

# **NOTICE OF SPECIAL MEETING OF THE FINANCE COMMITTEE**

A Special Meeting of the Finance Committee is scheduled for

Tuesday, April 17, 2018, beginning at 6:00 p.m. in the

Council Chambers located at the  
Village Hall of Tinley Park  
16260 South 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

**NOTICE OF SPECIAL MEETING OF THE  
FINANCE COMMITTEE**

Notice is hereby given that a special meeting of the Finance Committee of the Village of Tinley Park, Cook and Will Counties, Illinois, will begin at 6:00 p.m. on Tuesday, April 17, 2018, in Council Chambers at the Village Hall of Tinley Park, 16250 S. Oak Park Avenue, Tinley Park, Illinois.

The agenda is as follows:

1. OPEN THE MEETING
2. CONSIDER THE APPROVAL OF THE MINUTES OF THE REGULAR FINANCE COMMITTEE MEETING HELD ON FEBRUARY 27, 2018.
3. DISCUSS NEXT STEPS TO INTERGOVERNMENTAL RISK MANAGEMENT AGENCY (IRMA) BID.
4. DISCUSS LICENSE AGREEMENT FOR CAVALLINI'S AT THE OAK PARK AVENUE TRAIN STATION.
5. RECEIVE COMMENTS FROM THE PUBLIC.

ADJOURNMENT

KRISTIN A. THIRION  
VILLAGE CLERK

**MINUTES**  
**Finance Committee**  
**February 27, 2018 - 6:30 p.m.**  
**Village Hall of Tinley Park – Council Chambers**  
**16250 S. Oak Park Avenue**  
**Tinley Park, IL 60477**

Members Present: M. Mangin, Chairman  
C. Berg, Village Trustee  
M. Pannitto, Village Trustee

Members Absent: None

Other Board Members Present: None

Staff Present: D. Niemeyer, Village Manager  
P. Carr, Assistant Village Manager - Arrived 6:42 p.m.  
B. Bettenhausen, Village Treasurer  
P. Hoban, Economic Development Manager  
P. Connelly, Village Attorney  
L. Godette, Deputy Village Clerk  
L. Carollo, Commission/Committee Secretary

**Item #1** - The meeting of the Finance Committee Meeting was called to order at 6:33 p.m.

**Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE FINANCE MEETING HELD ON JANUARY 23, 2018** – Motion was made by Trustee Pannitto, seconded by Trustee Berg, to approve the minutes of the Finance Committee Meeting held on January 23, 2018. Vote by voice call. Chairman Mangin declared the motion carried.

**Item #3 – REVIEW JANUARY 2018 MONTHLY REPORTS** - Brad Bettenhausen, Village Treasurer presented a revenues update for January 2018 - Fiscal Year 2018, Month 9. A summary status of revenues for Sales Tax, Home Rule Sales Tax, Income Tax, Property Tax and Video Gaming, Motor Fuel Taxes, Commuter Parking and Impact fees paid to other governments were the subjects of the report. The Finance Committee received a copy of the revenues update for January 2018.

**Item #4 – DISCUSS INTERGOVERNMENTAL RISK MANAGEMENT AGENCY (IRMA) REVOKING NOTICE** - The Village is interested in exploring an alternative liability and workers' compensation insurance. The Village's insurance has been provided by Intergovernmental Risk Management Agency (IRMA) since 1998. IRMA is not an insurance company, rather an intergovernmental risk pool run by members. The initial step in the process would be to notify IRMA of the Village's intentions. The Village needs to give IRMA nine (9) months' notice by December 31, 2018, in order to receive the member reserve account balance, which is \$868,000. D. Niemeyer, Village Manager discussed with IRMA allowing the Village to give IRMA notice of withdrawal in addition to approximately five (5) months to analyze all options and if IRMA is determined to be the best option, the Village would revoke the intent to withdraw. If IRMA Executive Board and Board approve, the Village would then request the Village Board to approve an ordinance announcing the Village's intentions at the March 20, 2018 Village Board Meeting. The Village would then need to hire an independent consultant to compare IRMA versus potential private market insurers. An independent consultant is necessary as this is a complex and time-consuming process. Potential consultants would then be brought in for Finance Committee consideration if the Village Board agrees to move forward with this process. A third



