



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

DATE: April 2, 2018

TO: Craig Taylor, Chair
Operations Committee

S. Michael Rummel, Chair
Finance Committee

FROM: John Tannahill
Director of Public Safety

Agenda Item# 9.4

RECOMMENDATION: Recommend approval of a Resolution approving membership in and a contract with the Lake County Major Crime Task Force.

STRATEGIC DIRECTIONS SUPPORTED: Leadership; Organizational Sustainability

FINANCIAL DATA: Annual membership fees of \$500.00 budgeted in account 13564000 702300, with an increase as determined annually by the Lake County Major Crime Task Force Executive Board. As a member of the task force, the District could be liable for damages arising out of actions of other task force members, if the damages exceed the liability insurance coverages provided by such members and/or the task force. The task force contract requires the District to have an additional Police Professional Liability insurance policy, which is not included in the District's current coverage provided by Park District Risk Management Agency (PDRMA). The District will need to purchase this policy annually at an approximate cost of \$5,000.00.

BACKGROUND: The Lake County Forest Preserve District (District) has been a member of the Lake County Major Crime Task Force (LCMCTF) since 2003. The LCMCTF manages major law enforcement investigations and officer-involved shooting incidents cooperatively between member agencies. The financial and manpower requirements to investigate major crimes or officer-involved shooting incidents exceed the District's police resources.

The LCMCTF has been named in several recent high profile legal actions arising from the alleged conduct of certain of its members. These members, or their insurance carriers, have paid multi-million dollar settlements in some cases, and face potential similar judgments or settlements in other cases. As a result, LCMCTF and its members have determined it is important for LCMCTF to amend its current contract and bylaws to create an insurance and liability pool, to provide for a single defense of claims, to impose insurance requirements on its members, and to make other changes. This pool and insurance is intended to protect the LCMCTF and its members from a certain level of liability and provide for one unified defense of

claims, with any liability exceeding the amount of coverage being distributed among the LCMCTF members. To ascertain whether there is an alternative to joining the LCMCTF, the District staff asked the Lake County Sheriff's office whether the District, through an intergovernmental agreement, could purchase services from the Sheriff on an as-needed basis for major law enforcement investigations and officer-involved shooting incidents. The Sheriff declined.

REVIEW BY OTHERS: Chief Operations Officer, Director of Finance, Director of Administration, Corporate Counsel, PDRMA Counsel.

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**A RESOLUTION APPROVING MEMBERSHIP IN, AND A CONTRACT WITH, THE
LAKE COUNTY MAJOR CRIME TASK FORCE**

WHEREAS, various Lake County law enforcement entities, the Lake County Sheriff's Department, the Lake County States Attorney, and the Illinois State Police have determined it to be appropriate and beneficial to create a Major Crime Task Force ("Task Force") to provide high-level investigation and law enforcement efforts cooperatively between and among them, the need for which may exceed the ability of any individual law enforcement entity to maintain through its regular police services; and

WHEREAS, the Lake County Forest Preserve District (the "District") has been a member of the Task Force since 2003; and

WHEREAS, the Task Force has proposed that its members approve the Contract and By-Laws in the form attached hereto; and

WHEREAS, it is in the best interests of the District to be a member of the Task Force and to approve the Contract and By-Laws in substantially the form attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, **THAT**:

Section 1: Recitals. The recitals set forth above are incorporated as part of this Resolution by this reference.

Section 2: Approval of Contract and By-Laws. The Contract and By-Laws, in substantially the form attached hereto, are hereby approved. The President and Secretary are hereby authorized and directed to execute and attest to the Contract and By-Laws on behalf of the District.

Section 3: Limited Financial Contributions. Except to the extent of the financial contributions to the Task Force required by the Contract and By-Laws, the District, by authorizing the execution of the Contract and By-Laws, acknowledges or accepts no responsibility in any way for claims due to property losses, claims in tort or contract or other claims or losses made against any other member of the Task Force.

Section 4: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this _____ day of _____, 2018.

AYES:

NAYS:

APPROVED this _____ day of _____, 2018.

Ann B. Maine, President
Lake County Forest Preserve District

ATTEST:

Julie Gragnani, Secretary
Lake County Forest Preserve District

Exhibit No. _____

**CONTRACT AND BY-LAWS
OF THE
LAKE COUNTY MAJOR CRIME TASK FORCE
JANUARY 1, 2018
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ARTICLE I. DEFINITIONS AND PURPOSE.

DEFINITIONS:

As used in this agreement, the following terms shall have the meaning hereinafter set out:

TASK FORCE – Lake County Major Crime Task Force comprising of Law Enforcement departments of Member public entities, including the Lake County Sheriff's office, the Illinois State Police and the Lake County State's Attorney established pursuant to the Constitution and the statutes of this State and by this intergovernmental agreement. (Hereinafter referred to as "Contract").

ANNUAL PAYMENTS - The amount each Member must annually pay to fund the anticipated costs of the full operation of the Agency.

CONVENTIONAL INSURANCE - Insurance of any kind, including, but not limited to, Excess, Aggregate, Reinsurance and Professional liability insurance, purchased by the Task Force from an insurance company approved by the Illinois Department of Insurance to write such coverage in Illinois providing various types of insurance which may be subject to deductible amounts.

CORPORATE AUTHORITIES - The governing body of a municipality or other governmental unit which is a Member of the Task Force.

LOSS PROTECTION FUND - A fund of public monies established by the Task Force to purchase conventional insurance for the Task Force as set forth in this Contract, to administer the role of the Task Force as set forth in this Contract, to jointly self-insure certain risks within an agreed scope and to pay other expenses within the scope of this Contract .

MEMBERS - The units of government or intergovernmental agencies with corporate boundaries at least partially within Lake County which initially or later enter into the intergovernmental Contract. Contract. The Lake County Sheriff, Lake County State's Attorney and the Illinois State Police shall also be Members subject to the limitations set forth in this Contract.

