
THE CITY OF ROCHELLE
Ogle County, Illinois

ORDINANCE
NO. _____

**AN ORDINANCE AUTHORIZING THE EXECUTION OF THE ILLINOIS MUNICIPAL
LEAGUE RISK MANAGEMENT ASSOCIATION MINIMUM/MAXIMUM PREMIUM
AGREEMENT**

JOHN BEARROWS, Mayor
ROSE HUÉRAMO, City Clerk

TOM McDERMOTT
BIL HAYES
KATE SHAW-DICKEY
DAN McDERMOTT
ROSAELIA ARTEAGA
BEN VALDIVIESO
City Council

Published in pamphlet form by authority of the Mayor and City Council of the City of Rochelle
Ottosen DiNolfo Hasenbalg & Castaldo, Ltd. – City Attorneys
2441 Warrenville Road, Suite 310, Lisle, Illinois 60532

ORDINANCE NO: _____

**AN ORDINANCE AUTHORIZING THE EXECUTION OF THE ILLINOIS MUNICIPAL
LEAGUE RISK MANAGEMENT ASSOCIATION MINIMUM/MAXIMUM PREMIUM
AGREEMENT**

WHEREAS, Section 7 of Article VII of the Constitution of the State of Illinois provides that a municipality that is not a home rule unit may exercise only those powers granted by law; and

WHEREAS, the City of Rochelle, Ogle County, Illinois, is a non-home rule municipality and may exercise only those powers expressly granted by law; and

WHEREAS, the Illinois General Assembly granted non-home rule municipalities broad authority to “pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities.” 65 ILCS 5/1-2-1; and

WHEREAS, the Illinois Municipal League Risk Management Association’s Minimum/Maximum Premium Agreement provides a risk-sharing option that allows the City to better control the cost of its risk insurance, improve cash flow, and exercise greater control over claims management; and

WHEREAS, attached herein as Exhibit A is a copy of the Illinois Municipal League Risk Management Association’s Minimum/Maximum Premium Agreement dated 01/01/2027 to 01/01/2028; and

WHEREAS, attached herein as Exhibit B is a copy of the 2027 IMRMA Annual Premium Invoice; and

WHEREAS, the City Council of the City of Rochelle, a member in good standing of the Illinois Municipal League Risk Management Association (“RMA”) and a party to the RMA Intergovernmental Cooperation Contract, has been fully apprised of the RMA Minimum/Maximum Premium Agreement, which amends and supplements the RMA Declarations pages effective January 1, 2027, through January 1, 2028, and all endorsements thereto; and

WHEREAS, the Mayor and City Council of the City of Rochelle find it to be in the best interest of the City to pay its RMA premium in accordance with the RMA Minimum/Maximum Premium Agreement.

**BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF
ROCHELLE, ILLINOIS:**

SECTION ONE: That the City hereby incorporates all of the recitals above into this Ordinance as if fully set forth herein.

SECTION TWO: That the execution of the RMA Minimum/Maximum Premium Agreement for a one (1) year period beginning January 1, 2027, and ending January 1, 2028, is hereby authorized. The City Manager and the Director of Finance are hereby authorized to execute the RMA Minimum/Maximum Premium Agreement attached hereto as Exhibit A, which amends and supplements the RMA Declarations pages effective January 1, 2027, through January 1, 2028, and all endorsements thereto. Furthermore, the 2027 IMRMA Annual Premium Invoice attached hereto as Exhibit B is hereby approved, and the City Manager and Director of Finance are authorized to execute such document.

SECTION THREE: If any provision of this Ordinance or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

SECTION FOUR: Where the conditions imposed by any provisions of this Ordinance are more restrictive than comparable provisions imposed elsewhere in any other local law, ordinance, resolution, rule or regulation, the regulations of this Ordinance will govern.

SECTION FIVE: The City Clerk shall publish this Ordinance in pamphlet form.

SECTION SIX: This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

PASSED and APPROVED this 26th day of October 2026.

ATTEST:

City Clerk

Mayor

Exhibit A

Illinois Municipal League



Minimum/Maximum Premium Agreement

This Agreement is between the Illinois Municipal League Risk Management Association (RMA), an intergovernmental association formed pursuant to Article VII, Section 10 of the Illinois Constitution of 1970 and the **CITY OF ROCHELLE**, a member of RMA. This Agreement amends and supplements the declarations pages dated January 01, 2027 to January 01, 2028 and all endorsements thereto.

1. DEFINITIONS

The following definitions shall apply for purposes of this Agreement:

- Loss Fund – Those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.
- Minimum Loss Fund – 85% of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.
- Maximum Loss Fund – 130% of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.
- Paid Claim Dollars – Those payments made by RMA on claims including defense costs against the **CITY OF ROCHELLE** minus recovery from subrogation, deductible or salvage credited against those claim payments.
- Minimum Premium – Minimum Loss Fund including reinsurance and excess premiums and administrative costs.
- Maximum Premium – Maximum Loss Fund including reinsurance and excess premiums and administrative costs.

