

**FILED**

JUL 17 2018

COUNTY  
CLERK

VILLAGE OF MT. AUBURN

ORDINANCE NO. 179

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

ADOPTED BY THE BOARD OF TRUSTEES

OF THE

VILLAGE OF MT. AUBURN

THIS 3rd DAY OF JULY, 2018

ORDINANCE NO. 179

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

WHEREAS, the Village Board has viewed the intergovernmental agreement attached hereto as Exhibit A.

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

NOW, THEREFORE, BE IT ORDAINED by the Village Board of Mt. Auburn 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League Risk Management Association for membership on an annual basis and each year thereafter unless this ordinance is repealed.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. The Village of Mt. Auburn (hereinafter 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.

ADOPTED this 3rd day of July, 2018 pursuant to roll call vote as follows:

AYES: 6

NAYS: 0

  
Brent Milburn, Village Mayor

ATTEST:

0

FILED IN THE OFFICE OF THE VILLAGE CLERK  
VILLAGE OF MT. AUBURN, ILLINOIS  
ON THE 3rd DAY OF July, 2018.

CERTIFICATE

STATE OF ILLINOIS )  
 )  
COUNTY OF CHRISTIAN )

I, Sheri Clayton, certify that I am the acting Village Clerk of the Village of Mt. Auburn, Christian County, Illinois.

I further certify that on July 3, 2018, the Board of Trustees of said Village passed and approved Ordinance No. 179, entitled "AN ORDINANCE APPROVING MEMBERSHIP IN THE ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION AND AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL CONTRACT".

The pamphlet form of Ordinance No. 179 including the Ordinance and the cover sheet thereof was prepared and a copy of such Ordinance was posted in the Village Hall, Commencing on July 3rd, 2018, and continuing for at least ten day thereafter. Copies of such Ordinance were also available for public inspection upon request in the Office of the Village Clerk.

DATED at Mt. Auburn, Illinois this 3rd day of July, 2018.

Sheri Clayton  
Sheri Clayton, Village Clerk

(SEAL)

Village of Mount Auburn  
Brent Milburn, Village President/RMC  
PO Box 224  
Mount Auburn, IL 62547-0224

Dear Village President Milburn,

Thank you for being a valued member of the Illinois Municipal League Risk Management Association (RMA)!

We are reaching out to you because your municipality is one of the few RMA members from which we have not yet received a signed copy of the new Intergovernmental Cooperation Contract (ICC). As a part of our 2018 Renewal Packet process we included an updated ICC adopted by the RMA Board of Directors. Throughout the (RMA) history, the ICC has been modified to reflect the changes in the pool operation as well as changes in Illinois statutes. In 2018 the enclosed contract was updated to reflect two changes:

- 1) the seven (7) member RMA Board of Directors as the governing and decision-making body for the program and
- 2) written withdrawal notice in Article 5 (d) has changed to 120 days.

I have enclosed a fresh copy of this ICC for your convenience. If you have already approved and signed a copy of this contract, please forward us a copy. We have received the new contracts back from over 580 current RMA members, but do not show a completed contract on file for your municipality.

Our team would be happy to discuss this contract with you if you have any questions. Please contact your Membership Field Representative or our Member Services team for an over the phone review or a personal visit.

We value your membership and would like to thank you in advance for your attention to this matter. Thank you for being a RMA member and we look forward to hearing from you.

Thank you.



ANNE BINETTE | RMA Member Services  
IML Risk Management Association

Educate. Advocate. Empower.

ILLINOIS MUNICIPAL LEAGUE  
RISK MANAGEMENT  
ASSOCIATION

Intergovernmental  
Cooperation  
Contract



500 East Cassill Avenue | P.O. Box 3180 | Springfield, IL 62705-5180 | Phone: 217.525.1220 | Fax: 217.525.7438 | [www.imlrma.org](http://www.imlrma.org)

## **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" and "Board of Directors" shall mean the governing body of the Association.

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

(f) "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.

(g) "Risk Management Service" shall mean the management, administration and entire operation of the Cooperative programs of Risk Management of the Association.

(h) "Managing Director" means the individual who supervises the day-to-day operation of the Association.

