

NOTICE OF SPECIAL MEETING OF THE COMMITTEE OF THE WHOLE

A Special Meeting of the Committee of the Whole is scheduled for
Tuesday, August 14, 2018, beginning at 7:00 p.m. in

Council Chambers
Village Hall of Tinley Park
16250 S. Oak Park Avenue
Tinley Park, Illinois

A copy of the agenda for this meeting is attached hereto.

Kristin A. Thirion
Clerk
Village of Tinley Park

MEETING NOTICE
VILLAGE OF TINLEY PARK

SPECIAL MEETING OF THE COMMITTEE OF THE WHOLE

NOTICE IS HEREBY GIVEN that a Special Committee of the Whole Meeting of the Village of Tinley Park, Cook and Will Counties, Illinois will be held on Tuesday, August 14, 2018, beginning at 7:00 p.m. in Council Chambers, located in the Tinley Park Village Hall, 16250 South Oak Park Avenue, Tinley Park, Illinois 60477.

The agenda is as follows:

1. CALL MEETING TO ORDER.
2. CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE MEETINGS HELD ON JULY 17, 2018 AND JULY 24, 2018.
3. DISCUSS RISK MANAGEMENT SERVICES UNDERWRITER QUOTES.
4. RECEIVE COMMENTS FROM THE PUBLIC.
5. ADJOURN TO EXECUTIVE SESSION TO DISCUSS:
 - A. LITIGATION, WHEN AN ACTION AGAINST, AFFECTING OR ON BEHALF OF THE PARTICULAR PUBLIC BODY HAS BEEN FILED AND IS PENDING BEFORE A COURT OR ADMINISTRATIVE TRIBUNAL, OR WHEN THE PUBLIC BODY FINDS THAT AN ACTION IS PROBABLE OR IMMINENT, IN WHICH CASE THE BASIS FOR THE FINDING SHALL BE RECORDED AND ENTERED INTO THE MINUTES OF THE CLOSED MEETING.
 - B. THE APPOINTMENT, EMPLOYMENT, COMPENSATION, DISCIPLINE, PERFORMANCE, OR DISMISSAL OF SPECIFIC EMPLOYEES OF THE PUBLIC BODY OR LEGAL COUNSEL FOR THE EMPLOYEES OF THE PUBLIC BODY OR LEGAL COUNSEL FOR THE PUBLIC BODY, INCLUDING HEARING TESTIMONY ON A COMPLAINT LODGED AGAINST AN EMPLOYEE OF THE PUBLIC BODY OR AGAINST LEGAL COUNSEL FOR THE PUBLIC BODY TO DETERMINE ITS VALIDITY.
 - C. COLLECTIVE NEGOTIATING MATTERS BETWEEN THE PUBLIC BODY AND ITS EMPLOYEES OR THEIR REPRESENTATIVES, OR DELIBERATIONS CONCERNING SALARY SCHEDULES FOR ONE OR MORE CLASSES OF EMPLOYEES.

ADJOURNMENT

KRISTIN A. THIRION
VILLAGE CLERK

MINUTES
Special Meeting of the Committee of the Whole
July 17, 2018 - 6 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: B. Younker, President Pro-Tem
M. Pannitto, Village Trustee
C. Berg, Village Trustee
W. Brady, Village Trustee
J. Curran, Village Trustee

Members Absent: K. Thirion, Village Clerk
M. Glotz, Village Trustee

Other Board Members Present: J. Vandenberg, President

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
B. Bettenhausen, Village Treasurer
K. Workowski, Public Works Director
J. Urbanski, Assistant Public Works Director
P. Wallrich, Interim Community Development Director
D. Framke, Marketing Director
P. Connelly, Village Attorney - Arrived 6:06 p.m.
L. Valley, Executive Assistant to the Manager and Trustees
R. Zimmer, Executive Assistant to the Mayor
L. Godette, Deputy Village Clerk
T. Ketchum, FOIA and Compliance Coordinator
L. Carollo, Commission/Committee Secretary

Item #1 - The Special Meeting of the Committee of the Whole was called to order at 6:01 p.m.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE MEETING HELD ON JUNE 19, 2017 – Motion was made by President Pro-Tem Younker, seconded by Trustee Pannitto, to approve the minutes of the Special Committee of the Whole Meeting held on June 19, 2018. Vote by voice call. President Pro-Tem Younker declared the motion carried.

Item #3 – DISCUSS ELECTRICAL AGGREGATION PROGRAM - The Village's current electrical aggregation contract with Dynegy Energy will expire in October. The Northern Illinois Municipal Electric Collaborative (NIMEC) conducted a formal bid process for aggregate electrical pricing on the Village's behalf. Bidding results by NIMEC suggested the electrical pricing market would not save residents money on electrical bills through a 12-month contract, as electric pricing is currently above ComEd's rate of 7.75 cents/kwh. Therefore, NIMEC offered a new option; the new option is a modified aggregation program with MC Squared, which would charge residents the ComEd rate of 7.75 cents/kwh, but the Village would be utilizing 100% renewable energy. This was discussed at the Administration and Legal Committee Meeting held on Tuesday, June 26, 2018.

NIMEC has been the Village's electrical consultant since 2007. They are compensated on a commission basis from the bid winning supplier and not through the Village or residents.

In March 2012, residents approved Village authorization to operate an opt-out aggregation program via a referendum. The Municipal Aggregation Program through the State of Illinois was created in 2011, which has allowed the Village to negotiate pricing and terms from energy suppliers on residents' behalf. Benefits of the Village's opt-out aggregation program include:

- Residents are informed via postal mail, paid by the supplier, of new rates and terms prior to a rate change.
- Residents may opt out of the program at any time and will never incur a termination fee.
- There are no additional monthly fees, nor a variable floating rate.
- Residents will receive a fixed price certainty versus the ComEd default rate, which can vary.
- Residents may save money versus the ComEd default rate.

A contract with a new supplier requires 70 days for implementation. The Village has three (3) options for consideration, which are provided below. The first two (2) options are presented every time an aggregation contract expires, while the third option is new.

1. Allow the program to expire - If the Village Board chooses, the program may be discontinued and no action is required, however, this is not recommended as the Village incurs no hard costs to administer the program and residents may receive favorable rates, as well as the benefits listed above.
2. Standard Aggregation - Accept the lowest bidder from NIMEC's formal bidding process. This is not recommended and rates currently are higher than ComEd's default rate.
3. Renewable Aggregation - A new option offered by NIMEC. The supplier will charge the same rates as ComEd throughout the year and the supplier will offset their energy consumption by purchasing Renewable Energy Credits (RECs) for all accounts in the aggregation program. The Village would receive a designation as a US Environmental Protection Agency Green Power Community and all energy supplied would be considered renewable energy.

D. Niemeyer, Village Manager provided the Committee of the Whole additional information including NIMEC's bidding results, NIMEC's proposed renewable aggregation program and renewable energy certificates (RECs), a fact sheet on the 100% Green Aggregation Program, and an electric price chart for the past 11 years for further consideration. Mr. Niemeyer discussed the renewable aggregation program with the Environmental Enhancement Commission (EEC) Chairman, A. Halek, who is supportive of the program. Mr. Niemeyer stated a representative from NIMEC will be present at the EEC meeting and the Village Board meeting following for additional questions.

Trustee Pannitto stated his concerns in relation to the renewable aggregation program; a monitoring system to ensure the Village would receive 100% renewable energy, ensure matched rates with ComEd and an escape clause be provided in a contract for protection in the event conditions are not met from the supplier. At Trustee Berg's request, Mr. Niemeyer provided research results on RECs. Pro-Tem Younker asked the Committee of the Whole if there were any questions. Trustee Berg reiterated she would like an opt-in program as opposed to an opt-out program for the residents. Trustee Brady stated agreement with Trustee Berg in an opt-in program for residents. Pro-Tem Younker asked the Committee of the Whole if there were further questions. No one came forward.

Item #4 – DISCUSS HARP GROUP - TINLEY PARK CONVENTION CENTER - The Village has been in discussions with the HARP Group, potential new owner of the Holiday Inn and convention center

for about a year. The HARP Group has significant experience in hotel development and management in the Chicago area. The HARP Group plans on changing the Holiday Inn to a Sheraton or similar type of hotel with the possibility of expansion, which would increase business in the Village's hotels and restaurants, resulting in increased tax revenue for the Village.

The Village has an agreement with the current owners that expires in 2028. One of the major challenges of the site is its location in Rich Township and Cook County, with the most recent property tax bill for the Holiday Inn of \$1,599,359. Holiday Inn and the convention center was originally developed through creation of a (Tax Increment Financing) TIF and in order to keep the hotel competitive, the Village contributes towards maintenance (\$675,000) and capital improvements (\$185,000) of the convention center from the TIF, for a total tax offset subsidy of approximately \$860,000 yearly. However, the TIF expires this year, so this revenue source will no longer be available. The Village had been in discussions with the current owners regarding hotel and convention center viability once the TIF expires due to the subsidies ending in 2018, and in future the Village would no longer continue to fund capital improvements as previously. An agreement was reached with the HARP Group, capping the annual tax offset at \$750,000 yearly.

