

ORDINANCE NO. 12 - 2023

AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL CONTRACT WITH THE PUBLIC ENTITIES POOL OF OHIO JOINT SELF-INSURANCE POOL; AND DECLARING AN EMERGENCY.

WHEREAS, the Public Entities Pool of Ohio is an inter-governmental self-insurance pool which provides for the pooling of financial and administrative resources for Ohio political subdivisions to afford self-insurance protection upon favorable terms and conditions for its members; and

WHEREAS, the Public Entities Pool of Ohio contract is attached hereto as Exhibit "1" and incorporated herein as if fully re-written; and

WHEREAS, submitted to the Village and on file with the Fiscal Officer is a summary (dated 03/10/23) of the property, liability and extended coverages for the Village as a pool member; and

WHEREAS, the Village's estimated annual pool contribution for these coverages is Thirty-Eight Thousand Eight Hundred Eighteen and Zero Cents (\$38,818.00); and

WHEREAS, upon the recommendation of the Mayor and Fiscal Officer, the Council has determined that it is in the best interests of the Village to enter into the intergovernmental agreement with the Public Entities Pool of Ohio for pooled self-insurance coverage.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF MADISON VILLAGE, COUNTY OF LAKE, STATE OF OHIO:


SECTION 1. That the contract with the Public Entities Pool of Ohio as attached hereto as Exhibit "1" is accepted and approved and the Mayor and Fiscal Officer be and are hereby authorized and directed to execute it on behalf of the Village for a one-year term, to be effective on April 4, 2023, for the contribution sum of Thirty-Eight Thousand Eight Hundred Eighteen and Zero Cents (\$38,818.00), be the same more or less, but not to exceed the amount of funds appropriated in the current calendar year for Village insurance coverage.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including § 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, welfare and safety of the inhabitants of this Village, and for the further reason that insurance coverage must be entered into forthwith so as to provide continuous insurance protection against claims, casualty or other losses; wherefore, this Ordinance shall take effect and be in force from and immediately upon its passage.

PASSED:

March 27, 2023



Mark V. Vest, President of Council


Attested:



Kristie M. Crockett, Fiscal Officer / Clerk

Approved:

Date: 3/27/2023



Sam Britton Jr., Mayor

Member: _____

**INTERGOVERNMENTAL CONTRACT
FOR THE ADMINISTRATION OF THE
PUBLIC ENTITIES POOL OF OHIO**

Whereas, Ohio Revised Code 2744.081, as the same may be amended, authorizes political subdivisions to join with other political subdivisions to establish and maintain a joint self-insurance pool; and

Whereas, in 1987, certain Ohio political subdivisions entered into an Intergovernmental Contract for the Administration of the Public Entities Pool of Ohio ("Contract") and formed a joint self-insurance pool known as the Public Entities Pool of Ohio ("Pool" or "PEP"); and

Whereas, since 1987, additional Ohio political subdivisions have joined the Pool by executing the Contract, as the same has been amended from time to time; and

Whereas, the Board of Directors desires to update the Contract and amend and restate the Contract in its entirety as set forth herein;

Now, therefore, all new and existing Members agree to abide by the terms and conditions of this Contract. In consideration of the mutual covenants of all signatories hereto, it is agreed as follows:

ARTICLE I - NAME

The joint self-insurance pool established is known as the Public Entities Pool of Ohio and is a separate legal and administrative entity for the purpose of effectuating this Contract. Pursuant to the terms and conditions of this Contract, the Pool shall have perpetual duration and shall continue until terminated.

ARTICLE II - PURPOSE

The purposes of the Pool are, consistent with Ohio R.C. §2744.081, to provide for joint and cooperative pooling of financial and administrative resources, to provide risk management and risk sharing services to Members, and to defend and indemnify, in accordance with this Contract, any Member of the Pool against liability as outlined in the Appendix.

The Pool shall not be considered an insurance company. The Pool's activities and operations do not constitute doing an insurance business.

This Contract is binding on current and future Members.

The liability of each Member is limited to the amount of financial contributions required to be made to the Pool pursuant to this Contract.

This Contract shall not inure to the benefit of third parties. The parties hereto do not waive sovereign or governmental immunity. In no event shall a Member be responsible, jointly or severally, for the liabilities of any other Member.