# Interoffice Memo

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**Date:** April 13, 2018

**To:** Village Board

**From:** David Niemeyer, Village Manager 

**cc:** Pat Carr, Assistant Village Manager  
Brad Bettenhausen, Village Treasurer  
Denise Maiolo, Human Resources Director  
Mike Zonsius, Interim Assistant Treasurer  
Robert Zimmer, Executive Assistant to the Mayor  
Patrick Connelly, Village Attorney

**Subject:** IRMA

I would like to discuss the next steps in the process for looking at alternative liability and workers compensation insurance to IRMA.

We have contacted several communities that have gone through this process before. There are a number of ways to do this, but typically a community usually uses an outside adviser or has a broker that shops the insurance. Most of the communities we contacted used an outside adviser that also works with one or more brokers. The advantage of the outside adviser is as follows:

- Expertise - Liability, property and workers compensation insurance is an extremely complicated process to bid out and do a comparative analysis. Attached please find a three page document from IRMA that shows all of the various coverages we receive. There are more than 35 sub-categories of coverages with various limits and deductibles. Also each coverage area needs to be examined to make sure the coverage is what the Village wants and can be compared versus other insurance carriers.
- Independence - While a broker can provide the expertise listed above, an analyst provides a measure of independence compared to a broker. An adviser receives a flat fee and has no stake in who the Village picks for its insurance. A broker is paid on a commission, typically, and has certain relationships with insurance companies.

If the Village decides to stay with IRMA or choose another pool, they will not receive a commission.

- Pooling versus private sector comparison - Comparing a private insurance company versus a pool provides another level of complexity to this analysis. Different pools provide different services compared to private insurance. We have learned in this process that there are many liability insurance pools in Illinois, but not all of them will be a good fit for Tinley Park. Hiring an independent adviser who has experience with these pools will help us narrow which pools we may want to join in addition to getting private insurance bids.
- Other factors - Because of the Village's size, we may want to look at alternative liability insurance structures, such as a much higher deductible or partial self insurance. An independent adviser can help us determine whether this type of change is something we should look at.

Also, If we moved from IRMA we will have to decide if we want a broker or the other pool to administer claims, undertake risk management evaluations, provide training, etc. Some pools or private insurance companies may allow more flexibility in choosing attorneys.

I want to thank Rob Zimmer who has assisted me in contacting both advisers and brokers that serve the municipal market, and has sat in some of the meetings and conference calls with these firms. Because of the complexity of the municipal market, there are a limited number of advisers and brokers. We contacted and asked for proposals from the following advisers (information regarding 2 of the advisors is attached) :

- Wright Benefit Strategies - They have done work for Lake Forest, Gurnee, Mt. Prospect, Arlington Heights and Glenview
- Nugent Consulting - They have done similar work for Buffalo Grove, Park Ridge, and Glenview
- Scott Agar - No proposal received as of today

We also contacted two brokers for proposals, Mesirow Insurance and The Horton Group (attached). They are both brokers that have a great deal of experience in the municipal field. Mesirow is also our health insurance broker and The Horton Group is a local firm that has been involved in our past wellness program. If the Village decides to stay with IRMA or go into another pool, the Village would not have to pay the brokers. If the Village does use a private insurance company, they would be paid through additional fees added to the premium. Estimated fees would be around \$90,000, according to Horton. If the Village decides to move to a private insurance program, it could use the same broker to



administer its annual bid renewal process. It could also help administer our loss control program and our third party claims administration process. Proposals from these brokers are attached.

Again, staff is not recommending either broker at this time but wanted to provide alternatives to the Village Board if they did not want to pay the additional fee for an adviser. Our recommendation is to work with the adviser in choosing one or more brokers, evaluating those broker proposals against other pools, weighing the possibility of pursuing partial self-insurance, and comparing all of the options against our current coverage that is provided by IRMA. The brokers could include Mesirow or Horton, or it could include other municipal brokers such as Gallagher and AON.

