

Risk Management Association

Kenneth A. Alderson
Managing Director

Memo

Date: March 12, 2004

To: Illinois Municipal League Risk Management Association Member

From: Ken A. Alderson, Managing Director

Subject: IMLRMA Intergovernmental Contract and By-Laws
2nd Notice

The IMLRMA Board of Directors has approved the following summary of revisions to the IMLRMA Intergovernmental Contract and By-Laws. We have detailed all of the changes that have been made to the original documents that we started the program with in 1980. Due to changes in the self-insurance market and Illinois law we have determined that corrections were needed to both documents at this time.

Illinois law now requires our self-insurance pool members to execute a new Intergovernmental Contract at least once every 12 years. Therefore, we request all of our current members to re-sign the Intergovernmental Contract, after passing the enclosed sample ordinance, return the signed contract to our office no later than May 1, 2004. If you have any questions call 217/525-1220.

Please Return By: May 1, 2004

Mail to: IMLRMA
P.O. Box 5180
Springfield, Illinois 62705-5180

ORDINANCE NO. 04-10

AN ORDINANCE APPROVING MEMBERSHIP IN THE ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION AND AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL COOPERATION CONTRACT

WHEREAS, the Village Board of CHATHAM, IL has received the Plan of the Illinois Municipal League Risk Management Association including By-Laws, the Intergovernmental Cooperation Contract, and the anticipated cost of the participation in the Plan; and,

WHEREAS, the Village Board finds it to be in the public interest of the Village to participate in the Plan.

NOW, THEREFORE, BE IT ORDAINED by the Village Board of CHATHAM, IL as follows:

1. That the Village Board does hereby authorize and approve membership in the Illinois Municipal League Risk Management Association and directs the president and clerk to execute an Intergovernmental Cooperation Contract with the Illinois Municipal League Risk Management Association for membership on an annual basis and each year thereafter unless this ordinance is repealed.
2. Each Member hereby agrees to contribute to the Association a sum of money to be determined by the Association at the time of its annual renewal based on the needs of the Association and the loss experience of the Member, which sum shall constitute the cost of the Member's contribution for membership in the Association.
3. That this Ordinance shall be effective immediately upon its passage and approval.

Thomas J Gray
President

ATTEST: Pat Schrad
Clerk

Passed this 23 day of MARCH, 2004.
Approved this 23 day of MARCH, 2004.
I, PATRICK F. SCHAD, Clerk of the Village of CHATHAM, Illinois do hereby Certify that the foregoing is a true and correct copy of Ordinance No. 04-10 as adopted the 23 day of MARCH, 2004.



Pat Schrad
Clerk

Changes to the Illinois Municipal League Risk Management Association By-Laws and Intergovernmental Cooperation Contract

Approved by the IMLRMA Board of Directors
May 1, 2003

The Illinois Municipal League Risk Management Association has not changed its By-Laws or Intergovernmental Cooperation Contract since the inception of the program in 1981. After 23 years we believe that certain corrections, clarifications and changes are warranted. The following is a summary of the changes:

By-Laws

Cover Page – Change address to reflect current information.

Page 3, Section 1.1 a) – Change references from insurance to coverage.

Page 5, Section 3.2 e) – Change “contracts of insurance” to “coverage contracts”.

Page 7, Section 4.3 – Remove the requirement to send receipts for all “fees and dues” and remove the redundant wording of “papers and documents” after records.

Page 7, Section 5.2 a) – Remove the “liability claims” wording to reflect that all claims are included.

Page 7, Section 5.2 g) – Remove wording referring to “insurance”.

Page 7, Section 5.2 i) – Remove all of paragraph i) requiring development of a “Master Risk Management Plan”.

Page 8, Section 6.2 a) and b) – Will now require municipalities to provide information and maintain a safety program required by the Association rather than the Operations Committee.

Page 9, Section 8.1 b) – Replace the word “insurance” with “excess insurance or reinsurance”.

Page 9, Section 8.1 c) – Remove the reference to “insurance”.

Page 9, Section 9.1 – Remove wording requiring IML legal counsel to be counsel to IMLRMA.

Page 10, Section 10.1 c) – Change the address to reflect current information.

Intergovernmental Cooperation Contract

Page 1, Authority To Execute Contract – Change the statutory citation to reflect the current location of the Intergovernmental Cooperation Act.

Page 1, Article 1 (h) – Remove the reference to a “Master Risk Management Plan”.

Page 2, Article 2 – Change the Association address to reflect current information.

Page 2, Article 3 (b) and (c) – Change wording of catastrophe and stop gap insurance to insurance or reinsurance.

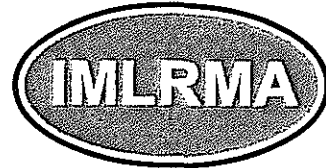
Page 3, Article 6 – In the third paragraph, add “reinsurance” to types of coverage.

Page 3, Article 7 – Change the phrase “or any insurance” to “nor any coverage”.

