

ORDINANCE NUMBER 12 - 89

**ORDINANCE AUTHORIZING THE EXECUTION OF THE ILLINOIS
MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION NORMAL
CONTRIBUTION AGREEMENT**

WHEREAS, the Village Board of the Village of East Dundee, a member in good standing of the Illinois Municipal League Risk Management Association and party to the IMLRMA Intergovernmental Cooperation Contract, has been fully apprised of the IMLRMA Normal Contribution Agreement which amends and supplements the IMLRMA Declaration pages and all endorsements thereto.

WHEREAS, the Village Board of the Village of East Dundee finds it to be in the best interest of the municipality to make its ILMRMA contribution in accordance with the IMLRMA Normal Contribution Agreement.

NOWHEREFORE BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, AS FOLLOWS:

Section One. That the execution of the IMLRMA Normal Contribution Agreement for a one (1) year period beginning 1/1/2013 and ending 12/31/2013 is hereby authorized.

Section Two. That the Village President and the Treasurer are hereby granted authority to execute the IMLRMA Normal Agreement which amends and supplements the IMLRMA Declarations pages and all endorsements thereto.

Section Three. Severability. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section Four. Repeal. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

Section Five. Publication. This ordinance shall be in full force and effect forthwith upon its adoption, approval and publication in pamphlet form as provided by law.

Adopted this 19th day of November, 2012, pursuant to a roll call vote as follows:

AYES: Trustees Miller, Lynam, VanOstenbridge, Gaman and President Bartels

NAYES: 0

ABSENT: Trustees Ruffolo, and Skellicorn

Approved by me this 19th day of November, 2012.

Jerald Bartels
Jerald Bartels, Village President

Published in pamphlet form this 20 day of November, 2012, under the authority of the President and Board of Trustees.

ATTEST:

Helen Lenth
Village Clerk

Recorded in the Village Records on November 20, 2012.



120 Barrington Ave - East Dundee, IL 60118

Phone: 847-426-2822 Fax 847-426-2956

Memorandum

Date: November 1, 2012

To: Robert Skurla and Village Board

From: Linda Blackerby

Re: Illinois Municipal League Risk Management Association Insurance Renewal

The Illinois Municipal League Risk Management Association renewal information is attached for your review and approval. Given constrained economic times and our claims history, it is the Administration's recommendation to pay the \$150,296 premium and opt out of the Min-Max program. At the time the budget was adopted, the premium was estimated at \$131,985. The potential exposure to the village could be as high as \$185,923 if we opt in to the Min-Max program. Please let me know if you have any questions or concerns. A copy of the renewal policy is attached.

Educate. Advocate. Empower.

10/26/2012

Jerald Bartels, Village President
Village of East Dundee
120 Barrington Avenue
East Dundee IL, 60118-1311

Dear Village President Bartels:

We are pleased to offer you the opportunity to renew your coverage with the Illinois Municipal League Risk Management Association (IMLRMA), effective 12/31/12 to 12/30/13. Enclosed, please find the invoice for your 2013 renewal contribution.

We offer you two options for making your payment:

- Take advantage of a 1.5% early pay discount by paying your contribution in full by November 30, 2012 or by paying 1st installment by November 30, 2012 and 2nd installment due May 17, 2013
- Pay your contribution in full by December 21, 2012; or
- Pay in two installments: the 1st installment due by December 21, 2012 and the 2nd installment due by May 17, 2013.

We want to remind you of the many benefits you receive, both tangible and intangible, for your membership in IMLRMA:

- ◆ You'll never worry about whether we're on your side or whether we might put the interests of other public entities, commercial businesses, stockholders, or global conglomerates above your interests. IMLRMA is a non-profit pool "owned" solely by Illinois cities, towns, and villages, and we are 100% dedicated to you.
- ◆ Our program won't require you to make mid-year budget changes to make up for surprise audit billings and high deductibles.
- ◆ You can send your employees home safely to their families every night and ensure the safety of your community for your residents by taking advantage of our loss control and safety services and training – at no extra cost to you.
- ◆ Our claims services help you return to your pre-loss condition as soon as possible and works hard to get your employees back to work as soon as possible.
- ◆ We are here for the long haul. We don't come and go with the commercial marketplace winds. We've been here for 30 years with a track record of loyal members.

