

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

  X   Resolution or Ordinance (Blue)   x   *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: January 30, 2019 (B of T) Date: February 7, 2019  
TITLE: A Resolution Authorizing Signature of the Village President on a Third Amendment to an Intergovernmental Agreement (MCSA)

BACKGROUND/POLICY IMPLICATIONS:

Attached please find information regarding a Third Amendment to an existing intergovernmental agreement for municipal claims. The amendment provides for amendments to the contract regarding calculation of costs, allocation of claims, and termination provisions.

Review (as necessary):  
Village Attorney X \_\_\_\_\_ Date \_\_\_\_\_  
Finance Director X \_\_\_\_\_ Date \_\_\_\_\_  
Village Manager X \_\_\_\_\_ Date \_\_\_\_\_

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 *NPA*  
**DATE:** January 30, 2019  
**SUBJECT:** **APPROVAL OF A THIRD AMENDMENT TO AN INTERGOVERNMENTAL AGREEMENT FOR CLAIMS SERVICES (MCSA)**

Attached please find information pertaining to a third 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 twice previously.

The proposed third amendment to the intergovernmental agreement provides for amendments to the existing contract pertaining to calculation of costs, allocation of claims, and provisions for termination. Through the claims cooperative the Village will continue services with the dedicated claims adjustor and loss prevention consultants contracted through cooperative on a shared cost basis.

The third amendment to the agreement in regards to the claims allocation model and true up period is recommended by Village staff and the intergovernmental cooperative and has been approved by the other individual municipal member agencies. An amended and restated agreement which incorporates all prior changes under these amendments is anticipated to be proposed and brought forth to the member communities in the coming months.

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

**RESOLUTION**  
**R \_\_\_\_\_ 19**

**A RESOLUTION AUTHORIZING SIGNATURE OF THE VILLAGE PRESIDENT ON A THIRD 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 two prior amendments 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 Third 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 Third 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 \_\_\_\_\_, 2019.

Ayes: \_\_\_\_\_

Nayes: \_\_\_\_\_

Absent: \_\_\_\_\_

Resolution No. \_\_\_\_\_  
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Approved this \_\_\_\_\_, day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Keith Giagnorio, Village President

ATTEST:

\_\_\_\_\_  
Sharon Kuderna, Village Clerk

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

This THIRD AMENDMENT TO INTERGOVERNMENTAL AGREEMENT (the "THIRD AMENDMENT") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, 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; and

**WHEREAS**, the Members entered into a SECOND AMENDMENT TO AN INTERGOVERNMENTAL AGREEMENT IN REGARD TO CLAIMS ADJUSTER AND SAFETY CONSULTANT SERVICES, dated November 12, 2015 (the "SECOND AMENDMENT"; with the ORIGINAL AMENDMENT, as amended by the FIRST AMENDMENT, and the SECOND AMENDMENT being hereinafter referred to as the "AMENDED AGREEMENT"); and

**WHEREAS**, the Members desire to amend certain provisions of the AMENDED AGREEMENT, relative to the costs and expenses of administering the Cooperative (as defined

in the AMENDED AGREEMENT) and providing the Services (as defined in the AMENDED AGREEMENT), under 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 THIRD 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.E. of the AMENDED AGREEMENT is hereby amended by revising the reference to "Section 8.A.iv., "as contained therein, to read, "Section 8.A.v."
2. That Section 8.A. of the AMENDED AGREEMENT is hereby amended to read in its entirety as follows:

"A. The Cost of administering the Cooperative and paying for the Services through the Administrator shall be borne by all the Members. Payments into the Account shall be made as follows:

The Board, at least thirty (30) days prior to the start of each Fiscal Year, will approve the total anticipated costs and expenses of administering the Cooperative (the "Administration Services") and providing the Services through the Administrator (said costs and expenses being collectively the "Account Amount"). Each Member shall, thereafter, pay its share of the Account Amount, as follows:

- i. Administration Services. Members shall each pay an equal share of the cost of the Administration Services, based on the number of active Members. For example, if there are four (4) Members, each Member shall pay twenty-five percent (25%) of the cost of the Administration Services.
- ii. Safety Consultant Services. Members shall be invoiced for their projected safety consultant services usage for each Fiscal Year.
- iii. Claims Adjusting Services. Claims adjusting charges shall be paid by the Members, based on the average number of Claims per year that each Member has had during the previous three (3) Fiscal Year periods of this Agreement (the "Average Claims Amount"), based on the following formula:

<u>The Average Claims Amount for the Member</u>	X	Anticipated Costs and Expenses of Providing Claims Adjusting Services	=	The Individual Member's Payment
The Total of the Average Claims Amount for Each Member				

- iv. As Mt. Prospect and MRMA are only participating in regard to the claims adjuster portion of the Services relative to workers' compensation claims, only Mt. Prospect's and MRMA's workers' compensation claims shall be used relative to calculating the number of Mt. Prospect Claims and MRMA Claims under this Section 8.
- v. The share of the Account Amount due from each Member, for each Fiscal Year, shall be paid to the Cooperative in four (4) equal payments, with twenty-five percent (25%) of the share of the Account Amount due from each Member for the Fiscal Year due on or before the 15th day of January, April, July and October each Fiscal Year.
- vi. Within ninety (90) days of the end of each Fiscal Year of this Agreement, or the termination of a Member's participation in this Agreement if the termination occurs prior to the end of a 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 Administration Services during said Fiscal Year, and the average number of Claims of each Member during the said Fiscal Year period and the two (2) Fiscal Years prior thereto, or during such shorter period if a Member terminates said Member's participation in this Agreement prior to the end of a Fiscal Year period, with additional payments being made by the Members, or refunds issued to the Members, as the case may be, within thirty (30) days thereafter, so that each Member pays its actual share of the Account Amount for each Fiscal Year Period, based on the formula set forth in this subsection. If a Member's participation in this Agreement terminates prior to the end of a Fiscal Year, the calculation under this subsection shall be based on the actual amount spent for the Services and Administration Services during said portion of the Fiscal Year that said terminated Member was a participant, and the average number of Claims of each Member during said portion of the Fiscal Year and the two (2) full Fiscal Years prior thereto.
- 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."

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

4. This THIRD 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 THIRD AMENDMENT.

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

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HAS INTENTIONALLY BEEN LEFT BLANK.**



**IN WITNESS WHEREOF**, the Members, pursuant to authority granted by the appropriate action of each respective corporate authority/governing board, have caused this **THIRD 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:**

\_\_\_\_\_  
Karen Agoranas  
Village Clerk

Dated: \_\_\_\_\_

**VILLAGE OF WHEELING**

By: \_\_\_\_\_  
Patrick Horcher  
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 \_\_\_\_\_, 2018.

\_\_\_\_\_  
Notary Public