

VILLAGE OF BARTLETT  
VILLAGE HALL, 228 S. MAIN STREET  
COMMITTEE AGENDA  
August 20, 2024

1. CALL TO ORDER
2. ROLL CALL
3. TOWN HALL: (Note: Three (3) minute time limit per person)
4. STANDING COMMITTEE REPORTS:
  - A. POLICE AND HEALTH COMMITTEE, CHAIRMAN SUWANSKI
    1. IPBC
  - B. LICENSE AND ORDINANCE COMMITTEE, CHAIRMAN HOPKINS
    1. Elected Officials Salary
  - C. BUILDING AND ZONING COMMITTEE, CHAIRMAN GUNSTEEN
    1. RV Amendment
5. ADJOURNMENT



# Agenda Item Executive Summary

**AGENDA ITEM:** Consideration for Membership in the Intergovernmental Personnel Benefit Cooperative (IBC)

**BOARD OR COMMITTEE:** Committee of the Whole

## BUDGET IMPACT

Amount	\$	Budgeted	\$
<b>Fund: General</b>		<b>Corresponding Activity Measure: Employee Group Insurance</b>	

## EXECUTIVE SUMMARY

A commitment to fiscal responsibility remains a top priority when considering best options for employee benefits. Village administration has been diligent in the annual evaluation of employee benefit plans and the cost of those plans. Recent developments have indicated membership in the Intergovernmental Personnel Benefit Cooperative for the annual renewal is both fiscally and operationally appropriate for the new benefit plan renewals effective January 1, 2025.

The current cost in total premiums for medical insurance is \$3,911,880. Last year the Village experienced a 5% increase, in medical insurance premiums. The proposed rates from IPBC create a cost savings in overall premiums for all benefit programs, essentially equal to \$200,000 for the initial year.

## ATTACHMENTS

Memo, IPBC Contract and By-Laws, IPBC Policy Manual

### RELATIONSHIP TO STRATEGIC PLAN GOAL

Strategic Plan Goal: Continue to Enhance and Improve Efficiency of Service Delivery Methods and Approaches

Short Term (1-3 Years): Routine  Complex

Long Term (3-5 Years): Routine  Complex

### ACTION REQUESTED

- For Discussion Only
- Resolution
- Ordinance
- Motion

### MOTION:

Staff: Janelle Terrance, Human Resources Director

Date: August 7, 2024

# Memorandum

**To:** Paula Schumacher, Village Administrator  
**From:** Janelle Terrance, Human Resources Director  
**Date:** August 5, 2024  
**Re:** Intergovernmental Personnel Benefits Cooperative (IPBC)

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The instability of the health insurance marketplace has increased the future possibility of substantial premium increases for the Village in terms of benefit plan costs. In an effort to minimize these annual expenses, the Village has continued to evaluate options. The Intergovernmental Personnel Benefit Cooperative (IPBC) is a cooperative entity voluntarily established by contracting units of local government and is permitted by Article VII, Section 10 of the 1970 Constitution of the State of Illinois, and the Intergovernmental Cooperation Act and other provisions of law to jointly administer personnel benefit programs. The IPBC was established in 1979 and currently includes 164 entities, with another nine looking for consideration of membership.

The purpose of the IPBC is to provide economies of scale and risk pooling that will allow members more financial stability than offered by the commercial insurance market. The IPBC allows the Village to access greater purchasing power through pooling with other members that together help stabilize costs in the health care arena to gain the buying power advantage of a large group. Another advantage of this group is that large individual (catastrophic) claims can be mitigated by spreading the cost among a large group rather than bearing the entire cost alone.

Individual IPBC members retain the right to create and change their plan design, allowing the Village to choose among many different networks and to model plans in ways that are cost effective and most appropriate for employees.

### **Strategic Plan Priority**

The Village's Strategic Plan identifies *Continue to Enhance and Improve Efficiency of Service Delivery Methods and Approaches* as a Strategic Priority. This endeavor will provide an avenue toward achieving this goal.

### **Financial Impact**

Annually staff goes through a time-consuming process to negotiate the best rate for a group our size. The Village has done a good job of reviewing and modifying plans for ways to improve cost-savings measures, share costs with employees and offer alternative options for coverages. However, with all these efforts the Village is too small to be able to negotiate in these medical insurance markets alone compared to the buying power of an intergovernmental pool. This also allows the employees greater access to medical networks that may have been cost prohibitive in the past as an individual entity.

Joining IPBC allows for a more stable and cost-effective means to provide employee health insurance. Typical annual renewals from the consortium for the same time period have averaged 3% annually, which would equate to essentially around \$200,000 for the first year. A portion of the savings of the Village's claim experience comes back to the Village in the form of dividends. The IPBC dividend program has paid an average of 5% back to its members which have never before been available to the Village of Bartlett.

The Village also pays separately for an Employee Assistance Program (EAP), which is included in the IPBC membership in addition to also offering a wellness component which can offer future additional cost savings. Additionally, because of the buying power of the group, the Village will be able to take advantage of reduced dental and life insurance rates.

