

AGENDA
VILLAGE OF ROUND LAKE
COMMITTEE OF THE WHOLE MEETING
December 5, 2016
442 N. Cedar Lake Road
To Follow the Regular Board Meeting
The Regular Board Meeting is 7:00 P.M.

CALL TO ORDER

1. ROLL CALL

2. APPROVAL OF MINUTES

2.1 Approve the Minutes of the Committee of the Whole Meeting of November 21, 2016

3. PUBLIC COMMENT

4. COMMITTEE OF THE WHOLE

- Community Development
- Human Resources and Finance
- Public Works, Facilities and Capital Assets, and Engineering
 - MXU Purchase
- Building and Zoning
- Special Events
- Police
- Administration
 - Risk Management Proposals

5. SUGGESTED NEW TOPICS

6. EXECUTIVE SESSION

7. ADJOURN

MINUTES
 VILLAGE OF ROUND LAKE
 COMMITTEE OF THE WHOLE MEETING
 November 21, 2016
 442 N. Cedar Lake Road
 To Follow the Regular Board Meeting
 The Regular Board Meeting is 7:00 P.M.

CALL TO ORDER

THE COMMITTEE OF THE WHOLE MEETING OF THE VILLAGE OF ROUND LAKE WAS CALLED TO ORDER BY DAN MACGILLIS, VILLAGE PRESIDENT AT 7:27 P.M.

1. ROLL CALL

Present: Trustees Foy, Frye, Kraly, Patel, Rodriguez

Absent: Trustee Newby

2. APPROVAL OF MINUTES

- 2.1 Approve the Minutes of the Committee of the Whole Meeting of November 7, 2016
 Trustee Patel moved, Seconded by Trustee Rodriguez, to approve the Minutes of the Committee of the Whole Meeting of November 7, 2016. Upon a unanimous voice vote; the Mayor declared the motion carried

3. PUBLIC COMMENT

NONE

4. COMMITTEE OF THE WHOLE

- Community Development
- Human Resources and Finance
 - Fiscal Year End 2016 Audit and Management Letter
 Finance Director Wayde Frerichs introduced Dan Berg, from our auditing firm Sikich. Mr. Berg went over the Managements Discussion page and what had changed stating a financial statement will follow. He mentioned the Police Pension and showing a net loss, stating the figures are skewed due to the market, new accounting principles and that the market values are off not only in our Village but others. Current fund is at 52% compared to 60% before and should be at 90% funded by the year 2040, although our internal goal is to be at 100%. He thanked the staff for the support in processing the audit as well. It was asked about internal controls that are in place and if there is any place for improvements. Mr. Berg stated that due to the size of the Village and staff & the segregation of duties, it would be ongoing comment in each audit that we have
- Public Works, Facilities and Capital Assets, and Engineering
 - Authorize Anti-icing Liquids Purchase
 Public Works Director Wedoff stated that last year the Anti-icing Liquids had been purchased from Industrial Systems Ltd. who is the sole provider source. He stated the product worked well and recommends using the product again this year. He mentioned there is approximately 6,000 gallons to start the winter and is requesting permission to purchase more liquid as needed, but not exceed the budgeted amount. He also said the price quoted is the same as last year.

The Mayor and Board agreed to move to the next Consent Agenda

- Bridge Inspection Program

PWD Wedoff recommended accepting a proposal from Baxter & Woodman to inspect the new MacGillis Drive Bridge and register the bridge with the Illinois Department of Transportation (IDOT). The inspection will need to be completed again in two years and then every four years to remain in compliance with IDOT requirements

The Mayor and Board agreed to move to the next Consent Agenda

- 2016/2017 Snow Removal Plan

PWD Wedoff stated that staff updated the 2016/2017 snow removal plan to include the addition of new equipment being used, the addition of a seasonal employee dedicated to snow removal on sidewalks and the restructuring of plow routes to better fit the equipment available. He also said that Bright Meadows plowing is contracted out and this year's plowing will be done after 2 inches of snow has fallen to be the same as the rest of the Villages.

The Mayor and Board agreed to move to the next Consent Agenda

- Emergency Snow Removal Contract

PWD Wedoff is recommending the Village enter into a contract with Mark Meade Excavators Inc. to supply heavy equipment and operators in the event of a large snowfall. PWD Wedoff also stated that last year Mark Meade Excavators had been the only company that responded to proposals that had been sent out then. They have agreed to hold their prices from last year so he is recommending competitive bidding be waived and the contract with Mark Meade Excavators be renewed.

The Mayor and Board agreed to move to the next Consent Agenda

- Building and Zoning
- Special Events
- Police

- Network Attached Storage (NAS)

Police Chief Gillette requested authorization to purchase a new internal hard drive network attached server and peripheral fixed cabinetry for the Police Department's camera system data storage. He stated that the device is expected to meet the department's needs sufficiently for the foreseeable future.

The Mayor and Board agreed to move to the next Consent Agenda

- In-Car Camera's Extended Warranty

Police Chief Gillette requested permission to purchase eleven extended warranties for the Digital Ally DVM-800 in car dash camera. The cameras came with a 2 year warranty and are slightly over one year old. The extended warranty is a three-year warranty added onto the end of the manufactures purchase warranty, at a cost of \$500.00 per camera

The Mayor and Board agreed to move to the next Consent Agenda

o Ballistic Shield Purchase

Police Chief Gillette requested authorization to purchase two Police Ballistic Shields. These two shields will add to the current supply of shields that were last purchased in February 2013. These are budgeted items as well he stated.

The Mayor and Board agreed to move to the next Consent Agenda

• Administration

o Compensation Study / Staffing Analysis

Village Administrator Steve Shields stated the purpose of the study is to review current job classifications and provide the Village with suggestions regarding internal and external pay equity and alignment with comparable communities. In addition, the consultant will review the Villages current "Step" pay incentive program and provide recommendations for a performance oriented program. A Request For Proposal (RFP) was extended to nineteen vendors and sealed proposals were received from two vendors. Based on the criteria in the RFP it was determined the proposal from GovHR is the most favorable for the Village

The Mayor and Board agreed to move to the next Consent Agenda

5. SUGGESTED NEW TOPICS

Mayor MacGillis stated with Trustee Triphahn's resignation and Trustee Newby in the hospital we need to have someone volunteer to serve on the SWALCO board and to please reach out to him if interested. The Mayor also stated that we will not replace Trustee Triphahn's position with the Round Lake Chamber although the Village will remain a member

6. EXECUTIVE SESSION

NONE

7. ADJOURN

Motion by Trustee Frye, Seconded by Trustee Kraly to adjourn the Committee of the Whole meeting at 7:51 P.M. Upon a unanimous voice vote, the Mayor declared the motion carried.