In an effort to keep the convention center and hotel financially viable for at least 20 years, a plan was developed in which two (2) school districts within the convention center's boundaries and the Village would contribute. High School District 159 and Grade School District 227 will receive significant increases in their assessed value and tax revenues collected when the TIF terminates.

Under Illinois state law, taxing bodies are allowed to abate real estate taxes as a business incentive for up to ten (10) years. The two school districts, the Village and the HARP group are currently negotiating an agreement by abating 50% of property taxes on the property for ten (10) years or \$4,000,000 from all three taxing bodies, whichever occurs first. The abatements are expected to generate approximately \$675,000 yearly and reach a cap of \$4,000,000 in seven (7) years. The abatement agreements with the school districts also include the HARP Group providing several internships for District 227 yearly, including three (3) paid hospitality internships yearly, paid construction apprentice positions and three (3) paid stewardship internships. Both districts will receive consultation on cooking facilities, guided field trips and discounted rates on three (3) school events yearly, plus graduation ceremonies. District 227 approved this agreement on June 14, 2018.

The difference in abatements and the \$750,000 yearly will consist of an increase in the Village hotel tax rate of 1% for all hotels in Tinley Park, which is expected to generate \$250,000 yearly. Once abatements reach the cap of \$4,000,000, the Village and HARP would negotiate a new abatement agreement with the school districts. If unsuccessful, the Village would also include the entire 6% hotel tax rate generated only by the hotel and convention center property until the twentieth year of the agreement, (currently generating about \$350,000 yearly). Updated sharing information includes:

- All hotel taxes up to \$350,000 shall be shared equally by the Village and developer, with the Village guaranteed \$175,000.
- Between \$350,000 and \$500,000, the developer retains 75% of hotel tax.
- If the hotel tax exceeds \$500,000, then the developer retains 85% generated over the amount.
- The developer will in no event receive more than \$750,000.

The new management agreement with the HARP Group will include a number of new provisions: The Village will no longer be responsible for funding the major capital improvements for the convention center. The Village will use \$400,000 from the TIF to resurface the convention center parking lot. The Village will get reduced rentals of up to 10 events yearly. The HARP Group must convert the hotel to a

Sheraton or similar brand within 30 months or the Village will not pay incentives owed to HARP. The HARP Group will be responsible for paying 5% of gross receipts generated from the convention center into a capital improvement fund; The Village and developer will be working on an escrow agreement for these funds with the developer's lender. In addition, if HARP receives any incentives from Cook County, they will be applied as credit against the tax abatements.

Mr. Niemeyer provided clarification on the hotel tax regarding the Holiday Inn. President Pro-Tem Younker asked if the Committee of the Whole had any questions. No one came forward.

Item #5 – DISCUSS SOUTH STREET RECONSTRUCTION - The Village moved forward with construction needed in front of the old Bremen Cash Store site in accordance with the ongoing development plans on both the site and the South Street parcel. The deep sanitary sewer needed to be relocated to accommodate another building on South Street to maximize the development potential for the vacant parcel.

The project will consist of pavement reconstruction, elimination of one (1) driveway entering the Metra lot to improve safety and expand turn lanes, elimination of the right turn lane and landscaped island, water main upgrades, sanitary relocation, striping and temporary landscaping.

Plans were completed by Robinson Engineering and bids were taken on July 10, 2018. Austin Tyler Construction, Inc. quoted the lowest bid at \$680,385.75. Total funding budgeted is \$750,000.

Staff recommended contract approval with Austin Tyler Construction, Inc., in the amount of \$680,385.75, for the South Street Reconstruction and Sanitary Sewer Relocation project at the Village Board meeting held on July 17, 2018.

Trustee Pannitto asked K. Workowski, Public Works Director on clarification regarding elimination of an entrance into the Metra station.

President Pro-Tem Younker asked if the Committee of the Whole had any questions. No one came forward.

Item #6 – RECEIVE COMMENTS FROM THE PUBLIC - Diane Galante asked Mr. Niemeyer questions regarding the agreement with the HARP Group and stated concerns of ongoing funding of a TIF project. Mr. Niemeyer explained the benefits the schools districts would receive with the agreement, if approved.

ADJOURNMENT

Motion was made by Trustee Berg, seconded by Trustee Pannitto, to adjourn this Special Meeting of the Committee of the Whole. Vote by voice call. President Pro-Tem Younker declared the motion carried and adjourned the meeting at 7: 25 p.m.

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MINUTES
Special Meeting of the Committee of the Whole
July 24, 2018 - 6 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: B. Younker, President Pro-Tem
M. Pannitto, Village Trustee
M. Glotz, Village Trustee
C. Berg, Village Trustee
W. Brady, Village Trustee
J. Curran, Village Trustee

Members Absent: None

Other Board Members Present: J. Vandenberg, President
K. Thirion, Village Clerk

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
P. Connelly, Village Attorney

Item #1 - The Special Meeting of the Committee of the Whole was called to order at 6:04 p.m.

Item #2 – RECEIVE COMMENTS FROM THE PUBLIC - No comments from the public.

Item #3 – ADJOURN TO EXECUTIVE SESSION TO DISCUSS:

- A. THE APPOINTMENT, EMPLOYMENT, COMPENSATION, DISCIPLINE, PERFORMANCE, OR DISMISSAL OF SPECIFIC EMPLOYEES OF THE PUBLIC BODY OR LEGAL COUNSEL FOR THE PUBLIC BODY, INCLUDING HEARING TESTIMONY ON A COMPLAINT LODGED AGAINST AN EMPLOYEE OF THE PUBLIC BODY OR AGAINST LEGAL COUNSEL FOR THE PUBLIC BODY TO DETERMINE ITS VALIDITY.**
- B. THE PURCHASE OR LEASE OF REAL PROPERTY FOR THE USE OF THE PUBLIC BODY, INCLUDING MEETINGS HELD FOR THE PURPOSE OF DISCUSSING WHETHER A PARTICULAR PARCEL SHOULD BE ACQUIRED.**
- C. THE SETTING OF A PRICE FOR SALE OR LEASE OF PROPERTY OWNED BY THE PUBLIC BODY.**

Vote on roll call: Ayes: Younker, Pannitto, Berg, Brady, Curran. Nays: None. Absent: Glotz -
Arrived 6:30 p.m.

ADJOURNMENT

Motion was made by President Pro-Tem Younker, seconded by Trustee Berg, to adjourn this Special Meeting of the Committee of the Whole. Vote by voice call. President Pro-Tem Younker declared the motion carried and adjourned the meeting at 10:26 p.m.



Interoffice Memo

Date: August 10, 2018

To: Committee of the Whole

From: David Niemeyer, Village Manager
Michael Zonsius, Assistant Treasurer

Subject: Risk Management Responses

On May 15, 2018, Staff was directed to solicit proposals for risk management services for the period January 1, 2019 through December 31, 2019. Staff prepared applications and assembled other necessary information for possible risk management service providers to obtain quotes. Staff electronically provided the assembled information to the first of the three following potential providers on June 5, the fourth provider is the incumbent provider.

Alliant/Mesirow "Alliant"

Municipal Insurance Cooperative Agency ("MICA")

Suburban Liability Insurance Pool ("SLIP")

Intergovernmental Risk Management Agency ("IRMA")

Alliant is the Village's private sector broker, and was directed to solicit multiple insurance bids. Responses were requested on or before July 20th, but was extended to July 30th. "Alliant" provided three proposals, which included an alternate insurance pool and two private insurance options. A comparison of the three Alliant provided bids is attached. We additionally received a proposal from our incumbent provider, IRMA. SLIP is a newly formed insurance pool, and could not provide a response until the last week in August. MICA was unable to provide a cost competitive and comparable response as their program solely had a \$5,000 deductible option.

Alliant recommended the alternate insurance pool option (Illinois Counties Risk Management Trust, hereafter "ICRMT"), as they were lower cost than the other two offerings they were able to assemble. A more detailed comparison of these two pools is also attached for your review (Exhibit A).

Exhibit B is a comparison schedule for the insurance premiums and actual/estimated deductibles. As shown, the quotes for Alliant/ICRMT and IRMA premiums are \$764,449 and \$754,059, respectively. Further, it should be pointed out that the quote for incumbent provider IRMA is a

preliminary estimate. As you can see from the coverage comparison, there are major differences between the deductibles for the two pools. The deductible amounts shown on the exhibit are the actual payments made by the Village under the incumbent, IRMA pool for the last four years. The amounts for Alliant/ICRMT are estimated imputed using the actual claims applied against the various ICRMT deductibles under its proposed coverage.

