

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

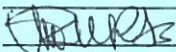
 X Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
_____ Recommendations of Boards, Commissions & Committees (Green)
_____ Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES
FROM: Scott Niehaus, Village Manager
DATE: November 24, 2015 (B of T) Date: December 3, 2015
TITLE: A Resolution Authorizing Signature of the Village President on a Second Amendment to an Intergovernmental Agreement (MCSA)

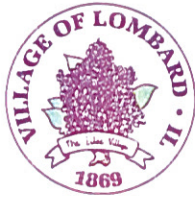
BACKGROUND/POLICY IMPLICATIONS:

Attached please find information regarding a Second Amendment to an existing intergovernmental agreement for municipal claims. The amendment provides for continued participation in the cooperative, the ability to terminate upon notice, and modifications to the base claims allocation model.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X _____ Date _____
Village Manager X  _____ Date 11/24/15

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.

**MEMORANDUM**

TO: Scott Niehaus, Village Manager
FROM: Nicole Aranas, Assistant Village Manager *NAA*
DATE: November 23, 2015
SUBJECT: **APPROVAL OF A SECOND AMENDMENT TO AN INTERGOVERNMENTAL AGREEMENT FOR CLAIMS SERVICES (MCSA)**

Attached please find information pertaining to a second amendment to the existing original intergovernmental agreement for claims services through Municipal Claims and Safety Agreement (MCSA). The original intergovernmental agreement through MCSA was entered into by the Village of Lombard, Village of Wheeling, Village of Mount Prospect and the Metro Risk Management Agency in 2012 for a multi-year period and amended once previously.

The proposed second amendment to the intergovernmental agreement provides for continuing participation in the cooperative with the above entities along with the ability to terminate participation upon provision of required notice. The second amended agreement also includes certain modifications to the methodology used by the cooperative to calculate the allocation of costs between members based upon the number of claims generated on a running three year basis.

The requested amendments and continued participation in the claims cooperative will allow the Village to continue services with the dedicated claims adjustor and the safety consultant contracted through cooperative on a shared cost basis. Village staff recently undertook analysis to compare claims management and claims costs under the MCSA cooperative against the leading competitive municipal claims administration pool and determined the cost allocations under the MCSA model were notably less than all other plans offered through the alternate pool.

The second amendment to the agreement in regards to membership and claims allocation model and true up period is recommended by Village staff and the intergovernmental cooperative and is anticipated to be approved by the other individual municipal member agencies by year end.

Please let me know if you have any questions or concerns.

RESOLUTION
R _____15

**A RESOLUTION AUTHORIZING SIGNATURE OF THE
VILLAGE PRESIDENT ON A SECOND AMENDMENT TO AN
INTERGOVERNMENTAL AGREEMENT IN REGARDS TO MUNICIPAL CLAIMS**

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution and 5 ILCS 220/1 through 220/9 provide authority for intergovernmental cooperation; and,

WHEREAS, the Village of Lombard, the Village of Mount Prospect, the Village of Wheeling and the Metro Risk Management Agency (the “Members”) entered into an Intergovernmental Agreement in Regard to Claims Adjuster and Safety Consultant Services, effective January 1, 2013 for a multi-year term; and,

WHEREAS, the Members entered agreed to a First Amendment to the Intergovernmental Agreement and desire to amend certain provisions of the amended agreement; and,

WHEREAS, it is in the collective best interests of the Members to enter into this Second Amendment,

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1: That the Village President and Village Clerk be and hereby are authorized to sign on behalf of the Village of Lombard said Second Amendment to an Intergovernmental Agreement as attached hereto.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval as provided by law.

Adopted this _____ day of _____, 2015.

Ayes: _____

Nays: _____

Absent: _____

Resolution No. _____
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Approved this _____, day of _____, 2015.

