
THE CITY OF ROCHELLE
Ogle County, Illinois

ORDINANCE
NO. _____

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

JOHN BEARROWS, Mayor
ROSE HUERAMO, City Clerk

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

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

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, the City Council of the City of Rochelle is a member in good standing of the Illinois Municipal League Risk Management Association (RMA) and 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 dated 01/01/2026 to 01/01/2027 and all endorsements thereto; a copy of which is attached herein as Exhibit A; and

WHEREAS, the City Council of the City of Rochelle hereby finds it to be in the best interest of the municipality to make its RMA premium in accordance with the RMA Minimum/Maximum Premium Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ROCHELLE, OGLE COUNTY, ILLINOIS, as follows:

SECTION ONE: That the execution of the RMA Minimum/Maximum Premium Agreement for a one (1) year period beginning 01/01/2026 and ending 01/01/2027 is hereby authorized.

SECTION TWO: The Village Manager or his designee is hereby granted authority to execute the RMA Minimum/Maximum Premium Agreement which amends and supplements the RMA Declarations pages dated 01/01/2026 to 01/01/2027 and all endorsements thereto.

SECTION THREE: That this Ordinance shall be effective immediately upon its passage and approval.

PASSED and APPROVED this 24th day of November, 2025.

AYES:

NAYS:

ABSENT:

MAYOR

ATTEST:

CITY CLERK

Exhibit A



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, 2026 to January 01, 2027 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		
Loss Fund	\$ 280,083	\$ 280,083
Premium	<u>\$ 597,264</u>	<u>\$ 913,463</u>
	@ 85%	@ 130%
	\$ 877,347	\$1,193,546

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

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. _____, "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 November 24, 2025.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Rochelle this 24th day of November, 2025.

CITY CLERK