2. MINIMUM/MAXIMUM PREMIUM BREAKDOWN

The **CITY OF ROCHELLE** hereby agrees to the following schedule of premium:

		<u>Minimum Premium</u>		<u>Maximum Premium</u>
Reinsurance and Excess Premiums and Administrative Costs		\$ 283,934		\$ 283,934
Loss Fund	@ 85%	<u>\$ 605,477</u>	@ 130%	<u>\$ 926,024</u>
Premium		\$ 889,411		\$1,209,958

3. Based upon a comparison of paid claim dollars against the loss fund, RMA will determine whether additional premiums beyond the minimum premium will be required up to the maximum premium.
4. For purposes of determining paid claims, RMA will complete a semi-annual review of paid claim dollars.

5. **NOTICE**

RMA hereby agrees to send, through its agents, written notice when paid claim dollars are equal to or greater than 60% of the Minimum Loss Fund.

RMA agrees, through its agents, to send a second written notice when paid claim dollars equal or exceed 85% of the Minimum Loss Fund.

6. **BILLING/PAYMENT** – The parties to this Agreement hereby agree to the following terms:

When paid claim dollars reach or exceed 100 percent of the Minimum Loss Fund, billing will be instituted on a yearly basis for those paid claim dollars in excess of the Minimum Loss Fund and billing will continue on a yearly basis until the Maximum Loss Fund limit is attained or all claims initiated during the coverage period are closed. Billings will be completed in July of each year for paid claim dollars through June 30.

The **CITY OF ROCHELLE** hereby agrees to make payment within 30 days of its receipt of billing.

7. All other definitions, conditions and coverages of RMA remain the same under this Agreement, including the handling of all claims and member premium payment schedules.
8. This Agreement is to be interpreted and construed in accordance with the laws of the State of Illinois.
9. If any one portion or portions of this Agreement is found to be invalid or unenforceable, the remainder shall remain valid and binding on the parties.

The undersigned hereby affirm that they are duly authorized as agents to bind the parties to this Agreement.

Mayor/Village President/Town President Date

Treasurer/Comptroller/Risk Management Coordinator Date

Reserved for RMA use only

RMA Chief Executive Officer Date

EXHIBIT B

Illinois Municipal League

RMA

Risk
Management
Association

INVOICE

2027 Min/Max Premium

The signed Min/Max Agreement
must be returned with your payment.

PO Box 5180, Springfield, IL 62705-5180 | Ph: (217) 525-1220 | Fax: (217) 525-7438

Please return this form with payment
after completing the information
on the reverse side.

Date: October 1, 2026

Member: City of Rochelle

Account #: 0501

Indicate Payment Option (from list below): _____

Amount Enclosed: \$ _____

MAKE CHECK PAYABLE TO RMA

BILLING DETAIL

2027 IML RISK MANAGEMENT ASSOCIATION ANNUAL PREMIUM

Work Comp	\$309,267
Auto Liability & Comprehensive General Liability	\$262,476
Portable Equipment	\$6,234
Auto Physical Damage	\$25,423
Property	\$286,011
	<u>\$889,411</u>
2027 ILLINOIS MUNICIPAL LEAGUE MEMBERSHIP DUES*	\$1,000

INVOICE TOTAL

\$890,411

PLEASE CHOOSE ONE OF THE FOLLOWING
PAYMENT OPTIONS and enter it in the space
provided above:

OPTION #1 – Pay Full Amount

Premium Amount	\$889,411.00
Minus 1% Savings	<u>\$8,894.11</u>
	\$880,516.89
Illinois Municipal League Dues	\$1,000.00
Total due by 11/13/26	\$881,516.89

OPTION #2 – Pay Full Amount

Premium Amount	\$889,411.00
Illinois Municipal League Dues	\$1,000.00
Total due by 12/11/26	\$890,411.00

OPTION #3 – Pay in two installments Includes 1% installment fee

Premium Amount	\$889,411.00
Plus 1% fee	<u>\$8,894.11</u>
	\$898,305.11
Illinois Municipal League Dues	\$1,000.00
	<u>\$899,305.11</u>
\$449,652.56	Due by 12/11/26
\$449,652.55	Due by 5/14/27

*Membership with the Illinois Municipal League (IML) is a
requirement to remain a member of the IML Risk
Management Association.

On behalf of the municipality named above ("Member"), I
hereby warrant that I have the authority to sign this agreement
on the Member's behalf. (If choosing the installment option, I
acknowledge and understand that it is afforded only as a benefit
for budgeting purposes and is not meant to allow for mid-term
withdrawal.) I acknowledge and understand that Article 5 of the
Intergovernmental Cooperation Contract ("Contract") prohibits
termination of the Intergovernmental Cooperation Contract no
less than 120 days prior to the first day of January of any given
year. Per Article 5, I warrant that the Member will adhere to the
Contract and pay all premiums when due.

Municipal Official (please sign): _____

Title: _____

Date: _____

STATE OF ILLINOIS)
)
COUNTY OF OGLE) SS.

CERTIFICATE

I, Rose Huéramo, City Clerk of the City of Rochelle, County of Ogle and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Ordinance No. _____, "AN ORDINANCE AUTHORIZING THE EXECUTION OF THE ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION MINIMUM/MAXIMUM PREMIUM AGREEMENT," which was adopted by the Mayor and City Council of the City of Rochelle on October 26, 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Rochelle this 26th day of October 2026.

CITY CLERK