
THE CITY OF ROCHELLE
Ogle County, Illinois

RESOLUTION
NO. _____

**A RESOLUTION WAIVING COMPETITIVE BIDDING AND AUTHORIZING AN
EMERGENCY EXPENDITURE FOR INSURANCE COVERAGE OF ELECTRIC
GENERATION ASSETS**

JOHN BEARROWS, Mayor
ROSE HUERAMO, City Clerk

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

CITY OF ROCHELLE
Ogle County, Illinois

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EMERGENCY EXPENDITURE FOR INSURANCE COVERAGE OF ELECTRIC
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WHEREAS, Section 7 of Article VII of the 1970 Constitution of the State of Illinois provides that a municipality that is not a home rule unit shall only have the powers granted to them by law and as such the City of Rochelle, Ogle County, Illinois being a non-home rule unit pursuant to the provisions of said Section 7 of Article VII, and may exercise only the 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, while “non-home rule municipalities have the authority to enact ordinances, such ordinances may in no event conflict with state law or prohibit what a state statute expressly permits . . . A local ordinance may impose more rigorous or definite regulations in addition to those enacted by the state legislature so long as they do not conflict with the statute.” (*Village of Wauconda v. Hutton*, 291 Ill. App. 3d 1058, 1060 (1997)); and

WHEREAS, the City of Rochelle (“City”) operates an electric distribution utility through the Rochelle Municipal Utilities (“RMU”), one of the City’s departments; and

WHEREAS, RMU has power generating assets valued at \$29,837,000 which were previously insured under ICRMT’s reinsurance treaty; and

WHEREAS, upon ICRMT’s review of the appraisal completed on the City’s properties in June of 2023, the City was notified that ICRMT’s reinsurance treaty was no longer covering power generating assets effective August 9, 2023; and

WHEREAS, the City obtained a quote from Landmark American Insurance Company for coverage of electric generation assets, (a copy of which is attached herein as Exhibit A); and

WHEREAS, pursuant to the City Ordinance, “contracts for emergency services” are exempt from competitive bidding “when the delay in seeking competitive bids would result in damage or additional cost to the city.” Rochelle Municipal Code, Sec. 2-373(1).

WHEREAS, the City may waive competitive bidding requirements by a two-thirds vote of the City Council pursuant to 65 ILCS 5/8-9-1 of the Illinois Municipal Code and Section 2-371 of the Rochelle Municipal Code; and

WHEREAS, for emergency purposes, the City has accepted the proposed quote (with the exception of the TRIA coverage), in the amount of \$174,247.00 and therefore City’s electric

generation assets are temporarily insured as of October 6, 2023, (the Confirmation of Coverage is attached herein as Exhibit B); and

WHEREAS, the delay in obtaining competitive bids for insurance coverage or waiting to accept the insurance coverage quote would have exposed the City to great financial risks and potential losses; and

WHEREAS, by accepting the quote, the City's electric generation assets are now temporarily insured while the City can seek a long-term solution for insuring these assets; and

WHEREAS, it was essential and urgent that the City obtain the insurance coverage for the City's electric generation assets; and

WHEREAS, it has been determined by the Corporate Authorities of the City of Rochelle that it is in the best interest to waive competitive bidding and approve the emergency expenditure in the amount of \$174,247.00 for insurance coverage from Landmark American Insurance Company.

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 Resolution as if fully set forth herein.

SECTION TWO: The Mayor and City Council of the City of Rochelle waive any competitive bidding requirements and approve and ratify the emergency expenditure in the amount of \$174,247.00 to Landmark American Insurance Company.

SECTION THREE: If any provision of this Resolution 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 Resolution that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Resolution is severable.

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

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

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

APPROVED THIS 23rd day of October 2023

MAYOR

ATTEST:

CITY CLERK

EXHIBIT A



Amwins Insurance Brokerage, LLC
10 S. LaSalle Street
Suite 2000
Chicago, IL 60603

amwins.com

October 5, 2023

Chad Beth
Beth & Rudnicki Insurance Agency, Inc.
5411 E. State St., Suite 204
Rockford, IL 61108

RE: City of Rochelle

PROPERTY QUOTE SUMMARY

Dear Chad:

Please find the attached quotation for City of Rochelle. Here is a summary of the terms and conditions:

INSURED: City of Rochelle

MAILING ADDRESS: 420 North 6th St.
Rochelle, IL 61068

CARRIER: Landmark American Insurance Company (Non-Admitted)

PROPOSED POLICY PERIOD: From 9/12/2023 to 9/12/2024
12:01 A.M. Standard Time at the Mailing Address shown above

POLICY PREMIUM:

Premium	\$167,000.00
TRIA	\$8,350.00
Fees	\$500.00
Surplus Lines Taxes and Fees	\$7,084.00
Total	\$182,934.00

The calculation of S/L Taxes and Fees is based upon the inclusion of TRIA premium. If TRIA is rejected, the amount of S/L Taxes and Fees will be reduced accordingly.

TRIA FORMS: Signed acceptance/rejection required at binding.