RISK MANAGEMENT - A program attempting to reduce or limit casualty losses and injuries to persons or property caused by the operations of the Members. Where claims arise out of Task Force operations or activities, the Task Force shall cause the processing of such claims, investigate their validity, settle or defend against such claims within the financial limits of this Contract , tabulate such claims, costs and losses and carry out other assigned duties.

SELF-INSURANCE - The decision of the Task Force not to purchase insurance coverage for risks below certain limits; to seek all immunities provided by Illinois law for a non-insured government; to rely upon its financial capabilities to pay any third-party claims which are held valid and not barred by available immunities and to purchase conventional insurance to protect against excess or aggregate losses.

SUPPLEMENTARY PAYMENTS - Members shall also be obligated as required, to make supplementary payments if the amount of the annual payments shall be insufficient to fund the operations of the Task Force.

PURPOSE:

The LAKE COUNTY MAJOR CRIME TASK FORCE ("TASK FORCE") is an intergovernmental cooperative agency voluntarily established by contracting municipalities and

other units of government pursuant to Article VII, Section 10 of the 1970 Constitution of the State of Illinois and 5 ILCS 220/6 of the Illinois Compiled Statutes for the purpose of providing comprehensive investigations, insurance coverage and self-insurance coverage to Member Departments of the Task Force of major murder cases, police-involved shootings, non-parental kidnappings, in-custody deaths, and other exceptionally heinous offenses when requested to do so by the chief of police or other designated person(s) of Member Departments.

These By-Laws shall constitute the substance of a contract among the Members.

All funds contained within the Loss Protection Fund are monies directly derived from its Members which are municipalities and other units of local government within the State of Illinois. It is the intent of the parties in entering into this Contract that, to the fullest extent possible, the scope of risk management undertaken by them through a joint governmental insurance program using governmental funds shall not waive, on behalf of any local public entity or public employees as defined in the Local Governmental and Governmental Employees Tort Immunity Act, any defenses or immunities therein provided.

ARTICLE II. POWERS AND DUTIES.

The powers of the Task Force to perform and accomplish the purposes set forth above shall, within the budgetary limits and procedures set forth in these By-Laws, be the following:

- A. To employ agents, employees and independent contractors;
- B. To purchase or lease equipment, machinery, or personal property necessary for the carrying out of the purpose of the Task Force;
- C. To carry out training, educational and other programs relating to risk reductions, investigations and other police operations;

D. To cause the creation of, see to the collection of funds for, and administer a Loss Protection Fund;

E. To purchase conventional, excess, aggregate and reinsurance to supplement the Loss Protection Fund or, in the absence of any self-insurance element of the program, to purchase primary coverages from the conventional insurance market;

F. To establish reasonable and necessary loss reduction and prevention procedures which shall be followed by the Members;

G. To provide risk management services and the defense of, settlement and subrogation of claims within the coverage limits established by the Task Force;

H. Solely within the budgetary limits established by the Members to carry out such other activities as authorized by the Board of Directors to be performed by the Task Force, its Executive Committee or any officer or agent.

I. To provide comprehensive investigative services to Member Departments in accepted cases upon request of the Chief of Police of the police department (or other designated person) of the local jurisdiction wherein the crime occurred and to pay for such investigative services.

J. To establish Operational Rules, Policy Manuals, Training Requirements, personnel selection standards/guidelines, Investigation Procedures recommendations and other directives governing the operation, response and other duties of the Task Force.

ARTICLE III. PARTICIPATION AND TERM.

A. The Members of the Task Force, as of April 1, 2018, shall be those entities, the names of which are listed on Appendix A which, by that date, have had a Resolution adopted by their Corporate Authorities approving membership on the Task Force.

So long as the Task Force shall continue in existence, any new Member joining the Task Force shall remain a Member for at least three (3) years. After a new Member's initial required term of membership in the Task Force, any Member of the Task Force may withdraw from the Task Force at the end of a fiscal year of the Agency upon the giving of at least 120 days prior written notice. A Member which gives notice of withdrawal and then wishes to rescind such notice within the 120 day notice period may do so only upon approval of such action by the affirmative vote of two-thirds of the Executive Committee present at a regular or special meeting under terms established for readmission by the Executive Committee or Board of Directors. The Executive Committee may, at its sole discretion, choose to waive any portion of the 120 day notice requirement it deems necessary in order to protect the best interests of the Task Force. If a Member withdraws from the Task Force, it shall be entitled to coverage for the period of its membership to the same extent as other Members of the Task Force, but it shall not continue to have a representative on the Board of Directors. The withdrawing Member shall continue to be responsible for its share of the payment of all supplementary and other payments attributable to years during which it was a Member of the Task Force and other obligations of membership.

The notice of intent to withdraw shall be addressed to the Chair of the Task Force and shall be accompanied by a Resolution of the Board of the Member electing to withdraw from the Task Force. A Member which withdraws from the Task Force shall not be permitted to reapply for membership in the Task Force for a period of two (2) years from the date on which the

Member's resolution was served upon the Chair, unless such prohibition is waived by the Board of Directors upon a four/fifths vote of the entire membership of the Board. Furthermore, said former Member must reapply through the normal application process, having once again met membership criteria for a new Member.

No Member which withdraws from the Task Force shall receive a return of surplus funds or rebate(s) approved by the Board of Directors from any year for which said withdrawn Member was a Member of the Task Force.

Every member shall, upon admission to the Task Force, have in full force and effect conventional and/or self-insurance or cooperative self-insurance no less than \$5 million dollars in professional liability (this term is used here and elsewhere to include insurance coverage also referred to as "Public Officials Liability" or "Errors and Omissions" coverages) insurance coverage and \$5 million dollars in police liability coverage from a carrier acceptable to the Executive Committee. Each member shall retain such coverage during their entire membership on the Task Force and shall annually submit copies of their insurance policies to the Executive Committee for approval. The limits set forth herein may be increased by a 2/3 vote of the full Board of Directors. Said required limits may not be decreased at any time by the Board.

