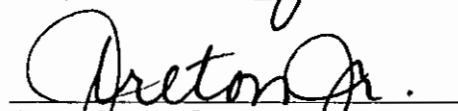
ATTEST:


Brenda J. Colegrove, City Clerk


Terry E. Cohen, Council President

APPROVED BY ME THIS

14th day of June, 2011


James Ireton, Jr., Mayor

RECOMMENDED AMENDMENTS
TO THE
EIGHTH AMENDED AND RESTATED
LOCAL GOVERNMENT INSURANCE TRUST AGREEMENT

ARTICLE II
TRUSTEES

2.01 Qualifications of a Trustee.

(a) A Trustee who is either elected by the Members or appointed by the Trustees shall be an elected or appointed official or an employee of a Local Government.

(b) A Trustee shall not be employed by or have any financial interest in any company providing service to the Trust.

2.02 Composition of Board of Trustees.

(a) The Trust shall be administered by a Board of Trustees consisting of ~~thirteen voting~~ twelve members as follows:

(1) Five ~~(5)~~ (5) Trustees elected by the Members ~~will represent municipal Members~~ shall be municipal officials or employees.

(2) Five ~~(5)~~ (5) Trustees elected by the Members ~~will represent county Members~~ shall be county officials or employees.

~~(3) One Trustee appointed by the Trustees will represent a member of MACo or MML.~~

~~(34)~~ (34) The Executive Director of MACo will serve as an ex-officio Trustee.

~~(45)~~ (45) The Executive Director of MML will serve as an ex-officio Trustee.

No Local Government shall be represented by more than one (1) Trustee on the Board of Trustees. For purposes of this paragraph (a), Baltimore City shall be deemed a county and not a municipality.

(b) All Trustees elected by the Members shall serve for a term of three (3) years.

2.03 Election of Trustees. The initial Trustees shall provide in the Bylaws for the form and method of election of subsequent Trustees.

2.04 Resignation of a Trustee. A Trustee may resign by giving at least thirty (30) days prior notice in writing sent by registered mail to the Chairman of the Trustees. Such notice shall state the date said resignation shall take effect, and such resignation shall take effect on such date.

2.05 Removal of Trustees. A Trustee shall be removed from office if he fails to meet the qualifications of Section 2.01 hereof, fails to attend three (3) consecutive meetings of the Board or is terminated for cause by a two-thirds (2/3) vote of the Trustees. Upon removal of a Trustee, the position shall be filled pursuant to Section 2.06 hereof.

2.06 Substitute Trustees. In the event a Trustee resigns, is removed or is otherwise unable to serve, the Board of Trustees shall appoint a substitute Trustee to fulfill his or her term of office.

Any Trustee, upon leaving office, shall forthwith turn over and deliver to the principal office of the Trust, any and all records, books, documents or other property in his possession or under his control which belong to the Trust.

2.07 Executive Committee. The Trustees may appoint an Executive Committee of not less than three (3) Trustees, one of which is the Chairman of the Board of Trustees. The Trustees may delegate in writing to the Executive Committee such powers and duties as the Trustees deem appropriate and desirable except the exercise of those powers for which a two-thirds (2/3) majority vote of the Trustees is required. The Executive Committee shall meet as determined by the Chairman of the Board of Trustees.

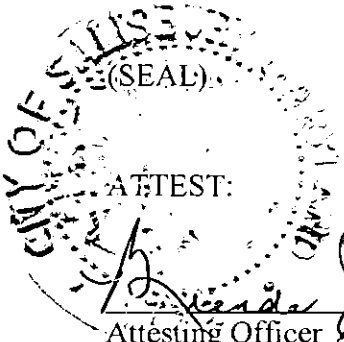
[There are no amendments proposed in Sections 2.03 through 2.07 of Article II]

March 1, 2011

LOCAL GOVERNMENT INSURANCE TRUST

MEMBER CONSENT AND APPROVAL

The Member named below hereby approves and consents to the foregoing amendments to Article II, Section 2.02 of the Eighth Amended and Restated Local Government Insurance Trust Agreement dated as of July 1, 2004 (the "Trust Agreement") and, by approval of the recommended amendments, does hereby consent to, approve, accept and agree to the Ninth Amended and Restated Local Government Insurance Trust Agreement, as witness the signature of the undersigned authorized officer.



Attesting Officer

Brenda J. Colegrove

City Clerk

Title of Attesting Officer

City of Salisbury

Name of Member

By:

Authorized Officer

James Ireton, Jr.

Mayor

Title of Authorized Officer

Date of Consent and Approval: June 14, 2011

LOCAL GOVERNMENT INSURANCE TRUST

MEMBER CERTIFICATE

Member: City of Salisbury
Name of County, City, Town

Authorized Officer: James Ireton, Jr.
Name of Officer executing Member Consent and Approval

Mayor
Title of Officer executing Member Consent and Approval

Consent and Approval Date: June 14, 2011
Date of Member Consent and Approval

Official Authorization: Resolution No. 2062
Identification of Ordinance, Resolution,
Order or other official action authorizing
Member Consent and Approval (Please attach copy)


June 13, 2011
Effective date of Official Authorization

The undersigned certifying officer hereby certifies as follows:

1. By approving the amendments to Article II of the Eighth Amended and Restated Local Government Insurance Trust Agreement dated as of July 1, 2004, the Ninth Amended and Restated Local Government Insurance Trust Agreement was duly consented to and approved in accordance with applicable law by appropriate official action of the Member.

2. The attached copy of the Official Authorization is true, correct and complete and has not been repealed, revoked or rescinded and is in full force and effect as of the date hereof.

3. The attached Member Consent and Approval was duly executed on behalf of the Member on the Consent and Approval Date by the Authorized Officer; the Authorized Officer was duly authorized on the Consent and Approval Date to execute the Member Consent and Approval.