Exhibit C is a comparison schedule for insurance coverages of the two plans:

1. General Liability
2. Automobile Liability
3. Law Enforcement Liability
4. Public Officials Liability.
5. Property
6. Workers Compensation
7. Cyber
8. Crime

General/Automobile/Law Enforcement/Public Officials Liability insurances provides protection from claims resulting from injuries and damages to people and/or property. The coverages for these insurances has a current limit of \$15,000,000 under IRMA. Alliant/ICRMT increases this amount to \$16,000,000. We currently have a single deductible of \$50,000 for all claim types under IRMA. The deductibles under the Alliant/ICRMT proposal vary between \$100,000 and \$150,000 dependent upon the type of liability insurance. According to ICMRT, the increased deductible is due to the Village's size, exposure level (e.g. number of employees, vehicles, police), and loss history. The higher retention levels presented were the optimal retention size for our risk. The level minimizes "premiums" we pay, allows for better control of claims, and provides the Village more flexibility as regard to choice of defense counsel. The proposed coverage by ICMRT is on a "claims made" basis for Employee Benefits/Sexual Abuse/Pubic Officials Liability insurances. Claims made coverage means that there will only be coverage if the claim is received during the policy year. Those claims that are made a year later or more, will not be covered. This compared to occurrence based coverage where the coverage is triggered with the occurrence regardless of when the claim or case is filed. There is a one year statute of limitations for state claims and a two year statute of limitations for federal claims. This, however, could be addressed by purchasing additional insurance coverage.

Property insurance provides protection for the Village's physical assets such as buildings, equipment, and vehicles. This insurance also provides protection for various business "processes" such as errors and omissions, accounts receivable, and business interruptions. Also included is sales tax and hotel tax interruption coverage in the event a taxpayer is hindered from paying their sales or hotel taxes. ICMRT is investigating increasing the limit on this insurance above \$1,306,000.

Workers' Compensation provides protection for the Villages employees for injuries that occur while performing their work duties. As shown on Exhibit A1, the Village has been successful in reducing these types of claims. The current deductible is \$50,000 and would increase to \$300,000 under the ICRMT plan.

Cyber insurance provides protection, among others, for the Village's customer information if exposed or stolen by a hacker or other criminal who has gained access to the Village's network. The current limits are between \$50,000 and \$250,000 and Alliant/ICMRT would increase them to \$1,000,000 (\$100,000 for Cyber Deception).

Crime insurance provides protection for a monetary or property loss due to embezzlement, forgery, robbery, securities theft or another form of business-related crime. Coverages and deductibles are very similar between the two proposals.

Next steps

We have invited both parties to present ten minute power point presentations on the benefits of their program. Michael Zonsius will also provide a summary presentation that will highlight our findings. However, we wanted to highlight a couple of key issues below:

Attorneys

ICMRT allows the Village to hire its own attorney for all claims within the deductible. Since ICMRT has higher deductibles than IRMA, there are a greater number of claims that can be managed by the Village. ICMRT has a pool of attorneys that includes our current village attorneys.

Assessments—covered and non-covered claims.

When there is a claim that includes both covered and non-covered counts, the IRMA executive director will determine the portion of the settlement/verdict, as well as attorney fees that will be paid by the member. ICMRT uses IPMG claims management services to handle claims. IPMG's policy is followed for covered and non-covered claims. It is not uncommon in the insurance field to require payments from the insured if there are covered and uncovered claims.

You may recall that the Village had to contribute \$780,000, to the Buckeye claim as a result of this IRMA policy. The last time the Village had to contribute to a claim before that was 2013.

References

Please note that staff did contact several communities that use ICMRT and their comments are noted on Exhibit D.

Analysis

Looking at the two pools from a financial point of view, the premium costs are very similar. However, there are significant differences in the deductibles. In years when there are low claims, like 2017, these higher deductibles do not significantly cost the Village. However, as shown in one of the attachments, in years 2014-2016, the total deductible cost difference—if we had been with ICMRT—would have ranged from \$325,000 to \$404,000 for those three years.

There may be other reasons why the Village may want to choose ICMRT, such as the greater freedom to choose attorneys, services or some of the other reasons cited by ICMRT. However, the staff cannot make a case that ICMRT will be financially more advantageous for the Village, and in

years when there are a high number of claims, the cost differences between ICMRT and the IRMA are significant.

Both IRMA and ICMRT appear provide similar coverages and neither would put the Village or community at risk. Therefore, the Village has a number of options. It could choose renew with IRMA or choose ICMRT. The Board could also decide to rebid this again next year. There are some sound reasons for doing this. First, hopefully some of the outstanding large litigation issues will be resolved, which means we might receive better bids. Second, it is expected that the two pools the Village could not consider this year could be in play next year. SLIP is expected to be operational next year, and MICA is considering higher deductibles, which would make more sense for the Village.

If the Village were to make a decision to rebid the coverages next year, Staff recommends the retention of IRMA for 2019.

Exhibit A
Cost Comparisons provided by Alliant

Village of Tinley Park - TCOR Summary - Indications

	ICRMT	Old Republic, Chubb, IPRF, Hanover, RPS	Safety National , Chubb, IPRF, Hanover, RPS
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Premium and Expenses

Property Premium	Incl	\$ 70,483	\$ 70,483
Building Values Limit	\$ 83,907,100	\$ 83,907,100	\$ 83,907,100
Equipment Values Limit	\$ 4,495,194	\$ 4,495,194	\$ 4,495,194
AOP Deductible Level	\$ 50,000	\$ 50,000	\$ 50,000
Other Property Deductibles	Various - Per Quote	Various - Per Quote	Various - Per Quote
Liability Package Premium	\$ 572,281	\$ 575,000	\$ 624,330
GL - Retention	\$ 100,000	\$ 100,000	\$ 100,000
AL - Retention	\$ 100,000	\$ 100,000	\$ 100,000
APD - Deductible	\$5,000com/\$5,000 coll	TBD	\$5,000com/\$5,000 coll
LEL Retention	\$ 150,000	\$ 100,000	\$ 100,000
POL/EPLI Retention	\$ 150,000	\$ 100,000	\$ 250,000
Occurrence Limit	\$1m primary	\$10m primary	\$10m primary
Excess Liability Premium	Incl	\$ 50,000	\$ 50,000
Excess Limit	\$ 15,000,000	\$ 5,000,000	\$ 5,000,000
Workers Comp Premium	\$ 167,482	\$ 205,876	\$ 205,876
Retention	\$ 300,000	\$ 250,000	\$ 250,000
Employers Liability Limit	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000
Crime Premium	\$ 9,979	\$ 9,979	\$ 9,979
Deductible	\$ 50,000	\$ 50,000	\$ 50,000
Employee Theft - Per Loss Limit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Forgery or Alteration	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Inside the Premises	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Computer and Funds Fraud	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Cyber Premium	\$ 14,707	\$ 14,707	\$ 14,707
Deductible	\$ 25,000	\$ 25,000	\$ 25,000
Limit	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
CCMSI -TPA Cost Estimate	Incl	\$ 45,000	\$ 45,000
Premium and Expense Estimate	\$ 764,449	\$ 971,045	\$ 1,020,375

This is a summary of terms only. Please refer to the quote for a full review of terms .

Exhibit A
Cost Comparisons provided by Alliant

Loss Projections			
Workers Compensation	\$ 296,000	\$ 296,000	\$ 296,000
Auto Liability	\$ 53,000	\$ 53,000	\$ 53,000
General Liability	\$ 22,000	\$ 22,000	\$ 22,000
POL	\$ 160,000	\$ 122,000	\$ 209,000
	\$150k SIR	\$100k SIR	\$250K SIR
LEL	\$ 58,000	\$ 45,000	\$ 45,000
	\$150k SIR		
APD	\$ 23,000	\$ 23,000	\$ 23,000
Loss Projection Estimate	\$ 612,000	\$ 561,000	\$ 648,000
<i>Paid as they are incurred not upfront</i>			
Estimated TCOR	\$ 1,376,449	\$ 1,532,045	\$ 1,668,375

Other markets approached

Alteris - declined

Berkley - declined

Hudson - Not competitive

EXHIBIT B

Schedule of Premiums and Estimated/Actual Deductibles Paid

		ICRMT	IRMA
Premium/Contribution		\$ 764,449 ⁽¹⁾	749,922 ⁽²⁾
Deductible ⁽³⁾			
Deductible amounts paid based on the loss schedule and below coverages and deductibles.	2014	792,644	388,607
	2015	668,674	317,359
	2016	603,277	277,509 ⁽⁴⁾⁽⁵⁾
	2017	296,287	261,581

⁽¹⁾ Additional sales tax interruption coverage may minimally increase the premium.

⁽²⁾ An average of the range that is a preliminary estimate.

⁽³⁾ In 2013, the Village paid \$25,000, of cost sharing, as settlement to a claim.

⁽⁴⁾ The Village paid \$780,000, of cost sharing, as settlement to a claim in addition to the deductible but we don't know what we would have paid if ICMRT was covering the claim.

⁽⁵⁾ Other cases with cost sharing, are still pending.

