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The Local Government Insurance Trust will provide coverage and risk management services at stable and competitive rates through an organization that is owned by its local governments.



Summer 2006

Judicial Interpretation of Municipal Charters and Amendments

The Maryland Constitution allows municipal corporations to adopt, amend, and repeal charters through a petition of qualified voters or by a resolution of the municipal corporation's legislative body. Our Court of Appeals has stated that a municipal charter is, in effect, a local constitution. A charter provides the framework which determines the form of the municipal corporation's government and the method for the adoption of its local laws. Essentially, a charter serves to distribute power among a government's various agencies, and between a government and the people it serves. Charter amendments are limited to amending the form or structure of government initially established by adoption of the charter.

When an issue arises as to how a particular charter provision or amendment is to be interpreted, courts often must resolve the dispute. In this regard, courts will employ certain rules known as "canons of statutory interpretation" in order to determine the meaning of the charter provision or amendment. The most fundamental canon of statutory interpretation is to determine "the intent of the legislature", *i.e.*, what the legislative body intended when it adopted the provision or amendment being reviewed. In determining legislative intent, reviewing courts are guided in the first instance by the language of the charter itself. If the meaning of the charter provision or amendment is clear, the court need not rely on other canons

of interpretation or sources of information to determine legislative intent. If, on the other hand, the charter language is ambiguous, other rules of construction come into play. For example, courts are required to avoid constructions that are illogical, unreasonable, or inconsistent with common sense. Courts must also try, if possible, to interpret charter provisions in such a way that they are not deemed unconstitutional or otherwise illegal.

In light of these principles, it is important for municipalities, and, for that matter, all local governments, to ensure that both the words and grammar used in their charters are clear. Charter language that is plain and unambiguous provides the best assurance that the courts will comprehend the legislature's intent. Charter language that is vague or otherwise unclear may, when scrutinized by a court, result in consequences never intended by the local government.



John F. Breads, Jr.
Director of Legal Services

LGIT Board of Trustees

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Chief Administrative Officer
Howard County

F. Gary Mullich, Vice-Chair
Director of General Services
Garrett County

Barrie Tilghman, Secretary
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City of Salisbury

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City of Bowie

John Miller
Burgess
Town of Middletown

Hilary B. Spence
Council Member
Talbot County

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From the Boardroom...

The Board of Trustees met on May 16, 2006, and took the following actions:

- Approved the Underwriting Committee's recommendation to amend the \$10,000 goodwill property damage coverage to extend only to the members who schedule all of their autos and to increase the limit to \$20,000.

- Approved the Finance/Audit Committee's recommendation to accept a three-year contract with Clifton Gunderson to audit the Trust's Financial Statements.

The Board of Trustees met on June 14, 2006, and took the following actions:

- Approved the Executive Committee's recommendation to adopt the FY 2007 operating and capital budgets.
- Approved the Underwriting Committee's recommendation of a reduction on boiler renewal rates.
- Approved the Underwriting Committee's recommendation of an increase in the rates for the Excess Pool.
- Approved the Underwriting Committee's recommendation for a rate increase for the Property Pool.

LGIT Trustees Election

The following were elected by the membership to a three-year term on the Board of Trustees:

Thomas B. Dillingham, Jr.
Town of Poolesville

F. Gary Mullich
Garrett County

Hilary B. Spence
Talbot County

John Miller
Town of Middletown



Sandy Tedrow
Executive Secretary



New Videos in LGIT's Training Library

Backing and Parking for Cars and Light Trucks

Parking can be just as hazardous as driving in traffic, since many drivers and pedestrians disregard all normal traffic laws once they arrive in a parking area. This video is designed to refresh even an experienced driver's parking skills.

Building Security

Building security in an insecure world is the subject of this program. This video contains valuable information for local governments and their employees detailing security measures that must be practiced to keep their buildings safe from potential threats.