The Board may establish and periodically review standards for the admission of new Members.

ARTICLE IV. TERM.

The Task Force shall commence its operations on April 1, 2018. The term of the Task Force shall run thru and including March 31, 2029. At the end of that term, the term of the Task Force may be extended for a multi-year term, as permitted by law, by a two-thirds (2/3)

affirmative vote of the entire Board of Directors or, by majority action of the Board, it may continue in existence from year-to-year as a Contract.

ARTICLE V. BOARD OF DIRECTORS.

A. There is hereby established a Board of Directors of the Task Force. Each Member shall appoint one (1) person to serve as the authorized representative of that body on the Board of Directors along with another person to serve as an alternate representative for when the authorized representative is unable to carry out his or her duties. The representative and alternate shall be appointed as other municipal officers are appointed by the Member. Once such appointments are made known to the Board of Directors, the persons appointed shall remain in office until the Chair receives evidence of the appointment of other persons. The Board of Directors shall be the judge of the proper appointment of authorized representatives and alternates to the Board of Directors and shall utilize, in case of a dispute, general principles of Illinois municipal law. The representative and alternate shall be either the Member's Police Chief, Manager/Administrator or a senior officer in the Member's police department.

B. It is expected that the day to day operations of the Task Force shall be monitored and governed by an Executive Committee. An Executive Committee is hereby expressly created and established by this Contract. At the first meeting of the Board after April 1, 2018, the Board shall select from the authorized representatives and alternates six persons to serve on the Executive Committee but only one (1) person from a Member may serve on the Executive Committee at

any time. (The Officers and Executive Committee members of the expiring Task Force shall remain in those same positions for this new Task Force until the Board meets to select a new Executive Committee). In addition, the Executive Committee shall include the Lake County Sheriff or an appointed representative, the Lake County States Attorney or an appointed representative and the Illinois State Police (through an appointed representative). The representative/alternate for the Lake County State's Attorney and the Illinois State Police, so long as these entities do not make a financial contribution to the Task Force, shall not vote, either as a Board Member or a member of the Executive Committee, on any matter calling for the expenditure of Task Force funds, the settlement of any Task Force case or any claims or disputes for insurance coverage under any Task Force insurance policy.

C. The election of Executive Committee members shall thereafter be held at the last regular Board meeting held during each fiscal year for the open Executive Committee terms which begin to run at the start of the immediately following fiscal year.

D. The persons on the Executive Committee shall be elected by the Board with the representative or alternate of each Member casting as many votes as there are then open positions on the Executive Committee. The person(s) receiving the most votes for the number of available positions shall be declared to be elected.

E. The term for the nine Executive Committee positions shall be three years. The terms of the Executive Committee positions shall be staggered so that no more than three positions shall come up for re-election in any one fiscal year. After the initial election in 2018, the terms of the Lake County Sheriff, the Lake County States Attorney, and the Illinois State Police shall initially run through March 31, 2019. Thereafter, the term of these Executive Committee Members from the County and State shall be for three years. The terms of the remaining Executive Committee positions shall be initially staggered by lot so that three initial Executive Committee Members shall serve through March 31, 2020 and three Executive Committee Members shall serve through March 31, 2021. Thereafter, these Executive Committee Members shall serve for respective three year terms.

F. If any vacancy should occur on the Executive Committee, the Chair shall fill that position by appointment for the remainder of the unexpired term with the advice and consent of the remaining Members on the Executive Committee. If a vacancy shall occur in the position of Chair, the Vice Chair shall assume the position of Chair and appoint a new Vice Chair with the advice and consent of the remaining Members on the Executive Committee. If a vacancy should occur in the position of Vice Chair, Treasurer or Secretary, the Executive Committee shall, by election, select from among its Members, a new Vice Chair, Treasurer or Secretary to serve the remaining unexpired term of said office. If both positions of Chair and Vice Chair are vacant, the Executive Committee shall fill those

positions by election from among its members and the persons selected shall fill out the unexpired terms of the persons they replace.

G. The Chair, Vice Chair, Treasurer and Secretary shall be elected to those positions by election of the Executive Committee and shall be Members of the Executive Committee at the time of their election to their respective positions and during their entire terms in said positions. The term for the Chair, Vice Chair, Treasurer and Secretary shall be one year and the person selected to fill those positions shall continue to serve until a replacement has been selected and qualified. The Executive Committee's election for the positions of Chair, Vice Chair, Treasurer and Secretary shall be held at the next regular or special meeting of the Executive Committee following the election held by the Board of Directors for Executive Committee Members referenced previously herein.

H. The Board of Directors may remove any Member of the Executive Committee with notice, but without a hearing, by a two-thirds (2/3) affirmative vote of the entire membership of the Board of Directors. Such vacancy shall be filled in the same manner as other vacancies.

I. Where any action of the Board of Directors shall be contrary to an action of the Executive Committee, and where the legal rights of third parties have not intervened, the policy and position of the Task Force shall be that taken by the Board of Directors.

J. The Board of Directors shall determine the general policy of the Task Force which policy shall be followed by the officers, agents, employees and

independent contractors employed by the Task Force. Among other items, it shall have the responsibility for (1) Approval of amendments to the By-Laws, (2) Approval of the process for the acceptance of new Members; (3) Approval and amendment of the annual budget of the Task Force, (4) Approval of reasonable and necessary loss reduction and prevention procedures which shall be followed by all Members, (5) Approval of annual and supplementary payments to the Loss Protection Fund for each Member, (6) Approval of additional terms for the existence of the Task Force, (7) Resolution of disputes over the scope of Task Force self-insurance or insurance coverage or over late notice of a claim provided to the Task Force on an appeal from the decision of the Executive Committee and (8) approval of the minimum amount of conventional or self-insurance required to be carried annually by all Members. The Board of Directors may establish such rules and regulations regarding the payout of funds from the Loss Protection Fund as shall from time to time seem appropriate.