EXHIBIT B1
Schedule of Premiums and Estimated/Actual Deductibles Paid

IRMA	2014	2015	2016	2017
General Liability	28,927			
General Liability - Bodily Injury	10,619	10,217	3,680	8,500
General Liability - Property Damage	6,009	1,500	1,600	1,172
General Liability - Public Officials Liability	19,782	91,175	50,000	81,003
Law Enforcement		4,126	50,000	30,006
Zoning			50,000	
Auto Liability - Property Damage	36,477	4,055	1,947	28,693
Workers Compensation - Lost Time	235,162	178,143	104,426	30,205
Workers Compensation - Medical Only	13,549	17,718	953	13,119
Member Service Payment	25			
Property Damage	9,417		11,319	27,282
Auto Physical Damage	28,640	10,425	3,584	41,601
	<u>388,607</u>	<u>317,359</u>	<u>277,509</u>	<u>261,581</u>
ICRMT	2014	2015	2016	2017
General Liability	28,927			
General Liability - Bodily Injury	10,619	10,217	3,680	
General Liability - Property Damage	6,009	1,500	1,600	1,172
General Liability - Public Officials Liability	19,782	194,175	300,000	81,003
Law Enforcement		4,126	70,002	30,006
Zoning			100,000	
Auto Liability - Property Damage	37,994	4,055	1,947	8,500
Workers Compensation - Lost Time	661,322	430,383	110,192	30,205
Workers Compensation - Medical Only	13,549	17,718	953	113,119
Member Service Payment	25			
Property Damage	9,417	1,500	11,319	27,282
Auto Physical Damage	5,000	5,000	3,584	5,000
	<u>792,644</u>	<u>668,674</u>	<u>603,277</u>	<u>296,287</u>
Difference	2014	2015	2016	2017
General Liability	-	-	-	-
General Liability - Bodily Injury	-	-	-	8,500
General Liability - Property Damage	-	-	-	-
General Liability - Public Officials Liability	-	(103,000)	(250,000)	-
Law Enforcement	-	-	(20,002)	-
Zoning	-	-	(50,000)	-
Auto Liability - Property Damage	(1,517)	-	-	20,193
Workers Compensation - Lost Time	(426,160)	(252,240)	(5,766)	-
Workers Compensation - Medical Only	-	-	-	(100,000)
Member Service Payment	-	-	-	-
Property Damage	-	(1,500)	-	-
Auto Physical Damage	23,640	5,425	-	36,601
	<u>(404,037)</u>	<u>(351,315)</u>	<u>(325,768)</u>	<u>(34,706)</u>

EXHIBIT C
Schedule of Coverages

COVERAGE		ICRMT	IRMA
General Liability	SIR/Deductible	\$ 100,000	50,000
	Limit	16,000,000	15,000,000
Fire/EMS Professional	Deductible	100,000	50,000
Fire/EMS Professional	Limit	16,000,000	15,000,000
Law Enforcement Activities (see below)			
Employee Benefits Liability	Deductible	100,000 ⁽¹⁾	50,000
Employee Benefits Liability	Limit	16,000,000	15,000,000
Sexual Abuse Liability	Deductible	100,000 ⁽¹⁾	50,000
Sexual Abuse Liability	Limit	1,000,000	5,000,000
Auto Liability	SIR/Deductible	100,000	50,000
	Limit	16,000,000	15,000,000
Uninsured / Underinsured Motorist	Limit	covered at State minimun, \$40,000	500,000
Law Enforcement Liability	SIR/Deductible	150,000	50,000
	Limit	16,000,000	15,000,000
Public Officials Liability	SIR/Deductible	150,000 ⁽¹⁾	50,000
	Limit	16,000,000	15,000,000
Non-Monetary Legal Defense		\$25,000 per claim/\$50,000 aggregate.	Full defense coverage if covered & non-covered claims included

⁽¹⁾ Claims made coverage.

EXHIBIT C, continued
Schedule of Coverages

Property		ICRMT	IRMA
Tinley Park Limits	SIR/Deductible Limit	50,000 83,907,100	50,000 250,000,000
Program Limits		1,000,000,000	250,000,000
Auto Physical Damage	Deductible	5,000	50,000
Auto Physical Damage	Limit	18,815,466	10,000,000
Fire Truck/Ambulance over \$75000	Deductible	5,000	50,000
Fire Truck/Ambulance over \$75000	Valuation	Agreed Amount	Purchase Price
Flood and Earthquake	Limit	5,000,000	40,000,000
Program Flood /EQ ag		250,000,000	40,000,000
Boiler and Machinery	Deductible	50,000	50,000
Boiler and Machinery	Limit	incl in total Prop Limit of \$83M	50,000,000
Builders Risk	Deductible	50,000	50,000
Builders Risk	Limit	1,000,000	15M / 1M frame
Errors and Omissions	Deductible	50,000	50,000
Errors and Omissions	Limit	1,000,000	5,000,000
Ordinance Coverage	Deductible	50,000	50,000
Ordinance Coverage	Limit	10,000,000	5,000,000
Extra Expense	Deductible	50,000	50,000
Extra Expense	Limit	5,756,889	2,500,000
Property Floater (IM)	Deductible	5,000	50,000
Property Floater (IM)	Limit	4,585,194	5,000,000
Business Interruption	Deductible	50,000	50,000
Business Interruption	Limit	5,756,889	25,000,000
Property in Transit	Deductible	50,000	50,000
Property in Transit	Limit	1,000,000	1,000,000
Newly Constructed/Acquired	Deductible	50,000	50,000
Newly Constructed/Acquired	Limit	1,000,000	25,000,000
Valuable Papers	Deductible	5,000	50,000
Valuable Papers	Limit	1,000,000	5,000,000
Accounts Receivable	Deductible	5,000	50,000
Accounts Receivable	Limit	1,000,000	5,000,000
EDP Equipment/Media/Data	Deductible	Min \$5,000, \$50K if stationary	50,000
EDP Equipment/Media/Data	Limit	incl in total Prop Limit of \$83M	25,000,000

EXHIBIT C, continued
Schedule of Coverages

		ICRMT	IRMA
Property, continued			
Fine Arts	Deductible	5,000	50,000
Fine Arts	Limit	1,000,000	500,000
Salest Tax	Deductible	30 days	50,000
Sales Tax Interruption	Limit	1,306,000	10,000,000
Hotel Tax Interruption	Deductible	included in sales tax coverage	50,000
Hotel Tax Interruption	Limit	included in sales tax coverage	1,000,000
Workers Compensation			
	SIR/Deductible	300,000	50,000
	Limit	Statutory	Statutory
	Employers Liability	2,500,000	2,500,000
Cyber			
	-	-	-
Data Compromise: Liability and Defense	Limit	incl. in breach response limit	250,000
Forensic Review	Limit	incl. in breach response limit	15,000
Legal Review	Limit	incl. in breach response limit	10,000
Public Relations	Limit	incl. in breach response limit	5,000
Named Malware	Limit	incl. in coverage see cyber extortion	50,000
Cyber Attack and Extortion-EDP Equipment, Data & Media	Limit	limit below	100,000
Aggregate	Limit	1,000,000	500,000
Privacy Liability	Limit	1,000,000	250,000
Privacy Regulatory	Limit	1,000,000	250,000
Security Breach Response	Limit	1,000,000	100,000
Cyber Extortion	Limit	1,000,000	100,000
Business Income and Digital Asset Restoration	Limit	1,000,000	100,000
Cyber Deception	Limit	100,000	50,000
Deductible	Deductible	25,000	10,000
Crime			
	Deductible	50,000	50,000
Fidelity - Employee Theft	Limit	5,000,000	5,000,000
Forgery or Alteration	Limit	5,000,000	5,000,000
On Premises	Limit	2,500,000	2,500,000
In Transit - Outside the Premises	Limit	2,500,000	2,500,000
Money Orders and Counterfied Money	Limit	5,000,000	5,000,000
Computer Crime	Limit	5,000,000	5,000,000
Funds Transfer Fraud	Limit	5,000,000	5,000,000
Identity Fraud Reimbursement	Limit	not covered	25,000
Claim Expense	Limit	included	5,000
Designated Agents - all Elected or Appointed	Limit	included	included



Interoffice Memo

Date: August 10, 2018

To: Village Board

From: David Niemeyer, Village Manager
Hannah Lipman, Management Analyst

Subject: Village Insurance References

References

In an effort to learn more about the Illinois Counties Risk Management Trust (ICRMT), time was spent following up with some current members. Overall, there were no major negative instances and mostly positive comments. Below are general questions that were asked:

- How long have you been in ICMRT?
- What deductibles/SIRs do you have?
- What is your current liability and workers compensation premiums?
- What is your satisfaction with their general liability insurance program and claims processing? What do they do well, and what could they do better?
- What is your satisfaction level with their workers compensation program and claims processing? What do they well and what could they do better?
- Have you ever had to share the costs of a settlement on a case with other towns?
- How are the other ancillary services they offer, including training and legal services?
- Do you find that your staff is spending more or less time on claims processing and other insurance issues than they did before they had ICMRT?
- Do you have a broker that administers the program, and if so who is it? Additionally, how do you factor in commission costs?

Lansing, Illinois (pop. 29,000), has been with ICRMT since 2011. Alliant Mesirow is their broker. Their premium for worker's compensation is \$168,809 and for property/liability is \$684,799. They have a Self-Insured Retention (SIR) of \$250,000. They are quite pleased with (Insurance Program Managers Group (IPMG), who provides claim management services to handle claims. One benefit they utilize is all of the ancillary trainings. Lansing shared that the group attempts to be more proactive and works to prevent claims from occurring in all ways possible. For

Exhibit D

example, they have a program that if a worker's compensation claim comes in, and the employee is overweight, they reach out and attempt to place that employee in a health management program. When asked about the claims process, Lansing stated it is quite simple and quick; a claim number is given immediately and an adjuster is in contact within 24 hours. Additionally, it is all done through a convenient online portal, which is not how the process currently works with IRMA. Commission costs are included in the premium.