ILLINOIS MUNICIPAL LEAGUE

RISK MANAGEMENT

Association



**INTERGOVERNMENTAL
COOPERATION
CONTRACT**

**ILLINOIS MUNICIPAL LEAGUE
RISK MANAGEMENT ASSOCIATION
PO Box 5180 • • 500 East Capitol Avenue
Springfield, Illinois 62705-5180**

AUTHORITY TO EXECUTE CONTRACT

This Contract is entered into pursuant to the provisions of the 1970 Illinois Constitution Article VII, Section 10, entitled "Intergovernmental Cooperation" and the powers contained in Chapter 5, Act 220 of the Illinois Compiled Statutes 2000, entitled " Intergovernmental Cooperation Act."

WITNESSETH:

WHEREAS, the public interest requires and it is to the mutual interest of the parties hereto to join together to establish and operate a cooperative program of risk management and loss coverage for municipal operations; and

WHEREAS, the operation of such a cooperative program is of such magnitude that it is necessary for the parties to this Contract to join together to accomplish the purposes hereinafter set forth; and

WHEREAS, each of the public entities which is a party to this Contract has the power to establish and operate a program of risk management; and

WHEREAS, each of the parties to the Contract desires to join together with the other parties for the purpose of creating self-insured reserves against losses and jointly purchasing excess insurance, reinsurance and administrative services in connection with a cooperative program of risk management.

NOW, THEREFORE, for and in consideration of the mutual advantages to be derived therefrom and in consideration of the execution of this Contract by the participating municipalities which are parties hereto, each of the parties hereto does agree as follows:

ARTICLE 1. DEFINITIONS

The following definitions shall apply to the provisions of this Contract and its By-Laws:

(a) "Association" shall mean the Illinois Municipal League Risk Management Association created by this Contract.

(b) "Board" shall mean the governing body of the Association and shall be comprised of the Members of the Board of Directors of the Illinois Municipal League.

(c) "Claims management" shall mean the process of identifying, controlling and resolving demands by individuals or public entities to recover losses from any Member of the Association. Disposing of such demands for payment requires skills in insurance law, adjusting/investigation, loss control engineering and general business. Claims management is the function of supervising legal, adjusting, investigation and engineering services to resolve such demands.

(d) "Municipality" means any participating city, village or incorporated town situated in the State of Illinois which is a member of the Illinois Municipal League and is a party to this Contract.

(e) "Operations Committee" or "Committee" shall mean the management committee of the Association and shall be comprised of those persons described in the Association By-Laws.

(f) "Risk" as used in the Contract and By-Laws means any loss covered by the provisions of the policy terms which accompany this Contract.

(g) "Risk Management" shall mean the process of identifying, evaluating, reducing, transferring, and eliminating risks. Risk Management includes various methods of funding claims payments, and includes elements of insurance, law, administration, technology and general business utilized to effectively manage risks.

- (e) A party to this Contract may be excluded from membership when it:
- (1) Fails to comply with the terms of the Contract or;
 - (2) Fails to comply with a written term or condition imposed by a majority vote of the Operations Committee including the operations safety standards established by the Committee.

(f) The Board may, by a majority vote, terminate and exclude the offending Member from any and all benefits of membership in the Association which shall include forfeiture of any and all monies theretofore paid by that Member or assessed against that Member.

(g) If a municipality withdraws or is expelled as a Member of the Association, any contributions of that Member remaining in the funds of the Association at that time shall be the property of the Association. If this Contract is finally terminated as to all parties which are then Members, any money or assets in possession of the Association after the payment of all liabilities, costs, expenses and charges incurred pursuant to this Contract shall be returned to those parties in proportion to their contributions thereto determined as of the date of termination.

ARTICLE 6. PLAN OF COVERAGE AND COST

Each Member hereby agrees to contribute to the Association a sum of money to be determined by the Association at the time of application based on the needs of the Association and the loss experience of the member, which sum shall constitute the cost of the Member's first-year contribution for membership in the Association. Membership contributions for second and subsequent years shall be calculated in accordance with the loss experience of the City, and the needs of the Association including total losses and expenditures of the Self-Insured Retention Fund of the Association.

The Committee shall determine if any Member has a risk or risks which the Committee determines to be unusual or extraordinary. If it is determined that such a risk or risks exists and that the coverage of such risk will be unusual or extraordinary, the Committee may at the option of the Member either increase the annual contribution of that Member or exclude the particular risk from coverage.

Each Member will be covered in its operations against risk of loss as described in this Contract and the coverage terms which accompany the Contract. Coverage will consist of: 1) a self-insured retention (S.I.R.), established by the Association from Member contributions, which will pay the amounts and be subject to the deductibles as set forth in the coverage terms; and 2) excess insurance or reinsurance coverage (to pay losses that exceed the S.I.R. limits set forth in the coverage terms) with limits as established by the Operations Committee.

Each year the Committee shall determine the payments to be made by the members for the following year.