In order to meet the IRMA deadline of an August 31<sup>st</sup> decision, the following is a rough timetable if we decide to go the independent adviser route:

- April 17<sup>th</sup> - Finance Committee reviews recommendation from staff, makes recommendation to full Board.
- May 1<sup>st</sup> - Full Board approves agreement with adviser/broker.
- First part of May - Adviser reviews Village's current insurance coverage, meets with various Village departments. Adviser works with staff to contact a few insurance brokers and interview these brokers with staff. One broker could be chosen or multiple brokers could be chosen.
- Late May/early June - Send applications to insurance companies. Meet with underwriters and respond to questions.
- Late June/early July - Deadline for quotes from insurance companies. Review all quotes and make recommendations.
- Late July - Finance Committee reviews recommendations and makes recommendation to full Board.
- August - Board approves recommendations.
- August 31<sup>st</sup> - IRMA deadline for notifying them if we are revoking our withdrawal notice. If we don't notify by that time we will be leaving IRMA.

At this point, the Village has received adviser proposals from Wight Consulting and Nugent. We requested some additional information and changes to their proposals, so we are waiting for these changes and expect the changes on Monday. I will forward these to you with a staff recommendation on Monday.

Please let me know if you have any questions or need any additional information before Tuesday night.





## IRMA COVERAGE COMPARISON

### IRMA

<u>Coverage</u>	<u>Limit</u>	<u>Deductible</u>	<u>Limit</u>	<u>Deductible</u>
<b>General Liability</b>	\$12,000,000 (Occurrence)	\$2,500- \$250,000 (options)		
Fire/EMS Professional	\$12,000,000 (Occurrence)	"		
Law Enforcement Services	\$12,000,000 (Occurrence)	"		
Employee Benefits Liability	\$12,000,000 (Occurrence)	"		
<b>Auto Liability (Any Auto)</b>	\$12,000,000/ \$500,000 \$500,000	"		
Uninsured Motorists Underinsured Motorists				
<b>Public Officials Liability</b>	\$12,000,000 (Occurrence)	"		
Employment Practices Liability	\$12,000,000 (Occurrence)	"		
<b>Property - All Risk (RCV)</b>	\$250,000,000	"		
Auto Physical Damage	\$10,000,000	"		
Fire Truck/Ambulance over \$75,000	Orig. Purchase Price/Scheduled	"		
Flood and Earthquake	\$40,000,000/ Zone A \$5,000,000	"		
Boiler and Machinery	\$50,000,000	"		
Builders Risk	\$15,000,000 / \$1,000,000 Frame	"		
Errors and Omissions	\$5,000,000	"		

## IRMA

<u>Coverage</u>	<u>Limit</u>	<u>Deductible</u>	<u>Limit</u>	<u>Deductible</u>
Ordinance Coverage	\$5,000,000	“		
Extra Expense	\$2,500,000	“		
Property Floater (IM)	\$5,000,000	“		
Business Interruption	\$25,000,000	“		
Property in Transit	\$1,000,000	“		
Newly Constructed/Acquired	\$25,000,000	“		
Valuable Papers	\$5,000,000	“		
Accts. Receivable	\$5,000,000	“		
EDP Equipment/Media/Data	\$25,000,000	“		
Fine Arts	\$500,000	“		
Sales Tax Interruption	\$10,000,000	“		
Hotel Tax Interruption	\$1,000,000	“		
<b><i>Crime Coverage</i></b>		\$2,500- \$250,000		
Employee Dishonesty	\$5,000,000	“		
Non-Faithful Performance	\$2,500,000	“		
Computer Fraud	\$5,000,000	“		
Forgery or Alteration	\$5,000,000	“		
Credit Card Forgery	\$5,000,000	“		
<b><i>Cyber Risk</i></b>		\$10,000 (per breach)		
Breach Response	\$100,000	“		
Liability & Defense	\$250,000	“		
Named Malware	\$50,000	“		
Forensic IT Review	\$15,000	“		
Legal Review	\$10,000	“		
Public Relations	\$5,000	“		



