BOARD MEETING AGENDA

Thursday, January 09, 2025 at 6:00 PM

Harrison Village Hall
W5298 State Road 114
Menasha, WI 54952

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1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Correspondence or Communications from Board and Staff**
5. **Public Comments**

   Please be advised per State Statute section 19.84(2), information will be received from the public; be further advised that there may be limited discussion on the information received; however, no action will be taken under public comments. It is the policy of the Village that there is a three-minute time limit per person. Time extensions may be granted by the President. Please register your name on the sign-in sheet prior to the start of the meeting.

6. **Old Business for Discussion, Consideration, and/or Action**
7. **New Business for Discussion, Consideration, and/or Action**

   a. Resolution V2025-01, Authorizing Membership in the Cities and Villages Mutual Insurance Company

   b. Public Site Visit/Board Tour - Village of Greenville Fire Station

   Location: W6895 Parkview Drive, Greenville, WI 54942

   Start Time: Upon Board arrival (ETA 6:30 p.m.)

8. **Future Agenda Items**

   a. Review of RS-2 Zoning (ML)(after Comp Plan), Amend Board rules/procedures for adding agenda items (JB/ML added 7/30/24), Plan Commission procedures (ML/JB added 8/27/24), New development process checklist (MB/SH added 8/27/24), Review Trail Map (ML/SH added 9/24/24), Review Tree Policy (JB/DB added 11/12/24), Review Social Media Policy (JB/DB added 12/17/24), Discuss Senior Housing (JB/DB added 12/17/24)

9. **Adjournment**

   a. Adjournment from the Village of Greenville Fire Department.

   b. Future Meeting Dates:

January 16, 2025 at 6pm - Special Board Meeting

January 28, 2025 at 6pm - Regular Meeting

February 25, 2025 at 6pm - Regular Meeting

Agenda posted and published:

January 3, 2025 at Harrison Village Hall and to www.VillageofHarrision-WI.org

/s/ Vicki L. Tessen, Clerk

Accessibility:

This is a public meeting. Any person with hearing disabilities or requiring special accommodations to participate in the meeting should contact the Clerk's Office (920-989-1062) at least 24-hours prior to the meeting.

VILLAGE BOARD MEETING **VILLAGE OF HARRISON**

From:
Chad Pelishek, Assistant Village Manager

Meeting Date:
January 9, 2025

Title:
Resolution V2025-01 Authorizing Membership in the Cities and Villages Mutual Insurance Company

Issue:
None

Background and Additional Information:
At the December 17, 2024, Village Board Meeting, the Board accepted joining Cities and Villages Mutual Insurance Company (CVMIC). This resolution authorizes the Village of Harrison to become members of CVMIC.

Budget Impacts:
Approximately $101,527 in premiums per year.

Recommended Action:
Motion to approve Resolution V2025-01, Authorizing Membership in the Cities and Villages Mutual Insurance Company.

Attachments:
- Resolution V2025-01

P:920.989.1062 F:920.989.1077 | W5298 State Road 114 • Harrison, WI 54952 | harrison-wi.org

RESOLUTION V2025-01
VILLAGE OF HARRISON
Calumet and Outagamie Counties

RESOLUTION AUTHORIZING MEMBERSHIP IN THE CITIES AND VILLAGES MUTUAL INSURANCE COMPANY

WHEREAS, Section 66.0137 of the Wisconsin Statutes authorizes municipalities to participate in and pay the cost of risk management services and liability insurance through participation in a municipal insurance mutual organized under Section 611.23 of the Wisconsin Statutes; and,

WHEREAS, in 1987 twenty-five Wisconsin cities and villages formed the Wisconsin Municipal Insurance Commission ("WMIC"), an intergovernmental cooperation commission pursuant to former Section 66.30, now Section 66.0301, of the Wisconsin Statutes, to design and capitalize a municipal insurance mutual under Sections 66.0137 and 611.23; and

WHEREAS, WMIC created a municipal insurance mutual and obtained its incorporation as Cities and Villages Mutual Insurance Company ("CVMIC") by the Wisconsin Commissioner of Insurance; and

WHEREAS, since 1987 CVMIC has grown to fifty-six member municipalities and has developed a wide range of risk management, loss control, and insurance joint purchase services; and

WHEREAS, it is the finding and determination of this, the Village of Harrison, that it is in the best interest of the Village of Harrison (the "Village") to meet its liability insurance needs through cooperative efforts with other cities and villages by becoming a member of CVMIC.

