

**CHANNAHON VILLAGE BOARD  
COMMITTEE OF THE WHOLE MEETING  
NOVEMBER 7, 2022**

VP Moorman Schumacher called the meeting to order at 6:01 p.m. with Trustees Greco, Host, Perinar, Scaggs and Slocum present.

Also present were Village Administrator Thomas Durkin, Director of Community Development and Information Systems Mike Petrick, Finance Director Heather Wagonblott, Director of Public Works Ed Dolezal, Chief of Police Shane Casey, Village Attorney Jim Murphy and Village Clerk Kristin Hall.

**VP Moorman Schumacher informed everyone present that anyone who speaks at the meeting shall be deemed to have given his/her consent to the recording of their likeness and speech. This meeting is being recorded.**

**ADMINISTRATION DEPARTMENT**

**Discussion – Ordinance Authorizing the Village of Channahon to Join the Intergovernmental Risk Management Agency – 1<sup>st</sup> Read**

**Discussion – A Resolution Appointing a Delegate and Alternate Delegate to the Intergovernmental Risk Management Agency – 1<sup>st</sup> Read**

Durkin stated in December of 2015, the Village joined the Illinois Municipal Insurance Cooperative (IMIC) for our property and casualty insurance needs. Workers Compensation insurance premiums and coverages are provided separately for the Village and all other IMIC members through IPRF (Illinois Public Risk Fund). In August 2022, the Village Board passed a resolution notifying IMIC of our intent to withdraw from the cooperative. Village staff also informed IPRF of our intent to pursue other options. Remaining IMIC members have discussed over the past few months a complete dissolution of the cooperative. The group also discussed the option of migrating to another insurance cooperative known as the Municipal Insurance Cooperative Agency (MICA). The Village was provided a premium quote from MICA for coverage amounts consistent to those provided by IRMA and the quote totaled \$553,053 and did not include cyber insurance. In addition, the remaining members did not pursue this membership option further and have decided to remain together for at least one more year and discuss further options for the group in 2023. In light of the uncertainty in the future of IMIC as membership is decreasing and whether it is in our best interests to remain in this group, staff is recommending the Village join the Intergovernmental Risk Management Agency (IRMA).

IRMA is a well-established self-insured risk management pool that is the type of organization and structure that was envisioned for IMIC when that group was formed in 2013. Unfortunately, the vision has not materialized. Founded in 1979, IRMA was the first municipal risk pool in Illinois and includes 72 public entities in Northeastern Illinois. IRMA is nationally recognized as one of the most highly regarded risk pools with an average tenure of 25 years, and is structured similar to the Village's health insurance pool, the Illinois Personnel Benefits Cooperative (IPBC). It is a member-owned insurance pool representing approximately 72 Chicago-area local governments, primarily municipalities. IRMA provides a high level of loss control support and education, long-term insurance pool stability and service. It requires involvement of its members in attending regular Board meetings, participation in committees, implementation of loss control

procedures and policies, and the conducting of regular visits for loss control services. The Village has been unanimously recommended membership by the IRMA Member Relations Committee, IRMA Finance and Administration Committee, IRMA Executive Board and the IRMA Board of Directors. Staff looks forward to this higher level of service, loss control engagement and most importantly, long term rate stability, as beneficial for the Village over our previous providers. IRMA has quoted the Village's total insurance package, inclusive of property, liability, workers compensation, public officials and cyber liability, of \$402,795 for CY2023. Coverage amounts are typically more than double what has been provided to us as a member of IMIC and this amount provides for a \$2,500 deductible. The Village will receive a discount due to our low loss history, referred to as an experience modifier and IRMA also requires new members to contribute to the Member Reserve Fund, which can be done over a five-year period. The Village's total contribution is \$271,809 or \$54,362 (for 5-year option). He also stated the Village is also recommended to purchase tail coverage to cover any claims incurred but not yet reported (unknown claims) that could be made and denied by the Village's current provider. Back to 2018 and except for 2018, IRMA's average member contributions adjustments have been lower than the Village has experienced.

	2018	2019	2020	2021
Village of Channahon	-7.1%	18.9%	11.35%	3.9%
IRMA Average	-6.55%	5.04%	5.56%	2.45%

While individual municipalities' experiences may vary based on actual claims experience, IRMA's rate stability is expected to be beneficial for the Village over the long term. Accompanied with increased coverage type and amounts and the high level of loss control support and education and services provided by IRMA, form the basis for staff support of membership in IRMA.

**Trustee McMillin entered the meeting 6:03 p.m.**

Durkin stated the IRMA by-laws require that members appoint a delegate and alternate delegate that represent the member on the Board of Directors of IRMA. This resolution on the agenda this evening appoints the following:

Delegate - Thomas J. Durkin, Village Administrator  
 Alternate Delegate - Jodi Denton, Human Resources Manager

Margo Ely, Executive Director of IRMA along with the Director of Finance, the Director of Legal Services and the Director of Risk Management and Training gave a brief presentation on the services that IRMA provides.

Trustee Slocum questioned whether workers compensation coverage provides legal representation if someone sues us or do we still need our own legal attorney.

Margo Ely stated if it is a covered claim such as a trip and fall or civil rights case, IRMA will defend and indemnify that case. If the Village goes to arbitration with your union; that is not a covered claim or if the Department of Justice comes in and files a complaint against you, for a fair housing violation that is not covered. A majority of your cases will be covered. She further

stated that IRMA has two workers compensation law firms that we work with and five law firms on the liability side that they work with.

Trustee Slocum asked if those fees are paid for out of the pool.

Margo Ely stated yes, and we get good rates. They have a software program that prevents double billing. We are not paying for the partner to supervise the associate. IRMA pays an hourly rate of \$200. These firms provide those rates because they are given a volume of cases that they otherwise would not get.