## IRMA

<u>Coverage</u>	<u>Limit</u>	<u>Deductible</u>	<u>Limit</u>	<u>Deductible</u>
<b>Workers' Compensation</b>	Statutory	"		
<b>Employers Liability</b>	\$2,500,000	"		
<b>Public Officials Blanket Bond</b>	Statutory	0		
<b>Risk Management Services:</b> <ul style="list-style-type: none"> <li>✓ Risk Mgmt. Evaluations:</li> <li>✓ (IMAP / HSV / RAV)</li> <li>✓ Loss Control Services</li> <li>✓ Risk Management Consulting</li> <li>✓ Training &amp; Education</li> <li>✓ Online Model Policies</li> <li>✓ Cyber Risk Portal-Online</li> <li>✓ Property Appraisal Services</li> <li>✓ Unemployment Claims Admin./Hearings</li> <li>✓ IRMA Grants: <ul style="list-style-type: none"> <li>- Police, Fire, PW Accreditation</li> <li>- Fire Service Equipment (power cot/power load)</li> <li>- Lexipol (police &amp; fire)</li> <li>- Certified Flagger Instructor</li> <li>- Injury Prevention Programs (BackSafe, IL. Bone &amp; Joint, Trailer Gate Assist</li> </ul> </li> <li>✓ Pooled Service Providers Program: (Reduced Pooled Pricing) COBRA/FMLA admin., mobile drug &amp; hearing testing, background checks.</li> </ul>	Included			



**Peter Wright, President of Wright Benefit Strategies** (established in 2001), has over 30 years of experience in the insurance and employee benefit industry.

**Wright Benefit Strategies was established to deliver objective and focused consulting services to employers and individuals.** Prior to establishing Wright Benefit Strategies, Inc, Peter worked for a major insurance broker and service firm serving private and non-profit employers, with specific expertise in pooling and consortiums. He most recently was a Vice President in the Midwest Region responsible for merger and acquisitions, and previously established the Chicago office of the firm focusing on employee benefits. Peter's first employment in the insurance field after college was with a major insurance carrier in Hartford, Connecticut and Chicago.

Peter received a Bachelor of Science Degree in Finance, with Honors, from the **College of Commerce at the University of Illinois in Urbana, Illinois**. After completing studies at University of Illinois, specializing in investments insurance and banking, he entered the employee benefits field. He completed the **Certified Employee Benefit Specialist designation through the Wharton School, University of Pennsylvania and the International Foundation of Employee Benefit Plans**. He maintains Fellowship status as a Certified Employee Benefit Specialist. He is a member of the International Foundation of Employee Benefit Plans.

Peter serves as the primary consultant and Financial Advisor to mid-sized employer plans in the service, manufacturing, public sector and non-profit sectors, as well as for consulting projects. Programs include both insured and self-funded plans and consortiums and pools. Retirement plans include defined contribution plans, defined benefit plans, and non-qualified plans. Peter also provides design and funding services for key executive compensation strategies and corporate insurance plans. Peter is a frequent speaker as an expert in employer benefits, executive compensation, and risk transfer programs.

Peter is licensed for all forms of insurance. In addition, he is licensed for all forms of securities and investment advisory services.

Peter is married and lives in the Chicagoland area. He has served in numerous roles as a board member of private charities as well as local youth sports organizations.

# Independent Municipal Insurance Consultants

- Nugent Consulting
  - Michael Nugent
  - 2409 Peachtree Lane
  - Northbrook, IL 60062
  - (847) 412-0410
  - (847) 778-7618 (cell)
  - (847) 919-3805 (Fax)
    - Notes:
      - Worked with Buffalo Grove (pop. 41,000) in 2016 (see article from Daily Herald)
      - Worked with Glenview (pop. 44,000) in 2012 (see 2012 memo from Glenview Manager's office)
        - Glenview has worked with Nugent since 2007, had good things to say, and recently began RFP process again. B/c Nugent worked with HELP in the past, Village Board felt there was conflict of interest and did not continue working with him for new RFP
      - Worked with Park Ridge (pop. 37,000) in 2011 (see PDF of 2012 Park Ridge Board Meeting)
        - Scope of Services
          - Provided a renewal plan
          - Oversee collection of renewal data
          - Secure coverage and service proposals
          - Collect necessary renewal documents
          - Review insurance policies
          - Answer coverage and risk management questions
          - Issue TPA RFP
          - Evaluate TPA proposal
          - Conduct TPA interviews (w/ City Staff)
          - Prepare summary report and recommendation
        - Term
          - January 1, 2012 to December 31, 2013
        - Fee
          - Flat fee of \$8,000 payable in two installments (January and July)
    - Appears to have worked with Mt. Prospect (current pop. 54,000) in 1997 on behalf of HELP Fund (see article from Daily Herald)