NOW, THEREFORE, BE IT RESOLVED, by the Village Board of the Village of Harrison that:

1. Participation. The Village will become a member of CVMIC and the Village may participate in joint purchases of risk management, loss control, and insurance services offered by CVMIC. The Village Manager and other Village officials are hereby authorized to take the actions necessary for such membership and participation.

2. CVMIC Articles and By-laws. The Articles of Incorporation and By-laws of CVMIC, attached hereto as Exhibits A and B respectively are hereby accepted and approved.

3. Coverage and Premium. The insurance coverage to be provided to the Village by CVMIC is set forth in the coverage document (the "Policy"), attached hereto as Exhibit C, and may be amended from time to time. The Policy and premium to be paid by the Village to CVMIC for the Policy are hereby approved.

4. Designated Representative. The Village Manager, or their delegate, is hereby designated as the Village's representative to CVMIC; he/she is authorized to act on behalf of the Village at meetings of representatives where CVMIC conducts its affairs; and in so

doing, is acting in an official capacity of the Village and/or within the scope of their employment.

5. Conflicting Resolutions. All prior resolutions, rules, or other actions of the Village, or any parts thereof, found to be in conflict with the provisions of this Resolution, are hereby repealed insofar as to remove said found conflict.

6. Severability. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof.

Adopted and recorded this 9th day of January 2025.

By: _____
Allison Blackmer, Village President

Attest: _____
Vicki L. Tessen, Village Clerk

Recorded Vote: ____ For _____ Against

Quarles & Brady LLP

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October 10, 2014

RECEIVED
2014 OCT 10 PM 3:22
WISCONSIN COMMISSIONER
OF INSURANCE

VIA HAND DELIVERY

Elena Vetrina, CPA
Insurance Examiner Supervisor
Bureau of Financial Analysis and Examinations
Office of the Commissioner of Insurance
125 South Webster Street
Madison, WI 53703-3474

RE: Cities & Villages Mutual Insurance Company ("CVMIC")

Dear Elena:

Following up on our prior discussions and Michelle Voskuil's October 6, 2014 email to you, I am pleased to confirm that CVMIC's members amended and restated its Articles of Incorporation at their annual meeting on October 4, 2014 to reflect certain changes in conjunction with the termination of CVMIC's Liability Insurance Coverage Program Agreement, to address distribution of funds upon dissolution of CVMIC, to clarify certain points relating to assessments, and to update certain outdated information. This amendment and restatement will be effective as of January 1, 2015.

Enclosed for filing pursuant to Wis. Stat. § 611.29(4) are the original Articles of Amendment for these changes. Also enclosed are a check in the amount of $25 for the filing fee pursuant to § 601.31(1)(d) and, for your reference, a version of the Amended and Restated Articles of Incorporation marked to show changes from the existing Articles of Incorporation (this is the same marked version I emailed to you on May 18, 2014, except it shows the adoption and effective date).

As noted in that May 18 email to you, CVMIC's Board of Directors approved corresponding amendments to CVMIC's By-Laws at the board's May 14, 2014 meeting. These amendments were conditional upon member approval of the amendment and restatement of the Articles of Incorporation, and they have an effective date of January 1, 2015. Enclosed for filing pursuant to § 611.12(4) is a copy of CVMIC's By-Laws as amended. The version I emailed to

you on May 18, 2014 was marked to show the changes from the existing By-Laws, except for the adoption and effective date for the most recent amendments.

If you have any questions, please contact me or Ken Horner, CVMIC's Director of Operations, at 262-784-5666, ext. 200, or kah@cvmic.com.

Very truly yours,

QUARLES & BRADY LLP

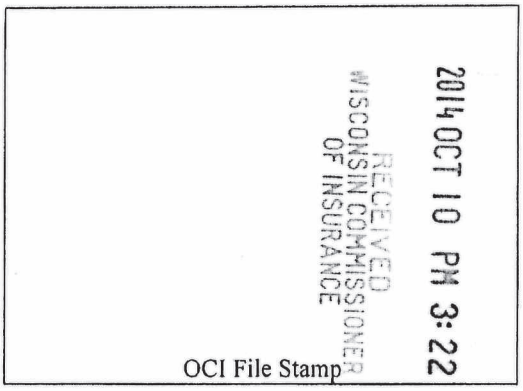
William J. Toman

WJT:pht
Enclosures
200458.00002

cc(w/enc.): Peter Medley CFE
Ken Horner

Cities and Villages Mutual Insurance Company

Articles of Amendment and Restatement



Article 1. The name of the Corporation is Cities and Villages Mutual Insurance Company.