Durkin stated that IRMA is structured very similar to the IPBC. We are part of that organization and have been since 2015. Our rates have stabilized for health insurance the longer we have been in that group. IRMA is a very similar operation to the IPBC and we have had very good luck with that.

VP Moorman Schumacher stated that this is a first read item.

Durkin stated that he would be looking to waive second read and adopt. Coverage would begin on December 31, 2022 so the sooner we can get this accomplished, the better.

### **COMMUNITY DEVELOPMENT & INFORMATION SYSTEMS**

Petrick stated he had no formal items for discussion.

### **FINANCE DEPARTMENT**

#### **Discussion – Channahon Police Pension Fund Annual Tax Levy Demand Letter**

#### **Discussion – Annual Municipal Compliance Report from the Police Pension Fund**

Wagonblott stated Section 3-125 of the Illinois Pension Code requires that the Village of Channahon levy a tax to meet the annual actuarial requirements of the police pension fund (40 ILCS 5/3-125). She stated the Board of Trustees of the Channahon Police Pension Fund reviewed the actuarial valuation and GASB 67/68 reporting prepared by Foster & Foster. She also stated as a result of this review and discussion, the Police Pension Board voted to request that the Village Board levy \$909,143 for the Fund in December 2022. She further stated note the following:

- The Village's recommended tax levy requirement is \$34,143 more than the prior year;
- According to the actuarial report, the Fund's investments returned 6.27% net of investment fees for the fiscal year ending April 30, 2022, on an actuarial basis;
- The funded ratio reported in the actuarial report is 68.4% which has increased since the prior year; and
- In fiscal year 2022 the Fund paid approximately \$607,500 in pension benefits which is 9.66% more than the prior fiscal year. It is estimated that in approximately four years, the Police Pension Fund's pension benefit payments will double.

The Channahon Police Pension Board is grateful that the Village Board continues to have a proactive approach in seeking to grow its pension funds through investment now, as it is a fiscally responsible decision for the fund and the taxpayers of the Village of Channahon. The Police Pension Board looks forward to continuing the partnership with the Village to ensure the

Pension Fund is appropriately funded. House Bill 5088 (Public Act 95-950) requires police pension funds to provide the Village Board with a Municipal Compliance Report on an annual basis. The purpose of the Municipal Compliance Report is such that the Pension Board certifies to the Board of Trustees the condition of the Pension Fund at the end of its most recently completed fiscal year and, along with a copy of the actuarial report and tax levy demand letter, should be presented to the Village Board each year. The Police Pension actuarial report and the tax levy demand letter were discussed earlier this evening. At the direction of the pension attorney, the Channahon Police Pension Board retained an outside accounting firm to prepare the required Municipal Compliance report. A copy of the Channahon Police Pension Fund's April 30, 2022 Municipal Compliance Report for the Board's information and review.

### **POLICE DEPARTMENT**

Casey stated that he had no formal items for discussion.

### **PUBLIC WORKS DEPARTMENT**

#### **Discussion – Agreement for Engineering Services to Prepare a Project Plan for a Far West Wastewater Treatment Plant**

Dolezal stated the Village has purchased approximately 45 acres east of Brisbin Road and South of US 6 for the construction of a new wastewater treatment plant to serve the Village West of McClinden Road. The next step towards building that plant is to prepare a Project Plan and submit it to the IEPA for review. The Project Plan will develop the anticipated flows to be treated, analyze alternate treatment processes, develop site layout, look at environmental impacts, and develop design criteria. Also included is a presentation to the Village Board and assistance with a public hearing.

#### **Discussion – Agreement for Engineering Services for Bridge Street MUP Stage 2 Phase 3 Engineering**

Dolezal stated on October 26, 2022, the IDOT awarded this project to D Construction for \$1,097,532.00. As you are aware, the project is funded by an Illinois Transportation Enhancement Program grant and as such the Village has a share of the project costs, usually about 20%. In this case, we have moved all of the State share into the construction contract and therefore the Village will fund all of the construction engineering services. This minimizes our paperwork and administrative burden with the IDOT. Strand's scope of services with this Task Order generally includes construction observation, pay estimates, material testing, and IDOT required reporting and record keeping.

#### **Discussion – Approval of Joint Purchase Master Contract for Bulk Salt Purchases**

Dolezal stated on the Joint Purchase Master Contract (JPMC) states that the vendor will supply Channahon 1800 tons of bulk salt this year, at a cost of \$80.81 per ton, with a minimum purchase of 80 percent (1440 tons) of the requisitioned amount. Up to 120 percent (2160 tons) of the requisitioned amount can be purchased at the contract price of \$80.81 per ton. Bulk rock salt is budgeted in the amount of \$135,000. The Director of Public Works has previously made the requisition for 1800 tons of salt in April of this calendar year obligating the Village. As often happens, the requisition notice from the State comes out and a response is due between possible board meetings, so this has been past practice. He further stated we attempt to match the

requisition in tons of salt with the approved budget dollars not knowing the actual unit price until the State awards a contract.

Trustee Scaggs asked if we have any salt left from last year.

Dolezal stated we do.

Trustee Perinar asked how much was it per ton last year.

Dolezal stated it was in the low \$60's, we had budgeted for \$75 per ton and it came in a little higher.

**COMMUNICATIONS**

**PUBLIC COMMENT**

**EXECUTIVE SESSION**

The Committee of the Whole was adjourned at 6:45 p.m.

**Submitted by  
Kristin Hall  
Village Clerk**

A handwritten signature in black ink, appearing to read "Kristin Hall", written in a cursive style.