Keith Giagnorio, Village President

ATTEST:

Sharon Kuderna, Village Clerk

**SECOND AMENDMENT TO
AN INTERGOVERNMENTAL AGREEMENT
IN REGARD TO CLAIMS ADJUSTER AND SAFETY CONSULTANT SERVICES**

This SECOND AMENDMENT TO INTERGOVERNMENTAL AGREEMENT (the "SECOND AMENDMENT") is entered into this ____ day of _____, 2015, by and between the Village of Lombard, an Illinois municipal corporation ("Lombard"), the Village of Mount Prospect, an Illinois municipal corporation ("Mt. Prospect"), the Village of Wheeling, an Illinois municipal corporation ("Wheeling"), and the Metro Risk Management Agency, a joint self-insured intergovernmental risk pool, whose current membership consists of the Schaumburg Park District, the Mount Prospect Park District and the Palatine Park District, (the "MRMA"). Lombard, Mt. Prospect, Wheeling and MRMA are sometimes referred to hereinafter individually as a "Member" and collectively as the "Members."

WITNESSETH

WHEREAS, the Members entered into AN INTERGOVERNMENTAL AGREEMENT IN REGARD TO CLAIMS ADJUSTER AND SAFETY CONSULTANT SERVICES, effective January 1, 2013 (the "ORIGINAL AGREEMENT"); and

WHEREAS, the Members entered into a FIRST AMENDMENT TO AN INTERGOVERNMENTAL AGREEMENT IN REGARD TO CLAIMS ADJUSTER AND SAFETY CONSULTANT SERVICES, dated July 21, 2014 (the "FIRST AMENDMENT"; with the ORIGINAL AMENDMENT, as amended by the FIRST AMENDMENT, being hereinafter referred to as the "AMENDED AGREEMENT"); and

WHEREAS, the Members' desire to amend certain provisions of the AMENDED AGREEMENT, so as to extend the term thereof for an indefinite period, subject to each Member's ability to terminate said Member's participation in the AMENDED AGREEMENT upon twelve (12) months prior written notice, with a true-up at the end of each three (3) year period of the AMENDED AGREEMENT, or upon the date of the termination of a Member's participation in the AMENDED AGREEMENT; and

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution and 5 ILCS 220/1 through 220/9 provide authority for intergovernmental cooperation; and

WHEREAS, it is in the collective best interests of the Members to enter into this SECOND AMENDMENT;

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements hereinafter contained, the Members agree as follows:

1. That Section 4.A. of the AMENDED AGREEMENT is hereby amended by adding the following to the end thereof:

“Effective January 1, 2016, the Services shall continue to be provided to the Members indefinitely, subject to each Member’s ability to terminate said Member’s participation in the Agreement upon twelve (12) months prior notice as referenced in subsection E. below, and subject to the “true-up” referenced in Section 8.A.vi. below.”

2. That Section 4 of the AMENDED AGREEMENT is hereby amended by adding a new subsection E. thereto, which will read in its entirety as follows:

“E. Each Member shall have the ability to terminate said Member’s participation in this Agreement upon no less than twelve (12) months prior written notice; provided, however, any such termination shall take place and be effective on either March 31st, June 30th, September 30th or December 31st, so that said termination occurs upon the end of a quarterly portion of the Fiscal Year covered by one (1) of the four (4) payments referenced in Section 8.A.iv. below.”

3. That Section 8.A.ii. of the AMENDED AGREEMENT is hereby amended to read in its entirety as follows:

“ii. One-half (1/2) of the Account Amount shall be paid by the Members, based on the average number of Claims per year that each Member has had during the first three (3) Fiscal Year periods of this Agreement (calendar years 2013, 2014 and 2015) (the “Average Number of Claims”), based on the following formula:

$$\frac{\text{The Average Number of Claims for the Member}}{\text{The Total of the Average Number of Claims for Each Member}} \times \text{One-half (1/2) of the Account Amount} = \text{The Individual Member's payment}$$

Beginning January 1, 2019, and every three (3) years thereafter, the Average Number of Claims shall be recalculated, based on the average number of Claims per year that each Member has had during the previous three (3) Fiscal Year periods, with one-half (1/2) of the Account Amount being paid by the Members based upon the foregoing formula, using said recalculated Average Number of Claims amount."