# Reference Articles on Insurance Consultants

## Michael Nugent

### Glenview

#### 2012 Memo discussing end results

[http://glenview.granicus.com/MetaViewer.php?view\\_id=&clip\\_id=767&meta\\_id=30663](http://glenview.granicus.com/MetaViewer.php?view_id=&clip_id=767&meta_id=30663)

#### 2007 Agenda appears to be agreement w/ Nugent Consulting

[http://glenview.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=87&meta\\_id=5136](http://glenview.granicus.com/MediaPlayer.php?view_id=2&clip_id=87&meta_id=5136)

### Park Ridge

#### 2012 Agreement w/ Nugent Consulting

<http://www.parkridge.us/assets/1/Documents/FB%20Nugent%20Consulting.pdf>

#### 2014 gap reimbursement for HELP

<http://www.parkridge.us/assets/1/Events/2014%2008-04%20FY14%20Budget%20Amendment%20-%20Legal%20Settlement.pdf>

### Buffalo Grove

#### 2017 Creation of SLIP (pg. 142-144)

<http://buffalogrovetillageil.iqm2.com/Citizens/FileOpen.aspx?Type=1&ID=1304&Inline=True>

7/13/2016

Daily Herald

Buffalo Grove Trustees are evaluating whether the village should seek its liability insurance in the private market instead of a risk-sharing pool with dozens of other northeastern Illinois municipalities, a move village officials believe could save up to \$600,000 over five years.

Village manager Dane Bragg said the village has solicited quotes from broker Arthur J. Gallagher & Co. and is working with consultant **Michael Nugent** to explore its options.

The village board voted in March to send a notice of withdrawal to the IRMA, a poll of about 70 local municipalities and special service districts that jointly manage and fund their property, casualty and

worker's compensation claims. Trustees, who have until July 26 to rescind the notice, are expected to decide their next move at their July 18 board meeting.

Finance Director Scott Anderson said the inclination to leave IRMA is due in large measure to the way the agency calculates premiums based on the village's revenues over a five year period.

Although that model served the village well in the past, Anderson said it is incompatible with the village's new approach to its general operating fund, which focuses on containing costs and consolidating services while growing revenue and building reserves.

"Under this type of a system, there is a (premium) cost essentially for each new dollar of revenue we bring it" he said. "If that new money supports new services, that makes absolute sense from a risk standpoint"

But the village is not doing that, Anderson said. Instead it's lowering expenses and building up revenues.

"So our liability really shouldn't be going with those new revenues," he said, adding that the village is taking on new sales tax generators that will not require additional services or bring in new assets that will need to be insured.

"So we're going to essentially pay a penalty on those new sales tax dollars," he said.

Trustee Steven Trilling asked Bragg about the possibility of sudden and dramatic cost increases in the private market.

Bragg said the village's consultant has indicated that weather-and terrorism-related issues are now major drivers of increases.

"His opinion was that really the commercial insurance market has a much better handle on asset values now than they did at the time of 9/11," he said.

## **Mt. Prospect**

5/21/1997

Daily Herald

### **Mt. Prospect board ponders Benefits of insurance pool**

Trustees in Mount Prospect are shopping around for the best deal in high-cost liability insurance coverage. Trustees stopped short Tuesday of agreeing to go another 10 years in an insurance pool with more than a dozen other communities to cover claims against the local governments.

Some officials said they wanted to make sure the village wasn't paying too much in premiums. It was originally meant to be a housekeeping item to have trustees agree to renew the 10- year extension of the High Level Excess Liability Pool, or HELP.

The pool gives the 15 member municipalities coverage in case of a successful claim of more than \$1 million. The insurance is over and above typical liability insurance, so it's specifically geared toward high-price claims.