ARTICLE III - DEFINITIONS

In the interpretation of this Contract, the following definitions shall apply unless the context requires another interpretation:

1. "Administrator" shall mean the entity designated on Exhibit A to administer the Pool and to perform such additional duties as shall be delegated by the Board in accordance with any administration agreements with the Pool.
2. "Annual Casualty Budgetary Contribution" shall mean those contributions made by Members pursuant to Article X.
3. "Annual Property Budgetary Contribution" shall mean those contributions made by Members pursuant to Article XI applicable to coverage for Property Risks.
4. "Basis Rate" shall mean that amount annually promulgated by the Administrator deemed necessary to provide the Scope of Coverage afforded to a Member for the period of one year, with due consideration to the Member's individual characteristics.
5. "Board" shall mean the Board of Directors of the Public Entities Pool of Ohio.
6. "Casualty Budgetary Fund" shall mean that fund established and maintained pursuant to Article X, which may be supplemented with investment income.
7. "Casualty Risk Sharing Certificate" shall mean the documents provided to a Member evidencing the scope, nature, and limits of participation in the Pool, which documents are a counterpart to this Contract and include without limitation the Legal Defense and Claim Payment Agreement Declarations, the Schedule of Coverages, the Legal Defense and Claim Payment Agreement and all endorsements, forms and attachments thereto.
8. "Contract" shall mean this Intergovernmental Contract, including all counterparts and amendments hereto, which taken together, shall constitute one contract.
9. "Cumulative Reserve Fund" ("CRF") shall mean those amounts paid by Members pursuant to Article XII. The CRF may be supplemented by investment earnings.
10. "Cumulative Reserve Fund Contribution" shall mean those amounts paid by Members to fund the Cumulative Reserve Fund pursuant to Article XII.
11. "Member" shall mean a Political Subdivision participating in the Public Entities Pool of Ohio by executing this Contract.
12. "PEP" shall mean the Public Entities Pool of Ohio, a trade name registered with the Ohio Secretary of State.
13. "Political Subdivision" shall have the same meaning as the definition of "Political Subdivision" in Ohio Revised Code 2744.01, as the same may be amended.

14. "Pool" shall mean the Public Entities Pool of Ohio.

15. "Property Budgetary Fund" shall mean that fund established and maintained pursuant to Article XI, which may be supplemented by investment income.

16. "Property Coverage" shall mean the coverage afforded a Member for Property Risk as outlined in the Scope of Coverage and the Member's Property Risk Sharing Certificate and subsequent amendments and/or endorsements thereto.

17. "Property Risk" shall mean Property, Vehicle Physical Damage, Inland Marine, Crime and other coverage commonly provided to a Political Subdivision.

18. "Property Risk Sharing Certificate" shall mean the documents provided to a Member evidencing the scope, nature, and limits of Property Coverage participation in the Pool, which documents are a counterpart to this Contract and include without limitation the Governmental Property Agreement Coverage Declarations, Schedule of Benefits, the Governmental Property Agreement and all endorsements and attachments thereto.

19. "Scope of Coverage" shall mean the coverage, limits, and deductibles as outlined in the Appendix and subsequent amendments thereto.

ARTICLE IV - MEMBERSHIP

Membership of the Pool shall consist of Political Subdivisions that have entered into this Contract. Current Members agree to the admission of future Members and acknowledge that they shall have no right to object to the addition of new Members provided the new Members are admitted in accordance with the terms hereof. This Contract shall continue in force for Members unless the provisions for withdrawal or termination are applied.

Each Member shall appoint a representative and an alternate to represent the Member with the Pool. That representative shall act as liaison between the Member and the Pool. The representative shall communicate risk reduction and loss control information, and any other information or instructions concerning the obligations of the Member imposed by this Contract and the rules and regulations established hereunder. Representatives or alternates shall vote on behalf of Members.

Members shall:

1. Report promptly to the Pool any incident which could result in a claim being made by or against the Member within the Scope of Coverage;

2. Cooperate with the Board and/or the Administrator in establishing loss control procedures required by the Board and/or the Administrator;

3. Provide to the Pool such information as needed for rating purposes, including, but not limited to, an audit prepared by the Member's staff, a certified public accountant, or by the Auditor of the State of Ohio of all revenues and expenditures by the Member for any Member's fiscal year for which figures are requested by the Administrator and/or the Pool;

4. Provide access to all applicable records, of any type, and to all properties of the Member upon request of the Administrator and/or Pool;

5. Cooperate with the Pool's attorneys, claims adjustors, the Administrator, and any employee, officer, or subcontractor relating to the work of the Pool;

6. Permit attorneys and others employed by the Pool to represent the Member in investigation, settlement, and all levels of litigation arising out of any claim made against the Member within the Scope of Coverage furnished by the Pool; and

7. Pay when due all annual contributions or other monetary amounts, due or required, pursuant to this Contract.

ARTICLE V - BOARD OF DIRECTORS

1. **Composition of the Board.** As of the effective date of this Contract, there are eight (8) Directors on the Board, consisting of six (6) Elected Directors, one (1) Permanent Director, and one (1) *Ex Officio* Director. The Board may increase or decrease the number of Directors by majority vote of the Board. The number of Permanent and *Ex Officio* Directors shall always be less than the number of elected Directors.

2. **Qualifications of Elected Directors.** Elected Directors shall be either elected or appointed representatives or officials of Pool Members. Directors shall not at any time have any substantial interest in, or affiliation with, a competitive company or entity.

3. **Permanent Director.** The Association of Ohio Health Commissioners, Inc. shall be entitled to designate an individual to fill a Permanent Director position on the Board to represent health districts in Ohio. If no such individual is designated, the Board shall designate a representative of health districts to occupy that position. Since the Health Districts are represented by an individual filling a permanent Board seat, they may not sponsor an official or a representative for a Board position. Additional Permanent Director positions may be established by a majority vote of the Board.