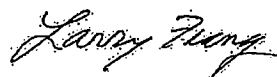
At IMLRMA, we take very seriously our service commitments to you and we are working hard on your behalf. Here are just a few of the ways that IMLRMA has serviced our members so far this year:

- ◆ 1,300 service and loss control visits to our members
- ◆ 2,000 municipal employees and supervisors trained
- ◆ 150 loss-control-specific trainings
- ◆ 450 facilities or job sites inspected

During the year ahead, we look forward to working with you and demonstrating the value of your IMLRMA membership by adding such benefits as online training.

On behalf of everyone at IMLRMA, we thank you for making the IMLRMA your choice for professional risk management services. If you have any questions concerning your contribution and coverages, or if you would like to take advantage of the services available in IMLRMA, please contact us at 1-800-252-5051 and speak to Julia Reynolds (extension 1199) or Katie Lund (extension 1111).

Cordially yours,



Larry Frang
Managing Director

cc: Robert Skurla, Risk Management Coordinator
Enclosure

East Dundee



BENEFITS OF BEING AN IMLRMA MEMBER

Features	What this means for you is.....
Only cities, towns and villagesyou have our sole attention and focus and we won't be distracted by conflicts of interest because we also write your school districts, your residents, counties, or local businesses – any of whom may have claims or lawsuits against you at some point. We also understand your unique exposures like law enforcement, fire departments, and water treatment plants like no one else.
Owned by members	...we only make decisions based on your needs. We aren't distracted by mergers and acquisitions or what investors or stockholders want.
Local – Illinois only	...we care only about Illinois municipalities like you. We don't try to be the world's largest broker or global carrier in 30 countries or dozens of other states.
Lower expenses	...we pass all of our savings on to you. We are non-profit and tax-exempt and we don't charge extra to make profits for stockholders or pay commissions to agents.
Access to Executive Director and IML leaders	...if you need a quick and decisive answer regarding a claim, coverage or risk management issue, the vast municipal knowledge and experience of our top leaders are accessible to us (and to you) at any time.
Financially secure and stable	...you won't have to worry about whether we will be here tomorrow. We have been here for more than 30 years and are here for the long haul for Illinois municipalities. We buy reinsurance from highly-rated reinsurers and we've never made an assessment in our more than 30 years of operation.
IML association	...you can have trust in us that we know and care only about you as an Illinois municipality. As an IML program, we have unique access to all the resources they offer and can leverage the information and our experience with other municipalities to benefit you as IMLRMA members.
Education and empowerment	...we help you to become informed and educated officials and employees who understand the importance of risks you have and help empower you to take control to prevent them.
Administered at the direction of a committee of mayors or village presidents	...our Operations Committee is made up of elected municipal officials like you who know and understand your needs and offer insight into the needs of membership.
Municipalities banding together	...you are partnering with your neighboring cities, towns, and villages to solve your own needs without interference from non-municipal interests - just like you do so well with other issues like mutual aid agreements, other intergovernmental contracts and just helping each other after disasters or catastrophes.
No additional bills based on payroll audits	...budget stability. You won't have to worry about getting an additional bill for tens of thousands of dollars after the policy period for overtime hours worked, for newly hired employees, or for employees that are reassigned to higher-cost classifications (e.g. reclassifying clerical payroll to a street worker classification).
No additional bills for adding autos and equipment during the course of the coverage period	...budget stability. You won't receive any surprise budget-busting bills during the year just because you added a new police car or fire truck or backhoe. These bills add to the "overall cost" of the coverage that initially seems quite low but can quickly escalate in cost!
\$0 deductibles on liability claims	...budget stability. You won't have unplanned budget-busting deductibles throughout the year if you have liability claims or lawsuits (e.g. public officials or law enforcement claims).
Coverage for property in the open	...you won't have to worry about whether you have coverage for things like light poles, traffic lights, fencing, lights at ball diamonds, park gazebos, etc.
Replacement cost (RC) available option on portable equipment and firefighting vehicles	...budget stability and an option for the best kind of protection possible when a covered back hoe, street sweeper, firefighting vehicle, etc. is destroyed. Other carriers only pay for the Actual Cash Value (ACV) so you'll have to unexpectedly take hundreds of thousands of dollars out of your budget to make up the difference.
Functional replacement (FR) cost available on property, portable equipment and firefighting vehicles	...you can still get more than Actual Cash Value but not have to pay the cost for Replacement Cost coverage. For example, if your city hall was once an ornate bank building, you wouldn't want to pay for RC on the marble floors, etc. – but you don't want ACV for it either. FR allows you to replace that totaled building with something that is functional for your current purposes.