APPROVED:

Patricia C. Blauvelt
Village Clerk

Daniel MacGillis
Village President



VILLAGE OF ROUND LAKE
AGENDA ITEM SUMMARY

TITLE: MXU PURCHASE

Agenda Item No. COTW

Executive Summary

Staff is requesting permission to purchase Sensus MXU units from H.D. Supply on an as needed basis not to exceed the budgeted amount. During cold weather periods last year, several MXU units failed to transmit the water meter reading to the radio read system during the normal monthly reads. Because the units are beyond their original life expectancy and out of warranty, the decision was made to begin systematically replacing the older units. Last year the Village purchased 500 MXU units and staff has finished installing them. The request to purchase additional units is a continuation of the replacement program.

Recommended Action

Accept a proposal from H.D. Supply, Inc. to provide Sensus MXU units as needed.

Committee: PW/F&CA and Engineering	Meeting Date(s): 12/05/16																																		
Lead Department: Public Works	Presenter: Adam Wedoff, Director of Public Works																																		
Item Budgeted: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Account(s)</th> <th style="text-align: center;">Budget</th> <th style="text-align: center;">Expenditure</th> </tr> </thead> <tbody> <tr> <td>Other Items</td> <td style="text-align: right;">\$30,350.00</td> <td></td> </tr> <tr> <td>Item Requested</td> <td style="text-align: right;">\$100,000.00</td> <td style="text-align: right;">\$100,000.00</td> </tr> <tr> <td>YTD Actual</td> <td></td> <td style="text-align: right;">\$20,540.73</td> </tr> <tr> <td>Amount Encumbered</td> <td></td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td>50-60-74-77428</td> <td style="text-align: right;">\$130,350.00</td> <td style="text-align: right;">\$120,540.73</td> </tr> <tr> <td colspan="3">Request is over/under budget:</td> </tr> <tr> <td style="text-align: right;">Under</td> <td></td> <td style="text-align: right;">\$9,809.27</td> </tr> <tr> <td style="text-align: right;">Over</td> <td style="text-align: center;">-</td> <td></td> </tr> </tbody> </table>		Account(s)	Budget	Expenditure	Other Items	\$30,350.00		Item Requested	\$100,000.00	\$100,000.00	YTD Actual		\$20,540.73	Amount Encumbered		\$0.00							50-60-74-77428	\$130,350.00	\$120,540.73	Request is over/under budget:			Under		\$9,809.27	Over	-	
Account(s)	Budget	Expenditure																																	
Other Items	\$30,350.00																																		
Item Requested	\$100,000.00	\$100,000.00																																	
YTD Actual		\$20,540.73																																	
Amount Encumbered		\$0.00																																	
50-60-74-77428	\$130,350.00	\$120,540.73																																	
Request is over/under budget:																																			
Under		\$9,809.27																																	
Over	-																																		

Bid Proposal for Smartpoints

CUSTOMER

VILLAGE OF ROUND LAKE

WATER DEPARTMENT
751 W TOWNLINE RD
ROUND LAKE, IL 60073
Contact: Mark Kilarski
(E) mkilarski@eroundlake.com

Job

Smartpoints
Round Lake, IL
Bid Date: 11/29/2016

CONTACT

Sales Representative

Steve Littner
(T) 847-473-1900
(F) 847-473-3873
(E) Steve.Littner@hdsupply.com

HD Supply Waterworks

29950 Skokie Hwy
Lake Bluff, IL 60044
(T) 847-473-1900

NOTES



Bid Proposal for Smartpoints

VILLAGE OF ROUND LAKE
Job Location: Round Lake, IL
Bid Date: 11/29/2016
HD Supply Bid #: 208497

Michael Murphy
Phone: 847-473-1900
Fax: 847-473-3873
 Michael.Murphy@hdsupply.com

Seq#	Qty	Description	Units	Price	Ext Price
10		IF ORDERED IN QTY'S OF 500+			
20	1	510M SMARTPOINT M2 TC DP DUAL PORT TOUCH COUPLER	EA	140.00	140.00
30	1	510R MXU WIRED DP W/INTG T/PAD DUAL PORT	EA	130.00	130.00
50		IF ORDERED IN QTY'S LESS THAN			
60		500			
70	1	510M SMARTPOINT M2 TC DP DUAL PORT TOUCH COUPLER	EA	145.00	145.00
80	1	510R MXU WIRED DP W/INTG T/PAD DUAL PORT	EA	135.00	135.00
100		THE MATERIALS QUOTED ARE BASED			
110		ON OUR INTERPRETATION OF THE			
120		PLANS AND SPECIFICATIONS. IT			
130		IS THE BUYER'S RESPONSIBILITY			
140		TO CONFIRM SIZES, QUANTITIES			
150		AND CONFORMANCE TO PROJECT			
160		SPECIFICATIONS			
170		UNLESS OTHERWISE NOTED, THE			
180		PRICES QUOTED WILL REMAIN FIRM			
190		FOR ORDERS SHIPPED WITHIN 30			
200		DAYS OF QUOTATION DATE			
210		FOB: SHIPPING POINT, FREIGHT			
220		CHARGES ALLOWED TO			
230		TERMS: NET 30 DAYS			
240		THANK YOU FOR THE OPPORTUNITY			
250		OF QUOTING. WE LOOK FORWARD TO			
260		SERVING YOU FURTHER IN REGARDS			
270		TO THE ABOVE			
280		SINCERELY,			
290		STEVE LITTNER			

TERMS AND CONDITIONS OF SALE ("Terms")