4. ***Ex Officio* Directors.** By majority vote of the Board, the Board may establish *Ex Officio* Director positions to be filled by representatives of sponsoring associations. The length of term and the voting rights, if any, of *Ex Officio* Director positions shall be determined by majority vote of the Board and set forth in a written agreement with the sponsoring association.

5. **Vacancies.** Should the number of Directors become less than the number established by the Board, the remaining Directors may appoint an individual to fill the remaining term of such vacancy or utilize the election process set forth in the Election Policy. Any director may resign by sending notice of resignation to the Administrator or to the Chair.

6. **Term of Elected Directors.** Members shall elect Directors pursuant to an Election Policy established by the Board of Directors. Directors shall be elected to three (3) year terms in accordance with the Election Policy. Such terms shall be staggered so that approximately one-third (1/3) of the Elected Director positions are scheduled for election each year. Directors shall serve until their successors have taken office. Pool Members and Directors may nominate candidates according to the Election Policy. There shall be no prohibition on election to successive terms. Election shall be by a

majority vote of those Members voting. Each Member shall be entitled to one vote for each open position.

7. Meetings of the Board. Meetings of the Board shall be held at least annually at such times as the Board or Administrator shall prescribe. Any item of Pool business may be considered at such meetings where a quorum is present. As used herein "majority vote" shall mean the majority of voting Directors present, when a quorum has been established. Special meetings may be called by the Administrator or the Chair, or by a majority of voting Directors and may be held in person or by electronic or telephonic methods.

8. Quorum. A quorum is the number of Directors that would constitute a majority of the voting Directors if all voting Directors were present, which at the effective date of this Contract is four (4) Directors.

9. Officers. By majority vote, the Board at its first regular meeting of each fiscal year, shall appoint Directors to serve as the Chair, Vice-Chair, Secretary, and Treasurer. There shall be no prohibition on successive officer terms.

10. Executive Committee. The officers shall constitute the Executive Committee. The Executive Committee may act only on urgent matters between Board meetings. It shall report any action taken to the Board at its next meeting for ratification.

11. Board Compensation and Expense Reimbursement. Directors shall be entitled to reimbursement of actual expenses incurred in the pursuit of Pool business as set forth in the Expense Reimbursement Policy and such other reasonable and lawful compensation as may be determined from time to time by a majority vote of the Board.

12. Clerk. The Administrator shall serve as Clerk to the Board and all Board Committees and shall attend all Board and Committee Meetings unless excused from executive sessions.

13. Committees. The Board may create any number of committees which shall report to the Board and which shall assist the Board as requested. The Chair shall appoint committee members.

ARTICLE VI - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board shall administer this Contract and manage the funds of the Pool. The Board is empowered to undertake or delegate to others to perform and carry out, on behalf of the undersigned, each and every act necessary, or desirable, to carry out the purposes of this Contract and the work of the Pool. The Board is empowered to do the following, including without limitation:

1. Administer the Pool, receive Members' contributions to the Pool, and settle and pay claims and losses on behalf of Members;
2. Make and enter into contracts to conduct and operate the business of the Pool;
3. Employ agents and employees on behalf of the Pool;

4. Incur debts, liabilities and obligations on behalf of the Pool, but no debt, liability or obligation so incurred shall be the specific debt, liability, or obligation of any Member;
5. Engage in litigation for the Pool or Members;
6. Acquire and dispose of personal property;
7. Advise Members on loss control guidelines and procedures, and provide them with risk management services, loss control, and risk reduction information;
8. Purchase reinsurance and excess insurance and enter into such excess risk sharing pools as may be available and deemed desirable for the protection of the Members and the Pool itself;
9. Invest Pool funds in securities and investments in a prudent and lawful manner;
10. Promulgate procedures and regulations for the operation of the Pool and the general administration of this Contract;
11. Take such action as is necessary to terminate the participation of any Member that fails to comply with the requirements of the Board concerning contractual obligations;
12. Provide surety and fidelity bonds for Directors and all other persons charged with the custody or investment of Pool monies; and
13. Authorize distributions of any surplus including but not limited to casualty and property surplus and the Cumulative Reserve Fund. The Board shall have the sole authority to establish a basis for distribution and decide when the distribution of the surplus shall be made and the amount to be distributed.

ARTICLE VII - ADMINISTRATOR

The Board may delegate to the Administrator such of its powers and duties as the Board shall deem advisable and all signatories hereto ratify and endorse such delegation and contracts with third parties executed by the Board on behalf of the Pool, including without limitation the administration agreement.

The Board shall receive, at least annually, a report from the Administrator. The nature and details of the report shall be established by the Board and shall be in addition to any reports that the Administrator shall be required to file with any regulatory authority having jurisdiction over the Pool.