BENEFITS OF BEING AN IMLRMA MEMBER

<p>No aggregate limits on general liability, law enforcement or auto liability</p>	<p>...you have peace of mind that your annual limits won't be eaten up by one or two bad claims early in the year and your own budget will be responsible for all claims for the rest of the year, regardless of how big they are or how many there are.</p>
<p>Occurrence-based public officials, law enforcement and employment practices coverages.</p>	<p>...you have the best kind of protection possible. Claims-made-based coverages are cheaper up front, but you will need to buy an Extended Reporting Period (ERP) "tail coverage" when you leave the carrier - which typically cost 200% of the premium and only provides coverage for a short period of time (e.g. one year). You have to factor that additional cost into the "overall cost" because it's often hidden and brokers or carriers won't explain that to you.</p>
<p>No Flood Zone A exclusion</p>	<p>...you won't have to pay thousands of dollars extra for flood coverage from the National Flood Insurance Program (NFIP).</p>
<p>No coinsurance requirement</p>	<p>...we won't penalize you in paying for claims if you don't have enough coverage on your properties. Other carriers often have 80%, 90% or 100% coinsurance requirements so if you make a mistake in your valuation, you will be penalized when it comes time to pay any loss (including a partial loss). For example, if you have a 100% coinsurance clause and you insure a building for \$100,000: after it's completely destroyed by fire, you find out you should have valued it for \$200,000 and that's what it will take to replace it, the most you would get for your loss is \$50,000 - you'll have to come up with the \$150,000 difference out of your budget.</p>
<p>Coverage for volunteers</p>	<p>...your volunteers are covered for workers' compensation if they're found to have a compensable claim under the IL Work Comp Act. If you rely heavily on volunteers and want to provide them with some minimal amount of accident coverage, we have access to a volunteer accident program that is competitively priced. Just let us know!</p>
<p>Coverage for special events</p>	<p>...if it's a covered special event, we don't make you pay extra to cover your municipality for it or subject your events to underwriting.</p>
<p>Access to TULIP (Tenant User Liability Insurance Policy)</p>	<p>...you can protect your municipality from the acts of users of your municipal properties and facilities because they have a quick and easy place to buy liability insurance that automatically names your municipality as an additional insured.</p>
<p>Several optional endorsements available including public officials bonds, mine subsidence, electric utility liability, and mosquito abatement liability</p>	<p>...if you have these unique kinds of risks, you can have the coverage with us without having to go elsewhere.</p>
<p>Professional loss control services at no additional cost to you</p>	<p>...a safe place for your employees to work and your residents to live - and claim prevention and cost containment! Our loss control services help you prevent claims, reduce costs and keep your employees safe, healthy and productive.</p>
<p>Risk management services at no additional cost</p>	<p>...helping you avoid unwanted or unmanageable risks. For example, many of the agreements/contracts you enter into can have language that makes you responsible for other peoples' negligence - our contract review services help you make sure the language is favorable for you before you sign on the dotted line.</p>
<p>Specialized professional and timely claim handling</p>	<p>...our claim experts and defense counsel have superior track records in successfully protecting members against claims. We resolve claims promptly and expertly, preventing costs from escalating, and make sure to return you to full operation as quickly as possible so you can focus on your jobs.</p>
<p>24/7 access</p>	<p>...you can report claims 24/7 either by fax or by CCMSI's electronic claim reporting and tracking system (iCE™) and you and your employees have 24-hour access to the many tools we provide on our website to help them stay safe on the job and do their jobs safely for your residents. But even with technology, we don't neglect the personal touch when you need us.</p>
<p>Testimonials</p>	<p>...you don't have to take our word for it. Ask us for a list of testimonials from our members just like you - they'll tell you that IMLRMA is the best value and the best service.</p>

**ILLINOIS MUNICIPAL LEAGUE
RISK MANAGEMENT ASSOCIATION**



P.O. Box 5180, Springfield, Illinois 62705-5180
Phone: 217/525-1220 Fax: 217/525-7438

2013 CONTRIBUTION INVOICE/RENEWAL

MEMBER INFORMATION:
East Dundee
120 Barrington Avenue
East Dundee, IL 60118-1311

DATE: 10/26/2012
ACCOUNT #: 0163

2013 ANNUAL CONTRIBUTION: \$153,086

CONTRIBUTION BREAKDOWN

Effective Dates: 12/31/2012 TO 12/30/2013

Work Comp	Auto Liability and Comprehensive General Liability	Portable Equipment	Auto Physical Damage	Property	TOTAL
\$64,427	\$44,628	\$1,052	\$2,075	\$40,904	\$153,086

You can send this entire page, or cut at the line below and just send the bottom portion of this invoice, to submit when making payment.