Vernon Hills (pop. 26,000) is another community who has been with ICRMT for several years, joining in 2014. They primarily use ICRMT for workers compensation claims (use other providers for liability, property, etc). Their SIR is \$300,000. They have never had to share the costs of a settlement for a case with the carrier. They believe that the claims processing works best when utilizing their portal because information is shared promptly. It was mentioned that they are not updated regularly, aside from a quarterly meeting. Therefore, they believe communication could be improved. Claims processing tends to take less time, however it was noted this could be a result of better software and newer staff. A benefit Vernon Hills uses are the ancillary trainings. They find them to have good training opportunities. Again, Alliant Mesirow is the broker for Vernon Hills. This community budgeted commission costs separately as its own line item. FY19 budgeted \$47,000.

Burbank has had a great experience as a member of the ICRMT thus far. Alliant Mesirow is their broker. SIR is \$100,000. They have had a bit of transition internally, and therefore, could not offer too much insight, but only had positive comments about claims processing and service level.

The Village of Orland Hills (pop. 7,000) has been with ICMRT for about three years. Alliant Mesirow, their broker, shops the insurance market each year for the Village. There is minimal work for them to do in terms of processing claims. They have not had to share the cost of any settlements with the insurance company. They have a low deductible so they normally have to use the pools chosen attorney for claims. They do think there could be a greater choice of pool attorneys, as they often have to use the same pool attorney and would prefer to use their own.

The Village of Oak Forest (pop. 28,000) has been with ICMRT for about six years. Alliant Mesirow is also their broker, and bids the program for them every year. They are pleased with the workers compensation and claims processing, which is important to them because they a large number of workers compensation claims. They also frequently use the free legal services for personnel related issues. Additionally, they also use many of their training programs which include sexual harassment, police department modules, and FMLA.

Exhibit E
Information Provided by Alliant /ICRMT

ICRMT –“THE VALUE”

Village of Tinley Park

It is our pleasure to further present the Illinois Counties Risk Management Trust (ICRMT) and the value it provides public entities in IL. ICRMT provides all the needed coverage, but most importantly provides the most comprehensive service package specifically designed to protect the entity's interest.

CAN YOU AFFORD NOT TO BE PROTECTED?

ICRMT – “THE VALUE”

ICRMT direct services and value:

- IPMG Risk Management - **\$10,000**
 - Online Training Portal
 - Regional Seminars
 - WC – risk management implementation
- Law Enforcement Training through Legal Liability Risk Management Institute (LLRMI)
- ***Used by over 2000 Law Enforcement officers in Illinois***
 - Road and Jail Policies and Procedures - **\$3,500**
 - Officer Training - 75 officers @ \$500 per - **\$37,500**
 - Web based training
 - Regional Training
 - Legal updates from Supreme Court and 7th Circuit.
- Property Appraisals through CBIZ – **\$5,000** (\$10,000 every four years)
- Open Door Legal - **\$2,500**
 - ICRMT provides unlimited access to O'Halloran, Kosoff, Geitner & Cook, the lead litigation firm for ICRMT, allowing the city to receive legal advice, opinions, severance package work etc...
- Employee Handbook, legal review - **\$2,000**

DIRECT VALUE: \$60,500

Budget Reduction:

- ICRMT includes many accredited law enforcement seminars each year through the Legal Liability Risk Management Institute. The Police Chief and all officers can receive continuing education free of charge.

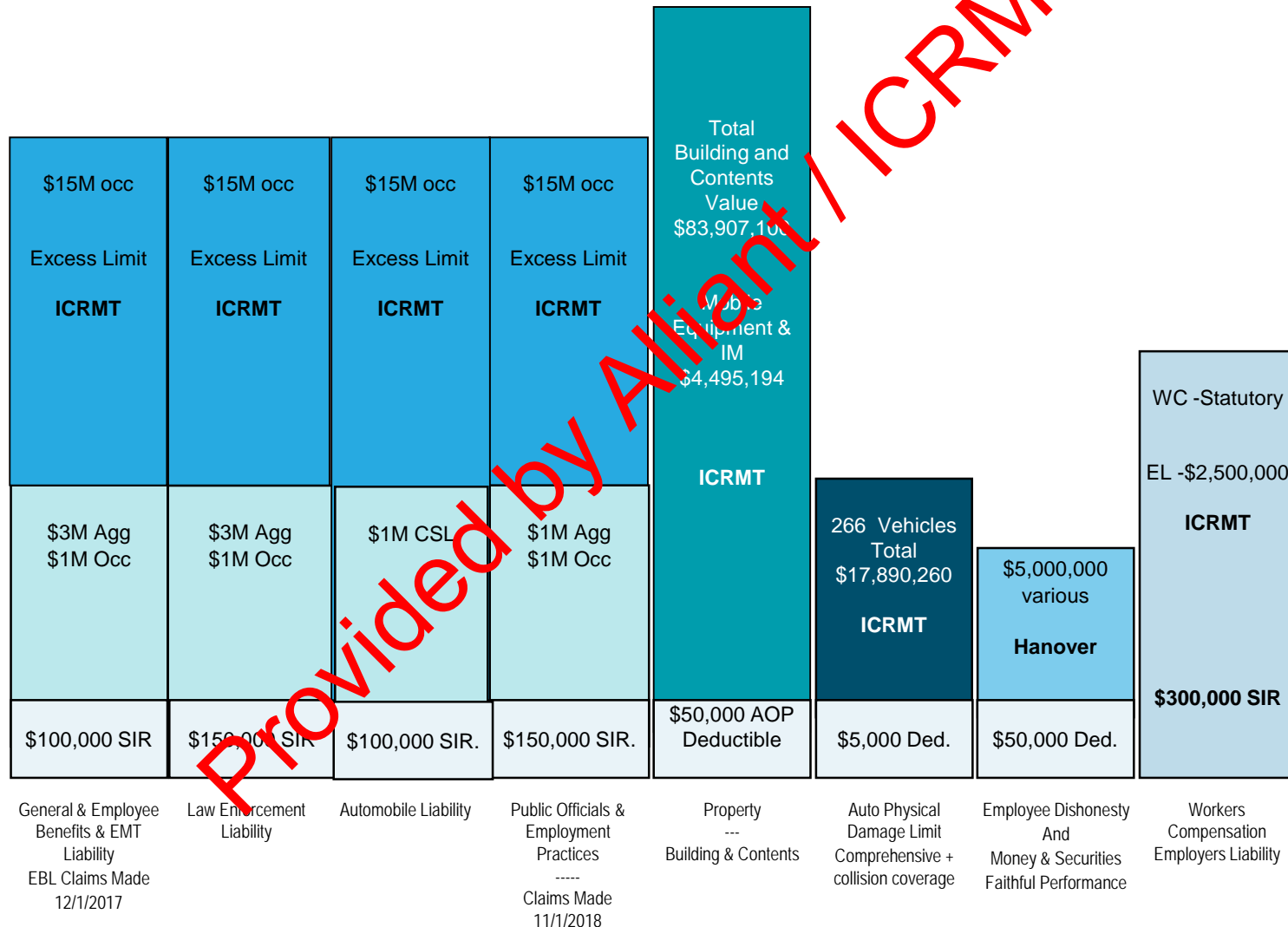
PLEASE TAKE ADVANTAGE OF THE BENEFIT THAT IS ICRMT!

ICRMT program highlights compared to IRMA:

- **Control**- The village will **gain more control on how claims are handled and managed**. IRMA is decision maker on how to handle all claims, including settlement and defense. If a member disagrees with how a claim is being managed by IRMA their recourse is to appeal to a member committee.
- **Restrictive Reserve Policy** -If the Village decides to terminate IRMA membership, the **reserve will remain with IRMA up to 10 years after a member departure**.
- **Plan Customization**- ICRMT program provides ability to customize retentions based on type of coverage. IRMA requires that members pick one deductible for all lines of coverage.
- **Basis of Premium**- IRMA contributions based off of rate per \$100 of revenue (a measure of net revenue excluding certain items). Municipalities that grow their revenues may be penalized by IRMA because increased revenue does not always increase risk.
- **Restrictive Withdrawl Provision**- ICRMT notice to withdraw is only 30 days. IRMA states while 120 day notice is sufficient under state law for a municipality to withdraw from and intergovernmental pool, it is important for you to be aware that Section 4.05(C) of the Bylaws **requires 9 month notice in order to receive the remaining balance of your reserve account**.
- **Collateral Requirements**- IRMA only offers a deductible program that requires high upfront funding. ICRMT self-insured program would provide better cash flow.
- **Claim Handling**- IRMA Executive Director has broad authority for allocations of settlements. The allocation authority may lead to conflict between the member and pool. The Buckeye claim would be an example.
- **Claims Review**- Alliant Mesriow would perform a claims review to try to lower the current outstanding reserves that have a direct impact on the Village of Tinley Park's premiums. We perform this service for our other Village clients similar in size and scope and it often results in a reduction of reserve liabilities
- **Independent Risk Advisor**- Alliant Mesriow is a full service public entity broker that provides personalized, creative and cost-effective services to our clients.
- **Assessable Provision**- IRMA has an **assessable** provision that states if something financially catastrophic happens to the pool, the Village of Tinley Park would be responsible to make payments in addition to its annual obligation to pay premiums. Assessable provisions do not exist in the ICRMT program.