ARTICLE VIII - NONLIABILITY OF THE BOARD AND ADMINISTRATOR

The Board, the Administrator, and their directors, officers, and employees ("Indemnified Parties") shall not be liable for, and shall be held harmless and defended by the Pool against, any act of negligence, mistake of judgment, or any other action made, taken or omitted by them in good faith, including any loss incurred through investment of funds or failure to invest the same, unless the act or omission is the result of a willful act done in bad faith.

No covenant or agreement contained herein shall be deemed to be the covenant or agreement of any individual Director or the Administrator nor any of their employees, and no such individuals or entities shall be subject to any personal liability or accountability by reason of the acceptance of a position or the undertaking of the performance of any of the responsibilities, obligations, or duties contemplated in the carrying out of this Contract.

ARTICLE IX - INDEMNIFICATION

The Pool's funds may be used to indemnify, defend, and hold harmless the Indemnified Parties as set forth in Article VIII. The indemnity, defense, and hold harmless obligations of this Contract shall be joint and several with all signatories to this Contract; provided, however, this obligation shall be considered an expense of the Pool and in no event shall any individual signatory be liable for more than its pro rata contractual obligation herein.

The Pool may purchase insurance providing coverage for any Indemnified Party.

ARTICLE X - ESTABLISHMENT AND MAINTENANCE OF THE CASUALTY BUDGETARY FUND

1. The Board shall establish and maintain a Casualty Budgetary Fund, which shall consist of Annual Casualty Budgetary Contributions in amounts deemed sufficient to produce annually the sum of money necessary to fund the general and administrative expenses for casualty, casualty reinsurance and excess insurance expenses, current year claims and claims expenses, all or any portion of any deficiencies which may occur as a result of withdrawals from the Cumulative Reserve Fund, the Pool's obligation to satisfy the requirements of any regulatory authority, the Pool's obligations and expenses set forth in this Contract, and to establish and maintain surplus in a reasonable amount deemed appropriate by the Board.

2. Thirty (30) days prior to the Pool's fiscal year end, or at such other time as directed by the Board, the Administrator shall prepare an Annual Casualty Budget for the succeeding fiscal year, which shall consist of the foregoing items in amounts deemed sufficient for the succeeding fiscal year. Each Member's share of the Annual Casualty Budget shall be allocated to the Member as its Annual Casualty Budgetary Contribution. Each Member's Annual Casualty Budgetary Contribution shall be in the proportion that said Member's total paid Basis Rate, modified to reflect the loss experience of the Member, bears to the total of all Members total paid Basis Rates as of the date of such calculation and with due consideration of the Member's individual characteristics.

3. If there is a surplus in the Casualty Budgetary Fund at the end of any fiscal year, in the discretion of the Board, any portion of, or all of, such surplus may be retained by the Pool as surplus, utilized to satisfy a deficiency, or applied toward the Annual Casualty Budget for the subsequent year.

4. If the Casualty Budgetary Fund is exhausted during any Pool fiscal year, any funds required to fulfill the purpose of the Casualty Budgetary Fund may be withdrawn from the Cumulative Reserve Fund, in which instance the same shall be repaid with funds from the Casualty Budgetary Fund in the time and manner prescribed by the Board. The sum so withdrawn shall constitute a deficiency.

ARTICLE XI - ESTABLISHMENT AND MAINTENANCE OF THE PROPERTY BUDGETARY FUND

1. The Board shall establish and maintain a Property Budgetary Fund, which shall consist of Annual Property Budgetary Contributions in amounts deemed sufficient to produce annually the sum of money necessary to fund the general and administrative expenses for Property Risks, reinsurance and excess insurance expenses for Property Risks, current year losses and loss expenses for Property Risks, all or any portion of any deficiencies which may occur as a result of withdrawals from the Pool's other available funds, the Pool's obligation to satisfy the requirements of any regulatory authority, the Pool's obligations and expenses set forth in this Contract, and to establish and maintain surplus in a reasonable amount deemed appropriate by the Board.

2. At least thirty (30) days prior to the Pool's fiscal year end, the Administrator shall prepare an Annual Property Projection for the succeeding fiscal year, which shall consist of the foregoing items in amounts deemed sufficient for the succeeding fiscal year. Each Member's share of the Annual Property Projection shall be allocated to the Member as its Annual Property Budgetary Contribution, which shall be due on the Member's Property Risk Sharing Certificate anniversary date.

3. If there is a surplus in the Property Budgetary Fund at the end of any fiscal year, in the discretion of the Board, any portion of, or all of, such surplus may be retained by the Pool as surplus, utilized to satisfy a deficiency, or applied toward the Annual Property Projection for the subsequent year.

4. If the Property Budgetary Fund is insufficient during any Pool fiscal year to pay the foregoing expenses and losses, the Administrator shall immediately collect any reinsurance as may be available to the Pool. If any available reinsurance and Property Budgetary Fund balances are insufficient to pay expenses and losses, the Board may transfer funds from the Pool's other available funds, in which instance the sum so transferred shall be repaid with funds from the Property Budgetary Fund in the time and manner prescribed by the Board.