MINIMUM EARNED PREMIUM: 35%

SURPLUS LINES TAX SUMMARY

HOME STATE: Illinois

FEES:

Fee	Taxable	Amount
Amwins Service Fee	No	\$500.00
Total Fees		\$500.00

SURPLUS LINES TAX CALCULATION:

State	Description	Taxable Premium	Taxable Fee	Tax Basis	Rate	Tax
Illinois	Surplus Lines Tax	\$175,350.00	\$0.00	\$175,350.00	3.500%	\$6,137.00
	Stamping Fee	\$175,350.00	\$0.00	\$175,350.00	0.040%	\$70.00
	Fire Marshal Tax	\$175,350.00	\$0.00	\$175,350.00	0.500%	\$877.00
Total Surplus Lines Taxes and Fees						\$7,084.00

Important Notice: Surplus Lines Tax Rates and Regulations are subject to change which could result in an increase or decrease of the total Surplus Lines Taxes and Fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes owed must be promptly remitted.

The attached Quotation from the carrier sets forth the coverage terms and conditions being offered. Please review carefully with your client as terms and conditions may differ from those requested in your submission. It is your responsibility to ensure the quoted coverage terms and conditions are sufficient to meet your client's coverage needs.

If after reviewing you should have any questions or requested changes, please let us know as soon as possible so we can discuss with the carrier prior to the effective date of coverage.

Thank you for the opportunity to provide this Quotation and I look forward to hearing from you.

Sincerely,

Rich McCarthy

Associate Broker

T 312.601.9300 | rich.mccarthy@amwins.com

Amwins Insurance Brokerage, LLC

10 S. LaSalle Street | Suite 2000 | Chicago, IL 60603 | amwins.com

On behalf of,

Joe Blakeley

Vice President

T 312.575.9272 | M 331.238.2310 | joe.blakelev@amwins.com

Amwins Insurance Brokerage, LLC

In California: Amwins Brokerage Insurance Services | License 0F19710

10 S. LaSalle Street | Suite 2000 | Chicago, IL 60603 | amwins.com

SURPLUS LINES DISCLOSURE

Illinois

Notice to Policyholder: This contract is issued, pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund.

For Domestic Insurers:

Notice to Policyholders: This contract is issued by a domestic surplus lines insurer, as defined in section 445a of the Illinois Insurance Code, pursuant to section 445 and as such is not covered by the Illinois Insurance Guaranty Fund.



RSUI Group, Inc.
945 East Paces Ferry Road
Suite 1800
Atlanta, GA 30326-1160
(404) 231-2366

October 05, 2023

RE: Property Quote

Submission Number: 504182
Company: Landmark American Insurance Company
(A.M. Best rating: A++ XIV and S&P rating: AA+)
Coverage: Property
Insured: **City of Rochelle / Rochelle IL**
Rochelle, IL
Policy Dates: October 06, 2023 - October 06, 2024
Property Limits: \$2,500,000 Per Occurrence, subject to conditions of the Scheduled Limit of Liability form
Valuation: Replacement Cost
Actual Cash Value on Roofs 10 Years Old or Older at Time of Loss
Excluding Cosmetic Damage to Roof Surfacing
Total Insured Value: \$29,837,000 per Statement of Values on file with Company submitted 10/04/2023
Coverages:

- Building
- Personal Property

Perils: Special Excluding Flood & Earth Movement

- Excluding Earth Movement Sprinkler Leakage
- Excluding Mechanical Breakdown

Form: ISO Forms – Current to 2017 Versions
Deductible: **All Covered Perils** - \$100,000 Per Occurrence (Property Damage), *except*
Windstorm or Hail - 2.00% Per Location, subject to a minimum of \$100,000 per occurrence (Property Damage)
Remarks: Quote subject to receipt of signed Declaration of No Losses.

THE PREMIUM AMOUNT DOES NOT INCLUDE SURPLUS LINES TAX.
YOUR OFFICE IS RESPONSIBLE FOR THE COLLECTION AND FILINGS.

Policy Attachments

- Appraisal Clause Amendment
- Asbestos Exclusion
- Cyber, Electronic Data and Systems Exclusion
- Exclusion - Marijuana
- Exclusion of Pathogenic or Poisonous Biological or Chemical Materials
- Limitations on Coverage for Roof Surfacing
- Scheduled Limit Of Liability
- Windstorm or Hail Loss Conditions

Premium Amount

Premium:	\$167,000.00
Terrorism Premium:	\$8,350.00
Gross Premium:	\$175,350.00
Minimum Earned Premium:	35.00%

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

This Quote is valid until 10/06/2023.

We greatly appreciate your business.