Article 2. The Corporation's existing Articles of Incorporation are amended and restated as follows, which amendment and restatement supersedes and takes the place of the Corporation's existing Articles of Incorporation and any amendments to those Articles of Incorporation:

RESOLVED that the Corporation's existing Articles of Incorporation shall be amended and restated to read as attached, which amendment and restatement supersedes and takes the place of the Corporation's existing Articles of Incorporation and any amendments to those Articles of Incorporation.

FURTHER RESOLVED, that these amendments of the Articles of Incorporation shall take effect on January 1, 2015.

Certificate

This is to certify that the attached amended and restated Articles of Incorporation contain one or more amendments to the existing Articles of Incorporation that require approval of the Corporation's Members, but do not require approval of any person other than the Board of Directors; and that the amendments to the Corporation's existing Articles of Incorporation were adopted by the Corporation's Members at a meeting on the 4th day of October, 2014 in accordance with sections 181.1003 and 611.29 of the Wisconsin Statutes.

Duly executed this 7th day of October, 2014.

Cities and Villages Mutual Insurance Company

By: Michael L. DeMoss
Name: Michael L. DeMoss
Title: Executive Director

AMENDED AND RESTATED ARTICLES OF INCORPORATION
of
CITIES AND VILLAGES MUTUAL INSURANCE COMPANY

Pursuant to the provisions of Chapter 611 of the Wisconsin Statutes, the members adopted the following Amended and Restated Articles of Incorporation on October 4, 2014 effective January 1, 2015:

ARTICLE I

NAME OF CORPORATION

The name of the Corporation is:

CITIES AND VILLAGES MUTUAL INSURANCE COMPANY

ARTICLE II

PURPOSE OF CORPORATION

The Corporation is organized under Chapter 611 of the Wisconsin Statutes. The purpose of the Corporation is to engage in and carry on the business of insurance as a municipal mutual insurance company and to engage in any lawful act or activity for which municipal mutual insurance companies may be organized under the laws of the State of Wisconsin.

ARTICLE III

MEMBERSHIP

Each holder of a policy of insurance issued by the Corporation shall be a member of the Corporation. Policies of insurance may only be issued to Wisconsin cities and villages and to commissions formed by intergovernmental cooperation contracts that include Wisconsin cities or villages, or both, as parties. There shall only be one class of members.

RECEIVED
WISCONSIN COMMISSIONER
OF INSURANCE
2014 OCT 10 PM 3:22

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ARTICLE IV

BOARD OF DIRECTORS

The Board of Directors of the Corporation shall consist of such number as shall be determined from time to time, in the manner provided in the By-Laws of the Corporation. The members of the Board of Directors shall be elected or appointed in the manner provided in the By-Laws of the Corporation.

ARTICLE V

MAILING ADDRESS AND REGISTERED AGENT

The mailing address of the principal office of the Corporation is as follows:

9898 W. Bluemound Road
Wauwatosa, WI 53226-4319
Attn: Thomas E. Mann

The name and address of the registered agent of the Corporation is as follows:

Thomas E. Mann
9898 W. Bluemound Road
Wauwatosa, WI 53226-4319

ARTICLE VI

ASSESSABLE POLICIES PERMITTED

The Corporation will issue assessable insurance policies. All policyholders will be subject to assessments as necessary to pay claims. Such assessments shall be determined by the Board of Directors on an equitable basis separately for each class of insurance, as defined by Wisconsin law, that is written by the Corporation.

ARTICLE VII

DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Corporation, whether voluntary or involuntary, the Corporation shall continue to hold all assets to apply to the payment (or provision for payment) of claims under policies issued by the Corporation, and for the discharge of all other valid debts and obligations of the Corporation. Upon discharge of all valid debts and obligations, the Corporation shall distribute any remaining assets to all members of the Corporation that were not in default of any payment obligation to the Corporation on the date of dissolution, according to each member's respective allocable share. Such allocable share shall be determined by calculating the aggregate amount of all premiums paid by the member to the Corporation for a public entity liability insurance policy ("Policy") during the last ten Policy years for which the Corporation issued such Policies (reduced by 15% of all aggregate claims incurred by the member and paid for such Policy years) plus the aggregate amount of all self-insured retentions maintained by the member under the Policy during the last ten Policy years for which the Corporation issued such Policies, in proportion to such aggregate premiums (likewise reduced by such aggregate claims) and such self-insured retentions of all members. In making this calculation, premiums shall be weighted 70% and self-insured retentions shall be weighted 30%.