1. All references in this document to "Seller" shall include HD Supply, Inc. and / or any parent, subsidiary or affiliate of HD Supply, Inc. (including any division of the foregoing) whether or not performing any or all of the scope hereunder or specifically identified herein. All references to "Buyer" shall include all parent(s), subsidiaries and affiliates of the entity placing the order. Buyer and Seller may be referred to individually as a "Party" and collectively as "Parties".
2. All sales to Buyer are subject to these Terms, which shall prevail over any inconsistent terms of Buyer's purchase order or other documents. Additional or different terms and conditions in any way altering or modifying these Terms are expressly objected to and shall not be binding upon Seller unless specifically accepted in writing by Seller's authorized representative. No modification or alteration of these Terms shall result by Seller's shipment of goods following receipt of Buyer's purchase order, or other documents containing additional, conflicting or inconsistent terms. There are no terms, conditions, understandings, or agreements other than those stated herein, and all prior proposals and negotiations are merged herein. These Terms are binding on the Parties, their successors, and permitted assigns.
3. Prices on Seller website, catalogs or in Seller quotes are subject to change without notice, and all such prices expire and become invalid if not accepted within 10 calendar days from the date of issue, unless otherwise noted by Seller in writing. Price extensions if made are for Buyer's convenience only, and they, as well as any mathematical, stenographic or clerical errors, are not binding on Seller. Prices shown do not include any sales, excise, or other governmental tax or charge payable by Seller to any federal, state or local authority. Any taxes now or hereafter imposed upon sales or shipments will be added to the purchase price, and Buyer shall reimburse Seller for any such tax or provide Seller with an acceptable tax exemption certificate. All prices and other terms provided to Buyer shall be kept confidential except to the extent a Party is required by law to disclose the same.
4. Seller shall not be liable for delay or default in delivery resulting from any cause beyond Seller's reasonable control, including, but not limited to, governmental action, strikes or other labor troubles, fire, damage or destruction of goods, wars (declared or undeclared), acts of terrorism, manufacturers' shortages, availability or timeliness of transportation, materials, fuels, or supplies, and acts of God (each a "Force Majeure Event"). Upon the occurrence of a Force Majeure Event: (a) the time for Seller's performance shall be extended reasonably and the Parties shall adjust all affected dates accordingly; (b) the purchase price shall be adjusted for any increased costs to Seller resulting from such Force Majeure Event; and (c) Buyer shall not be entitled to any other remedy.
5. Seller is a reseller of goods only, and as such does not provide any warranty for the goods it supplies hereunder. Notwithstanding this As-Is limitation, Seller shall pass through to Buyer any transferable manufacturer's standard warranties with respect to goods purchased hereunder. BUYER AND PERSONS CLAIMING THROUGH BUYER SHALL SEEK RECOURSE EXCLUSIVELY FROM MANUFACTURERS IN CONNECTION WITH ANY DEFECTS IN OR FAILURES OF GOODS, AND THIS SHALL BE THE EXCLUSIVE RECOURSE OF BUYER AND PERSONS CLAIMING THROUGH BUYER FOR DEFECTIVE GOODS, WHETHER THE CLAIM OF BUYER OR THE PERSON CLAIMING THROUGH BUYER SHALL SOUND IN CONTRACT, TORT, STRICT LIABILITY, PURSUANT TO STATUTE, OR FOR NEGLIGENCE. BUYER SHALL PASS THESE TERMS TO SUBSEQUENT BUYERS AND USERS OF GOODS. SELLER EXCLUDES AND DISCLAIMS ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. SELLER ASSUMES NO RESPONSIBILITY WHATSOEVER FOR SELLER'S INTERPRETATION OF PLANS OR SPECIFICATIONS PROVIDED BY BUYER, AND BUYER'S ACCEPTANCE AND USE OF GOODS SUPPLIED HEREUNDER SHALL BE PREMISED ON FINAL APPROVAL BY BUYER OR BY BUYER'S RELIANCE ON ARCHITECTS, ENGINEERS, OR OTHER THIRD PARTIES RATHER THAN ON SELLER'S INTERPRETATION. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, IN NO EVENT, WHETHER IN CONTRACT, WARRANTY, INDEMNITY, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, ARISING DIRECTLY OR INDIRECTLY OUT OF THE PERFORMANCE OR BREACH OF THESE TERMS, SHALL SELLER BE LIABLE FOR (a) ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL, CONSEQUENTIAL OR SIMILAR DAMAGES SUCH AS LOSS OF USE, LOST PROFITS, ATTORNEYS' FEES OR DELAY DAMAGES, EVEN IF SUCH DAMAGES WERE FORESEEABLE OR CAUSED BY SELLER'S BREACH OF THIS AGREEMENT, (b) ANY CLAIM THAT PROPERLY IS A CLAIM AGAINST THE MANUFACTURER, OR (c) ANY AMOUNT EXCEEDING THE AMOUNT PAID TO SELLER FOR GOODS FURNISHED TO BUYER WHICH ARE THE SUBJECT OF SUCH CLAIM(S). ALL CLAIMS MUST BE BROUGHT WITHIN ONE YEAR OF ACCRUAL OF A CAUSE OF ACTION.
6. Buyer shall indemnify, defend, and hold Seller its officers, directors, employees and agents harmless from any and all costs (including attorneys' and accountants' fees and expenses), liabilities and damages resulting from or related to any third party (including Buyer's employees) claim, complaint and/or judgment arising from Buyer's use of any goods furnished hereunder, as well as any negligent, intentional, or tortious act or omission of Buyer or any material breach by Buyer of these Terms.
7. When goods are delivered to Buyer in Seller's own vehicles, the F.O.B. point shall be Buyer's designated delivery site. In all other cases the F.O.B. point shall be Seller's store or warehouse and all responsibility and costs of shipping and delivery beyond the applicable F.O.B. point shall be borne by Buyer. Title and risk of loss shall pass to Buyer at the applicable F.O.B. point, which for goods not delivered in Seller's own vehicles shall be when Seller delivers the goods to the common carrier. All claims for shortage of goods or for loss or damage to goods as to which Seller has the risk of loss shall be waived unless Buyer, within 10 calendar days after receipt of the short or damaged shipment, gives Seller written notice fully describing the alleged shortage or damage. Partial shipments are permitted at Seller's discretion.
8. Any change in product specifications, quantities, destinations, shipping schedules, or any other aspect of the scope of goods must be agreed to in writing by Seller, and may result in a price and delivery adjustment by Seller. No credit for goods returned by Buyer shall be given without Seller's written authorization. All returns are subject to a restocking charge.
9. Unless otherwise agreed in writing, payment terms are net 30 days from delivery, payable in United States of America ("U.S.") dollars. Notwithstanding the foregoing, all orders are subject to Seller's continuing approval of Buyer's credit. If Buyer's credit is not approved or becomes unsatisfactory to Seller then Seller, in its sole discretion, may suspend or cancel performance, or require different payment terms, including but not limited to cash on delivery or in advance of shipment. In addition, Seller may in its discretion require an advance deposit of up to 100% of Seller's selling price for any specially manufactured goods ordered by Buyer hereunder. Payments due hereunder shall be made in the form of cash, check, or money order, or other tender approved in writing by Seller. Seller may, in its sole discretion, apply Buyer's payment against any open charges. Past due accounts bear interest at the lesser of 1.5% per month or the maximum rate permitted by applicable law, continuing after Seller obtains judgment against Buyer. Seller may exercise setoff or recoupment to apply to or satisfy Buyer's outstanding debt. Buyer shall have no right of setoff hereunder, the same being expressly waived hereby.
10. Buyer shall not export or re-export, directly or indirectly, all or any part of the goods or related technology obtained from Seller under these Terms except in accordance with applicable export laws and regulations of the U.S. Further, a Buyer that is a non-U.S. company or citizen shall similarly limit any export or re-export activity to that which would be deemed compliant with U.S. export laws and regulations if performed by a U.S. company or citizen.
11. Buyer shall pay Seller all costs and expenses of collection, suit, or other legal action brought as a result of the commercial relationship between them, including, but not limited to, all actual attorneys' and paralegals' fees, and collection costs, incurred pre-suit, through trial, on appeal, and in any administrative or bankruptcy proceedings. Any cause of action that Seller has against Buyer may be assigned without Buyer's consent to HD Supply, Inc. or to any affiliate, parent or subsidiary of HD Supply, Inc.
12. This Agreement, Buyer's account, and the business relationship between Buyer and Seller shall be governed by and construed in accordance with the laws of Georgia without regard to conflicts of laws rules, and specifically excluding the UN Convention on Contracts for the International Sale of Goods. The Parties agree that any legal action arising under or related to this Agreement shall be brought in Cobb County, Georgia, and any right to object to such venue or to assert the inconvenience of such forum is hereby waived.
13. If Buyer fails to comply with these Terms, Seller may terminate or restrict any order immediately upon notice to Buyer. Buyer certifies that it is solvent and that it will advise Seller immediately if it becomes insolvent. Buyer agrees to send Seller written notice of any changes in the form of ownership of Buyer's business within 5 days of such changes. Buyer and Seller are the only intended beneficiaries of this document, and there are no third party beneficiaries.
14. The invalidity or unenforceability of all or part of these Terms will not affect the validity or enforceability of the other terms. The parties agree to replace any void or unenforceable term with a new term that achieves substantially the same practical and economic effect and is valid and enforceable.
15. The following provisions shall survive termination, cancellation and completed performance of this Agreement as long as necessary to allow the aggrieved party to fully enforce such clauses: 5, 6, 9, 10, 11 and 12.