## **ARTICLE 2. ASSOCIATION NAME**

There is hereby created an entity, the full legal name of which shall be the "Illinois Municipal League Risk Management Association," and which may be referred to herein as the "Association." The principal office of the Association shall be the same as the principal office of the Illinois Municipal League which is located at 500 East Capitol Avenue, Springfield, Illinois.

## **ARTICLE 3. ASSOCIATION POWERS**

(a) The Association shall have the power and the duty to establish and operate a program of Risk Management.

(b) The Association is authorized to make and enter into contracts necessary to accomplish the purposes of this Contract. The foregoing powers include, but are not limited to, the power to contract for excess insurance or reinsurance, provide claims administration services and provide consulting services, make inspections of participant facilities and administer a safety program.

(c) By this Contract the parties hereto through the Association agree to provide and pay the cost of all of the Risk Management Services described herein, to jointly obtain and pay the costs of premiums for excess insurance or reinsurance as may be found by the Board to be necessary from time to time, and to make contributions to the Association as required by this Contract.

## **ARTICLE 4. ADMINISTRATION**

The Association shall be governed by its Board of Directors and the directions of the Board shall be carried out by the Managing Director, all as more fully described in the By-Laws of the Association.

## **ARTICLE 5. MEMBERS, TERMS, WITHDRAWAL, EXPULSION**

(a) Each municipality which is a member of the Illinois Municipal League is eligible to join the Association.

(b) Each municipality which is a party to this Contract is a "Member" of the Association and is entitled to the rights and privileges and is subject to the obligations of Members, all as provided for in this Contract and the By-Laws.

(c) New Members shall be accepted upon application to the Association and acceptance by the prospective Member of the financial requirements and fund contribution requirements then in force and effect.

(d) A municipality which is a party to this Contract hereby agrees to remain a Member of the Association for not less than one (1) year. A Member may withdraw its membership for any year thereafter upon the giving of not less than one hundred twenty (120) days written notice to the Managing Director. No membership may terminate prior to the last day of December of any given year.

(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 Board of Directors including the safety standards established by the Board.

(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 Member, and the needs of the Association including total losses and expenditures of the Self-Insured Retention Fund of the Association.

The Board shall determine if any Member has a risk or risks which the Board 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 Board 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 Board of Directors.

Each year the Board 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.

## **ARTICLE 8. MANAGEMENT SERVICES**



The Association will utilize the services, facilities and personnel of the Illinois Municipal League for Association purposes so long as it is practical and desirable in the opinion of the Board. It will reimburse the League for the actual cost of any such services, use of facilities or use of personnel.

In addition to paying the cost of services, facilities and personnel utilized from the League offices the Association will pay to the League an annual management fee as approved by the Board.

#### **ARTICLE 9. PROHIBITION AGAINST ASSIGNMENT**

No Member may assign any right, claim or interest it may have under this Contract, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, funds, premium or asset of the Association.

#### **ARTICLE 10. ENFORCEMENT**

The Association and the parties hereto shall have the power to enforce this Contract by action brought in any court of law having proper jurisdiction. It is agreed that such a suit may be filed only in Sangamon County, Illinois.

#### **ARTICLE 11. INVALIDITY**

Should any portion, term, condition or provision of this Contract be determined by a court of competent jurisdiction to be invalid under any law of the State of Illinois or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

#### **ARTICLE 12. BY-LAWS INCORPORATED BY REFERENCE**

The Association and its Members shall be subject to and governed by the By-Laws which are by this reference, made a part of this Contract.

#### **ARTICLE 13. CONTRACT COMPLETE**

The foregoing constitutes the full and complete Contract of the member municipalities. There are no oral understandings or agreements not set forth in writing herein. The Contract is binding on each Member of the Association.

#### **ARTICLE 14. DATE CONTRACT EFFECTIVE**

This Contract shall become effective upon the occurrence of the following events: (1) each Member executing a copy of the Contract; (2) each Member depositing with the Association the contributions required by this Contract; and (3) determination being made by the Board that a sufficient number of Members have subscribed and contributions been made to fund the cost of providing the services 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 of MT. Auburn  
(City/Village/Town) (Municipality Name)

pursuant to Ordinance No. 179 Adopted and approved the 3<sup>rd</sup> day of  
July, 2018.

  
MAYOR or PRESIDENT

Attest: Sheri Clayton  
CLERK