BY-LAWS

CITIES AND VILLAGES MUTUAL INSURANCE COMPANY

Amended: 11/12/88, 11/4/89, 10/26/91, 12/04/02, 12/14/05, 9/12/07, 9/9/09, 6/14/11, 10/6/12, 5/14/14 (effective 1/1/15), 9/06/17, 2/14/18, 5/15/19, and 9/18/24

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ARTICLE I - PRINCIPAL PLACE OF BUSINESS

The principal place of business or home office of the Cities and Villages Mutual Insurance Company (the "Company") shall be in the City of Wauwatosa, in the County of Milwaukee in the State of Wisconsin.

ARTICLE II - MEMBERS AND MEETINGS

Section 1. Membership. All cities**,** villages**,** and commissions formed by intergovernmental cooperation contracts that include Wisconsin cities or villages, or both, as parties ("Municipality" or "Municipalities") that become policyholders of the Company shall be members thereof and entitled to all the privileges and subject to all the liabilities of membership while their respective policies, including preliminary binders, are in force, except so far as such privileges may be expressly waived by a member. A Municipality which becomes a member of the Company may authorize any person to represent it therein. (Hereinafter, said person shall be referred to as a "Representative".) Until the Company shall have received written notice to the contrary from such Municipality or until some other person shall have been authorized to represent the Municipality in the Company and the Company shall have received written notice thereof, the Company may assume that the Representative is the duly authorized Representative of the Municipality and entitled to act and vote on its behalf. Whenever in these By-Laws the word "Member" is used, the same shall be deemed and construed to mean, according to the context, either the Municipality or its Representative.

A. Admission. The Company will accept applications for coverage from Municipalities, and may admit such applicants by two-thirds vote of the Board of Directors. To be admitted and continue as a Member, every Municipality shall maintain a Public Entity Liability Insurance Policy with the Company.

B. Withdrawal. The Company shall permit a Member to withdraw from membership and from coverage under all insurance policies of the Company provided that (a) such Member is not in default of any of its obligations to pay premiums to the Company; (b) such Member provided the Company with written notice of its intent to withdraw no less than one year prior to the effective date of the withdrawal; and (c) such withdrawal shall be effective on January 1. In recognition of the losses to the Company due to any failure to provide such notice, and the difficulty in estimating such losses, failure to provide the required notice shall result in the withdrawing Member forfeiting any policy dividend for the Member's last full calendar year of insurance. In no event shall withdrawal release a Member from its obligations as a Member, including assessments and other payment obligations, related to periods before the effective date of withdrawal. Notice of withdrawal shall be revocable by the Member only with the consent of the Company.

C. Expulsion. The Company may expel a Member from coverage and membership provided that (a) the Member is in default of an obligation to the Company, and (b) the expulsion is effective ten (10) days after written notice is given in cases of default in premium payments, or sixty (60) days after written notice is given in cases of default of any other obligations, or such longer notice as is required by law. In no event shall expulsion from coverage and membership release a Member from its obligations as

a Member, including assessments and other payment obligations, related to periods before the effective date of expulsion.

Section 2. Annual Meeting. The annual meeting of the Members of this Company shall be held during the last quarter of each calendar year. The date, time and place of the annual meeting shall be determined by the Board of Directors. The Members shall elect a Board of Directors and transact such other business as shall lawfully come before them, and at such meeting every Member shall be entitled to one vote, to be cast in person or by proxy. If for any cause the annual meeting for any year is not held as provided above, then the Board of Directors or the President shall call a special meeting to be held as soon as is practical thereafter in lieu of and for the purpose of such annual meeting, and all proceedings at such meeting shall have the same force and effect as if taken at the regular annual meeting.

Section 3. Special Meetings. Special meetings of the Members of the Company shall be held at the place, day and hour as may be specified in the notice of the meeting. The Secretary/Treasurer or, in case of his or her absence, incapacity, or disability, such person as the Board of Directors or the President shall appoint, shall call such special meeting whenever requested in writing to do so by the President, or a majority of the Board of Directors or by fifty percent of the Members. Such request shall state the purpose of such meeting. Every Member shall be entitled to one vote at such meeting, to be cast in person or by proxy.

Section 4. Proxies. Members may vote by proxy at all meetings of the Members provided the proxy is in writing, signed by the Member or the Member's duly authorized

attorney-in-fact. All proxies must be filed with the Secretary/Treasurer at or prior to the meeting at which they are to be used. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

Section 5. Notice of Meetings.