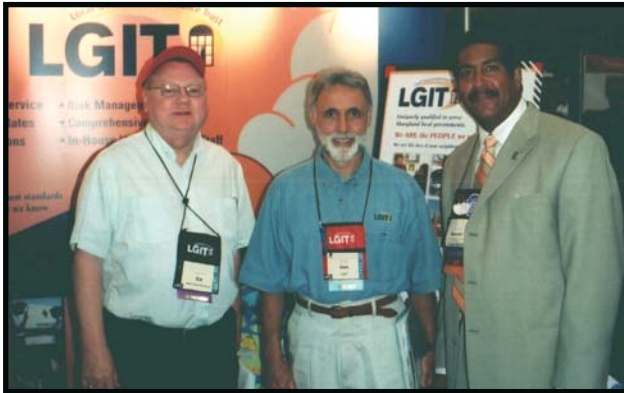
State and Local Government Employee Training

These five video programs, designed to assist in employee orientation, are the result of a nationwide study of municipal orientation practices. Produced in cooperation with seven different cities, they provide the first realistic audio-visual orientation training that will benefit all cities, from the largest to the smallest. The five video subjects include: *Customer Service*, *Dealing with Difficult Citizens*, *Ethics*, *Standards of Conduct*, and *Preventing Accidents*.

All are approximately 11 minutes in length and are specifically designed for local government employees.

If you are interested in these or other resources in our Training Video Library, click on <http://www.lgit.org/training/videolibrary.htm> for more information.

LGIT at the 2006 MML Convention in Ocean City, MD

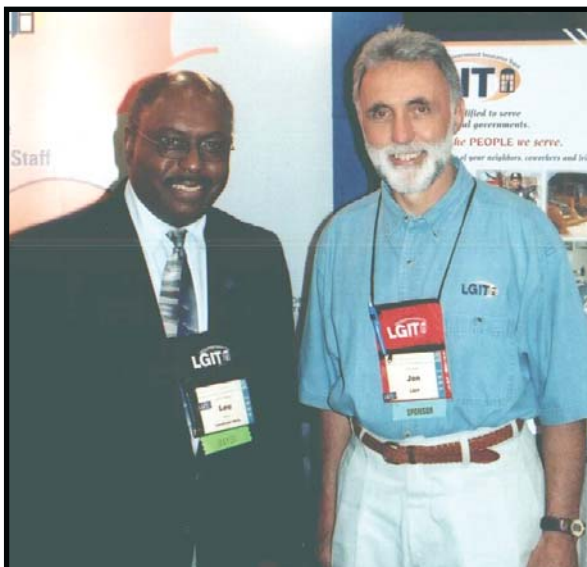
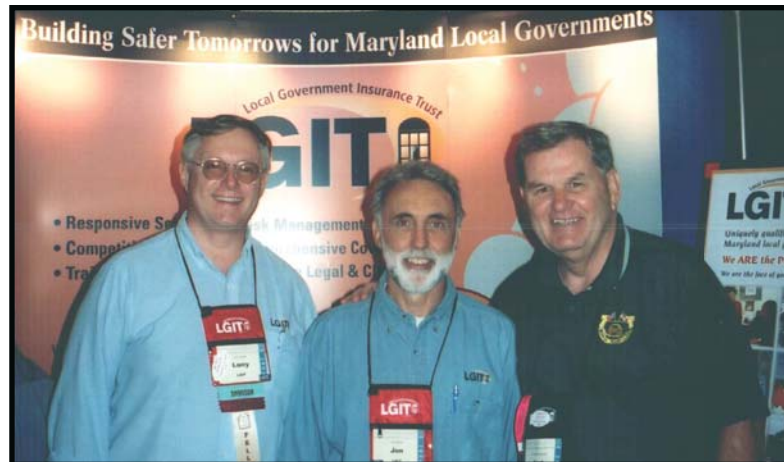


Ed Robinson, Town of Middletown; Jon Burrell, LGIT; Stewart Cumbo, Town of Chesapeake Beach.

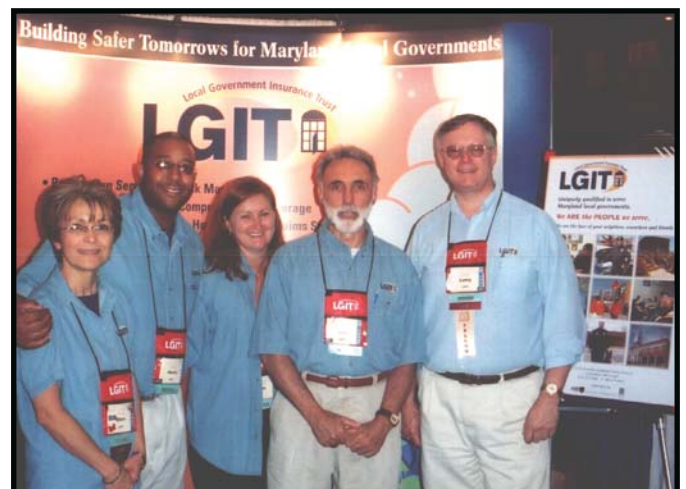


Councilwoman Margaret Mallino from the Town of University Park was our grand prize winner.