K. Each Member shall be entitled to one (1) vote on the Board of Directors except as described earlier regarding the Lake County State's Attorney and the Illinois State Police. Such vote may be cast only by the authorized representative of the Member or, in the representative's absence, by an alternate selected by the Member in the same manner as specified for the selection of the authorized representative. No proxy votes or absentee votes shall be permitted. Voting shall be conducted by voice vote unless one (1) or more Members of the Board of Directors shall request a roll call vote; provided, however, that:

1. Any vote which requires a greater than majority vote for passage shall be by roll call vote, and

2. Any vote for the authorization of the expenditure of funds shall pass by a roll call vote of either the Board or Executive Committee as appropriate.

3. On any other vote taken by the Board, a Member voting in the minority position on a voice vote may also have that vote recorded in the Minutes by specifically indicating such vote to the presiding officer.

L. The representative or alternate appointed by the Member may be removed at any time by that Member. In the event that a vacancy occurs in the representative or alternate representative, the Member shall appoint a successor. The failure of a Member to select a representative or the failure of that person to participate shall not affect the responsibilities or duties of a Member under this Contract.

M. The Board of Directors and Executive Committee shall have the power to establish both standing and ad hoc committees. The Chair may also establish ad hoc committees which do not conflict with those established by the Board or Executive Committee. Unless the Board of Directors shall establish some other procedure, the selection of persons who shall serve on such committees and chair them shall reside with the Chair. The Board of Directors may assign to the Executive Committee the authority to authorize the expenditure of funds and to settle claims or suits brought against entities within the scope of coverage provided by the Task Force.

N. A quorum at a meeting of the Board of Directors or Executive Committee or any standing or ad hoc committee shall consist of a majority of the Board or Committee. Except as otherwise provided in this Contract, a simple majority of a quorum shall be sufficient to pass upon all matters.

O. A greater vote than a majority of a quorum shall be required to approve the following matters:

1. Such matters as the Board of Directors shall establish within its rules as requiring for passage a vote greater than a majority of a quorum, provided, however, that such a rule can only be established by a greater than a majority vote at least equal to the greater than majority percentage within the proposed rule.

2. The expulsion of a Member shall require the two-thirds (2/3) vote of the entire voting membership of the Board of Directors.

3. The approval of any expenditure of Task Force funds shall require a 2/3 vote of a quorum of either the Board or Executive Committee as appropriate.

4. Any amendment of this Contract, shall require the two-thirds (2/3) vote of a quorum of the Board of Directors.

5. The continuation in existence of the Task Force after each approved fixed term shall require a vote as described in this Contract.

6. The agreement to rescind a Notice of Withdrawal within the 120 day Notice requires the approval by the affirmative vote of 2/3 of the Executive Committee.

7. The removal of any member of the Executive Committee requires a 2/3 affirmative vote of the entire membership of the Board of Directors.

8. The waiving of the prohibition against readmission for two years after a Member withdraws shall require a 4/5ths vote of the entire membership of the Board.

9. The changing of the funding formula to determine Annual Payments provided for in Article VIII shall requires a 2/3 affirmative vote of the entire membership of the Board of Directors.

P. No one serving on the Board of Directors shall receive any salary or other payment from the Task Force and any salary, compensation, payment or expenses for such representative or alternate shall be paid by each Member separate from this Contract. The Chair, Vice Chair, Secretary, Treasurer, Executive Committee members and such other officers as may be selected from time to time may submit to the Executive Committee for their approval reimbursement of the actual cost of expenses incurred on behalf of the Task Force.

ARTICLE VI. MEETINGS OF THE BOARD OF DIRECTORS.

A. A regular meeting of the Board of Directors shall be held at least one (1) time a year. The date of the regular meeting shall be in the last quarter of each fiscal year unless that date is changed by the Executive Committee with at least fourteen (14) days written notice prior to the respective regularly scheduled meeting. Any item of business may be considered at a regular meeting, but action may only be taken on items specified on the agenda. In addition to the notice described above, the Chair or, in the Chair's absence, the Vice Chair, shall give at least seven (7) days written notice of regular meetings to the authorized and alternate representatives of each Member and an agenda shall accompany such notice. Special meetings of the Board of Directors may be called by its Chair, or by representatives of any three Members upon no less than fourteen (14) days written notice. A formal agenda shall be included with said notice. Business

conducted at special meetings shall be limited to those items specified on the agenda.

B. The time, date and location of regular and special meetings of the Board of Directors shall be determined by the Chair, or in the Chair's absence, by the Vice Chair or by the convenor(s) of a special meeting.

C. To the extent not contrary to these By-Laws, and except as modified by the Board of Directors, Roberts Rules of Order, latest edition, shall govern all meetings of the Board of Directors. Draft Minutes of all regular and special meetings of the Board of Directors shall be sent to all Members of the Board of Directors no more than 30 days after each respective meeting and final minutes of said meeting shall be sent no more than 10 days after said final minutes are approved.

ARTICLE VII. TASK FORCE OFFICERS.

A. The Officers of the Task Force shall be (1) the Chair, (2) the Vice Chair, (3) the Treasurer and (4) the Secretary.

i. The Chair shall be the chief executive officer of the Task Force.

The Chair shall preside at all meetings of the Board and the Executive Committee at which the Chair is present. The Chair may request information from any officer of the Board or any employee or independent contractor of the Task Force. The Chair shall vote on all matters that come before the Board or Committees on which the Chair serves. The Chair shall be a non-voting ex-officio Member of all committees of the Task Force on which the Chair does not directly serve. The

Chair shall have such other powers as are set forth in these By-Laws and such other powers as may be given from time to time by action of the Board. A vacancy in the office of Chair shall be filled by the Vice Chair for the remaining unexpired term of the Chair. The Chair may not be a representative or alternate from the same Member as the Vice Chair, Secretary, Treasurer or any person serving on the Executive Committee.

ii. The Vice Chair shall carry out all duties of the Chair during the absence or inability of the Chair to perform such duties and shall carry out such other functions as are assigned from time to time by the Chair, the Board of Directors or the Executive Committee. The Vice Chair may not be a representative or alternate from the same Member as the Chair, Secretary, Treasurer or any person serving on the Executive Committee.

iii. The Treasurer may not be a representative or alternate representative from the same Member as the Chair, the Vice Chair, Secretary or any person serving on the Executive Committee.