A. Notice. Notice of any meeting shall be given by oral or written notice delivered to each Member in one of the methods described in Subsection B hereof not less than ten (10) days nor more than sixty (60) days before the date of the meeting, by or at the direction of the President, the Secretary/Treasurer, or other officer or persons calling the meeting to each Member of record entitled to vote at such meeting. However, if notice is mailed by other than first class or registered mail, notice must be mailed not less than thirty (30) days before the meeting date. The purpose of and the business to be transacted at any special meeting of the Members shall be specified in the notice or waiver of notice of such meeting.

B. Methods of Giving Notice. In addition to any other method of notice provided for in these By-Laws or by applicable law, notice of any annual, regular or special meeting of Members, any annual or special meeting of directors, and any other notice required to be given under these By-Laws or applicable law may be communicated in person, by telephone, facsimile, electronic communication (including email), or other form of wire or wireless communication, or by mail or private carrier, and if these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published, or by radio, television or other form of public broadcast communication. Oral notice is effective when communicated. Written

notice is effective at the earliest of the following: (a) when received; (b) when deposited in the U.S. mail, if mailed postpaid and correctly addressed; (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or (d) when sent by email, if correctly addressed.

C. Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of the applicable law or under the provisions of the Articles of Incorporation by By-Laws of the Company, a waiver thereof in writing, signed at any time by the person or person entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

D. Adjourned Meetings. Unless otherwise provided by law, if an annual, regular or special meeting of Members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment.

Section 6. Reports. At each annual meeting of the Members, the Board of Directors and Officers shall submit complete and detailed reports of the condition of the Company.

Section 7. Quorum. A majority of Members present in person shall constitute a quorum at any meeting. However, less than a quorum may adjourn from time to time. A vote of

the majority of a quorum at a meeting is sufficient to take action unless a vote by a greater number is required by law, the Articles of Incorporation or these By-Laws.

Section 8. Equitable Exercise of Responsibilities. The Company shall exercise all rights and responsibilities hereunder reasonably and equitably for the benefit of all Members without preference or discrimination among Members.

ARTICLE III - BOARD OF DIRECTORS

Section 1. Board of Directors. The Company shall be governed by a seven member Board of Directors.

A. Director Classes. While there is only one class of Members, for purposes of election of the Board of Directors and no other purpose the seven seats on the Board of Directors shall be apportioned as follows:

1. Two Class One Seats. Two seats shall be held by Representatives from Members with populations in excess of 50,000. (Hereinafter referred to as "Class One Seats".)

2. Two Class Two Seats. Two seats shall be held by Representatives from Members with populations of 15,001 through 50,000. (Hereinafter referred to as "Class Two Seats".)

3. Two Class Three Seats. Two seats shall be held by Representatives from Members with populations of 15,000 or less. (Hereinafter referred to as "Class Three Seats".)

4. One At Large Seat. One seat shall be held by a Representative from a Member without regard to population. (Hereinafter referred to as the "At Large Seat").

For all purposes under these By-Laws, (a) the population of a Member that is a commission formed by intergovernmental cooperation contract shall be determined by aggregating the populations of all parties to the intergovernmental cooperation contract, and (b) population shall be determined and acquired from the Department of Administration of Wisconsin website under "Population and Housing Unit Estimates" and selecting the current (most recent) "Municipality Final Population Estimate – Alphabetical List" excel worksheet or such successor source as determined by the Board of Directors.

B. Interlocking Directorates and Other Relationships. No person may simultaneously be a Director of the Company and a director, officer, employee or agent for another insurer if the effect is to lessen competition substantially or if the Company and the other insurer have materially adverse interests.

Section 2. Meetings. Meetings of the Board of Directors shall be held at the call of the President, a majority of the Board of Directors or upon the call of one half of the Members. Meetings of the Board of Directors shall be held at the principal office of the Company or at such other place as may be designated by the President. The Board of Directors may establish a schedule of regular meetings.

A. Notice. The Secretary/Treasurer shall give notice or shall cause notice to be given of all regular meetings of the Board of Directors by mailing a notice to each

Director and all other Representatives at least five days prior to holding such regular meeting. The Secretary/Treasurer shall give notice or shall cause notice to be given of any special meeting of the Board of Directors by providing written or telephonic notice to each Director and all other Representatives in such a manner that it is received at least 12 hours prior to the holding of any such special meeting.

B. Quorum. The action of a majority of a quorum of the Board of Directors at any regular or special meeting shall be valid notwithstanding any defect in the notice of such meeting.