ARTICLE XII - ESTABLISHMENT AND MAINTENANCE OF THE CUMULATIVE RESERVE FUND

In addition to the Annual Casualty Budgetary Contributions made to the Casualty Budgetary Fund pursuant to Article X, Members purchasing casualty coverage shall make annual contributions for the establishment and maintenance of a Cumulative Reserve Fund. Such Cumulative Reserve Fund Contribution shall be based on each Member's Basis Rate in accordance with the following schedule (prorated as needed) or a future schedule adopted by the Board:

Initial Contribution	100% of Basis Rate
First Anniversary	75% of Basis Rate
Second Anniversary	50% of Basis Rate
Third Anniversary	30% of Basis Rate
Fourth Anniversary	25% of Basis Rate
Fifth Anniversary	20% of Basis Rate

Thereafter, no further contribution shall be made to the Cumulative Reserve Fund unless the Board shall require further annual contributions for the purpose of maintaining the Cumulative Reserve Fund at a level determined by the Board not to exceed 300% of Basis Rate, or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Board may authorize distributions of Cumulative Reserve Funds to fully vested Members whose CRF balance exceeds the level determined by the Board for a distribution. The Board shall have the sole authority to establish a basis for distribution and decide when the distribution of surplus shall be made and the amount to be distributed.

ARTICLE XIII - MEMBER WITHDRAWAL, CANCELLATION, OR TERMINATION OF CASUALTY COVERAGE

The provisions of this Article pertain exclusively to casualty coverage.

1. Members agree to continue membership for a period of not less than one (1) full year. At the conclusion of such period, or on the anniversary thereof, a Member who has given sixty (60) days prior written notice to the Pool may withdraw. Such withdrawal notice shall be valid for a period of one hundred twenty (120) days. Within one hundred twenty (120) days following withdrawal, the Pool shall apply the following formula to determine the amount (if any) to be refunded to the withdrawing Member.

The amount (if any) to be refunded to the withdrawing Member shall be calculated as follows:

The withdrawing Member's "Vested Interest in CRF Contributions"

- minus distributions of CRF received by the withdrawing Member;
- minus the Annual Casualty Budgetary Contribution which the withdrawing Member would have made for the one year period following withdrawal;
- minus the withdrawing Member's proportionate share (determined in the manner set forth in Article X) of any deficiencies

Total: to be received by the withdrawing member

As used herein, "Vested Interest in CRF Contributions" shall mean the percentage of CRF contributions made to the Pool by said withdrawing Member according to the following vesting schedule:

End of Member's First Full Year	50%
End of Member's Second Full Year	60%
End of Member's Third Full Year	70%
End of Member's Fourth Full Year	80%
End of Member's Fifth Full Year	90%
End of Member's Sixth Full Year and thereafter	100%

Effective 12:01 a.m. on the date of withdrawal, payments for all claims and claims expenses shall thereafter become the sole responsibility of the withdrawing Member without regard to whether a claim occurred or was reported prior to the withdrawal of the Member's participation in the Pool.

At the request of the withdrawing Member, the Pool will continue to service all claims which have been reported to the Pool during the withdrawing Member's period of participation so long as the withdrawing Member shall promptly reimburse the Pool for all claims expenses incurred. Payment of all claims so serviced by the Pool for a withdrawing Member shall be the sole responsibility of the withdrawing Member, and the Pool shall incur no liability for payment of claims by virtue of servicing claims under the terms of this paragraph.

2. After completing three (3) consecutive full years of membership, a Member may, at the conclusion of such period or on any anniversary thereof and with sixty (60) days prior written notice, withdraw from the Pool and elect to purchase an Extended Reporting Provision from the Pool, at a cost not to exceed 200% of the Member's current year Annual Casualty Contribution, subject to the following:

(a) For Members that join the Pool on or after May 1, 2012, the Pool agrees to defend, settle, and pay claims within the scope and limits set forth in the Member's Casualty Risk Sharing Certificate that was in effect on the date of the occurrence out of which such claim arose, without regard to whether said claim was reported to the Pool prior to the withdrawal of the Member's participation in the Pool.

(b) For Members that joined the Pool before May 1, 2012, the Pool agrees to defend, settle, and pay claims within the scope and limits set forth in the Member's Casualty Risk Sharing Certificate that was in effect on the date of the occurrence out of which such claim arose, provided that the date of the occurrence out of which such claim arose was subsequent to the Members first annual anniversary date after May 1, 2012. The Pool agrees to defend, settle, and pay said claims without regard to whether said claims were reported to the Pool prior to the withdrawal of the Member's participation in the Pool.

