

**TOWNSHIP OFFICIALS OF ILLINOIS
RISK MANAGEMENT ASSOCIATION**

INTERGOVERNMENTAL COOPERATION CONTRACT

Capital Township
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**Sangamon County**

Township Officials of Illinois  
Risk Management Association  
3217 Northfield Drive  
Springfield IL 62702-1400

EFFECTIVE JUNE 1, 2006

**TOWNSHIP OFFICIALS OF ILLINOIS  
RISK MANAGEMENT ASSOCIATION**

**INTERGOVERNMENTAL COOPERATION CONTRACT**

**AUTHORITY TO EXECUTE CONTRACT**

This Agreement is entered into pursuant to the provisions of the 1970 Illinois Constitution, Article VII, §10, entitled "Intergovernmental Cooperation" and the powers contained in 5 ILCS 220/et seq., entitled the "Intergovernmental Cooperation Act."

WITNESSETH

**WHEREAS**, the public interest requires and it is to the mutual interest of the parties hereto to join together to establish and operate a cooperative program of risk management and loss coverage for township operations; and

**WHEREAS**, the operation of such a cooperative program is of such magnitude that it is necessary for the parties to this Contract to join together to accomplish the purposes hereinafter set forth; and

**WHEREAS**, each of the public entities which is a party to this Contract has the power to establish and operate a program of risk management; and

**WHEREAS**, each of the parties to this Contract desires to join together with the other parties for the purpose of pooling certain of their self-insured reserves against losses and jointly purchasing excess insurance, reinsurance and administrative services in connection with a cooperative program of risk management and claims management.

**NOW THEREFORE**, for and in consideration of the mutual advantages to be derived therefrom and in consideration of the execution of this Contract by the participating townships which are parties hereto, each of the parties hereto does agree as follows:

**ARTICLE 1. DEFINITIONS**

The following definitions shall apply to the provisions of this Contract and its By-Laws:

- (a) "Association" shall mean the Township Officials of Illinois Risk Management Association created by this Contract.
- (b) "Board" shall mean the Board of Trustees of the Association.
- (c) "Claims management" shall mean the process of identifying, controlling and resolving demands by individuals or public entities to recover losses from any Member of the Association. Disposing of such demands for payment requires skills in insurance law, adjusting/investigation, loss control engineering and general business. Claims management is the function of supervising legal, adjusting, investigation and engineering services to resolve such demands.

- (d) "Township" means any participating township and/or road district situated in the State of Illinois which is a party to this Contract.
- (e) "Risk" as used in this Contract and the By-Laws means worker's compensation, general public liability and fire and extended coverage loss caused by townships with the same limitations as are contained in the excess or catastrophe policy which may be contracted for by the Board of Trustees.
- (f) "Risk Management" shall mean the process of identifying, evaluating, reducing, transferring, and eliminating risks. Risk Management includes various methods of funding claims payments, and includes elements of insurance, law, administration, technology and general business utilized to effectively manage risk.
- (g) "Risk Management Service" shall mean the management, administration and operation of the cooperative programs of Risk Management of the Association and development of the Master Risk Management Plan.

## **ARTICLE 2. SEPARATE ENTITY**

There is hereby created a separate entity, the full legal name of which shall be the "Township Officials of Illinois Risk Management Association," and which may be referred to herein as the "Association." The Association is a public entity separate from the parties to this Contract. The official business office of the Association shall be 3217 Northfield Drive, Springfield, IL 62702-1400.

## **ARTICLE 3. ASSOCIATION POWERS**

- (a) The Association shall have the power and the duty to establish and operate programs of risk management and claims management.
- (b) The Association is authorized to make and enter into contracts necessary to accomplish the purpose of this Contract. The foregoing powers include, but are not limited to, the power to contract for excess or reinsurance, the power to contract for risk management and claims management services, provide claims administration services and provide consulting services.
- (c) By this Contract the parties hereto through the Association agree to provide and pay the cost of all of the Risk Management Services described herein to jointly obtain and pay the costs of premiums for excess or reinsurance as may be found by the Board to be necessary from time to time, and to make contributions to the Association as required by this Contract.

## **ARTICLE 4. ADMINISTRATION**

The Association shall be governed by a Board of Trustees which, at a minimum, shall be comprised of five individuals who are elected or appointed officials of member townships and/or road districts. The Chairman of the Board of Trustees shall be elected by majority vote of the Board.