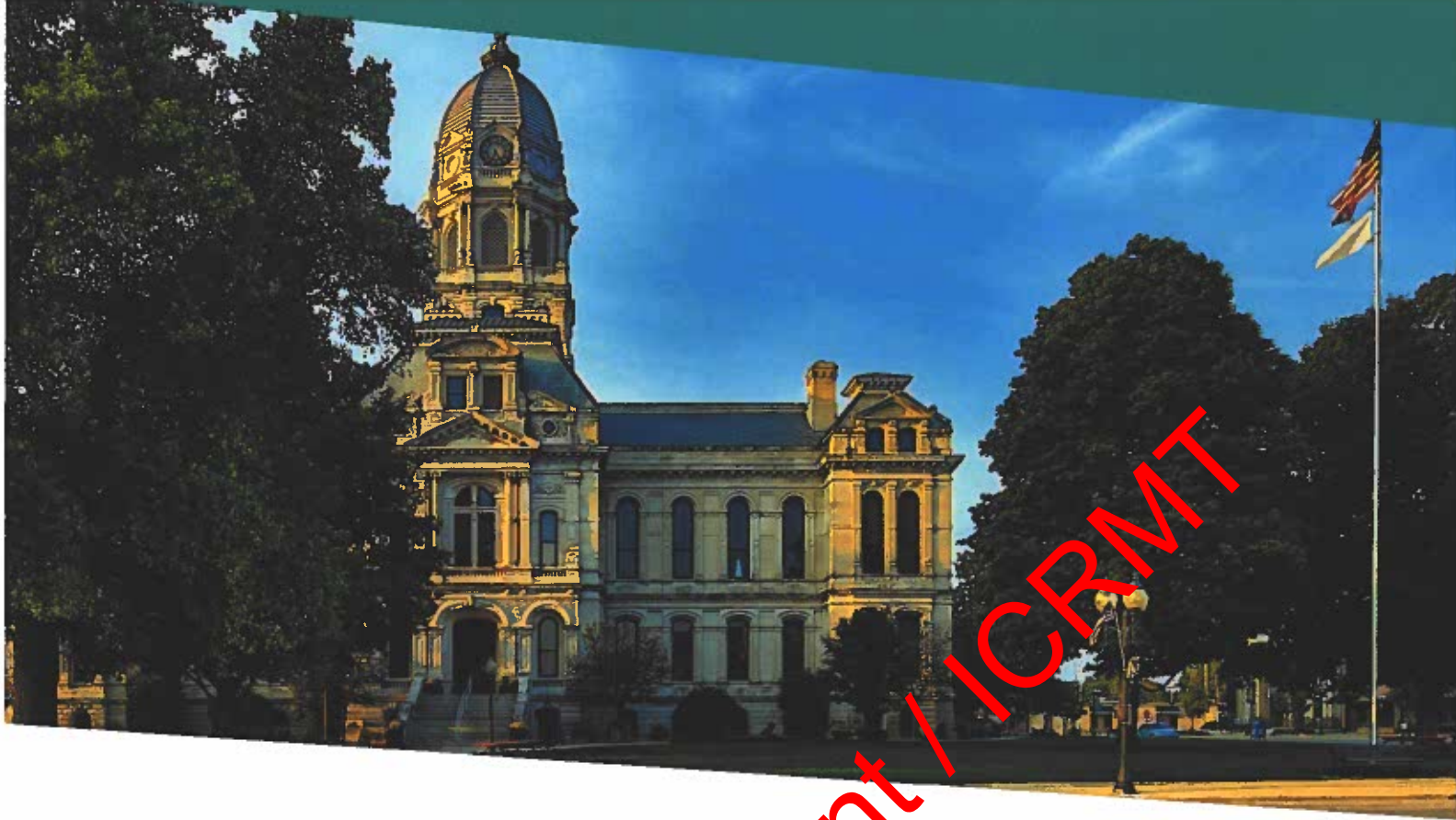
Village of Tinley Park

1/1/2019 – 12/1/2020



Provided by Allianz / ICRMT

All coverages and exclusions are not included on this page. Please refer to policy for all applicable terms and conditions. Additional limits and/or changes may be available after review and acceptance by insurer. Chart is not to scale.



Illinois Counties Risk Management Trust

ICRMT has been a leader in providing insurance and risk management services to Illinois Public Entities for over 30 years. We design programs to meet the needs of both First Dollar and Self-Insured clients. ICRMT's integrated approach to loss control, claims and litigation can be tailored to fit the needs of your entity. Premium sizes range from \$10,000 to over \$1 Million. ICRMT works only with Independent Agents.

WHO DO WE INSURE?

- » Counties
- » Municipalities
- » Townships
- » Special Districts

SERVICES OFFERED

- » Online Claims Reporting & Access for Agents and Clients
- » Dedicated Claims Adjusters
- » Occupational Health and PPP Network
- » Essential Functions Evaluation for New Employees
- » Post-Offer/Post-Injury Drug Testing Program
- » Modified Return to Work Program
- » Ergonomics Analysis/Training
- » Body Mechanics Training
- » Ergonomics Analysis/Training
- » Body Mechanics Train
- » Contractual Risk Transfer Auditing
- » Law Enforcement Policy & Procedure Evaluation
- » Online Officer Safety Training
- » Defensive Driving Training
- » Contractual Risk Transfer Auditing
- » Online Employee Training Courses
- » Fraud Detection and Analysis

FOR MORE INFORMATION:

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The Benefits of the Intergovernmental Risk Management Agency

IRMA is a member-owned, self-governed public risk pool. For nearly 40 years, we have provided municipalities a full range of comprehensive insurance coverage at substantial savings to our members.

Tinley Park has been a member of IRMA for 20 years. IRMA's pricing proposal for 2019 is attached as Exhibit A.

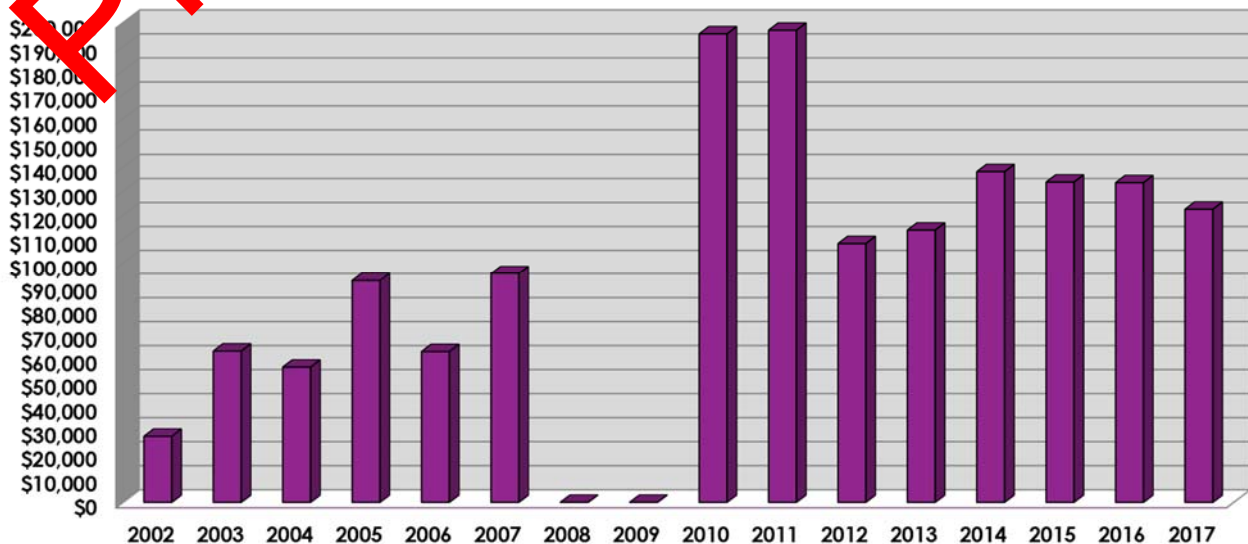
Aggressive Investment Strategy and Financial Security

As an intergovernmental risk pool, IRMA can invest dollars much more aggressively than municipalities, averaging a 7% annual return. In 2017, IRMA earned in excess of 15% from investments. Investment income is returned to members annually. The financial security of an intergovernmental pool is an important consideration because it directly relates to the ability to pay claims. IRMA maintains reserves based on an annual actuarial review. Currently, IRMA has more than \$169 million in loss and member reserve funds with an additional \$27 million in member's excess surplus funds.