EXHIBIT B



Amwins Insurance Brokerage, LLC
10 S. LaSalle Street
Suite 2000
Chicago, IL 60603

amwins.com

October 9, 2023

Chad Beth
Beth & Rudnicki Insurance Agency, Inc.
5411 E. State St., Suite 204
Rockford, IL 61108

RE: City of Rochelle

PROPERTY CONFIRMATION OF COVERAGE

Dear Chad:

In accordance with your instructions to bind, please find the attached Binder for City of Rochelle which confirms that coverage is bound for your client as follows:

DATE OF ISSUANCE: 10/9/2023

INSURED: City of Rochelle

MAILING ADDRESS: 420 North 6th St.
Rochelle, IL 61068

CARRIER: Landmark American Insurance Company (Non-Admitted)

POLICY NUMBER: LHD937230

POLICY PERIOD: From 10/6/2023 to 10/6/2024
12:01 A.M. Standard Time at the Mailing Address shown above

POLICY PREMIUM:

Premium	\$167,000.00
TRIA	Rejected
Fees	\$500.00
Surplus Lines Taxes and Fees	\$6,747.00
Total	\$174,247.00

MINIMUM EARNED PREMIUM: 35%

SURPLUS LINES TAX SUMMARY

HOME STATE: Illinois

FEES:

Fee	Taxable	Amount
Amwins Service Fee	No	\$500.00
Total Fees		\$500.00

SURPLUS LINES TAX CALCULATION:

State	Description	Taxable Premium	Taxable Fee	Tax Basis	Rate	Tax
Illinois	Surplus Lines Tax	\$167,000.00	\$0.00	\$167,000.00	3.500%	\$5,845.00
	Stamping Fee	\$167,000.00	\$0.00	\$167,000.00	0.040%	\$67.00
	Fire Marshal Tax	\$167,000.00	\$0.00	\$167,000.00	0.500%	\$835.00
Total Surplus Lines Taxes and Fees						\$6,747.00

Important Notice: Surplus Lines Tax Rates and Regulations are subject to change which could result in an increase or decrease of the total Surplus Lines Taxes and Fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes owed must be promptly remitted.

The attached Binder from the carrier sets forth the coverage as bound. Please review carefully with your client to ensure the bound coverage matches the terms and conditions of the bind order. It is your responsibility to ensure the bound terms and conditions are accurate and consistent with the agreed bind order terms.

If after reviewing you should have any questions or requested changes, please let us know as soon as possible so we can discuss with the carrier.

Thank you for your business. We truly appreciate it.

Sincerely,

Lars Hansen

Associate Broker

T 312.601.9300 | lars.hansen@amwins.com

Amwins Insurance Brokerage, LLC

10 S. LaSalle Street | Suite 2000 | Chicago, IL 60603 | amwins.com

On behalf of,

Joe Blakeley

Vice President

T 312.575.9272 | M 331.238.2310 | joe.blakeley@amwins.com

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Illinois Premium:	\$167,000.00
Fees:	\$500.00
Surplus Lines Tax:	\$5,845.00
Stamping Fee:	\$67.00
Fire Marshal Tax:	\$835.00

RE: Property Binder

Policy Number: LHD937230
Company: Landmark American Insurance Company
 (A.M. Best rating: A++ XIV and S&P rating: AA+)
Coverage: Property
Insured: City of Rochelle / Rochelle IL
 Rochelle, IL
Policy Dates: October 06, 2023 - October 06, 2024
Property Limits: \$2,500,000 Per Occurrence, subject to conditions of the Scheduled Limit of Liability form
Valuation: Replacement Cost
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 Excluding Cosmetic Damage to Roof Surfacing
Total Insured Value: \$29,837,000 per Statement of Values on file with Company submitted 10/04/2023
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- Building
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- Excluding Earth Movement Sprinkler Leakage
- Excluding Terrorism
- Excluding Mechanical Breakdown

Form: ISO Forms – Current to 2017 Versions
Deductible: **All Covered Perils** - \$100,000 Per Occurrence (Property Damage), *except*
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Policy Attachments

- Appraisal Clause Amendment
- Asbestos Exclusion
- Cyber, Electronic Data and Systems Exclusion
- Exclusion - Marijuana
- Exclusion of Pathogenic or Poisonous Biological or Chemical Materials
- Exclusion of Terrorism
- Limitations on Coverage for Roof Surfacing
- Scheduled Limit Of Liability
- Windstorm or Hail Loss Conditions

Premium Amount

Premium:	\$167,000.00
Gross Premium:	\$167,000.00
Minimum Earned Premium:	35.00%

Comments:

Coverage has been "rejected" by the insured for all acts of terrorism including but not limited to those that are certified by the Secretary of the Treasury under the Terrorism Risk Insurance Act.

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

Coverage bound herewith shall be subject to all terms and conditions of the policy to be issued which, when delivered, replaces this binder.

Please consider this your invoice for accounting purposes. Payment is due 45 days from the end of the month in which the policy is effective. Remit payment to RSUI Group Inc., P.O. Box 932995, Atlanta, GA 31193-2995.

This Binder is valid for 90 days from the effective date.

We greatly appreciate your business.



STATE OF ILLINOIS)
)
COUNTY OF OGLE) SS.

CERTIFICATE

I, _____, 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 Resolution No. _____, “A RESOLUTION WAIVING COMPETITIVE BIDDING AND AUTHORIZING AN EMERGENCY EXPENDITURE FOR INSURANCE COVERAGE OF ELECTRIC GENERATION ASSETS” which was adopted by the Mayor and City Council of the City of Rochelle on October 23, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Rochelle this 23rd day of October 2023.

CITY CLERK