Finance Director Brian Caputo said the village's contribution this year will be about \$70,000. About \$7.5 million has accumulated in the insurance pool after paying off debt and two claims in the last 10 years, officials said.

Caputo said another quote he's gotten for the same kind of coverage was \$82,000 for the village's premium.

Trustees Paul Hoefert, Tim Corcoran and George Clowes said they'd like to see some other bids for insurance costs. They said they wanted to make sure the pool would be cost- effective before committing the village to another 10 years. "I want to see how the fund is managed — \$7.5 million is a large chunk of money," Corcoran said.

Hoefert said the insurance industry market is soft, meaning competition could lead to lower prices. That could eventually mean other municipalities may go out on their own, he said.

**Mike Nugent**, a consultant to the HELP fund, said there is still a benefit with pooling funds with other municipalities in that individual governments have more control over how the money is invested. "The soft insurance market has driven no members out of HELP," Nugent said.

Trustee Irvana Wilks said she's glad for the extra homework. She and Village President Gerald L. "Skip" Farley both said they wanted to make sure the village keeps the high-cost liability insurance coverage.



April 2, 2018

David Niemeyer  
Village Manager  
Village of Tinley Park  
16250 S. Oak Park Avenue  
Tinley Park, Illinois 60477

Re: Property/Casualty/Workers Compensation Insurance

Dear Dave,

Thanks for taking the time to meet with me last week. I appreciate the opportunity to review how The Horton Group can assist the Village with your Risk Management Program.

I understand that the Village has notified IRMA of your intent to consider optional quotes for the January 1, 2019 renewal. You also advised that you will need to provide IRMA no later than August 31<sup>st</sup> if you will be a member for the 2019 renewal.

I have attached a separate sheet that provides a timeline of activities that will help The Horton Group obtain insurance options for the Village to consider. This timeline will also provide the Village staff, committees and the board ample time to make a decision on the best alternative for the Village prior to the August 31<sup>st</sup> deadline.

In addition to providing insurance options, The Horton Group will also assist the Village in other key areas. For example, we will help in evaluation of the TPA (third party administrator) that will handle claims for the Village. We will also identify and coordinate areas that require specialized loss control and risk management attention.

The Horton Group and our dedicated public entity team look forward to helping the Village in this process. Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Les L. Peach".

Les L. Peach  
Vice President  
The Horton Group



## The Village of Tinley Park

### Property/Casualty/Workers Compensation Insurance

#### Week of May 7<sup>th</sup>-

1. Meet with Department Heads to obtain necessary underwriting data.
  - Police-45 minutes
  - Public Works- 35 minutes
  - Water-10 minutes
  - Human Resources- 20 minutes
  - Fire-15 minutes
  - Finance-25 minutes
  - Administration- 20 minutes
2. Obtain copies of current insurance policies.
3. Obtain copy of current budget, vehicle schedule, property schedule and equipment schedule.

Week of May 14<sup>th</sup>-Prepare applications to be sent to insurance companies. We anticipate approaching approximately 15 companies.

Week of May 21<sup>st</sup>-Applications mailed to insurance companies

Week of May 28<sup>th</sup>-Begin negotiations.

Month of June- Meeting with underwriters. Respond to questions.

June 29<sup>th</sup>- Deadline for quotes from insurance companies.

Week of July 2<sup>nd</sup>-Review all quotes.

Week of July 9<sup>th</sup>-Presentation to Village of recommended program as well as marketing results.



April 6, 2018

Mr. Dan Mackey  
Mesirow Insurance Services, Inc.  
353 N Clark Street  
Chicago, IL 60654

Re: Engagement of Mesirow Insurance Services, Inc. to Provide Insurance Brokerage Services to the Village of Tinley Park (the "Village")

Dear Dan:

The Village would like to confirm the engagement of the Mesirow Insurance Services, Inc. ("Mesirow") to provide insurance brokerage services for the Village in accordance with the terms and conditions of this Letter of Engagement ("LOE"). Mesirow accepts the relationship of trust and confidence established between it and the Village and agrees to provide its best skill and judgment to carry out the requirements of this engagement in the most expeditious and economical manner consistent with the interests of the Village.