PAYMENT OPTIONS

1.5% EARLY PAY DISCOUNT		NO EARLY PAY DISCOUNT	
Option #1 (pay in full)	Option #2 (pay in two installments)	Option #3 (pay in full)	Option #4 (pay in two installments)
Invoice Amt: \$153,086.00 Minus 1.5% \$2,296.29 Total Invoice \$150,789.71 Pay by: 11/30/2012 <input checked="" type="checkbox"/> BEST VALUE!!!!	Invoice Amt: \$153,086.00 Minus 1.5% \$2,296.29 Total Invoice: \$150,789.71 1/2% Installment Fee: \$ 753.95 Total Invoice: \$151,543.66 1 st Installment \$75,771.83 Pay by 11/30/2012 2 nd Installment \$75,771.83 Pay by 5/17/2013	Invoice Amount \$153,086.00 Pay by 12/21/2012	Invoice Amt: \$153,086.00 1/2 % installment fee: \$ 765.43 Total Invoice: \$153,851.43 1 st Installment \$76,925.72 Pay by 12/21/2012 2 nd installment \$76,925.71 Pay by 5/17/2013

CHECK ONE:

- Option #1 or Option #3 (pay in full)
- Option #2 or Option #4 (pay in installments) * If you select Option 2 or Option 4, please make sure to sign the acknowledgement below before returning this invoice.

Make check payable to:
IML Risk Management Association
P.O. Box 5180
Springfield, Illinois 62705-5180

East Dundee
120 Barrington Avenue
East Dundee, IL 60118-1311
ACCOUNT# 0163

TOTAL PAYMENT ENCLOSED: \$ 153,086

*On behalf of the city/town/village named above ("Member"), I hereby warrant that I have the authority to sign this agreement on the Member's behalf. I acknowledge and understand that the installment option is afforded only as a benefit for budgeting purposes and is not meant to allow for mid-term withdrawal. I acknowledge and understand that Article 5 of the Intergovernmental Cooperation Contract ("Contract") prohibits termination of the Intergovernmental Cooperation Contract prior to the last day of December of any given year. Per Article 5, I warrant that the Member will adhere to the Contract and pay the second installment when due.

[Signature]
Mayor/Village President or other Municipal Officer Name (please sign)

Village Administrator
Title

11/19/12
Date

IMLRMA MINIMUM/MAXIMUM CONTRIBUTION AGREEMENT

This Agreement is between the Illinois Municipal League Risk Management Association (IMLRMA), an intergovernmental association formed pursuant to Article VII, Section 10 of the Illinois Constitution of 1970 and the **VILLAGE OF EAST DUNDEE**, a member of the IMLRMA. This Agreement amends and supplements the Declarations Pages dated December 31, 2012 to December 31, 2013 and all endorsements thereto.

1. DEFINITIONS

The following definitions shall apply for purposes of this Agreement:

"Loss Fund" -- Those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Minimum Loss Fund" -- 85 percent of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Maximum Loss Fund" -- 130 percent of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Paid Claim Dollars" -- Those payments made by IMLRMA on claims including defense costs against the **VILLAGE OF EAST DUNDEE** minus recovery from subrogation, deductible or salvage credited against those claim payments.

"Minimum Contribution" -- Minimum Loss Fund including reinsurance and excess premiums and administrative costs.

"Maximum Contribution" -- Maximum Loss Fund including reinsurance and excess premiums and administrative costs.

2. MINIMUM/MAXIMUM CONTRIBUTION BREAKDOWN

The **VILLAGE OF EAST DUNDEE** hereby agrees to the following schedule of contributions:

	<u>Minimum Contribution</u>		<u>Maximum Contribution</u>
Reinsurance and Excess Premiums and Administrative Costs	\$ 43,630		\$ 43,630
Loss Fund Contribution	@ 85% \$ 93,038	@ 130%	\$ 142,293
	\$ 136,668		\$ 185,923

3. Based upon a comparison of paid claim dollars against the Loss Fund, IMLRMA will determine whether additional contributions beyond the minimum contribution will be required up to the maximum contribution.

4. For purposes of determining paid claims, IMLRMA will complete a semi-annual review of paid claim dollars.