Larry Bohlen and Jon Burrell, LGIT; Mayor Fred Robinson, City of Bowie.



Mayor Lee Walker, Town of Landover Hills, and Jon Burrell, LGIT.



LGIT Staff: Ellen Nudd, Hollis Henry, Chris Altemus, Jon Burrell, and Larry Bohlen.

Do You Want to Save More Money???



Do you want to save more money? Of course, right? Effective 7/1/06, LGIT is now providing a new "Value-Added Service" to save up to 50%! That's right, 50%!

You might be saying, "Ok, what's the catch?" No catch. All you have to do is use our Free Added Value "Employment Hotline" Service for any potential issues that you may be dealing with.

This is a free 30-minute legal service provided by LGIT with an independent law firm to handle your employment liability issues to prevent them from becoming an ugly lawsuit.

Some of the reasons to call to prevent a claim may be:

1. *Wrongful Terminations*
2. *Age Discrimination*
3. *Racial Discrimination*
4. *Sexual Discrimination*
5. *Sexual Harassment*
6. *Drug Testing*
7. *Medical Standards*
8. *Employee Evaluations*

(Visit our website for details at <http://www.lgit.org/lcu/elh.htm>)

If you are hit with an employment practices liability lawsuit, you are eligible for a 50% reduction in your Public Officials Liability Deductible. For example, a \$10,000 deductible may be reduced to \$5,000, just because you first made that important phone call to LGIT's independent legal adviser.

Continued on page 6.

Recent Changes in Our Claims Services

Due to recent membership changes, the Claims Services Department has made the following changes in staff assignments so that we can continue to provide our members with prompt and efficient claims handling services:

CLAIM TYPE - Lawsuits, Police claims, Public Official claims (Employment, land use, legislative)		
COUNTY MEMBERS & COUNTY SPONSORED ENTITIES	MUNICIPAL MEMBERS	LITIGATION ANALYST
Baltimore County – Howard County	Town of Accident – City of Greenbelt	Elisabeth Beekman Ebeekman@lgit.org
Kent County – Worcester County	City of Hagerstown – Town of Williamsport	Elizabeth Martinez ElizabethM@lgit.org

CLAIM TYPE - Automobile claims, General Liability claims Property claims & Mechanical Breakdown claims	
COUNTY MEMBERS & COUNTY SPONSORED ENTITIES	CLAIMS ANALYST
Baltimore County – Carroll County Public Library & Tri-County Council	Erica Underwood EricaU@lgit.org
Cecil County – Dorchester County	Hollis Henry Hhenry@lgit.org
Garrett County – Queen Anne's County	Kathy Bauman KathyB@lgit.org
Somerset County – Worcester County	Dorie Schwartz Dorie@lgit.org
MUNICIPAL MEMBERS	CLAIMS ANALYST
Town of Accident – City of District Heights	Hollis Henry Hhenry@lgit.org
Town of East New Market – Town of Hampstead & College Park	Kathy Bauman KathyB@lgit.org
Town of Hancock – Mountain Lake Park	Erica Underwood EricaU@lgit.org
City of New Carrollton – Town of Williamsport	Dorie Schwartz Dorie@lgit.org

The Claims Services Department

800.673.8231

Main number 410.312.0880

Fax number 410.423.1868

Web page address www.lgit.org

East Coast Soaking Raises Mold Concern

As rain continues to pound Maryland, mold is an increasing concern. As a preventive measure, we want to describe mold and how it is spread so that losses can be minimized.

Molds can be found almost anywhere; they can grow on virtually any substance when moisture is present. They produce tiny spores to reproduce just as plants produce seeds. The spores then move through indoor and outdoor air continually. When mold spores land on a damp spot indoors, they begin growing and digesting whatever they are growing on in order to survive. This can include: wood, paper, carpeting, foods and other materials. Since molds thrive most often in moist conditions, moisture control measures in both building design and preventive maintenance are key to prevention. It follows then that to minimize mold growth, certain conditions must be monitored and controlled:

- Elimination of sites of water accumulation, i.e., roof and siding leaks, flooded areas, heating, ventilation and air conditioning (HVAC) system condensation, leaky pipes, areas of improper placement of vapor barriers, seepage to basements and crawl spaces, humidifiers, etc.