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: CALENDAR YEAR 2017 RISK MANAGEMENT PROPOSALS

Agenda Item No. COTW

Executive Summary

West Insurance Agency, for calendar year 2017, again sent out risk management information to six (6) vendors. Overall, the risk management premium increased 11.58% from the previous year. The Package Policy increase is largely driven by exposure changes, including an increase in loss ratio from 39% to 59%. The Workers Compensation increase is largely driven by an increase in payroll and claim history. The overall premium of \$234,449 is \$11,541, 2.8% under the budget amount.

The vendors West Insurance Agency and staff are recommending are the same as last year: Trident - Package Program: Commercial, General, Auto, Crime, Etc.; The Illinois Public Risk Fund (IPRF) – Workers Compensation; Liberty Mutual Surety - Public Officials Bonds; and Lloyd’s London – Cyber Liability. Should the Village Board decide to move forward with the four vendors above, resolutions will be provided for each insurance type along with proposed insurance binders at the next Board meeting.

Attached is brief historical and 2017 calendar year coverage information.

Recommended Action

Discuss for future Village Board and staff action.

Committee: Human Resources & Finance		Meeting Date: 12/05/2016																																													
Lead Department: Administration		Presenter: Steven J. Shields, Village Administrator Brandy Schroff, Human Resources Manager																																													
Item Budgeted: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail. Note:	<table border="1"> <thead> <tr> <th>Account(s)</th> <th>Budget</th> <th>Expenditure</th> </tr> </thead> <tbody> <tr> <td>01-20-75-77519</td> <td>\$5,000.00</td> <td></td> </tr> <tr> <td>Item Requested</td> <td>\$181,079.00</td> <td>\$175,836.75</td> </tr> <tr> <td>Y-T-D Actual</td> <td></td> <td>\$2,956.18</td> </tr> <tr> <td>Amount Encumbered</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Total</td> <td>\$186,079.00</td> <td>\$178,792.93</td> </tr> <tr> <td>50-60-75-77519</td> <td>\$5,000.00</td> <td></td> </tr> <tr> <td>Item Requested</td> <td>\$60,360.00</td> <td>\$58,612.25</td> </tr> <tr> <td>Y-T-D Actual</td> <td></td> <td>\$1,373.50</td> </tr> <tr> <td>Amount Encumbered</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Total</td> <td>\$65,360.00</td> <td>\$59,985.75</td> </tr> <tr> <td>Grand Total</td> <td>\$251,439.00</td> <td>\$238,778.68</td> </tr> <tr> <td colspan="3">Request is over/under budget:</td> </tr> <tr> <td>Under</td> <td></td> <td>\$12,660.32</td> </tr> <tr> <td>Over</td> <td>-</td> <td></td> </tr> </tbody> </table>	Account(s)	Budget	Expenditure	01-20-75-77519	\$5,000.00		Item Requested	\$181,079.00	\$175,836.75	Y-T-D Actual		\$2,956.18	Amount Encumbered		\$0.00	Total	\$186,079.00	\$178,792.93	50-60-75-77519	\$5,000.00		Item Requested	\$60,360.00	\$58,612.25	Y-T-D Actual		\$1,373.50	Amount Encumbered		\$0.00	Total	\$65,360.00	\$59,985.75	Grand Total	\$251,439.00	\$238,778.68	Request is over/under budget:			Under		\$12,660.32	Over	-		
Account(s)	Budget	Expenditure																																													
01-20-75-77519	\$5,000.00																																														
Item Requested	\$181,079.00	\$175,836.75																																													
Y-T-D Actual		\$2,956.18																																													
Amount Encumbered		\$0.00																																													
Total	\$186,079.00	\$178,792.93																																													
50-60-75-77519	\$5,000.00																																														
Item Requested	\$60,360.00	\$58,612.25																																													
Y-T-D Actual		\$1,373.50																																													
Amount Encumbered		\$0.00																																													
Total	\$65,360.00	\$59,985.75																																													
Grand Total	\$251,439.00	\$238,778.68																																													
Request is over/under budget:																																															
Under		\$12,660.32																																													
Over	-																																														