From and after the date of your acceptance of the terms and conditions contained in this LOE Mesirow agrees to act as the Village's representative in the insurance market for at least the following lines of insurance coverage:

- General Liability
- Auto Liability
- Law Enforcement Liability
- Public Officials & Employment Practices Liability
- Umbrella Liability
- Property including Boiler & Machinery and Inland Marine
- Crime
- Workers' Compensation

Mesirow, in performing such services, will provide guidance and advice to assist the Village in minimizing risk and obtaining competitive pricing. It is the Village's intent to establish a long-term partnership; however, the decision to retain Mesirow will be subject to annual reviews and satisfactory performance.

Mesirow, by accepting the terms and conditions of this letter of engagement, confirms that it is a full service broker capable of developing and recommending insurance and risk financing programs, policies, techniques and cost allocation methods for property and casualty lines of business, as well as each of the other lines of insurance currently maintained by the Village.

At all times while you are acting as insurance broker and representative of the Village pursuant to this engagement, Mesirow agrees that it (a) will remain licensed to do business in the State of Illinois as an insurance producer; and (b) carry a minimum of \$10 million of Errors & Omissions coverage and provide suitable certificates and other evidence confirming such coverage upon request

Mr. Daniel Mackey  
April 6, 2018  
Page 2 of 4

of the Village.

### I. Initial Review

After your acceptance of this letter Mesirow will begin preparing a risk management analysis of the Village's existing insurance plans which will make recommendations for changes in plan provisions, alternate service delivery systems, financing alternatives, and other areas, as appropriate. In your analysis, please also describe any loss control services that you would propose for the Village. Mesirow will complete this review by August 1, 2018, to allow the Village to have sufficient time to make recommendations to the finance committee and Village board.

### II. Scope of Services.

As the Village's insurance broker, Mesirow will provide the following services to the Village:

- a. Develop an insurance marketing strategy, prepare insurance coverage specifications and assist with preparing underwriting applications.
- b. Solicit bids from insurance carriers rated not less than "A- VII" by A.M. Best. Provide a summary of the bids received and provide a recommendation after careful analysis of the proposals.
- c. Bind coverage as directed by the Village.
- d. Conduct meetings to identify areas of exposures and concern, establish goals and set priorities. Assist in establishing insurable values.
- e. Evaluate insurance programs in light of industry trends, claims history, loss development, legal or regulatory requirements, and market conditions.
- f. Review current loss prevention activities and make recommendations for improvement
- g. Act as a technical resource by providing regular updates on current market risk management conditions, issues and trends that may affect the Village.
- h. Prepare insurance summaries or comparisons of current and prior coverage and premiums.

Mr. Daniel Mackey  
April 6, 2018  
Page 3 of 4

III. Compensation

Mesirow agrees to be compensated for the services it will provide pursuant to this LOE as follows:

- a. After the execution of this LOE and through December 31, 2018, Mesirow will not bill the Village for providing the brokerage services specified in Section II above. However, when the Village's insurance program is placed for renewal on January 1, 2019, Mesirow will be compensated for its services as provided for in Section III(b) below.
- b. If at renewal on January 1, 2019, the Village's insurance program is placed with insurers other than IRMA, Mesirow will be entitled to receive the standard and customary commissions paid by such insurers in connection with the insurance coverages placed by Mesirow on behalf of the Village.

IV. Termination

Either party may terminate Mesirow's engagement as the Village's insurance broker and representative at any time by upon thirty (30) days written notice to the other party.

This LOE constitutes the entire understanding between the Village and Mesirow and supersedes all prior understandings, written or oral, relating to the subject matter. Please review this letter carefully and, if it meets with your approval, please sign the enclosed copy of this letter and return it to me at your earliest opportunity. We look forward to a long and mutually beneficial relationship.

Very truly yours,

---

Dave Niemeyer  
Village Manager  
Village of Tinley Park

**Accepted:**

MESIROW INSURANCE SERVICES, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mr. Daniel Mackey  
April 6, 2018  
Page 4 of 4

Date: \_\_\_\_\_

option is the possibility of a larger independent pool with several suburbs as another alternative to IRMA. Chairman Mangin asked the Committee if there were any questions. No one came forward.