Certifying Officer
Brenda J. Colegrove
City Clerk
Title

June 14, 2011
Date of Certification



7225 Parkway Drive, Hanover, MD 21076 • www.lgit.org
TEL 443.561.1700 • MD 800.673.8231 • FAX 443.561.1701

RECEIVED
MAY 19 2011

May 11, 2011

The Hon. James P. Ireton, Jr.
Mayor
City of Salisbury
125 N. Division St., Rm. 304
Salisbury, MD 21801-4940

Re: Ninth Amended and Restated Local Government
Insurance Trust Agreement

Dear Mayor Ireton:

The Board of Trustees of the Local Government Insurance Trust has unanimously approved and is recommending to the Membership amendments to the Eighth Amended and Restated Local Government Insurance Trust Agreement which, upon the consent of the Members, will result in the Ninth Amended and Restated Local Government Insurance Trust Agreement (the "Trust Agreement").

Limited to Article II, Section 2.02 of the Trust Agreement, the recommended amendments modify the composition of the Board of Trustees in terms of the number of Trustees (reduced from 13 to 12) and clarify the eligibility of Trustees (municipal and county officials or employees). Since the inception of the Trust, the Board of Trustees has been comprised of six county Trustees, six municipal Trustees, and a thirteenth seat alternating between a county representative and a municipal representative as vacancies occurred in that "swing" seat. From time to time, the efficacy of the thirteenth swing seat has been diluted by local election outcomes or other circumstances that cut short the term of the Trustee holding that seat. Thus, the recommended amendments are intended to facilitate governance of the Trust's affairs and the perpetuation of a representative Board of Trustees.

As required by Section 11.02 of the Trust Agreement, the amendments being recommended to the Membership were approved by two-thirds of the Trustees and the resulting Ninth Amended and Restated Local Government Insurance Trust Agreement is not effective until consented to and approved by two-thirds of the Members.

To evidence this consent and approval, we are enclosing the following items for review and execution:

- 400. One (1) copy of the Recommended Amendments to the Eighth Amended and Restated Local Government Insurance Trust Agreement, as approved by the Board of Trustees, highlighting the changes to Article II, Section 2.02 (Composition of Board of Trustees);
- 401. Two (2) Member Consent and Approval forms; and
- 402. Two (2) Member Certificate forms.

The City should consent to and approve the Ninth Amended and Restated Local Government Insurance Trust Agreement by whatever legislative or executive action is appropriate under local law. To assist in that process, we are also enclosing sample resolution/ordinance language.

In order to evidence your consent and approval, please have the appropriate parties complete and execute both copies of the enclosed Member Consent and Approval form and Member Certificate form. Execution of the Member Consent and Approval form verifies that the City consented to, approved and accepted the proposed amendments and thus the Ninth Amended and Restated Local Government Insurance Trust Agreement. The reference to the "Authorized Officer" on the Member Consent and Approval form means the chief executive officer or other party authorized to execute the Ninth Amended and Restated Local Government Insurance Trust Agreement on behalf of the City. The Authorized Officer's execution of the Member Consent and Approval form should be attested to by an appropriate attesting officer.


Additionally, please have the appropriate Certifying Officer (who should not be the same person executing the Member Consent and Approval form as the Authorized Officer) complete and sign both copies of the enclosed Member Certificate form. The reference to the "Certifying Officer" on the Member Certificate form means the appropriate official who is authorized to attest or certify to the Authorized Officer's signature on documents. The complete name and title of the Authorized Officer should be inserted on the second and third lines, respectively, of the Member Certificate form. The "Consent and Approval Date" on the fourth line should be completed as to the date the Authorized Officer executes the Member Consent and Approval forms.

Please note that the Member Certificate form requires the Certifying Officer to attach a copy of the ordinance, resolution, order or other official action authorizing consent to and approval of the Ninth Amended and Restated Local Government Insurance Trust Agreement. The identification of such Official Authorization and its effective date should be completed in lines 5 and 6, respectively, of the Member Certificate form.

Given that the Trust Agreement, as amended, impacts the composition of the Board of Trustees and overall governance, we respectfully request consideration of the enclosed at your earliest possible convenience and, if practicable, no later than June 30, 2011. Following completion and execution of the enclosed forms, please return one (1) signed original of each of the Member Consent and Approval and the Member Certificate (with the Official Authorization attached thereto) to the Trust's offices: 7225 Parkway Drive, Hanover, Maryland 21076 – Attention: Timothy S. Ailsworth, Executive Director. You should retain the other executed copy of each form. Upon approval by the Members, we will provide you with a complete copy of the Ninth Amended and Restated Local Government Insurance Trust Agreement for your records.

If you have any questions, please do not hesitate to contact the Trust's Executive Director, Timothy S. Ailsworth, at 443-561-1700 or the Trust's Counsel, Charles D. MacLeod, at 410-810-1381.

Sincerely,



David J. Deutsch
Chairman

Enclosures

cc: Timothy S. Ailsworth, Executive Director
Charles D. MacLeod, Trust Counsel



INTER

OFFICE

MEMO

Office of the Mayor

To: City Council
From: John R. Pick *JRP*
Subject: Ninth Amended and Restated Local Government Insurance Trust Agreement
Date: June 5, 2011

Attached is a Resolution for consideration by the Council approving the Ninth Amended and Restated Local Government Insurance Trust Agreement. Attached also is a letter from the Chair of the Board of LGIT explaining the changes that are being proposed in the Trust Agreement as well as a copy of the affected sections of the Agreement showing the changes.

cc: Mayor Ireton
Lore' Chambers
Pam Oland
Paul Wilber
Brenda Colegrove