Historical Information

In the past, from 1981 through calendar year 2011, the village participated in the Illinois Municipal League Risk Management association (IMLRMA) for professional risk management services. For the calendar year 2012 coverage year, the Village selected West Insurance Agency as the risk management broker for the Village and has been the Village’s risk management broker since that time.

Listed below is the annual premium amount for the last ten years and the proposed premium for calendar year 2017.

<u>Fiscal Year</u>	<u>Calendar Year Covered</u>	<u>Contribution Amount</u>	<u>Increase (Decrease)</u>	<u>Percent Inc. (Dec.)</u>
2006/07	2007	\$118,922.02	\$20,691.82	21.06%
2007/08	2008	\$145,150.74	\$26,228.72	22.06%
2008/09	2009	\$169,643.88	\$24,493.14	16.87%
2009/10	2010	\$179,732.00	\$10,088.12	5.95%
2010/11	2011	\$205,659.00	\$25,927.00	14.43%
2011/12	2012	\$130,802.00	(\$74,857.00)	(36.40%)
2012/13	2013	\$145,598.00	\$14,796.00	11.31%
2013/14	2014	\$164,114.00	\$18,516.00	12.72%
2014/15	2015	\$180,692.00	\$16,578.00	10.10%
2015/16	2016	\$210,099.00	\$23,783.00	13.16%
2016/17	2017	\$234,449.00	\$24,350.00	11.58%

2017 Calendar Year Coverage

West Insurance Agency, for calendar year 2017, again sent out information and received proposals from a number of different vendors. Besides the incumbents, which are listed on the 2017 Property/Casualty Insurance Summary attached, requests for proposals on the Village’s risk management program were also sent to Travelers, One Beacon, ICRMT, Brit Insurance, and Glatfelter.

Staff met with representatives from West Insurance Agency to review the proposals and to answer questions. The risk management package includes three main proposals; package policy (property, liability, crime, inland marine, excess), workers compensation, and public officials bonds.

The table below lists the three main proposals and the premium change for each.

<u>Description</u>	<u>2016 Premium</u>	<u>2017 Premium</u>	<u>Dollar Variance</u>	<u>Percent Variance</u>
Workers Compensation	\$90,871	\$98,510	\$7,639	8.40%
Package Policy	\$111,932	\$129,515	\$17,583	15.7%
Public Officials Bonds	\$1,672	\$800	(\$872)	(52.10%)
Cyber Liability	\$5,624	\$5,624	\$0	0%
Total	\$210,099	\$234,449	\$24,350	11.58%

Overall, the risk management premium was also \$6,990, 2.8% under the budget amount.

Trident

Founded by the Argonaut Group in March 2000, Trident is committed to servicing the insurance and risk management needs of governmental entities throughout the United States. Trident Insurance Services primary focus is Public Entity Insurance. Their coverage forms and terms are tailored specifically for the public entity market segment.

The Illinois Public Risk Fund

The Illinois Public Risk Fund (IPRF) is a self-funded workers compensation pool for public entities that was established to provide a cost-effective alternative to escalating workers compensation premiums and related costs. Participating public entities have pooled their workers compensation exposures and controlled costs through a unified loss prevention and claims management program. Over 500 public entities and governmental agencies rely on IPRF. With over 26 years in the public entity market, IPRF has become Illinois' largest self-insured risk pool for workers compensation coverage.

IPRF Grant

The Village qualified for a grant through the IPRF in the amount of \$5,631 to be used to purchase safety equipment.

Liberty Mutual Surety

Liberty Mutual Surety is the second largest surety writer in the U.S. that provides bid and supply, court, license & permit, miscellaneous, notary, probate, public official, and regulatory bonds, just to name a few.

Should the Village Board decide to move forward with the three vendors above, resolutions will be provided for each insurance type along with proposed insurance binders at the next Board meeting.



Insurance Proposal For

Village of Round Lake

12/31/2016 - 12/31/2017

12/01/2016

Presented By:
Geoff Raef

1225 Tri-State Parkway, Suite 500
Gurnee, IL 60031
Phone: (847) 623-0456
Fax: (847) 623-5700

Table of Contents

Contact Information 3

About West’s Insurance Agency 4

Named Insured(s), Additional Interests, Mailing Address, Effective Date..... 6

Premium Payment Terms..... 7

 Commercial Property..... 8

 Commercial Flood 8

 Commercial Earthquake 8

 Inland Marine..... 9

 Crime..... 9

 Business Automobile 10

 General Liability..... 11

 Law Enforcement Liability..... 11

 Public Officials Liability and Employment Practices Liability 11

 Workers’ Compensation 12

 Experience Modifier..... 12

 Excess Liability..... 13

 Public Officials Bonds..... 13

 Cyber Liability..... 14

 Market Review..... 15

Premium Summary..... 16

A.M. Best Company Rating Information 17

Final Audit Information 18

Client: Village of Round Lake
442 N. Cedar Lake Rd
Round Lake, IL 60073
(847) 546-5400
(847) 546-5405
www.eroundlake.com