Motion was made by Trustee Berg, seconded by Trustee Pannitto, to recommend the Village give IRMA revoking notice to be brought forward to the Board for future Village Board approval. Vote by voice. Chairman Mangin declared the motion carried.

**Item #5 – RECEIVE COMMENTS FROM THE PUBLIC** - Diane Galante asked what the driving factor is to explore other options to IRMA. Mr. Niemeyer explained it would be beneficial for the Village to explore all options as the cost for liability and workers' compensation insurance is a large portion of the budget and could potentially save the Village money. Ms. Galante stated she is not in favor of hiring a consultant. Nancy O'Connor stated she would ask the Committee to hold off for a year regarding IRMA as she feels it is imperative the Village spends money on hiring police officers presently as opposed to saving money in the future, hiring a consultant and exploring alternative options to IRMA.

#### **ADJOURNMENT**

Motion was made by Trustee Berg, seconded by Trustee Pannitto, to adjourn this meeting of the Finance Committee. Vote by voice call. Chairman Mangin declared the motion carried and adjourned the meeting at 7:01 p.m.

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# Interoffice Memo

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**Date:** April 12, 2018

**To:** Finance Committee

**From:** Pat Carr, Assistant Village Manager

**Subject:** Cavallini's license Agreement

Discuss Non-Exclusive license agreement with Cavallini's in the Park, Inc., at the Oak Park Avenue train station. Staff is recommending the five (5) year contract extension per the original agreement dated March 6, 2013. The term would be extended for a period of 5 years commencing on March 6, 2018, unless sooner terminated pursuant to the terms of the Agreement, on March 5, 2023 (the "Extended Term"), upon the same terms and conditions as the original agreement.

**FIRST RENEWAL AND AMENDMENT TO NON-EXCLUSIVE LICENSE  
AGREEMENT**

This First Renewal and Amendment to Non-Exclusive License Agreement made and executed this \_\_\_\_ day of \_\_\_\_\_, 2018, by and between the VILLAGE OF TINLEY PARK, an Illinois home rule municipality (the "Village" or "Licensor") and CAVALLINI'S IN THE PARK, INC., d/b/a CAVALLINI'S LLC ("Licensee"), an Illinois Limited Liability Company.

WHEREAS, the Licensor and Licensee are parties to a Non-Exclusive License Agreement dated as of the May 7, 2013 ("Agreement"); for premises described as 370 +/- square feet of space within the Oak Park Avenue Commuter Station located at 6700 South Street, Tinley Park, Illinois; and

WHEREAS, the Licensor and Licensee desire to amend the Agreement by extending the term of the Agreement for an additional five (5) year period; and

WHEREAS, the Licensor and Licensee desire to amend the terms and conditions of the Agreement to reflect the extension of the Term.

NOW THEREFORE, for the mutual promises herein contained and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. Unless otherwise set forth in this First Amendment to Non-Exclusive License Agreement, all capitalized terms shall have the same meanings as set forth in the Agreement.

2. TERM. Section 3(a) of the Agreement is hereby amended by adding the following to end of the Section as a new paragraph:

"The Term shall hereby be extended for a period of 5 years, commencing on March 6, 2018, unless sooner terminated pursuant to the terms of the Agreement, on March 5, 2023 (the "Extended Term"), upon the same terms and conditions as the Agreement."

3. This First Renewal and Amendment to First Amendment to Non-Exclusive License Agreement is incorporated into the Agreement and shall be deemed a part thereof.

4. Except as amended by this First Renewal and Amendment to Non-Exclusive License Agreement, the remaining covenants, terms and conditions of the Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Licensor and Licensee have caused this First Renewal and Amendment to Non-Exclusive License Agreement

LICENSOR:

VILLAGE OF TINLEY PARK

By: \_\_\_\_\_  
Village President

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Village Clerk

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

LICENSEE:

CAVALLINI'S IN THE PARK,  
INC.

By: \_\_\_\_\_  
President

Date: \_\_\_\_\_



**COMMENTS FROM  
THE PUBLIC**

**ADJOURNMENT**