ARTICLE 7. LIMITATIONS ON LIABILITY COVERAGE

It is the intention of all participants in the Association that neither this Contract nor any coverage purchased by the Association shall extend to or provide coverage for any liability from which any member is immune under the provisions of the Illinois Local Government and Governmental Employees Tort Immunity Act, as it is now constituted or may hereafter be amended.

and benefits required under the Contract. Each Member which has agreed in writing to become a party of this Contract shall be bound to continue as a Member for the minimum period set forth in this Contract and thereafter may withdraw only as provided by this Contract and the By-Laws adopted by the Association.

Each municipality which is a Member of this Association agrees upon the execution of the Contract to appropriate each year, by ordinance, a sum of money sufficient to pay all charges and assessments set forth in Article 6 plus its pro rata share of any deficits which may occur in the Self-Insured Retention Fund.

ARTICLE 15. TERM OF AGREEMENT

This Contract shall continue in effect until it is rescinded by mutual consent of the parties hereto terminated in the manner provided herein or in the By-Laws.

ARTICLE 16. TERMINATION

This Contract may be terminated at any time on or after one (1) year from its effective date by a vote of two-thirds of the members of the Board of Directors. Remaining assets after the payments of all claims, and expenses and establishment of necessary reserves shall be distributed pro rata among the Members.

ARTICLE 17. AMENDMENT

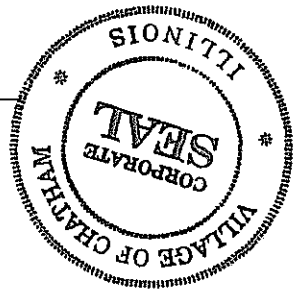
This Contract may be amended upon the affirmative vote of two-thirds of the members of the Board. A copy of any amendment so approved shall be mailed to each member of the Association.

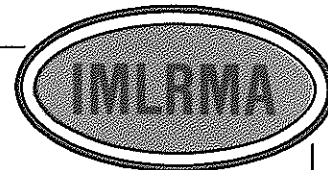
IN WITNESS WHEREOF, the parties hereto have entered into this Contract by the execution of a signature page which will be attached to the official master copy of this Contract and by the execution of a duplicate copy of the Contract which duplicate copy will be retained by the Member. The master copy shall be retained in the offices of the Association.

Executed by the VILLAGE BOARD of CHATHAM, IL pursuant to Ordinance No. 04-10. Adopted and approved the 23 day of MARCH, 2004

Thomas D Gray
MAYOR or PRESIDENT

Attest: [Signature]
CLERK





Risk Management Association

Kenneth A. Alderson
Managing Director

Memo

Date: July 26, 2004
To: *Pat Schad*
Jill Butler, RMC for the Village of Chatham
From: Jill Hanney, Illinois Municipal League Risk Management Association
Subject: Intergovernmental Cooperation Contract

In March we sent the Village of Chatham a reminder to re-sign the Intergovernmental Cooperation Contract, after passing a local ordinance approving membership in the Illinois Municipal League Risk Management Association.

We thank you for passing Ordinance No. 04-10 and forwarding us a copy. However, we have not received a copy of the signed Intergovernmental Cooperation Contract for our files. Please execute the enclosed contract, by completing the last page, and then return it to our office no later than September 1, 2004. If you have any questions call us at 217/525-1220.

Mail to: IMLRMA
P.O. Box 5180
Springfield, Illinois 62705-5180

*SIGNED CONTRACT
MAILED 8/17/04
Pat Schad*

ILLINOIS MUNICIPAL LEAGUE

RISK MANAGEMENT

Association



**INTERGOVERNMENTAL
COOPERATION
CONTRACT**

**ILLINOIS MUNICIPAL LEAGUE
RISK MANAGEMENT ASSOCIATION
PO Box 5180 • • 500 East Capitol Avenue
Springfield, Illinois 62705-5180**

AUTHORITY TO EXECUTE CONTRACT

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WITNESSETH:

WHEREAS, the public interest requires and it is to the mutual interest of the parties hereto to join together to establish and operate a cooperative program of risk management and loss coverage for municipal operations; and

WHEREAS, the operation of such a cooperative program is of such magnitude that it is necessary for the parties to this Contract to join together to accomplish the purposes hereinafter set forth; and

WHEREAS, each of the public entities which is a party to this Contract has the power to establish and operate a program of risk management; and

WHEREAS, each of the parties to the Contract desires to join together with the other parties for the purpose of creating self-insured reserves against losses and jointly purchasing excess insurance, reinsurance and administrative services in connection with a cooperative program of risk management.

NOW, THEREFORE, for and in consideration of the mutual advantages to be derived therefrom and in consideration of the execution of this Contract by the participating municipalities which are parties hereto, each of the parties hereto does agree as follows:

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Each year the Committee shall determine the payments to be made by the members for the following year.

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IN WITNESS WHEREOF, the parties hereto have entered into this Contract by the execution of a signature page which will be attached to the official master copy of this Contract and by the execution of a duplicate copy of the Contract which duplicate copy will be retained by the Member. The master copy shall be retained in the offices of the Association.

Executed by the _____ of _____ pursuant to Ordinance No. _____. Adopted and approved the ____ day of _____, 20____.

MAYOR or PRESIDENT

Attest:

CLERK