4. That Section 8.A. of the AMENDED AGREEMENT is hereby amended by adding new subsections vi. and vii. thereto, which shall read in their entirety as follows:

"vi. Within ninety (90) days of the end of each three (3) Fiscal Year period following the end of the first three (3) Fiscal Year period of this Agreement, or the termination of a Member's participation in this Agreement if the termination occurs prior to the end of a three (3) Fiscal Year period, there shall be a recalculation of each Member's share of the Account Amount, based on the actual amount spent for the Services and the actual number of Claims of each Member during the said three (3) Fiscal Year period, or during such shorter period if a Member terminates said Member's participation in this Agreement prior to the end of a three (3) Fiscal Year period, with additional Account Amount payments being made by the Members, or refunds issued to the Members, as the case may be, within thirty (30) days thereafter.

vii. In the event that a Member terminates said Member's participation in this Agreement, the Members remaining as participants in this Agreement shall enter into an amendment to this Agreement, so as to amend the provisions of this Agreement to take into account the reduction in the number of Members participating in this Agreement."

5. That all portions of the AMENDED AGREEMENT, not amended hereby, shall remain in full force and effect.

6. This SECOND AMENDMENT shall be executed simultaneously in four (4) counterparts, each of which shall be deemed an original, but both of which shall constitute one and the same SECOND AMENDMENT.

7. This SECOND AMENDMENT shall be deemed dated and become effective on the date the last of the Members executes this SECOND AMENDMENT, as set forth below.

IN WITNESS WHEREOF, the Members, pursuant to authority granted by the appropriate action of each respective corporate authority/governing board, have caused this SECOND AMENDMENT to be executed by their respective authorized representatives.

VILLAGE OF LOMBARD

By: _____
Keith Giagnorio
Village President

ATTEST:

Sharon Kuderna
Village Clerk

Dated: _____

VILLAGE OF MOUNT PROSPECT

By: _____
Arlene A. Juracek
Village President

ATTEST:

Lisa Angell
Village Clerk

Dated: _____

VILLAGE OF WHEELING

By: _____
Dean S. Argiris
Village President

ATTEST:

Elaine Simpson
Village Clerk

Dated: _____

METRO RISK MANAGEMENT AGENCY

By: _____
Name: _____
Title: _____

ATTEST:

Name: _____
Title: _____

Dated: _____

STATE OF ILLINOIS)
) SS
COUNTY OF DuPAGE)

ACKNOWLEDGMENT

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named Keith Giagnorio and Sharon Kuderna, personally known to me to be the Village President and Village Clerk of the Village of Lombard, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such Village President and Village Clerk, respectively, appeared before me this day in person and severally acknowledged that, as such Village President and Village Clerk, they signed and delivered the signed instrument, pursuant to authority given by the Village of Lombard, as their free and voluntary act, and as the free and voluntary act and deed of said Village of Lombard, for the uses and purposes therein set forth, and that said Village Clerk, as custodian of the corporate seal of said Village of Lombard, caused said seal to be affixed to said instrument as said Village Clerk's own free and voluntary act and as the free and voluntary act of said Village of Lombard, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2015.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTIES OF COOK AND LAKE)

ACKNOWLEDGMENT

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named Dean S. Argiris and Elaine Simpson, personally known to me to be the Village President and Village Clerk of the Village of Wheeling, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such Village President and Village Clerk, respectively, appeared before me this day in person and severally acknowledged that, as such Village President and Village Clerk, they signed and delivered the signed instrument, pursuant to authority given by the Village of Wheeling, as their free and voluntary act, and as the free and voluntary act and deed of said Village of Wheeling, for the uses and purposes therein set forth, and that said Village Clerk, as custodian of the corporate seal of said Village of Wheeling, caused said seal to be affixed to said instrument as said Village Clerk's own free and voluntary act and as the free and voluntary act of said Village of Wheeling, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2015.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

ACKNOWLEDGMENT

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the _____ and _____ of the Metro Risk Management Agency ("MRMA"), and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ and _____, respectively, appeared before me this day in person and severally acknowledged that, as such _____ and _____, they signed and delivered the signed instrument, pursuant to authority given by MRMA, as their free and voluntary act, and as the free and voluntary act and deed of said MRMA, for the uses and purposes therein set forth, and that said _____, as custodian of the corporate seal of said MRMA, caused said seal to be affixed to said instrument as said _____'s own free and voluntary act and as the free and voluntary act of said MRMA, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this _____ day of _____, 2015.

Notary Public