1. The Treasurer shall:

a. Have charge and custody of and be responsible for all funds and securities of the Task Force; receive and give all receipts for moneys due and payable to the Task Force from any source whatsoever; deposit all such moneys in the name of the Task Force in such banks, savings and loan associations or other depositories as shall be selected by the Board of Directors or Executive Committee; and, invest the funds of the Task Force as are not immediately required in such securities as the Board of Directors shall specifically or generally select from time to time. Maintain the financial books and records of the Task Force. Provided, however, that all investments of the Task Force funds

shall be made only in those securities which may be purchased by Illinois non-home rule municipalities under the provisions of the Illinois Compiled Statutes.

b. In general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors or the Executive Committee;

3. The Task Force shall purchase a bond in the minimum amount contained within the Loss Protection Fund from time to time to assure the fidelity of the Chair, Vice Chair and the Treasurer. Without amending these By-Laws, the Executive Committee may increase the amount of the bonds for the aforesaid officers and procure fidelity and other bonds for officers, directors, employees or independent contractors of the Task Force.

4. The Board or Executive Committee may select a financial institution or individual to carry out some or all of the functions which would otherwise be assigned to a Treasurer to assist the Treasurer.

iv. The Secretary shall take, keep and provide each Member copies of the minutes of all meetings of the Board and Executive Committee and shall retain possession of all the books, records and correspondence of the Task Force. In the Secretary's absence, the Chair or Vice Chair shall assume the duties of the Secretary.

B. The Board of Directors may, from time to time, establish such other officers as are deemed necessary, unless authority to do so is assigned to the Executive Committee.

ARTICLE VIII. FINANCES AND TASK FORCE RISK MANAGEMENT.

A. The fiscal year of the Task Force shall commence on April 1, and end on March 31 of each year.

B. The Annual Payments from the Members shall be in an amount sufficient to fund the administrative expenses of the Task Force, the Loss Protection Fund, the purchase of Conventional Insurance, and other costs relating to the services and projects of the Task Force. In determining the amount of the Annual Payment due from each Member, the Executive Committee shall recommend such Annual Payments and the Board of Directors may take into consideration some or all of the following factors:

1. Population of the governmental body;
2. Number of sworn police officers employed by the governmental body;
3. Number of police-purposed vehicles owned by the governmental body and the use made of the vehicles;
4. The police department payroll of the Member;
5. The budget and revenue of the Member;
6. The professional liability and police liability claims and loss experience of the Member;

7. Such other factors as the Executive Committee and Board shall deem relevant.

The Annual Payments due shall be based, in whole or in part, upon an objective formula which may vary from year to year. This formula must be applied equally to all Members similarly situated except that it is recognized the Lake County State's Attorney and Illinois State Police may make no or limited Annual Payments and shall retain membership on the Task Force subject to the limitations described herein.

It is the responsibility of each Member to provide the Task Force with accurate information relating to the factors used in determining the amount of the annual payment due from each Member.

C. Calls for Supplementary Payments may be made by the Board of Directors, providing, however, that the total Supplementary Payments called for in any one year shall not exceed 100% of the Annual Payments established for that year. Supplementary Payments shall not be required in the event the Annual Payments and any conventional insurance purchased for the Task Force for any specific year have been exhausted but shall be at the discretion of the Board. The Board shall also make calls for Supplementary Payments from Members which have withdrawn or been expelled for years during which they were Members. The forwarding of such Annual and Supplementary Payments within a time specified in notices to the Members giving them not less than sixty (60) days to make such payments, shall be of the essence of this contract. Supplementary

Payments may only be called for by the Board of Directors where there is a reasonable concern that the sum remaining from the Annual Payments and conventional insurance will not be sufficient to meet the responsibilities of the Task Force established in these By-Laws. Members shall be responsible for Supplementary Payments during the entire life of the Task Force and any later period when claims or expenses need be paid which are attributable to the year of membership when the event out of which the expense or claim occurred. Supplementary Payments may be called for in a number of individual requests provided that the total amount of the Supplementary Payments shall not exceed the maximum amount permitted.

D. The Executive Committee may permit the Annual or Supplementary Payments to be paid on a monthly or quarterly basis. The amount of any Supplementary Payments required shall be based upon the same formula as was used in establishing the Annual Payment for that year.

E. If, for any year during which the Task Force was in existence, all claims known or unknown have either been paid or provision has been made for such payment, the Board of Directors as then constituted may distribute surplus funds to the Members who constituted the membership of the Task Force in that prior year, after first deducting therefrom reasonable administrative and other non-allocated costs incurred by the Task Force in the processing of the claims in years other than the one in which the claim was made.

F. If Conventional Insurance of any kind is purchased, and the insurance provider should fail to perform its contractual obligations, the Members shall be called upon to repay to the Task Force, within a period of time of not less than sixty (60) days after notice, any amounts, then needed for reserves or to make payments, for the claim year in question, as had been previously distributed to them as refunds, rebates or other repayment of surplus funds. Members shall also be obligated to make Supplementary Payments, up to the maximum allowed amount, for losses or claims which fall within the scope and amount of coverage which the Task Force agreed to cover through Joint Self-Insurance rather than through levels of coverage which were to be paid from the proceeds of Conventional Insurance of any kind.

In all cases where the Task Force has purchased Conventional Insurance of any kind, the Members shall look solely to the provider of the Conventional Insurance coverage for the payment of claims or losses within the scope of coverage of the policies purchased. Neither the Loss Protection Fund, nor funds procured through Supplementary Payments, shall be used to pay claims or losses within the dollar amount and scope of coverage assumed by an insurance company which has sold Conventional Insurance of any kind to the Task Force. The Board of Directors may authorize the use of Task Force funds to pay the costs of litigation of a Member against any Conventional Insurance provider which contends that a claim or loss has not been paid as contractually required by the Conventional Insurance company.