C. Meetings By Telephone or Other Communication Technology. Any or all Directors may participate in a regular or special meeting of the Board of Directors or in a committee meeting by, or conduct the meeting through the use of, telephone or any other means of communication by which either: (a) all participating directors may simultaneously hear each other during the meeting or (b) all communication during the meeting is immediately transmitted to each participating Director, and each participating Director is able to immediately send messages to all other participating Directors. If a meeting will be conducted through the use of any such means, all participating Directors shall be informed that a meeting is taking place at which official business may be transacted. A Director participating in a meeting by any such means is deemed to be present in person at the meeting.

Section 3. Annual Meeting. The first meeting and each annual meeting of the Board of Directors shall be held on the same day and at the same place as the first meeting and each annual meeting of Members, and shall convene immediately after adjournment of

the annual meeting of the Members. At such annual meeting the Board of Directors shall elect the officers of the Company. If for any cause the annual meeting of the Board of Directors shall not be held at the time designated, or, being held, there shall be failure to elect officers, such officers may be elected at a subsequent meeting called for such purpose.

Section 4. Quorum. A majority of the members of the Board of Directors shall constitute a quorum of Board of Directors for the transaction of business. However, less than a quorum may adjourn from time to time. A vote of the majority of a quorum at a meeting is sufficient to take action unless a vote by a greater number is required by law, the Articles of Incorporation or these By-Laws.

Section 5. Election. The Board of Directors shall be elected by the Members at the annual meeting. All Representatives shall be entitled to vote in the election of candidates to all seats on the Board of Directors.

A. Nominations. Candidates for Class One Seats shall be nominated by the Representatives from Members with populations in excess of 50,000. Candidates for Class Two Seats shall be nominated by Representatives from Members with populations of 15,001 through 50,000. Candidates for Class Three Seats shall be nominated by Representatives from Members with populations of 15,000 or less. Candidates for the At Large Seat may be nominated by any Representative.

B. Terms. The Representative elected to the At Large seat shall serve a one-year term. All other Representatives elected to the Board of Directors shall serve staggered two-year terms. At each annual meeting one Representative shall be elected

for a two-year term to each of the Class One, Two and Three Seats to fill the seat of the incumbent whose term is expiring. The term of office on the Board of Directors shall commence on the January 1 next following the annual meeting and shall run through December 31 of that calendar year in the case of one-year terms or December 31 of the next following calendar year in the case of two-year terms.

C. Reports. The name of any person selected as a Director of the Company, together with such pertinent biographical and other data as the Wisconsin Commissioner of Insurance ("Commissioner") requires by rule, shall be reported to the Commissioner immediately after the selection.

Section 6. Vacancies. Vacancies in the Board of Directors occurring during the interim of the annual meeting shall be filled by the Board of Directors and the person so elected shall serve until the next annual meeting. Appointments to fill vacancies in Class One, Two or Three Seats must be Representatives from the Class in which the vacancy occurs.

Section 7. Removal. Any member of the Board of Directors may be removed for cause by an affirmative vote of a majority of the full Board of Directors at a meeting of the Board of Directors called for that purpose. Any such removal shall be reported to the Commissioner immediately with a statement of the reasons for removal.

Section 8. General Powers. The Board of Directors shall have control of the business affairs of the Company and shall possess and exercise all powers usually vested in the directors or trustees of insurance companies, which are consistent with the provisions of the Articles of Incorporation and with the laws of the State of Wisconsin, and may accept

any additional powers and privileges which any like insurance company may be authorized by the legislature of the State of Wisconsin to exercise.

Section 9. Interpretive Rulings. The Board of Directors may from time to time interpret the provisions of the Articles of Incorporation and these By-Laws by adopting interpretive rulings. An interpretive ruling may explain the meaning of a provision of the Articles of Incorporation and By-Laws, but shall not change the meaning of the provision; any such change must be adopted as an amendment to the Articles of Incorporation or By-Laws. Each interpretative ruling shall be forwarded to all Members in writing within thirty (30) days of its adoption. No interpretive ruling may become effective less than one (1) year following such notice of its adoption by the Board of Directors, and all interpretive rulings must go into effect on January 1 of the appropriate year.

Section 10. Adoption of Policies. The Board of Directors may from time to time adopt and amend rules, policies and guidelines governing the rights and responsibilities of Members. The Company shall notify the Members of the adoption or amendment of such rules, policies and guidelines within thirty (30) days of the adoption or amendment. No rule, policy or guideline adopted or amended under this Section may become effective less than one (1) year following such notice of its adoption by the Board of Directors, and each such rule, policy or guideline must become effective on January 1 of the appropriate year.