3. The Pool may, by a two-thirds (2/3) vote of the voting Directors, and after sixty (60) days prior written notice to the Member, cancel a Member's participation in the Pool and terminate its Intergovernmental Contract effective at the end of any Casualty Risk Sharing Certificate year. Thereafter, it shall be the responsibility of the Pool to defend, settle, and pay claims within the scope and limits set forth in the cancelled Member's Casualty Risk Sharing Certificate in effect on the date of the occurrence out of which such claim arose. This provision shall apply solely to claims for occurrences during the cancelled Member's participation, as evidenced by the Member's Casualty Risk Sharing Certificate. The cancelled Member shall have the right, prior to the actual date of cancellation, to withdraw from the Pool by giving notice of such withdrawal. Electing to so withdraw, the Member shall be subject to the provisions of paragraph one (1) of this Article. Upon failure to elect to give notice of withdrawal, the cancelled Member forfeits all rights to a refund of those Cumulative Reserve Fund contributions made to the Pool by said cancelled Member.

4. Any Member that fails to make payments when due shall be terminated from the Pool effective on the date the payment was due and upon that effective date of termination, all coverage and benefits hereunder shall cease. All claims and claims expenses thereafter shall become the sole responsibility of the terminated Member without regard to whether a claim occurred or was reported prior to the termination of the Member's participation in the Pool. At the request of the terminated Member, the Pool will continue to service all claims which have been reported to the Pool during the terminated Member's period of participation so long as the terminated Member shall promptly reimburse the Pool for all claims expenses incurred. Payment of all claims so serviced by the Pool for a terminated Member shall be the sole responsibility of the terminated Member and the Pool shall incur no liability for payment of claims by virtue of servicing claims under the terms of this paragraph. The terminated Member shall also forfeit all rights to any return of contributions including its vested interest in the Cumulative Reserve Fund. The Pool shall apply any or all of the terminated Member's forfeited funds towards said Member's Annual Casualty Budgetary Contribution due for the one (1) year period following termination. If the Member shall subsequently submit its payment, the Administrator may, in

its discretion, reinstitute such membership. All such terminations and reinstatements shall be reported to the Board.

ARTICLE XIV - SCOPE OF RISK SHARING PROTECTION

1. The Pool provides risk sharing protection to each Member and will make or secure payment on behalf of each Member under criteria and procedures to be established for the payment of claims or losses as provided in the Member's Casualty Risk Sharing Certificate and Property Risk Sharing Certificate. A Member may, with approval of the Administrator, add additional parties to its Property and Casualty Risk sharing Certificates.

2. The Pool may obtain excess insurance or reinsurance or join excess risk sharing pools.

3. If a claim or loss or a series of claims or losses exceeds the amount of risk sharing protection provided by a Member's Casualty or Property Risk Sharing Certificate, or if a claim or loss or series of claims or losses should exhaust the Casualty Budgetary Fund or the Property Budgetary Fund, respectively, the Cumulative Reserve Fund and any reinsurance, then payment of said claim or loss or series of claims or losses shall be the sole and separate obligation of the individual Member or Members against whom the claim or series of claims was made or loss or series of losses was incurred.

4. The Pool's retention in any one claim or loss is limited to that amount stated under "Pool Retention" in the Appendix. The Pool shall have no obligation to respond to claims or losses in excess of the stated retention except to the extent that such sums are recoverable from reinsurance or excess insurance. The Pool shall use its best effort to collect or recover any reinsurance running to or benefiting the Pool. The failure of such reinsurance or excess insurance to respond to any request for payment shall in no way increase the Pool's liability to an amount greater than that stated as the Pool retention.

5. A Member may purchase, in its sole discretion, insurance coverage in addition to those coverages provided by the Pool.

6. The Board may make changes in the Scope of Coverage, the amount of risk sharing protection provided, or risk sharing retention by the Pool, upon consideration of the needs and requirements of Members, loss experience, or the kind and amounts of reinsurance or other excess coverage available. When the Board takes such action, notice shall be provided to all Members on the next anniversary of their participation in the Pool by means of an updated Appendix reflecting the changes made.

ARTICLE XV- TERMINATION

The Pool shall terminate its existence at such time as two-thirds (2/3) of the Members vote for such termination. After a vote to terminate, the Board shall commence the orderly liquidation of the Pool's business and shall complete the same as promptly as possible. During such period of liquidation, the Pool shall continue to pay claims and losses incurred within the Scope of Coverage and pursuant to the Risk Sharing Certificates until all funds of the Pool are exhausted. After payment of all claims and losses, any remaining funds held by the Pool shall be paid on a pro rata basis approved by the Board to all those participants who were Members of the Pool at the time of the vote of termination.

No Member shall be responsible for any claim, claims, judgment, or judgments against any other Member or Members except to the extent of the assets of the Cumulative Reserve Fund and the

Property and Casualty Budgetary Funds. However, if upon termination of the Pool, the remaining assets of the Pool are insufficient to satisfy indebtedness of the Pool (excluding claims or judgments against the Members), such deficiency shall be made up by the Members of the Pool by a fair and reasonable method established by the Board.

ARTICLE XVI – PROVISIONS PERTAINING TO PROPERTY COVERAGE

The provisions of this Article pertain exclusively to Property Coverage.