G. A budget for the Task Force shall be recommended to the Board of Directors by the Executive Committee for each fiscal year and approved by the Board in the final quarter of the previous fiscal year. That budget shall confirm and authorize the payment of any funds made earlier during that fiscal year as well as such funds as are estimated to be required during the remainder of that fiscal year.

H. The Board shall have an annual audit performed on the finances of the Task Force according to standard governmental principles of accounting and by a firm familiar with the auditing of intergovernmental agencies and municipalities. The audit shall be accepted by the Board or Executive Committee and, within 30 days thereafter, copies shall be sent to the representative and Chief Executive Officer of each member.

ARTICLE IX. SCOPE OF LOSS PROTECTION.

The Task Force shall provide loss protection from any self-insured retention funds only to the extent that protection would be accorded within the terms of the first layer of Conventional Insurance held from time to time by the Task Force for the benefit of its Members. The intent of this Contract and By-Laws shall be that the Members herein do not intend to utilize the Loss Protection Fund of the Task Force to cover claims or losses where the first layer of Conventional Insurance does not cover the claim or loss. Provided, however, that without limiting the generality thereof, except in the amount and to the extent paid for by the conventional insurance purchased by the Task Force, the Task Force shall not provide self-insurance coverage in the following areas:

- A. Punitive or exemplary damages.
- B. Liability of individuals otherwise covered for acts committed outside the scope of their duties and powers.
- C. Those portions of causes of action seeking only non-monetary claims such as injunction, mandamus and declaratory relief. However, to the extent that such non-monetary claims are included in complaints with counts seeking monetary damages covered under this contract, then defense of such non-monetary counts shall be provided as required by common law or statutory law.
- D. The payment of the attorneys' fees of opposing counsel or other court costs where a judgment providing no other monetary relief to the plaintiff is entered.
- E. Those portions of causes of action alleging improper acts by officers of Members who have been appointed by the Member as representatives of those Members on the Board of any other intergovernmental agencies based directly or indirectly on that person's duties as an appointed representative on that other Board.
- F. Those portions of causes of action alleging improper acts by police officers, whether sworn or unsworn, police departments or other officers of Members serving as law enforcement officers where said individuals or departments are not certified by the State of Illinois or other Task Force approved by the Executive Committee to certify local police officers and local police departments, or have been found, previous to the cause of action arising, to not meet minimum State of Illinois requirements established for said police officers or departments. The minimum state requirements referred to in this exclusion shall be those

requirements promulgated pursuant to the Illinois Police Training Act, 50 ILCS 705/1 et seq. or any related Illinois statute intended to regulate the training and/or certification of local police offices and local police departments, effective on the date the alleged cause of action accrues.

The Task Force shall, within thirty (30) days of receiving notification from a Member that a lawsuit or claim has been filed against the Task Force or one of its Members or a Member's employee, submit a copy of any such claim or complaint to the representative and alternate representative of every Task Force Member.

By entering into this Contract, each Member of the Task Force agrees to be bound by a decision of the Executive Committee that a particular matter presented to the Task Force for defense and indemnification is or is not within the scope of coverage provided by the Task Force. A decision of the Executive Committee to not cover a claim or loss may be appealed by the affected Member by submitting a Notice of Appeal with detailed reasons to the Chair supporting the appeal. Such Notice must be submitted no more than seven (7) days after the decision of the Executive Committee is issued. The Chair shall, within seven (7) days thereafter, appoint a 3-person Appeal Panel from the Board membership, not including members of the Executive Committee. The Appeals Panel shall call for a hearing on the Appeal to be held within the fourteen (14) days of the receipt of the Notice by the Chair. The decision of the Appeal Panel shall be issued within seven (7) days of said hearing. The Decision of the Appeal Panel shall be final in the absence of fraud or a gross abuse of discretion. If there is no appeal, the decision of the Executive Committee shall be final in the absence of fraud or a gross abuse of its discretion.

ARTICLE X. CONVENTIONAL INSURANCE.

The Task Force may purchase excess, aggregate insurance or reinsurance from a company approved by the Department of Insurance to write such coverage in Illinois in such amounts as shall be approved by the Board of Directors.

In addition to any conventional primary or excess insurance coverage established by the Task Force, the Task Force may purchase aggregate insurance or reinsurance such that in the event that the Task Force should in any single year expend a maximum aggregate sum set from time to time by the Board of Directors for the payment of claims, aggregate insurance or reinsurance will pay additional claims above that amount to certain maximum annual amount. The Board of Directors shall determine the commencement level of the aggregate insurance or reinsurance and its limit based upon the current assets and risk history of the Task Force.

In the event that a series of losses should entirely deplete the amounts which are raised from Annual and all called for Supplementary Payments, the conventional insurance, the aggregate insurance and reinsurance for any one fiscal year, then the payment of such uncovered valid loss shall be the obligation of the individual Member or Members against which the claim was made and which remains outstanding. Unless otherwise provided for, the Task Force shall make payments from the Loss Protection Fund, and the conventional insurance, reinsurance and aggregate insurance proceeds in the order in which the legal fees, costs, judgments or settlements against the Task Force or its Members, or a Member's officers/employees/agents specifically engaged in Task Force activities, have been incurred, entered or reached.

ARTICLE XI. OBLIGATIONS OF MEMBERS.

The obligations of Members of the Task Force shall be as follows:

A. To budget for and to promptly pay all Annual and Supplementary or other payments to the Task Force at such times and in such amounts as shall be established by the Board of Directors within the scope of this agreement. Any payments more than 60 days delinquent shall have added to them an amount equal to the highest interest rate allowed by statute to be paid by an Illinois unit of local government.