- Investment Income Credit (Total 5 Year Investment Income=\$32.7 M)



- Investment Income Credits to Tinley Park: \$1,539,174 in 15 years



Transparent Contribution Formula and Stable Pricing

Contrary to other insurance providers, IRMA's contribution formula is uniform and transparent, assisting members to plan for future budget years. We calculate member contributions in a fair, uniform and transparent manner for all to see. The IRMA formula blends 5 years of financial information, including losses, so that our members avoid spikes in their annual contribution. In addition, our sliding scale caps individual member loss exposure, which also protects our members from unpredictable and volatile liability exposures.

➤ Tinley Park Contributions to IRMA



➤ Experience Modifier Percentage



*Annual contributions are reduced based on positive loss history.

Comprehensive Risk Management Services

Our members have access to hundreds of online, onsite and regional trainings, model policies and daily consultation to assure risk prevention is a priority and loss mitigation is readily accessible. (See Exhibit B for a list of trainings provided to IRMA members).

No Cost Annual Appraisals

IRMA provides annual property appraisal services, at no additional cost, so members have accurate property valuations to ensure full coverage.

Early Intervention Program

IRMA's early intervention program ensures that our members preserve evidence and important information when an incident occurs that could result in liability. At the time of incident, rather than at the time the case is filed, our risk management professionals are available to assist our members when a critical incident occurs. From our rapid response team to legal experts, we are here to help 24/7.

Grant Programs and Discounted Prices

IRMA knows municipalities face budget constraints, that's why we have grant programs that share in costs for purchases such as power cots, transportation loading systems, Lexipol Policy Management Services, Accreditation and Re-Accreditation and Injury Prevention. (See Exhibit C for a list of grants and discounts provided to IRMA members).

Professional Claims Administration

When losses occur, IRMA provides in-house, professional claims and litigation management services with our long tenured employees to ensure the best possible outcome for all members.

Self-Governed and Member-Owned

Each IRMA member has a seat, and a vote, on the Board of Directors, which determines the annual budget, investment policy and coverage enhancements. IRMA members also have a right to appeal coverage determinations and staff recommendations in pending cases.



IRMA MEMBERSHIP CONTRIBUTION Preliminary Estimate for 2019

- **Name of Public Entity:** Village of Tinley Park
- **Coverage Period:** January 1, 2019 to December 31, 2019
- **5 Year Average Revenue Base (2013-2017):** \$77,183,598
- **2019 Estimated Contribution Rate Range:** \$1.881 to 1.996
- **2019 Estimated Initial Contribution Range:** \$1,451,823 (low) to \$1,540,585 (high)
- **Experience Modifier Adjustment (Credit/Debit):** 25.15% Credit (-\$365,765 low) to (-\$388,071 high)
- **IRMA 2019 Estimated Annual Contribution Range for a \$2,500 Deductible:**
\$1,086,058 (low) to \$1,152,514 (high)
 - **10,000 Deductible Option after a 10% Credit:** \$977,452 to \$1,037,263
 - **25,000 Deductible Option after a 22% Credit:** \$847,125 to \$ 898,961
 - **50,000 Deductible Option after a 33% Credit:** \$727,659 to \$ 772,184
 - **100,000 Deductible Option after a 47% Credit:** \$575,611 to \$ 610,832
 - **175,000 Deductible Option after a 58% Credit:** \$456,144 to \$ 484,056
 - **250,000 Deductible Option after a 65% Credit:** \$380,120 to \$ 403,380

For comparative purposes, Tinley Park's 2018 initial contribution was \$1,510,217 with a 25.47% experience modifier credit of \$384,669, resulting in an annual contribution of \$1,125,548. After a \$50,000 optional deductible credit of \$371,489, the final amount paid was \$754,059.

The above quote is based on the following assumptions/calculations:

- 1) The 2019 Revenue Base for Tinley Park is the actual number, however, the revenue base numbers used for all the other members is the same as the prior year. As some of the calculations are based on a percentage of total revenue base, a significant increase/decrease in revenue by other members would affect Tinley Park's percentage of the whole. The final revenue base numbers should be complete by mid-September.

EXHIBIT A

Tinley Park Estimated 2019 Contribution

July 23, 2018

Page 2

- 2) The five-year loss numbers used are actual for the entire membership as of 7.22.2018. The final contribution calculations use actual losses as of 8.31.2018, so this number will change. A portion of the contribution calculation is based on a specific member's losses and also a member's losses compared to the overall average pool loss. Increases or decreases in the other members losses as of 8.31.2018 will change the calculations.
- 3) The loss fund rate of 1.813 for 2019 is an estimate provided by IRMA's actuaries based on the 12.31.2017 loss information. The final loss fund rate is calculated based on the 8.31.2018 losses and is available in mid-October. The 2019 estimate rate may decrease from 2018's final rate of 1.878. A change in the positive or negative loss trend analysis could change this rate.
- 4) The Optional Deductible credit percentage is calculated by IRMA's actuaries with the loss fund rate and can change based on loss trends. These percentages generally do not change by more than 1% or 2%.
- 5) The contribution calculations use the same budget amount as 2018. The loss fund is the largest component of the budget, followed by excess insurance premiums. Significant increases or decreases in these amounts will change the contribution amount required by each member.
- 6) These calculations include all the members that were members of IRMA as of 1.01.2018 and the same formula is used for each member. IRMA does not offer non-formula discounts or contribution incentives. Grants are offered for specific loss prevention programs.

EXHIBIT B

IRMA Training Offerings

- ❖ Accident Investigation
- ❖ Accident Review Board
- ❖ Aerial Lift Safety
- ❖ Aquatics Safety
- ❖ Avoiding Summer Hazards
- ❖ Back Ergonomics
- ❖ Behavior Based Safety
- ❖ Behavioral Health Lecture Series
- ❖ Bloodborne Pathogen - Refresher
- ❖ Brush Chipper Operations
- ❖ Building Teamwork Across Generations
- ❖ CDL-Reasonable Suspicion
- ❖ Certificate of Insurance
- ❖ Chainsaw Safety
- ❖ Confined Space Entry - Refresher
- ❖ Contractual Risk Transfer
- ❖ Effective Safety Committees
- ❖ Electrical Safety
- ❖ Fall Protection
- ❖ Flagger Training
- ❖ Forklift Safety
- ❖ GHS/Hazard Communication-RTK
- ❖ Golf Cart/Utility Vehicle Training
- ❖ Harassment in the Workplace
- ❖ Hearing Conservation
- ❖ Ladder Safety
- ❖ Lock-Out/Tag-Out
- ❖ Mobile Zone Safety
- ❖ Mower Safety
- ❖ National Safety Council Driving Courses
 - Ambulance
 - Experienced Driver
 - Fire
 - Public Works
 - Police
- ❖ Office Ergonomics
- ❖ OSHA-10 Hour
- ❖ Playground Inspection
- ❖ Police Use of Force Train-the-Trainer
- ❖ Public Official's Liability
- ❖ Rescue Task Force-Active Shooter
- ❖ Respiratory Protection Overview
- ❖ Root Cause Analysis
- ❖ Safe Operation & Towing a Trailer
- ❖ Self-Inspection
- ❖ Silica Training
- ❖ Slips, Trips & Falls
- ❖ Snow Plow Operator Safety
- ❖ Supervisor Safety Training
- ❖ Traffic Incident Management Courses
- ❖ Trench Collapse-Refresher
- ❖ Vehicle Backing
- ❖ Vehicle Backing with a Trailer
- ❖ Welding Safety
- ❖ Work Zone Safety
- ❖ Zoning & Land Use Decisions: Liability Issues

EXHIBIT B (cont.)

Video Trainings

- ❖ 300+ Titles available in multiple languages
- ❖ Available in Full Length, Short or Video Bytes for training anywhere
- ❖ Accessible on any Internet enabled device

- Heat Stress for Public Employees
- Making Generational Differences Work for You
- Recognizing Workers' Compensation Fraud
- Tactical De-Escalating: Responding in Crisis Mode
- A Better Way to Lift
- Active Shooter: Helping Prevent Tragedy
- Back Injury Prevention You're in Control
- Defensive Driving
- Diversity: Face to Face
- Ethics
- Harassment, Bias and Discrimination
- Use of Force Report Writing
- Snowplow Safety
- Substance Abuse
- Training for Supervisors and Employees
- Slips, Trips & Falls
- Social Media: Reduce the Risk
- 14 vital Skills for Supervisors

Provided by IRMA

EXHIBIT C

2018 Grant Programs

- **Accreditation Programs**
 - 50% Reimbursement for Accreditation; 25% Reimbursement for Reaccreditation
 - Includes: CALEA, ILEAP, CPSE, APWA, & IAPD/IPRA
- **Lexipol Policy Manual Development Program**
 - 50% Reimbursement to Police & Fire Departments for initial development of a comprehensive policy manual
- **Injury Prevention Program**
 - 50% Reimbursement to members conducting BackSafe training by Future Industrial Technologies, Illinois Bone & Joint Institute, & Accelerated Rehab Post-Officer testing
- **Fire Service Ballistic Protective Equipment (BPE) Program**
 - \$22,000 total available
 - Eligible Equipment: Vests, Plates & Helmets
 - Fire Departments which own / operate ambulances
 - 1/3 the Cost, Maximum of \$1,400 per Department
- **Public Works - Work Zone Safety Equipment**
 - \$20,000 total available
 - General Equipment Grant
 - 1/3 the Cost, Maximum of \$2,000 per Department
- **Public Works - Lift Assist Equipment**
 - \$15,000 total available
 - General Equipment Grant
 - 1/3 the Cost, Maximum of \$1,500 per Department
- **3rd Year of Power Cot Grant Program**
 - \$100,000 total available
 - 1/3 the Cost, Maximum of \$15,000

Discounts for IRMA Members

The Binder Lifter – 15% Discount

Minimizes weight bearing pressure on the patient and first responder to reduce injuries during patient transports.

