

CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
APRIL 6, 2010 AGENDA

Subject:	Type:	Submitted By:
INTERLOCAL COOPERATION AGREEMENT — LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)	◆ RESOLUTION ORDINANCE RECEIVE/FILE	PAM BUETHE CITY CLERK

SYNOPSIS

A resolution has been prepared to establish that La Vista will continue its participation in the League Association of Risk Management (LARM) the next three years and will agree to provide 180 days notice should it intend to end participation in 2013.

FISCAL IMPACT

The City's participation in LARM has allowed stabilization of property and casualty insurance rates as well as worker's compensation insurance rates. Establishment of a three-year commitment will also provide a 5% discount to La Vista on its current year premiums.

RECOMMENDATION

Approval.

BACKGROUND

The City has been a member of LARM, an insurance pool established under the Intergovernmental Risk Management Act, since 1995. La Vista continues to be satisfied with LARM services and premiums remain stable in comparison to the insurance industry in general.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA RELATING TO THE TERM OF PARTICIPATION IN THE LEAGUE ASSOCIATION OF RISK MANAGEMENT.

WHEREAS the City of La Vista is a member of the League Association of Risk Management (LARM); and

WHEREAS, section 8.10 of the Interlocal Agreement for the Establishment and Operation of the League Association of Risk Management provides that a member may voluntarily terminate its participation in LARM by written notice of termination given to LARM and the Director of Insurance at least 90 days prior to the desired termination date and that members may agree to extend the required termination notice beyond 90 days in order to realize reduced excess coverage costs, stability of contribution rates, and efficiency in operation of LARM; and

WHEREAS, the Board of Directors of LARM has adopted a plan to provide contribution credits in consideration of certain agreements by members of LARM; and

WHEREAS, the Mayor and City Council have determined that it is in the best financial interest of the City to extend the term of agreement by three years and establish notice of termination terms in order to receive participation discounts.

NOW THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of La Vista, Nebraska, in consideration of the contribution credits provided under the LARM Board's plan, agrees to provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2013, and hereby authorize the Mayor to execute the necessary agreements to implement the action authorized herein.

PASSED AND APPROVED THIS 6TH DAY OF APRIL 2010.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk



3/9/2010

City of La Vista
8116 Park View Boulevard
La Vista, NE 68128-2198

Dear Board or Council Members,

The LARM Board of Directors is offering two options for Members to modify their annual contributions in the upcoming 2010/2011 coverage year, the **Participation Discount Plan** and the **Installment Plan**.

Once again, Members are being given the opportunity to take a 5% discount by extending their membership to September 30, 2013. The Participation Discount plan is illustrated in the chart below:

Participation Discount Table

Discount 180 Days Notice	Discount Multi Year Commitment	Additional Discount for Both	Discount Total
2%	2 % (3 year) – Sept 2013	1%	5%
2%	1% (2 year) - Sept 2012	1%	4%
2%	0% (1 year) - Sept 2011	0%	2%

LARM also offers a quarterly or a semi-annual **Installment Plan**. The additional charge for using an installment plan is 2% of the Member's total annual contribution.

Please complete the attached form by indicating your intention on both the **Participation Discount Plan**, and the **Installment Plan**. Please note that the Participation Discount Plan also requires a resolution to be passed by your Board or Council (sample attached).

If you have any questions about the options set forth on the attached form or resolution, please feel free to contact Yvonne Svec at (888) 553-5276.

Sincerely,


Shannon Novotny
LARM Customer Service Representative

Enclosure

Participation Discount Plan

(Please check one)

- The **City of La Vista** has resolved to extend its membership in the League Association of Risk Management in consideration of the contribution credits provided under the Participation Discount plan as described in the *attached resolution*.
- The **City of La Vista** does not plan to extend membership to take part in the Participation Discount Plan.

Installment Plan

(Please check one)

- The **City of La Vista** will make quarterly installments on contribution to LARM to be due October 2010, January 2011, April 2011, and July 2011 with the understanding that there will be a 2% additional charge applied to total annual contribution.
- The **City of La Vista** will make semi-annual installments on contribution to LARM to be due October 2010, and April 2011 with the understanding that there will be a 2% additional charge applied to the total annual contribution.
- The **City of La Vista** will make one payment to LARM for the total annual contribution to be due in October 2010.

Please make your selections above and return this form to:

**Shannon Novotny
League Association of Risk Management
1335 L Street, Suite 200
Lincoln, NE 68508**

RESOLUTION NO. _____

WHEREAS, **City of La Vista** is a member of the League Association of Risk Management (LARM);

WHEREAS, section 8.10 of the Interlocal Agreement for the Establishment and Operation of the League Association of Risk Management provides that a member may voluntarily terminate its participation in LARM by written notice of termination given to LARM and the Director of Insurance at least 90 days prior to the desired termination given to and that members may agree to extend the required termination notice beyond 90 days in order to realize reduced excess coverage costs, stability of contribution rates and efficiency in operation of LARM; and

WHEREAS, the Board of Directors of LARM has adopted a plan to provide contribution credits in consideration of certain agreements by members of LARM as provided in the attached letter.

BE IT RESOLVED that the governing body of **City of La Vista**, Nebraska, in consideration of the contribution credits provided under the LARM Board's plan, agrees to:

- () Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2013. **(180 day, 3 year commitment)**
- () Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2012. **(180 day, 2 year commitment)**
- () Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2011. **(180 day notice only)**
- () Provide written notice of termination at least 90 days prior to the desired termination date, which date shall be no sooner than September 30, 2013. **(3 year commitment only)**
- () Provide written notice of termination at least 90 days prior to the desired termination date, which date shall be no sooner than September 30, 2012. **(2 year commitment only)**

Adopted this _____ day of _____, 20____

Signature: _____

Title: _____

ATTEST: _____
Clerk