

ORDINANCE NO. 06- 61

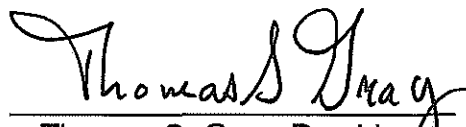
ORDINANCE AUTHORIZING THE EXECUTION OF THE  
IMLRMA MINIMUM/MAXIMUM CONTRIBUTION AGREEMENT

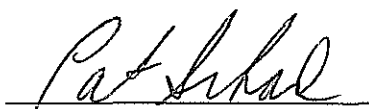
Whereas, the Village Board of the Village of Chatham, a member in good standing of the Illinois Municipal League Risk Management Association and party to the IMLRMA Intergovernmental Cooperation Contract, has been fully apprised or the IMLRMA Minimum/Maximum Contribution Agreement which amends and supplements the IMLRMA Declarations pages dated 12/31/2006 to 12/31./2007 and a endorsements thereto.

Whereas, the Village Board of the Village Chatham finds it to be in the best interest of the municipality to make its IMLRMA contribution accordance with the IMLRMA Minimum/Maximum Contribution Agreement.

Be it ordained by the President and Board of Trustees of the Village of Chatham:

1. That the execution of the IMLRMA Minimum/Maximum Contribution Agreement for a one (1) year period beginning 12/31/2006 and ending 12/31/2007 is hereby authorized.
2. That the Village President and the Treasurer are hereby granted authority to execute the IMLRMA Minimum/Maximum Agreement which amends and supplements the IMLRMA Declarations pages dated 12/31/2006 to 12/31/007 and all endorsements thereto.
3. That this ordinance shall take effect immediately upon its passage and approval.

  
Thomas S. Gray, President

  
Pat Schad, Clerk

Passed this 24<sup>th</sup> day of October, 2006.

Approved this 24<sup>th</sup> day of October, 2006.



I, Pat Schad, Clerk of the Village of Chatham, Illinois, do hereby Certify that the foregoing is a true and correct copy of the Ordinance No. 61 as adopted the 24<sup>th</sup> day of October, 2006.

  
Pat Schad, Clerk



Kenneth A. Alderson - Managing Director

## IMLRMA MINIMUM/MAXIMUM CONTRIBUTION AGREEMENT

This Agreement is entered into this October 24, 2006 (Date Signed), 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 City/Village of Chatham, a member of the IMLRMA. This Agreement amends and supplements the Declarations Pages dated December 31, 2006 to December 31, 2007 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" -- 80 percent of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Maximum Loss Fund" -- 120 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 City/Village of Chatham 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 City/Village of Chatham hereby agrees to the following schedule of contributions:

	<u>Minimum Contribution</u>		<u>Maximum Contribution</u>
Reinsurance and Excess Premiums and Administrative Costs	\$30,639		\$30,639
Loss Fund Contribution	@ 80% \$63,028 \$93,667	@ 120%	\$94,542 \$125,181

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 quarterly review of paid claim dollars.

**5. NOTICE**

IMLRMA hereby agrees to send, through its agents, written notice when paid claim dollars are equal to or greater than 60 percent of the Minimum Loss Fund.

IMLRMA agrees, through its agents, to send a second written notice when paid claim dollars equal or exceed 85 percent of the Minimum Loss Fund.

IMLRMA hereby agrees to send, through its agents, a written letter of impending billing when paid claim dollars equal or exceed 100 percent of the Minimum Loss Fund.

**6. BILLING/PAYMENT** -- The parties to this Agreement hereby agree to the following terms:

When paid claim dollars reach or exceed 100 percent of the Minimum Loss Fund, billing will be instituted on a yearly basis for those paid claim dollars in excess of the Minimum Loss Fund and billing will continue on a yearly basis until the Maximum Loss Fund limit is attained or all claims initiated during the coverage period are closed. Billings will be completed in April of each year for paid claim dollars through March 31.

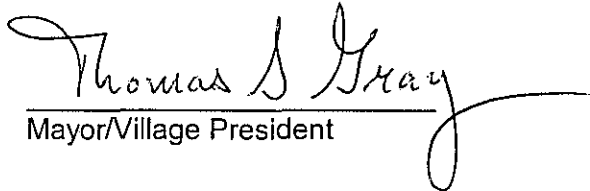
The City/Village of Chatham hereby agrees to make payment within 30 days of its receipt of billing.

7. All other definitions, conditions and coverages of the IMLRMA remain the same under this Agreement, including the handling of all claims.

8. This Agreement is to be interpreted and construed in accordance with the laws of the State of Illinois.

9. If any one portion or portions of this Agreement is found to be invalid or unenforceable, the remainder shall remain valid and binding on the parties.

The undersigned hereby affirm that they are duly authorized as agents to bind the parties to this Agreement.

  
\_\_\_\_\_  
Mayor/Village President

10/24/06  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Treasurer/Comptroller/RMC

10/24/06  
\_\_\_\_\_  
Date

\_\_\_\_\_  
IMLRMA, Managing Director

\_\_\_\_\_  
Date