B. To appoint an authorized representative to serve on the Board of Directors and to appoint an alternate representative.

C. To allow the Task Force reasonable access to all facilities of the Member and all records which relate to the purpose or powers of the Task Force.

D. To allow attorneys employed by the Task Force to represent the Member, its officers, employees or agents in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Member, its officers, employees or agents within the scope of loss protection furnished by the Task Force.

E. To furnish full cooperation with the Task Force's attorneys, claims adjusters, and any agent, employee, officer or independent contractor of the Task Force relating to the purpose and powers of the Task Force.

F. To follow in its operations all loss reduction and prevention procedures established by the Task Force within its purpose and powers.

G. To follow in its operations all Task Force training requirements, policies, procedures and other directives to enable the Member to properly participate in Task Force matters.

H. To report to the Task Force within the time limit specified the following items:

1. To report, within ten (10) days of receipt, a statutory notice of claim, a summons and complaint or other pleading before a court or agency for which coverage is sought.

2. To report, within thirty (30) days of receipt, a written demand for monetary relief for which coverage is sought.

3. To report at the earliest practicable time any information of an occurrence received by the Member and from which the Member could reasonably conclude that coverage will be sought.

4. To report, within ten (10) days of such change, any change in insurance carrier or coverage amounts of all professional liability coverage or police liability coverage in effect for said Member.

In the event that the items set forth above are not submitted to the Task Force within the time periods set forth above, the Task Force may, in whole or in part, decline to provide a defense to the Member or to extend the funds of the Task Force for the payment of losses or damages incurred. In reaching its decision, the Task Force shall consider whether and to what extent the Task Force was prejudiced in its ability to investigate and defend the claim due to the failure of the Member to promptly furnish notice of the claim. Any Member may, within thirty (30) days after receiving such a decision of the Chair, request, in writing, that the Executive Committee take official action to affirm or reverse that

decision. In the absence of fraud or a gross abuse of discretion, the decision of the Executive Committee shall be final.

ARTICLE XII. LIABILITY OF BOARD OF DIRECTORS OR OFFICERS.

The Members of the Board of Directors or officers of the Task Force should use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties hereunder; they shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care; nor for loss incurred through investment of Task Force funds, or failure to invest. No Director shall be liable for any action taken or omitted by any other Director. No Director shall be required to give a bond or other security to guarantee the faithful performance of their duties hereunder. The Task Force may purchase Conventional Insurance providing liability coverage for such Directors or officers. Where no such insurance has been purchased to provide liability coverage for such Directors or officers, or the amount of the Conventional Insurance purchased shall be inadequate to cover all claims, the Loss Protection Fund shall be utilized to defend and pay claims on behalf of such Directors or officers.

ARTICLE XIII. NO THIRD-PARTY BENEFICIARIES.

The scope of coverage of the Task Force shall extend only to the Members and this Contract is not intended to, nor does it grant, any rights, including, but not limited to, the right to an interpretation of its provisions or benefits to any third parties. Any language in Conventional, Excess, Aggregate or Reinsurance policies expanding the scope of coverage to any third-parties extends to the Members only, and not to such third-parties.

ARTICLE XIV. OPTIONAL DEFENSE BY MEMBER.

Whenever the Task Force proposes to settle any pending claim or suit where the amount of that proposed settlement shall exceed a reserve amount established from time to time by the Executive Committee, the Member shall be given advance notice of that settlement. Such notice may be given by the establishment of a new reserve amount. The officers and employees of the Task Force shall, however, endeavor to give specific oral or written notice to a Member of the exact amount of any proposed settlement at least fourteen (14) days prior to the date at which the Task Force proposes to bind itself to pay such settlement amount. It is recognized by the Members that under some circumstances the Task Force may not be able to give fourteen (14) days' prior oral or written notice of the proposed settlement. The officers, employees or independent contractors of the Task Force shall attempt to give the Members as much notice of the settlement as is possible under the circumstances of each case.

In the event that a Member should disagree with the amount at which the Task Force proposes to settle a case or claim, the authorized Board representative of the Member, the alternative representative, or the Manager or other Chief Executive Officer of the Member may notify the Chair in writing that the Member exercises its right to prevent the Task Force from reaching a settlement for the Member or its employees at the agreed upon amount. In cases where such a written objection is received, the Task Force will not settle the case without the subsequent written consent of the Member. In the event that the Task Force does not settle a case based upon the objection of a Member, the Task Force shall continue to provide a defense to the Member unless the Member should desire to itself undertake the defense at its sole cost and expense. In the event that the case or claim is eventually resolved through a settlement or

judgment in an amount less than the amount at which the case could have been previously settled by the Task Force then the Member which has undertaken the costs of its own defense shall be entitled to its additional actual costs, including attorneys' fees, up to the level at which its costs and the prior allocated costs of the Task Force, including attorneys' fees, equal the amount at which the case could have been settled by the Task Force up to the level of the Task Force's applicable insurance coverage and only from dollars provided by said conventional or other insurance-like protection. To the extent that the case or claim is resolved through settlement or judgment at an amount greater than that at which the case or claim could have been previously settled by the Task Force, the Member shall be obligated to pay to the Task Force, within thirty (30) days upon receipt of written notice, the amount that the sum of the settlement or judgment, plus all other allocated costs of the Task Force, exceed the sum of money at which the case could have been earlier settled by the Task Force. Such payments shall be unlimited in amount and the Task Force shall not be required to advance the payment due from the Member. If at any time the amount of the allocated costs of the Task Force devoted to the case shall equal or exceed the amount at which the case could have been settled, the Task Force may require periodic payments from the Member if the Member wishes to have the Task Force continue to provide the defense.

Allocated costs shall mean those costs which are allocated to individual cases under the bookkeeping and accounting system utilized by the Task Force. The Task Force may establish the amount at which it could have settled the case through a written settlement offer to the plaintiff, or through other competent evidence of the availability of the settlement at a particular sum.