- Monitoring nutrient sources for the presence of mold such as: wallboards, ceiling tiles, carpets, cardboard, furniture, animal or insect droppings, vacuum cleaner filters, HVAC filters, etc.

- Monitoring areas where temperatures and humidity fall between 45 and 100 degrees Fahrenheit, and above 60 percent relative humidity.

- Controlling the source of spores from either existing growths or high ambient dust loads entering the building.

These loss control elements of risk management should help minimize damages from this exposure.

Those interested in the issues of mold, current news, science, litigation and legislation can visit the mold website at MoldUpdate.com



Vance Petrella
Manager, Loss Control

LGIT's 19th Annual Meeting

Please join us on November 13th, 2006, for our Annual Meeting. It will be held at Turf Valley Resort & Conference Center in Ellicott City, MD.

The workshops being offered that day are listed under "Upcoming Seminars" on page 6.

Registration information will be forthcoming.

Employment Law Hotline

The Hotline is a phone service available to Liability Program members that provides up to 30 minutes of free legal advice on employment matters. We have selected to print one inquiry of interest that was posed through the hotline. This member service is provided by LGIT, with the assistance of Daniel Karp, Esquire and Kevin Karpinski, Esquire.

Hotline 800.845.8055
or 410.625.5981

Question:

Can a local government require maintenance employees who are assigned to the department of public works, to submit to lie detector tests because they will be doing work in the police department?

Answer:

Yes & no. If the employees in question are considered employees of the police department they can be required to submit to a lie detector test. However, if they are NOT employees of the police department but are public works employees doing work incidentally in the police department, they cannot be required to submit to a lie detector test.

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Therefore, when you immediately forward your lawsuit/claim to LGIT and can demonstrate that you appropriately implemented the Free Value-Added Employment Hotline Legal Advice to prevent that particular claim, then LGIT will cut your Public Officials Liability deductible in half. Up to a \$5,000 savings.

Please note, only Primary Liability Members with Public Officials Liability coverages are eligible for this savings. If you currently do not have this coverage with LGIT, DO NOT hesitate to call us for a quick quote to take advantage of this SAVINGS program.

And please remember to call your LGIT Employment Hotline at 1.800. 845.8055.



Scott Soderstrom
Underwriting Manager

LGIT Congratulates!

Congratulations go to the following LGIT Members for their loss control and safety efforts:

Town of Bladensburg—Their Risk Management Committee took a proactive stand by having LGIT Loss Control staff present “Principles of Risk Management” to better understand exposures and to evaluate the effectiveness of implementing loss control measures. Their Committee has all departments working together as a team to address loss issues.

St. Mary’s County—Their Employee Newsletter included safety and risk management information to help employee awareness and reduce loss.

City of Bowie—Their Workplace Safety Training Manual included “How to Reduce Back-up Accidents” from the Spring issue of LGIT News and the city turned it into a five-minute safety lesson which will be distributed to all City of Bowie employees.

Upcoming Seminars

LGIT invites member employees and public officials to take advantage of the following:

Regional Defensive Driving Classes

8/22/06 Bladensburg

8/23/06 Bladensburg

9/28/06 Garrett County

9/29/06 Garrett County

EVOC (Emergency Vehicle Operations Course)

3-day class

11/15/06-11/17/06 Training Commission, Sykesville

Beginning Supervisors Training

9/26/06 Greenbelt

Computer Security for Local Governments

September (TBA) Salisbury

The following courses are approved for the IGS Academy of Excellence in Local Governance



Conflict Resolution

(Municipal & County Elective Course)
October (TBA)

Public Information Act

(Municipal & County Track Core Course)
11/13/06 LGIT Annual Meeting
Turf Valley Resort, Ellicott City

Conducting Effective Meetings

(Municipal & County Track Core Course)
11/13/06 LGIT Annual Meeting
Turf Valley Resort, Ellicott City

For seminar descriptions, directions and registration forms, visit www.lgit.org. For more information, call 1.800.673.8231 or contact Larry Bohlen, Training Coordinator at lbohlen@lgit.org.



Larry Bohlen
Loss Control Training
Coordinator