1. Members agree to continue Property Coverage for a period of not less than one (1) full year. At the conclusion of such period, or anniversary thereof, a Member may terminate Property Coverage by giving written notice to the Pool at least thirty (30) days prior to the end of such period. A Member's election to cease Property Coverage shall not constitute a withdrawal from the Pool under any other terms and conditions of this Contract.

2. If a Member does not make its Annual Property Budgetary Contribution when due, all Property Coverage shall terminate on the date when such contribution was due ("Property Coverage Termination Date"). If the Member shall subsequently submit its payment, the Administrator may, in its discretion, reinstate Property Coverage.

3. The Pool may terminate a Member's Property Coverage by giving notice to the Member of such termination at least: (a) ten (10) days prior to the effective date of termination if the Pool terminates for nonpayment by a Member of any required Annual Property Budgetary Contribution; or (b) sixty (60) days prior to the end of any Property Risk Sharing Certificate year if the Pool terminates for any other reason. The notice of termination shall be made in accordance with Article XIX of the Contract. The notice of termination shall state the Property Coverage Termination Date, at which time the coverage provided by the Property Risk Sharing Certificate shall terminate. If Property Coverage is terminated, the Pool shall send the Member a prorated refund of its Annual Property Budgetary Contribution, if any such refund is due. The termination of the Property Coverage shall be effective even if the Pool has not made or offered a refund.

4. Property Coverage applies only to losses that occur prior to the Property Termination Date. All rights for reimbursement or any right to claim against the Pool shall terminate for losses that occur after the Property Termination Date.

ARTICLE XVII - MISCELLANEOUS PROVISIONS

1. The provisions of this Contract shall be interpreted pursuant to the Law of the State of Ohio.

2. The Courts of the State of Ohio shall have jurisdiction over any dispute arising under this Contract. The terms of this Contract may be enforced in a court of law in the State of Ohio either by the Pool or by any Member.

3. The consideration for the obligations imposed upon Members pursuant to and under this Contract shall be the mutual promises and agreements of all Members who now execute or who hereafter execute this Contract.

4. This Contract may be executed in duplicate originals or counterparts now or at any time in the future.

5. No waiver of any breach of this Contract or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts.

6. This Contract shall be binding upon and shall inure to the benefit of all Members who shall have executed this Contract and complied with the financial requirements hereunder, provided that the Members shall have been duly approved in accordance with the terms and provisions of this Contract.

7. The provisions of this Contract shall be deemed severable and if any provision or part thereof is held to be unenforceable, void, or invalid under applicable law, such provision or part may be changed to the extent reasonably necessary to make the provision or part, as so changed, enforceable, valid, or binding. If any provision of this Contract is held to be unenforceable, void, or invalid in its entirety, the remaining provisions of this Contract shall not in any way be affected or impaired, but shall remain binding in accordance with their terms, and this Contract shall be so interpreted.

8. This Contract, the Appendix, and the Risk Sharing Certificates contain the complete agreement between the parties, and no representations or oral statements made or heretofore given shall constitute a part of this Contract. In the event that any provision of this Contract is in conflict with or is incompatible with the Appendix or attachments hereto or the Risk Sharing Certificates issued hereunder, the terms and conditions of this Contract shall prevail and take precedence.

9. This Contract may be altered or amended only by amendments duly adopted in accordance with the terms and conditions of this Contract. However, the Risk Sharing Certificates may be amended from time to time to reflect the exposures of each Member.

10. The caption headings used in this Contract are used merely for identification purposes and shall not be deemed a part of this Contract.

11. Whenever in this Contract, words, including pronouns, are used in the singular or plural, masculine or feminine, they may be read and construed in the plural or singular, or feminine or masculine, respectively, wherever they so apply.

12. This Contract may be amended by the Board with the approval of two-thirds (2/3) of the voting Directors. Each Member agrees to accept, as a condition of membership in the Pool, those amendments adopted from time to time by the Board. Notice of any amendments shall be provided to each Member no later than the next annual anniversary date of its membership in the Pool.

13. The Pool shall maintain a fiscal year ending December 31 of each year.

14. The Pool shall, in accordance with the Revised Code of the State of Ohio, be considered a separate entity for the public purpose of enabling the Members of the Pool to obtain insurance or to provide for the joint administration of the funds of the Pool.

ARTICLE XVIII - AGENT AND OFFICE

The agent of the Pool for service of notice shall be the Public Entities Pool of Ohio, attention Administrator. The office of the Pool shall be as described on Exhibit A attached to this Contract.

ARTICLE XIX - NOTICE

All notices required to be given under this Contract shall be in writing and shall be sent certified mail return receipt requested with postage prepaid or as otherwise provided herein. Notices by a Member to the Pool shall be sent to the Administrator at the address set forth in Exhibit A. Notices to a Member shall be sent to the representative of the Member at the Member's last known address.

In the event that any party to this Contract desires to change its address, notice of change of address shall be sent to the other party in accordance with the terms and provisions of this Article.