Rockmills Lifter and Lifter Plus – 7.5% Discount

Automated solution for manhole cover removal to reduce injuries during manual lifts.

U.S. Armor – Up to 45% Discount

Ballistic Vests and helmets to increase safety of first responders.

Stryker Fire Equipment – 35% Discount

For power load, power cot and stair chairs to reduce injuries to first responders.



Risk Management Services

Provider Selection

Solicited Risk Management Providers



- Alliant/Mesirow
- Municipal Insurance Cooperative Agency ("MICA")
- Suburban Liability Insurance Pool ("SLIP")
- Intergovernmental Risk Management Agency ("IRMA")

Risk Management Responders



1. Alliant/Mesirow

1. Illinois Counties Risk Management Trust ("ICRMT") / Handover
2. Old Republic / Chubb / IPRF / Hanover / RPS
3. Safety National / Chubb / IPRF / Hanover / RPS

2. Intergovernmental Risk Management Agency ("IRMA")

Alliant/Mesirow Illinois Counties Risk Management Trust "ICRMT"



- Started in 1983
- Owned by its Members, managed by Insurance Program Managers Group
- 333 Illinois Public Entities
- Total Assets at 11/30/17, \$140,762,659
- Total Cash, Cash Equivalents and Investments, \$134,998,182

Intergovernmental Risk Management Agency ("IRMA")



- Started in 1979
- Owned and Governed by a Board of Directors with Full Representative Board of Directors
- 70 Illinois Public Entities
- Managed by
- Total Assets at 12/31/17, \$202,224,638
- Total Cash, Cash Equivalents and Investments, \$196,846,033

Insurance Coverages



- General Liability
 - General Liability
 - Auto Liability
 - Law Enforcement Liability
 - Public Officials Liability
- Property
- Workers' Compensation
- Cyber
- Crime

Assessment of Insurance Coverages



- **Cost**
 - **Premium/Contribution**
 - **Deductible Paid**

- **Coverages**
 - **Limits**
 - **Deductible Amount**

Cost



	ICRMT		IRMA
Premium	\$764,449	(1)	\$749,922 (2)
Projected Deductibles – 2014 Losses	792,644		388,607 (3)
Projected Deductibles – 2015 Losses	668,674		317,359
Projected Deductibles – 2016 Losses	603,277		277,509 (4)(5)
Projected Deductibles – 2017 Losses	296,287		261,581

(1) Additional sales tax interruption coverage may minimally increase the premium.

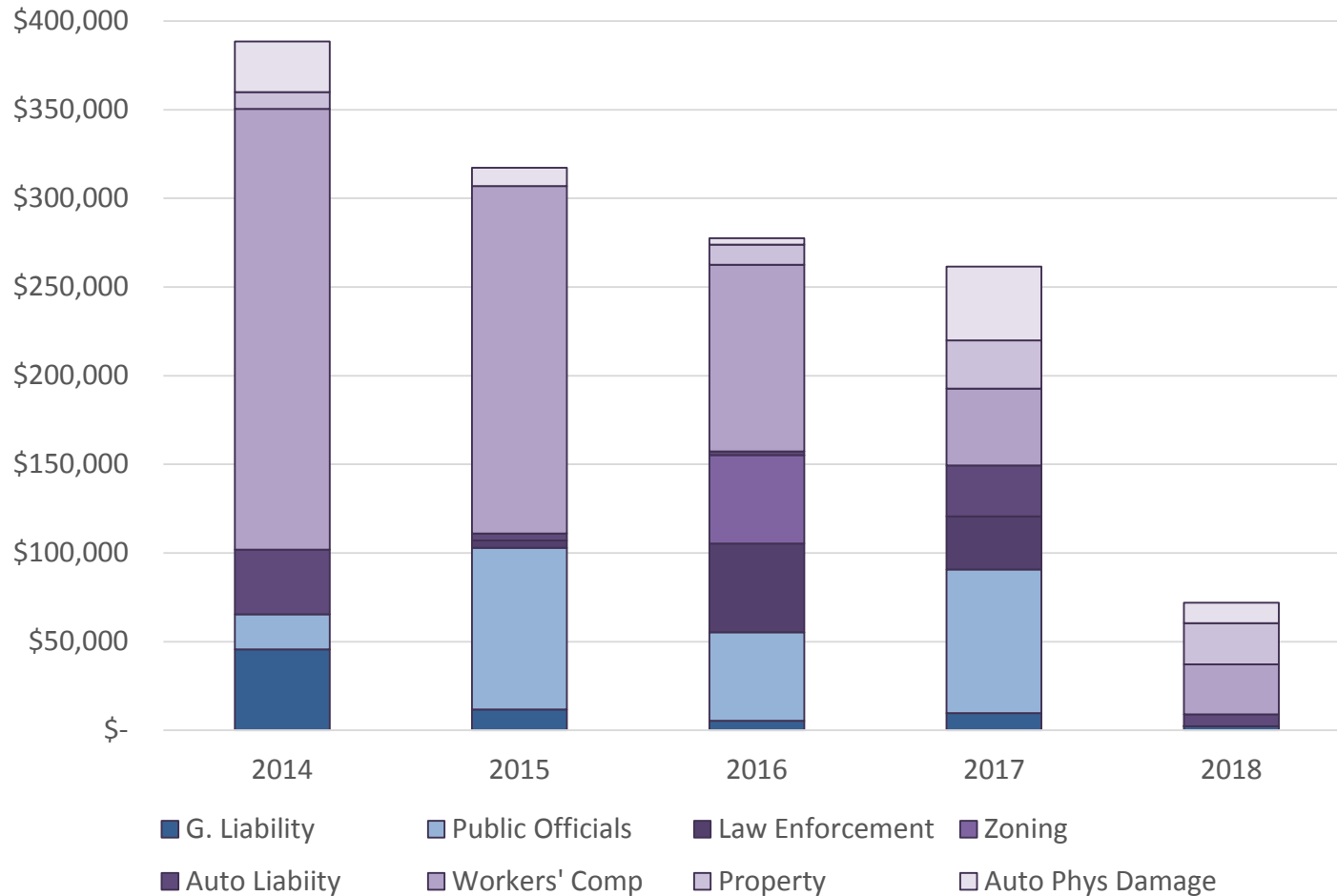
(2) An average of the range this is a preliminary estimate.

(3) In 2013, the Village paid \$25,000, of cost sharing, as a settlement to a claim

(4) The Village paid \$780,000, of cost sharing, as a settlement to a claim in addition to the deductible but we don't know what the Village would have paid if ICMRT was covering the claim.

(5) Other cases, with cost sharing, are pending.

Deductions Paid by Coverage Type



Coverages - Summary



	ICRMT		IRMA	
	Deduction	Limit	Deduction	Limit
Liability Coverages	\$100,000	\$16,000,000	\$50,000	\$15,000,000
Property	50,000	83,907,000	50,000	250,000,000
Workers Compensation	300,000	Statutory	50,000	Statutory
Cyber	\$25,000	\$1,000,000	10,000	500,000
Crime	50,000	5,000,000	50,000	5,000,000

EXECUTIVE SESSION

1. LITIGATION, WHEN AN ACTION AGAINST, AFFECTING OR ON BEHALF OF THE PARTICULAR PUBLIC BODY HAS BEEN FILED AND IS PENDING BEFORE A COURT OR ADMINISTRATIVE TRIBUNAL, OR WHEN THE PUBLIC BODY FINDS THAT AN ACTION IS PROBABLE OR IMMINENT, IN WHICH CASE THE BASIS FOR THE FINDING SHALL BE RECORDED AND ENTERED INTO THE MINUTES OF THE CLOSED MEETING.
2. THE APPOINTMENT, EMPLOYMENT, COMPENSATION, DISCIPLINE, PERFORMANCE, OR DISMISSAL OF SPECIFIC EMPLOYEES OF THE PUBLIC BODY OR LEGAL COUNSEL FOR THE EMPLOYEES OF THE PUBLIC BODY OR LEGAL COUNSEL FOR THE PUBLIC BODY, INCLUDING HEARING TESTIMONY ON A COMPLAINT LODGED AGAINST AN EMPLOYEE OF THE PUBLIC BODY OR AGAINST LEGAL COUNSEL FOR THE PUBLIC BODY TO DETERMINE ITS VALIDITY.
3. COLLECTIVE NEGOTIATING MATTERS BETWEEN THE PUBLIC BODY AND ITS EMPLOYEES OR THEIR REPRESENTATIVES, OR DELIBERATIONS CONCERNING SALARY SCHEDULES FOR ONE OR MORE CLASSES OF EMPLOYEES.