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

- (a) Each township which is a party to this Contract is a "member" of the Association and is entitled to the rights and privileges and is subject to the obligations of Members, all as provided for in this Contract and the By-Laws.
- (b) After formation of the Association by the initial membership group, new Members may be accepted upon application to the Association and upon acceptance by the prospective Member of the financial requirements and fund contribution requirements then in force and effect by the then current Members.
- (c) A township which is a party to this Contract hereby agrees to remain a Member of the Association for one (1) year; thereafter the Member may withdraw by giving written notice to the Executive Director on or before the next preceding March 1, of the intent to withdraw as of 12:01 a.m. on the next June 1. On the June 1 specified in the notice pursuant to this article and upon fully paying its contribution obligations as a Member, whichever is later, the Member shall cease to be a party to this Contract and its membership in the Association shall be terminated.
- (d) A party to this Contract may be excluded from membership when it:
  - (1) Fails to comply with the terms of the Contract; or
  - (2) Fails to comply with a written term or condition imposed by a majority vote of the Board of Trustees.
- (e) The Board may, by a majority vote, terminate and exclude the offending Member from any and all benefits of membership in the Association which shall include forfeiture of any and all moneys theretofore paid by that Member or assessed against that Member.
- (f) If a township withdraws as a Member of the Association, any contributions of that Member shall be prorated from the date of contribution to the withdrawal date and paid to the Member at such time as there are no outstanding claims pending against the withdrawing Member. If a Township is expelled as a Member of the Association, any contributions of that Member remaining in the funds of the Association at that time shall be the property of the Association.

## **ARTICLE 6. LIMITATIONS ON LIABILITY COVERAGE**

To the extent that each Member pays the cost of claims, settlements or judgments under its self-insured retention and participates in the Risk Management Services, it is intended that neither this Contract nor the excess or reinsurance insurance which may be purchased by the Association extend to or provide coverage for any liability from which any Member is immune under the provisions of the Illinois Local Governmental and Governmental Employees Tort Immunity Act as the same is now constituted or may hereafter be amended.

## **ARTICLE 7. MEMBER CONTRIBUTIONS**

Each of the parties hereto agrees to contribute to the Association a sum of money determined by the Association equal to its share of the cost of operation and payment of insurance premiums for the Association.

## **ARTICLE 8. MANAGEMENT SERVICES**

The Association will utilize the service, facilities and personnel of the Township Officials of Illinois for Association purposes so long as it is practical and desirable in the opinion of the Association Board. It will reimburse the Township Officials of Illinois for the actual cost of any such services, use of facilities or use of personnel (other than its Executive Director).

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

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

This Contract and the By-Laws adopted in connection therewith shall be binding on all parties hereto.

## **ARTICLE 10. AMENDMENTS**

This Contract may be amended by vote of not less than two-thirds (2/3) of the Members of the Board of Trustees then serving. Ten (10) days' written notice of any amendments to this Contract must be given by the Secretary to each member of the Board prior to the Board meeting at which the amendments are to be considered. Such notice shall include a copy of the proposed amendments.

## **ARTICLE 11. ENFORCEMENT**

The Association and the parties hereto shall have the power to enforce this Contract by action brought only in Sangamon County, Illinois.

## **ARTICLE 12. INVALIDITY**

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

**ARTICLE 13. BY-LAWS INCORPORATED BY REFERENCE**

The Association shall be subject to, and governed by its By-Laws, a copy of which having been previously furnished to each member and, by this reference, made a part of this Contract.

**ARTICLE 14. CONTRACT COMPLETE**

The foregoing constitutes the full and complete Contract of the townships. There are no oral understandings or agreements not set forth in writing herein.

**ARTICLE 15. DATE CONTRACT EFFECTIVE**

This Contract shall become effective upon its execution and the deposit of a contribution as determined in accordance with this Contract. Each Member which has consented in writing to becoming a party to this Contract shall be bound to continue as a Member for the minimum period set forth in the Contract and thereafter may withdraw only as provided by this Contract and the By-Laws adopted by the Association.

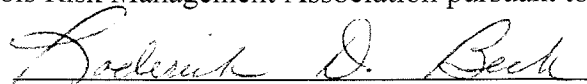
Each township which is a Member of this Association agrees upon the execution of the Contract to appropriate each year, by ordinance, a sum of money sufficient to pay all assessments levied by the Board for participation in this Contract.

**ARTICLE 16. TERM OF AGREEMENT**

This Contract shall continue in effect from the date it is signed by both parties until May 31, 2016, unless it is rescinded by mutual consent of the parties hereto or terminated in the manner provided herein or in the By-Laws.


IN WITNESS WHEREOF, the parties hereto have entered into this Contract by the execution of the following which will be attached to the official master copy of this Contract and by the execution of a duplicate copy of the Contract which duplicate copy will be retained by the Member. The master copy shall be retained in the offices of the Association.

Executed by the Township Officials of Illinois Risk Management Association pursuant to approval and authority given:

  
(Executive Director)

Executed by Capital Township in Sangamon County pursuant to approval and authority given the

30 day of November, 2010.

  
(Signature / Title)  
Thomas K. Cavanagh  
Capital Township Supervisor  
200 S. NINTH STREET, ROOM 102  
SPRINGFIELD, ILLINOIS 62701

ATTEST:   
(Signature)