ARTICLE XX - AUTHORITY TO EXECUTE

The individual executing this Contract on behalf of a Member represents and certifies that he or she has the requisite authority and has complied with all rules, regulations, and laws required by the State or political subdivision to execute this Contract.

In witness whereof, this Contract was executed on the 27th day of March, 2023, by the undersigned duly authorized representative of the Political Subdivision indicated below.

POLITICAL SUBDIVISION: Village of Madison

By: [Signature]

TITLE: Mayor

ACCEPTED ON BEHALF OF THE PUBLIC ENTITIES POOL
OF OHIO

By: Kelly Hammond

ADMINISTRATOR

EXHIBIT A

ADMINISTRATOR

York Risk Pooling Services, Inc.
31555 West 14 Mile Road, Suite 110
Farmington Hills, MI 48334
(800) 367-4818

**PUBLIC ENTITIES POOL OF OHIO
SCOPE OF COVERAGE APPENDIX**

PUBLIC ENTITIES POOL OF OHIO provides the following:

1. Coverage Document

a. Coverages offered by the Pool may include:

- General Liability
- Automobile Liability
- Automobile Physical Damage
- Public Officials Liability
- Property and Inland Marine
- Law Enforcement Liability
- Employment Practices Liability
- Any Coverage described in Ohio R.C. §2744.081(E)(1)

b. **THE COVERAGES LISTED ABOVE ARE INTENDED TO BROADLY OUTLINE THE COVERAGES THAT MAY BE PROVIDED BY THE POOL. SEPARATE COVERAGE DOCUMENT(S), THE RISK SHARING CERTIFICATE(S), ITEMIZING ALL COVERAGE INCLUSIONS, EXCLUSIONS AND CONDITIONS WILL BE ISSUED TO EACH POOL MEMBER AND SHALL, IN CONJUNCTION WITH THE INTERGOVERNMENTAL CONTRACT AS AMENDED FROM TIME TO TIME, CONTROL THE SCOPE AND TERMS OF COVERAGE.**

2. Limits of Coverage

The Pool offers limits of casualty coverage up to \$3,000,000 per line of coverage. Additional limits may be offered subject to availability of reinsurance.

3. Pool Retention

The Pool may retain up to \$500,000 of any one claim or loss per line of coverage.

4. Deductibles

Deductibles may be applied as appropriate to the individual risk, subject to the approval of the Administrator.

NOTICE: CONFIRMATION OF THE SCOPE, TERMS AND CONDITIONS OF THE COVERAGE OF ANY MEMBER OF THE POOL CAN ONLY BE MADE BY A CAREFUL EXAMINATION OF THAT MEMBER'S RISK SHARING CERTIFICATE(S).

**PUBLIC ENTITIES POOL OF OHIO
MEMBER'S DESIGNATION OF REPRESENTATIVE
AND ALTERNATE**

Pursuant to Article IV of the Intergovernmental Contract, the undersigned Member of PEP designates the following representative and alternate to represent the Member with the Pool. The representative or alternate, consistent with the Intergovernmental Contract, shall cast any votes required by Members. The representative or alternate shall also act as liaison between the Member and the Pool, for purposes of relaying risk reduction and loss control information, and any other information or instructions provided by the Pool to Members. Further, it is agreed that the representative or alternate shall receive any rules or regulations of the Pool.

The undersigned Member ratifies, confirms and adopts all actions taken by the representative or alternate.

Representative:

Alternate:

Name: _____

Name: _____

Title: _____

Title: _____

In witness whereof, this Designation is executed on the ____ day of _____, _____, by the undersigned duly authorized representative of the Member indicated below:

PEP Member: _____

By: _____

Title: _____

**PUBLIC ENTITIES POOL OF OHIO
DISCLOSURE STATEMENT**

This Disclosure Statement is appended to the Intergovernmental Contract (Contract) for the Public Entities Pool of Ohio. Pursuant to the provisions of the Revised Code of the State of Ohio, the following is disclosed:

1. In connection with the Contract, no representations have been or can be made concerning any possibility of the savings or losses resulting from execution of the Contract by any Governmental Entity.

2. The potential liability of any Governmental Entity, which will result from the execution of the Contract, is limited to the contractual obligations to make financial contributions as required by the Contract. By execution of the Contract, Governmental Entities do not undertake to become directly liable or responsible for the liabilities of other Governmental Entities which have or will in the future execute the Intergovernmental Contract. The Contract does not inure to the benefit of any third party.

3. By executing the Contract, a Governmental Entity shall not be deemed to have waived any governmental immunity which it may have under law.

This disclosure is intended to comply with the disclosure requirements of Ohio Revised Code §2744.081. The entire Contract, together with supporting ancillary and incorporated documents, should be reviewed to fully analyze the Pool, its Administration, and the rights, duties, and obligations under the Contract. The Contract and any documents incorporated therein by reference are intended as a full and complete disclosure of all of the terms and conditions governing the rights and obligations of any signator. There are no representations, warranties, or promises unless they are contained in the Contract.