Section 11. Dividends. The Board of Directors may declare dividends from surplus held in excess of all liabilities, which will be paid to all Members as of the date the dividend is

declared subject to forfeiture as provided in Article I, Section 1.B. of these By-Laws. Dividends under Section 631.51(2) of the Wisconsin Statutes shall be in such amount as the Board of Directors shall determine is fair and reasonable and shall not be made contingent upon the continuance or renewal of the policy. The Company shall file a schedule explaining the basis for any dividend with the Commissioner as required by law.

Section 12. Accounting and Reserves. The Board of Directors may from time to time establish such accounting practices as it determines are appropriate and consistent with law. The Board of Directors may determine what amounts, in addition to amounts required by statute, shall be set aside from time to time as additional reserves.

Section 13. Compensation. Directors of the Company shall not receive compensation for serving as Directors, but may receive reasonable compensation for other personal services rendered which are necessary to carrying out the purposes of the Company. In addition, Directors may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board of Directors.

ARTICLE IV - COMMITTEES

Section 1. Creation of Committees. Pursuant to Section 611.56 of the Wisconsin Statutes, the Board of Directors shall have the power to create such committees as may from time to time be appropriate ("Board of Directors Committees"). The President shall have the power to create such other committees that report to the President as may from time to time be appropriate ("Presidential Committees"). Board of Directors and

Presidential Committees may only consider and act on matters specifically referred to them by the chair of the committee, Officers of the Company, the Chief Executive Officer or the Board of Directors.

Section 2. Appointment of Committees. The Board of Directors shall appoint persons to serve on each Board of Directors Committee. The President shall appoint Representatives to serve on each Presidential Committee.

A. Presidential Committee Board Liaison. The President may also appoint a member of the Board of Directors to serve as a regular member or liaison to a Presidential Committee. If such a Board Liaison has been appointed, he or she shall count for purposes of determining a committee quorum, and may participate in deliberations of the committee, but shall not have voting privileges.

B. Committee Chairs. Board of Directors and Presidential Committees will elect a chair (other than the Board Liaison of a Presidential Committee) from the membership of the committee. The chair of a Presidential Committee or his/her designee is expected to report to the President on committee activities at Board of Directors meetings and otherwise.

C. Presidential Committee Alternates. Representatives appointed to a Presidential Committee may designate an alternate to serve on the committee. Said alternate must be an officer or employee of the Representative's Municipality.

Section 3. Notice of Meetings of Committees. No notice of regular meetings of any committee shall be necessary. Reasonable notice shall be given of special meetings of

any committee, but the action of a majority at any regular or special meeting of any committee shall be valid notwithstanding any defect in the notice of such meeting.

ARTICLE V - OFFICERS OF THE COMPANY

Section 1. Officers. The Board of Directors shall elect a President, Vice-President and a Secretary/Treasurer at its annual meeting. The President, Vice-President, and Secretary/Treasurer shall be the principal officers of the Company, and such offices shall be held by three separate individuals. The name of any person selected as a principal officer of the Company, together with such pertinent biographical and other data as the Commissioner requires by rule, shall be reported to the Commissioner immediately after the selection. Each officer shall assume the duties of his or her office on the January 1 next following the annual meeting of the Board of Directors. If any of the officers cease to be a Representative, the resulting vacancy shall be filled at the next meeting of the Board of Directors held after the vacancy occurs. The Board of Directors may appoint, retain or employ such other officers or agents as it considers necessary. No person may simultaneously be an officer of the Company and a director, officer, employee or agent for another insurer if the effect is to lessen competition substantially or if the Company and the other insurer have materially adverse interests.

Section 2. President. The President shall have general charge and oversight of the Company's business and affairs and shall discharge all other duties imposed upon him by law, by these By-Laws or by the Board of Directors. The President shall preside at all meetings of the Members and all meetings of the Board of Directors. The President shall sign all policies. The President may appoint such subordinate officials and

representatives as he may deem necessary and may at any time remove any official or representative so appointed. The President shall determine the duties and powers of such officials and representatives.

Section 3. Vice-President. The Vice-President shall perform all of the duties and have all of the powers of the President in the absence or disability of the President.

Section 4. Secretary/Treasurer. The Secretary/Treasurer shall keep or cause to be kept a record of the minutes of the Company, its Board of Directors, and its committees. The Secretary/Treasurer shall countersign all instruments and documents executed by the Company which the law or these By-Laws require to be so executed, and affix to instruments and documents the seal (if any) of the Company, whenever required by law or by the Board of Directors. The Secretary/Treasurer shall keep or cause to be kept all documents, instruments, records, papers, books, or like things pertaining to the business of the Company and he or she shall keep or cause to be kept in proper books therefor the transactions of the Company and shall perform such other duties as are usually incident to such office.