Daniel MacGillis, Mayor

Steve Shields	sshields@eroundlake.com
Brandy Schroff	bschroff@eroundlake.com
Wayde Frerichs	wfrerichs@eroundlake.com

Broker: West's Insurance Agency
1225 Tri-State Parkway, Suite 500
Gurnee, IL 60031
(847) 623-0456
(847) 623-5600

Geoff Raef
(708) 955-3527
geoff@westinsurance.com

Brad West	brad@westinsurance.com
Kelly McGillivray - CSR	kelly@westinsurance.com
Gail O'Neill - CSR	gail@westinsurance.com
Louise Seliger – Work Comp Coach	louise@westinsurance.com

About West's Insurance Agency

Founded in 1929 by Bradford F. West, West's Insurance is a fourth generation family-owned and operated independent insurance agency. Our primary office is located in Gurnee, IL, forty miles north of Chicago and fifty miles south of Milwaukee with a second location in Waukegan, IL by appointment only.

We are a full-service insurance agency with a reputation for professionalism, expertise and customer service offering a wide variety of reliable and affordable insurance products with prominent insurance carriers.

It is our hope to represent your interests in selecting insurance options. Our process includes defining your needs, identifying the appropriate products for your consideration, and then reviewing those products with you to provide a comprehensive insurance program.

Our staff of professional, caring and conscientious people is here to help you. We also hope that you will use our web site as a resource to answer your insurance related questions, inquire about changes to an existing policy, or to obtain a quote. We look forward to hearing from you!



Disclaimers

Please Note The Following

This proposal is for “illustration purposes only”. Coverage is not bound and this is a summary of proposed coverages. Once coverage is bound, please refer to the actual policies presented for specific terms, conditions, limitations and exclusions that will govern in the event of a loss. Specimen copies of proposed policies are available for your review prior to the binding of coverage.

In evaluating your exposures to loss, we have depended upon information provided by you. If there are other areas that need to be evaluated prior to binding coverage, please bring this information to our attention. Property values have been obtained from you and may not have been independently appraised. Please review your property values carefully.

Should any of your exposures change after coverage is bound, such as new operations, hiring employees in additional states, buying additional property, etc. please let us know so that we may request appropriate adjustments from your insurance carrier.

Higher limits of liability may be available and will be quoted on request.

Named Insured(s), Additional Interests, Mailing Address, Effective Date

Named Insured: Village of Round Lake
Mailing Address: 442 N. Cedar Lake Road
Round Lake, IL 60073
12/31/2016 – 12/31/2017

Premium Payment Terms

Trident	Annual
IPRF	Annual
Liberty Surety	Annual
Lloyd's London	Annual

Acceptance of Proposal and any modifications to the proposal, Payment Terms and Contingencies:

Signature: **Insured: Village of Round Lake**

By: _____

Date: _____

Your preferred method of delivery of Policies by West's Insurance Agency

_____ **Email** _____ **Mail** _____ **Fax**

Your preferred method of delivery of all other items by West's Insurance Agency.

_____ **Email** _____ **Mail** _____ **Fax**

Commercial Property

Trident

Property	Limits of Insurance
Blanket Building limit	\$24,303,241
Blanket Contents limit	\$2,043,157
Total Blanket Property limit	\$26,346,398
Computer Equipment	\$816,242
Property Deductible	\$2,500

See Attached Statement of Values Spreadsheet for a list of all properties including insured buildings and business personal property limits. Also attached is a copy of Trident's property enhancement endorsement which includes additional coverages and limits not specifically identified in my proposal.

Commercial Flood

Trident

Per Occurrence Limit	\$1,000,000
Per Premises/Per Occurrence Deductible	\$50,000

Commercial Earthquake

Trident

Per Occurrence Limit	\$1,000,000
Per Premises/Per Occurrence Deductible	\$50,000

Trident

Mobile Equipment	Limits of Insurance
Emergency Services Equipment	\$259,155
Hired, Leased or Borrowed Equipment	\$100,000
Street/Highway Equipment	\$512,107
Miscellaneous Unscheduled Equipment	\$170,374
Miscellaneous Scheduled Equipment	\$537,080
Mobile Equipment Deductible	\$500

See attached Mobile Equipment Schedule for a list of all scheduled equipment.

Trident

Coverage

Coverage	Limit	Deductible (Per Occurrence)
Public Employee Dishonesty	\$500,000	\$2,500
Forgery or Alteration	\$500,000	\$2,500
Theft, Disappearance & Destruction - Inside the Premises	\$50,000	\$2,500
Theft, Disappearance & Destruction - Outside the Premises	\$50,000	\$2,500

Trident

Coverage	Autos Covered	Limits of Liability
Liability Insurance CSL Each Accident Bodily Injury and Property Damages	1-Any Auto	\$1,000,000
Medical Payments Each Person	2-All Owned Autos	\$5,000
Uninsured/Underinsured Motorists CSL Each Accident	2-All Owned Autos	\$100,000/\$100,000
Hired /Borrowed Car Liability		\$1,000,000
Non Owned Auto Liability		\$1,000,000
Comprehensive/collision Deductible		\$1,000/\$1,000

See Automobile Schedule for a list of all 48 vehicles quoted.