To the extent that payment shall be made from an aggregate, excess or other insurance carrier, the provision of this Article shall prevail when not contrary to those insurance contracts.

ARTICLE XV. CONTRACTUAL OBLIGATION.

This document shall constitute a contract among those units of local government which become Members of the Task Force. The obligations and responsibilities of the Members set forth herein including the obligation to take no action inconsistent with this Contract as originally written or validly amended shall remain a continuing obligation and responsibility of the Member. The terms of this Contract may be enforced in a court of law by the Task Force or any Member. Should the Task Force be required to enforce the terms of this Agreement against a Member in a court of law and the Task Force be the prevailing party, the Member (or former Member) against which the claim is brought shall pay the Task Force's costs and attorney's fees within sixty (60) days after the litigation is terminated.

The consideration for the duties herewith imposed upon the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promise and agreements of the Members set forth herein. This Contract may be executed in duplicate originals and its passage shall be evidenced by a certified copy of an ordinance or resolution passed by a majority of the Members. Provided, however, that except to the extent of the limited financial contributions to the Task Force agreed to herein or such additional obligations as may come about through amendments to these By-Laws no Member agrees or contract herein to be held responsible for any claims in tort or contracts made against any other Member. The contracting parties intend in the creation of the Task Force to establish an organization only

within the scope herein set out and have not herein created as between Member and Member any relationship of surety, or responsibility for the debts of or claims against any Member.

ARTICLE XVI. EXPULSION OF MEMBERS.

By the vote of two-thirds (2/3) of the entire membership of the Board of Directors, any Member may be expelled. Such expulsion may be carried out for one or more of the following reasons:

- A. Failure to make any payments due to the Task Force.
- B. Failure to undertake or continue loss reduction and prevention procedures adopted by the Task Force.
- C. Failure to allow the Task Force reasonable access to all relevant facilities of the Member and to all records which relate to the purpose or powers of the Task Force.
- D. Failure to furnish full cooperation with the Task Force's attorneys, claims adjusters, and any agent, employee, officer or independent contractor of the Task Force relating to the purpose and powers of the Task Force.
- E. Failure, at any time, to carry the minimum amount of professional liability and police liability insurance coverage set forth in this Contract.
- F. Failure to carry out any obligation of a Member which impairs the ability of the Task Force to carry out its purpose or powers.

No Member may be expelled except after notice from the Chair of the alleged failure along with reasonable opportunity of not less than thirty (30) days to cure the alleged failure. The Member may request a hearing before the Board before any decision is made as to whether

the expulsion shall take place. The Board shall set the date for a hearing which shall not be less than fifteen (15) days after the expiration of the time to cure has passed. A decision by the Board to expel a Member after notice and hearing and a failure to cure the alleged defect shall be final unless the Board shall be found by a court to have committed a gross abuse of discretion. The Board of Directors may establish the date at which the expulsion of the Member shall be effective at any time not less than thirty (30) days after the vote expelling the Member has been made by the Board of Directors except that the expulsion of a Member for reasons A and E above may be made effective immediately. If the motion to expel the Member made by the Board of Directors or a subsequent motion does not state the time at which the expulsion shall take place, such expulsion shall take place at 5:00 p.m., thirty (30) calendar days after the date of the vote by the Board of Directors expelling the Member.

After expulsion, the former Member shall continue to be fully obligated for its portion of any claim against the Task Force which was created during the term of its Membership along with any other unfulfilled obligations as if it was still a Member of the Task Force. The Task Force shall continue to provide insurance coverage for all claims which would have been covered prior to the expulsion except that it shall be excused from such coverage if the actions of the Member prevent the Task Force from providing an adequate defense on its behalf. The expelled Member shall, after expulsion, no longer be entitled to participate or vote on the Board of Directors and shall not be entitled to any refund, rebate or other return of surplus funds which may be authorized by the Task Force for any year for which the expelled entity was a Member of the Task Force.

ARTICLE XVII. TERMINATION OF THE TASK FORCE.

If, at the conclusion of any fixed term of the Task Force, the Board of Directors does not vote to continue the existence of the Agency, or, if at any time the number of the Members of the Task Force which will continue as Members into the next fiscal year shall be less than twenty (20), or at any time upon a 2/3rds vote of the entire Board of Directors at a regular or special meeting thereof, then the Task Force shall cease its existence at the close of the then current fiscal year. Under those circumstances, the Board of Directors and the Executive Committee shall continue to meet on such a schedule as shall be necessary to carry out the winding up of the affairs of the Task Force. It is contemplated that such meetings may continue for some substantial period of time in order to accomplish this task.

All Members upon a general termination of the Task Force shall remain fully obligated for their portion of any claim against the assets of the Loss Protection Fund which was created during the term of their membership along with any other unfulfilled obligations, including, but not limited to calls for Supplementary Payments for years of their membership which may be required and called for in subsequent years.

Appendix A

Lake County Major Crimes Task Force 2018

Proposed Members

Antioch Police Department	Libertyville Police Department
Bannockburn Police Department	Lincolnshire Police Department
Buffalo Grove Police Department	Lindenhurst Police Department
College of L.C. Police	Department Mundelein Police Department
Deerfield Police Department	North Chicago Police Department
Fox Lake Police Department	Park City Police Department
Grayslake Police Department	Riverwoods Police Department
Gurnee Police Department	Round Lake Area Police Department
Hawthorn Woods Police Department	Round Lake Beach Police Department
Highland Park Police Department	Round Lake Heights Police Department
Highwood Police Department	Round Lake Park Police Department
Illinois State Police	Round Lake Police Department
Kildeer Police Department	Tower Lakes Police Department
Lake Bluff Police Department	Vernon Hills Police Department
Lake County Forest Preserve Police	Wauconda Police Department
Lake County Sheriff's Office	Waukegan Police Department
Lake County States Attorney's Office	Winthrop Harbor Police Department
Lake Forest Police Department	Zion Police Department
Lake Villa Police Department	
Lake Zurich Police Department	
Lakemoor Police Department	