The Secretary/Treasurer, subject to the direction and control of the Board of Directors, shall also collect, receive, and safely keep or cause to be collected, received, and safely kept all the moneys, funds, and securities of the Company, and attend to all its pecuniary affairs. The Secretary/Treasurer shall keep or cause to be kept full and complete account and records of all his or her transactions, of sums owing to or by the Company, and of all rents and profits in its behalf. The books of account and records shall at all reasonable times be open to the inspection of Members of the Company, and the Secretary/Treasurer

shall furnish or cause to be furnished to the Members at their annual meeting and to the Board of Directors whenever requested by them such statements and reports of the same as are necessary to a full exhibit of the financial condition of the Company.

Section 5. Powers of Attorney. The President or the Secretary/ Treasurer, subject to such limitations as the Board of Directors may prescribe, shall execute such powers of attorney as are necessary to make effective the insurance policies and contracts of the Company.

ARTICLE VI - FINANCES OF THE COMPANY

Section 1. Funds of the Company. All moneys belonging to the Company shall be deposited or invested in the name of CITIES AND VILLAGES MUTUAL INSURANCE COMPANY in such depositories or in such securities as may be authorized by the Board of Directors. The officers, agents or employees of the Company handling funds and securities of the Company may be required to give surety bonds in such sums as the Board of Directors may direct.

Section 2. Annual Report of Claims Auditor. The Company shall retain an independent, qualified claims auditor selected by the Board of Directors for the purpose of performing an annual claims audit and submitting an annual claims audit report. The Company shall promptly provide copies of the annual claims audit report to each Member.

Section 3. Actuarial Opinion. The Company shall have claim reserves reviewed annually by an independent actuary appointed by the Board of Directors. The actuary will approve and certify claim reserves to the extent required by the Commissioner.

Section 4. Purchase of Commercial Insurance or Reinsurance. The Company may arrange for coverage for the Company and/or the Members by the purchase of insurance from a commercial insurer or reinsurer.

Section 5. No Encumbrances. The Company shall not pledge its funds or other rights except as provided by these By-Laws.

ARTICLE VII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Mandatory Indemnification. The Company shall, to the fullest extent permitted or required by Sections 181.0871 to 181.0881, inclusive, 181.0889, and 611.62(2) of the Wisconsin Statutes, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Company to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any Director or Officer is a Party because such Director or Officer is a Director or Officer of the corporation. The corporation shall indemnify its employees and authorized agents, acting within the scope of their duties as such, to the same extent as Directors or Officers hereunder. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which such Director or Officer may be entitled under any written agreement, board resolution, vote of the Members, the Wisconsin Statutes, or otherwise. All capitalized terms used in this Article VII and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the Wisconsin Statutes.

Section 2. Permissive Supplementary Benefits. The Company may, but shall not be required to, supplement the foregoing right to indemnification against Liabilities and advancement of Expenses under Section 1 of this Article by (a) the purchase of insurance on behalf of any one or more of such Directors, Officers, employees or agents, whether or not the corporation would be obligated to indemnify or advance Expenses to such Director, Officer, employee or agent under Section 1 of this Article, and (b) entering into individual or group indemnification agreements with any one or more of such Directors or Officers.

Section 3. Notice. To the extent required by law, the Company shall make no indemnification until at least thirty (30) days after notice to the Commissioner containing full details about the proposed indemnification.

Section 4. Waiver. By accepting membership in the Company each Member agrees to waive any claim or right of action it might have, whether individually or by or in the right of the Company, against any Director or Officer of the Company on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action, in the performance of his duties with or for the Company except for any claims or rights of action arising out of the willful misconduct or fraud of such Director or Officer or to recover any gain, personal benefit or advantage to which such Director or Officer is not legally entitled.

ARTICLE VIII - AMENDMENTS

Section 1. By-Laws. These By-Laws may be amended by a vote of three-fourths of the Members voting at a regular or special meeting or at any regular meeting of the Board of Directors by a vote of two-thirds of the entire Board of Directors. Amendments to these By-Laws shall be filed with the Commissioner within sixty (60) days after adoption.

Section 2. Policies. The Company may issue endorsements to the policy during the policy year, provided that no such endorsement that materially increases the types of exposures included under the policy will be effective without the approval of the Board of Directors.