General Liability**Trident**

Coverages	Limits
Each Occurrence	\$1,000,000
Personal Injury & Advertising Injury	\$1,000,000
General Aggregate	\$3,000,000
Products/Completed Operations Aggregate	\$3,000,000
Damage to Rented Premises – Per Occurrence	\$100,000
Property Damage Deductible -	N/A
Bodily Injury Deductible -	N/A
Public Water Liability	Included
Sewer Liability	Included
Pollution Liability	Limited to Water Utility only
Employee Benefits Liability	\$1,000,000
Aggregate Limit	\$1,000,000
EBL Deductible	\$1,000

Law Enforcement Liability**Trident**

Per Wrongful Act	\$1,000,000
Per Wrongful Act Aggregate	\$1,000,000
Deductible	\$2,500

Public Officials Liability and Employment Practices Liability**Trident**

Per Wrongful Act	\$1,000,000
Annual Aggregate	\$1,000,000
POL Deductible	\$2,500
Retroactive Date	12/31/2006
EPL – Per Related Wrongful Act	\$1,000,000
EPL – Aggregate	\$1,000,000
EPL Deductible	\$10,000
Retroactive Date	12/31/2006

Workers' Compensation

Illinois Public Risk Fund (IPRF)

Coverages	Limits
Coverage A – Workers' Compensation	Statutory
Coverage B – Employers' Liability	
Each Accident – Bodily Injury by Accident	\$3,000,000
Policy Limit – Bodily Injury by Disease	\$3,000,000
Each Employee – Bodily Injury by Disease	\$3,000,000
Estimated Total Payroll	\$3,901,027

Loc #	State	Description of Classification	Code	Est. Annual Payroll	Rate	Estimated Annual Premium
1	IL	Waterworks Operation	7520	\$164,752	3.534	\$5,822
1	IL	Police Officers & Drivers	7720	\$2,271,143	2.299	\$52,214
1	IL	Clerical	8810	\$870,843	.143	\$1,245
1	IL	Street Maintenance	5506	\$346,879	7.718	\$26,772
1	IL	Sewage Disposal	7580	\$57,522	2.999	\$1,725
1	IL	Municipal Employee	9410	\$189,888	4.141	\$7,863

Experience Modifier

Year	Modifier
2017	1.02
2016	.97
2015	1.01

Trident

Coverages	Limits	
Limit of Liability	\$10,000,000	Each Occurrence
Retained Limit	N/A	
First Dollar Defense	Yes	

Underlying Insurance

Type of Insurance	Insurance Carrier	Policy Eff Date	Limits
Auto Liability	Trident	12/31/16	\$1,000,000
General Liability	Trident	12/31/16	\$1,000,000
EBL	Trident	12/31/16	\$1,000,000
POL	Trident	12/31/16	\$1,000,000
EPL	Trident	12/31/16	\$1,000,000
Law Liability	Trident	12/31/16	\$1,000,000

Public Officials Bonds**Liberty Surety**

Position	Principal	Amount
Village President	Daniel MacGillis	\$50,000
Village Clerk	Patricia Blauvelt	\$50,000
Village Administrator/ Budget Officer	Steven Shields	\$50,000
Village Treasurer/Finance Officer	Wayde Frerichs	\$60,000
Deputy Clerk	Christine Baker	\$5,000
Fire & Police Commissioner	Richard Crane	\$50,000
Fire & Police Commissioner	Art Weber	\$50,000
Fire & Police Commissioner	Tom Buehler	\$50,000

NAS – Lloyd’s London

Coverages	Limits	Deductible
Multimedia Liability	\$1,000,000 each claim \$1,000,000 in the aggregate	\$10,000 each claim
Security & Privacy Liability	\$1,000,000 each claim \$1,000,000 in the aggregate	\$10,000 each claim
Privacy Regulatory Defense & Penalties	\$1,000,000 each claim \$1,000,000 in the aggregate	\$10,000 each claim
Privacy Breach Response Costs, Notification Expenses, Breach Support and Credit Monitoring Expenses	100,00 records	\$10,000 each claim
Proactive Privacy Breach Response Costs sublimit	\$25,000 each claim \$25,000 in the aggregate	\$10,000 each claim
Voluntary Notification Expenses Sublimit	\$1,000,000 each claim \$1,000,000 in the aggregate	\$10,000 each claim
Network Asset Protection	\$1,000,000 each claim \$1,000,000 in the aggregate	\$10,000 each claim*
Cyber Extortion	\$1,000,000 each claim \$1,000,000 in the aggregate	\$10,000 each claim
Cyber Terrorism	\$1,000,000 each claim \$1,000,000 in the aggregate	8 Hour waiting period
Maximum Policy Aggregate	\$1,000,000	
Cyber Crime sublimit	\$100,000	\$10,000 each claim
Retroactive date		January 7, 2016

*Network Asset Protection Deductible for coverage A. Data Recovery Digital Assets Loss and Special Expenses is \$10,000 each claim and a 10% co-insurance each and every loss. Coverage B. under Network Asset Protection is Non-Physical Business Interruption & Extra Expense the deductible is an 8 hour waiting period.

Village of Round Lake

Carrier	Coverages	Carrier Position <ul style="list-style-type: none"> • Quoted • Declined • Indication • Verbal Quote
Trident	Commercial Package, Excess Liability	\$129,515
IPRF	Workers Compensation	\$98,510
ICRMT	Commercial Package, Workers Compensation, Excess Liability	Declined
Travelers	Commercial Package, Workers Compensation, Excess Liability	\$105,196
Glatfelter	Commercial Package, Excess Liability	Declined
One Beacon	Commercial Package, Excess Liability	\$125,064
Brit Insurance	Commercial Package, Excess Liability	Declined
Lloyd's London	Cyber Liability	\$5,624

The Travelers policy has several significant deficiencies that are covered by Trident's policy. Failure to Supply, Pollution, Abuse and Sewer Liability coverages are NOT included under Travelers excess liability policy. These coverages are all included under Trident's excess policy.

Named Insured: Village of Round Lake

Coverage	Insurance Carrier	A.M. Best Rating	Proposed Renewal Premium	Prior Year Premium
Commercial Property/Inland Marine	Trident	A	\$31,855	\$31,065
General Liability	Trident	A	\$14,688	\$11,106
Business Automobile	Trident	A	\$30,512	\$24,152
Law Enforcement Liability	Trident	A	\$24,108	\$21,916
Public Officials Liability/Employment Practices Liability	Trident	A	\$5,851	\$4,752
Excess Liability	Trident	A	\$21,797	\$18,565
Crime	Trident	A	\$704	\$376
Workers' Compensation	Illinois Public Risk Fund (IPRF)	NR	\$98,510	\$90,871
Public Officials Bonds	Liberty Mutual	A	\$800*	\$1,672
Cyber Liability	Lloyd's London	A	\$5,624	\$5,624
Total Estimated Premium			\$234,449	\$210,099

*Premium includes Public Officials Bond for Wayde Frerichs, Finance Director at \$60,000. Expiring limit was \$500,000.

A.M. Best Company Rating Information

A.M. Best's Financial Strength Rating is an independent opinion, based on a comprehensive quantitative and qualitative evaluation, of a company's balance sheet strength, operating performance and business profile. The Best's rating for the companies we are including in this proposal are:

As professional agents/brokers it has long been our established policy to make every effort to deal only with companies having a Best's Rating of A++, A+, A or A-, which are the four highest ratings available, and a minimum of \$50 million in Policyholders' Surplus. It must be noted that West's cannot guarantee the financial solvency of any insurance carrier.

Financial Strength Ratings

A.M. Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. Rating Modifiers and Affiliation Codes may also be associated with these ratings. The following list outlines our rating scale and associated descriptions.

Secure	Vulnerable
A++, A+ (Superior)	B, B- (Fair)
A, A- (Excellent)	C++, C+ (Marginal)
B++, B+ (Very Good)	C, C- (Weak)
	D (Poor)
	E (Under Regulatory Supervision)
	F (In Liquidation)
	S (Rating Suspended)

Financial Size Categories (FSC)

To enhance the usefulness of our ratings, A.M. Best assigns each letter rated (A++ through D) insurance company a Financial Size Category (FSC). The FSC is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts.

Many insurance buyers only want to consider buying insurance coverage from companies that they believe have sufficient financial capacity to provide the necessary policy limits to insure their risks. Although companies utilize reinsurance to reduce their net retention on the policy limits they underwrite, many buyers still feel more comfortable buying from companies perceived to have greater financial capacity.

FSC	(in thousands) Adjusted Policyholders Surplus
I	Less than 1
II	1 to 2
III	2 to 5
IV	5 to 10
V	10 to 25
VI	25 to 50
VII	50 to 100
VIII	100 to 250

FSC	(in thousands) Adjusted Policyholders Surplus
IX	250 to 500
X	500 to 750
XI	750 to 1,000
XII	1,000 to 1,250
XIII	1,250 to 1,500
XIV	1,500 to 2,000
XV	Greater than 2,000

WHY IS AN AUDIT NECESSARY?

This policy is issued with an "estimated premium" which requires an adjustment after the policy expires. The estimated premium for this type of policy is usually based on the amount of your payroll, sales or subcontractor cost during the term of the policy.

After the policy expires and the actual amount of the payroll, sales or cost can be determined, the estimated premium is adjusted to develop the final premium. If the adjusted premium is less than the estimated premium, the difference will be refunded. If it is more, you will receive a bill for the additional premium.

WHO WILL MAKE THE AUDIT?

When the policy expires, either a Premium Auditor will make an appointment with you to review the records that pertain to your company's payrolls and other exposures covered by your policy(ies) with your insurance carrier or a Policyholder's Report will be mailed to you for completion.

Premium Auditors are knowledgeable in both accounting and insurance and will obtain the necessary information to make the premium adjustment with a minimum of inconvenience to you and your staff.

WHAT WILL THE PREMIUM AUDITOR DO?

The Premium Auditor will examine your books of original entry and ledger accounts that pertain to the variable factors on which the premium is based. The payroll portion of the audit will normally be verified to your quarterly tax reports. Additionally, during the course of the audit, the Auditor may also ask some questions about your records and personally observe the various operations of your business.

Automated Records

If your records are automated, or if they will be automated in the near future, the Premium Auditor will be pleased to assist you in setting up your records to include insurance requirements.

Premium Base

The most common premium bases are total remuneration (payroll), gross sales and total subcontractor cost. A rate is applied to the premium base to develop the premium. The premium base used is determined by the type of policy and by the type of business being insured.

SUBCONTRACTORS-PREMIUM CHARGES

Workers Compensation

You may be held responsible when a subcontractor's employee is injured. Most Workers Compensation laws provide that the general or principal contractor shall be responsible for compensation to employees of subcontractors in the absence of appropriate subcontractors' coverage.

For this reason it is important that each subcontractor you use furnish you with certificates of insurance. Failure to secure a subcontractor's certificate of insurance will result in an additional premium charge.

The premium auditor will ask to see these certificates of insurance as proof that each subcontractor was separately insured.

Remuneration is the total gross earnings of your employees. (See "Overtime" below for further details.) Gross sales is the gross amount charged by you for your products, services or rentals. Total subcontractor cost is the cost to you of all work you let or sublet. (Cost of material and equipment you furnished to your subcontractors may be handled differently under workers compensation than general liability coverage. Consult with your auditor for further information.)

Overtime

In most states the penalty portion of overtime payroll, or the amount paid in excess of the regular rate of pay, is excluded from the total payroll on which the premium is based.

You must, however, maintain your records to show separately, by employee and in summary by type of work, the amount of overtime paid.

Overtime deductions under workers compensation currently are not applicable in the states of Delaware, Pennsylvania, Utah, Nevada and to Stevedoring Operations.

Payroll Segregation

Insurance rates differ by type of work performed. The Premium Auditor must place each employee in the proper occupational category or insurance classification approved by the state. Since each classification has a different premium rate, proper placement is important.

By segregating your employee payroll records by type of work, you should receive a more prompt and equitable premium adjustment.

Consolidated (Wrap-Up) Insurance Programs

If you are a contractor involved in a consolidated (wrap-up) insurance program, your payroll receipts **will not** be automatically excluded from our audit. Please be sure to contact your agent before you begin working under a wrap-up program. If your policies are not endorsed properly, payroll/receipts will not be excluded from the audit.

General Liability

Your general liability policy may contain subcontractor classifications with rates based on operations performed for you by adequately insured subcontractors.

If any of your subcontractors do not have proof of adequate insurance, we will charge for the subcontractors without adequate insurance as if they were your employees. This usually means that a higher rate will be charged to you. It is important for you to verify the limits of insurance carried by your subcontractors by securing a certificate of insurance from each and every one of them.

For rating or audit purposes, your insurance carrier considers adequate limits of insurance for your subcontractors to be limits of insurance equal to your own limits of insurance. Your agent will be able to help you determine subcontractor limits that could protect your assets and satisfy underwriting requirements.