By joining this pool, a long-term commitment is essential as the longer a member is in the pool, reserves can be built up to mitigate spikes in future claim years. This method is similar to the IRMA liability insurance pool which has benefited the Village since our participation began. Each year thereafter, the Village would remain a member in the consortium; however, plan designs and benefit packages could be changed in accordance with workforce needs.

### **Legal Analysis**

The Village attorney has reviewed the contract and by-laws for the Intergovernmental Personnel Benefit Cooperative (IPBC).

### **Action Requested**

A consensus of the Committee of the Whole to forward on to the Village Board for Approval and the passing of an Ordinance establishing membership into the Intergovernmental Personnel Benefits Cooperative (IPBC).

### **Exhibits**

- IPBC Contract and By-laws
- IPBC Policy Manual



# IPBC

Intergovernmental  
Personnel Benefit  
Cooperative

*The premier health benefit option for Illinois local governments*

## IPBC POLICY MANUAL REVISED OCTOBER 2020

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## **ADMINISTRATION FUND – FUND BALANCE POLICY**

### **I. Purpose of Fund Balance**

The purpose of this policy is to establish a key element of the financial stability of the IPBC by setting guidelines for the Administrative Fund balance. Unreserved fund balance is an important measure of economic stability. It is important that IPBC maintain adequate levels of unreserved fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenses and similar circumstances. The fund balance also provides cash flow liquidity for the IPBC's administrative operations.

### **II. Policy**

It is the goal of the IPBC to achieve and maintain an undesignated fund balance equal to 2 months (16 2/3%) of annual Administrative Fund expenses that are funded by the IPBC Admin rate. The 2-month fund balance requirement will be calculated as of the close of business on June 30<sup>th</sup> of each fiscal year. The Administrative Fund Balance for each entity in the IPBC shall then be adjusted to the required 2 -month fund balance through the audit process by a transfer to/ from the Terminal Reserve Fund.

### **III. Effective Date**

This policy shall be effective with the fiscal year beginning July 1, 2014.

Adopted by the IPBC Board of Directors on January 30, 2014  
Amended January 28, 2016 and February 2, 2017



## **BENEFIT FUND – FUND BALANCE POLICY**

### **I. Purpose of Fund Balance**

The purpose of this policy is to establish a key element of the financial stability of the IPBC by setting guidelines for the Benefit Fund balance. Unreserved fund balance is an important measure of economic stability. It is important that IPBC maintain adequate levels of unreserved fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenses and similar circumstances. The fund balance also provides cash flow liquidity for the IPBC's PPO/EPO plan, the Dental Plan, and Life Insurance plan.

### **II. Procedure**

It is the goal of the IPBC to achieve and maintain a Benefit Fund balance in the range of 16 2/3% to 50% of annual Benefit Fund expenses. The fund balance range requirement will be calculated as of the close of business on June 30<sup>th</sup> of each fiscal year. In calculating the minimum required fund balance, the sum total of the Benefit Fund - Fund Balance and the Terminal Reserve Fund – Fund Balance will be used to determine if the minimum fund balance requirement is met. The Benefit Fund – Fund Balance for each entity that falls outside of the 16 2/3% to 50% range requirement will be adjusted to the minimum or maximum range limit through the audit process by a transfer to/from the Terminal Reserve Fund. The minimum range of 16 2/3% will only apply to entities that maintain a PPO/EPO and/or Dental plan.

### **III. Implementation Period**

All entities will have six-years from the effective date of this policy to bring their Benefit Fund - Fund Balance into compliance with the minimum range of 16 2/3%. New members will also have six-years from acceptance into IPBC to bring their Benefit Fund - Fund Balance into compliance with the minimum range of 16 2/3%. After the six-year implementation period, entities that are not in compliance with the minimum range of 16 2/3%, will be subject to the adjustment process in the Procedure section of this Policy.

### **IV. Effective Date**

This policy shall be effective with the fiscal year beginning July 1, 2015.

Adopted by the IPBC Board of Directors on August 28, 2014  
Amended January 28, 2016, February 2, 2017 & November 21, 2019





## **WELLNESS FUND – FUND BALANCE POLICY**

### **I. Purpose of Fund Balance**

The purpose of this policy is to establish a key element of the financial stability of the IPBC by setting guidelines for the Wellness Fund - Fund Balance. Unreserved fund balance is an important measure of economic stability. It is important that IPBC maintain adequate levels of unreserved fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenses and similar circumstances. The fund balance also provides cash flow liquidity for the IPBC's wellness related operations.

### **II. Policy**

It is the goal of the IPBC to achieve and maintain an undesignated fund balance equal to 2 months (16 2/3%) of annual Wellness Fund expenses. The 2-month fund balance requirement will be calculated as of the close of business on June 30th of each fiscal year. The Wellness Fund - Fund Balance for each entity in the IPBC shall then be adjusted to the required 2 -month fund balance through the audit process by a transfer to/from the Terminal Reserve Fund.

### **III. Effective Date**

This policy shall be effective with the fiscal year beginning July 1, 2017.

Adopted by the IPBC Board of Directors on September 28, 2017



## Financial and Administrative Policy and Procedures

This listing of IPBC Policies and Procedures is meant to serve as guidelines for situations that may occur in the normal course of the Cooperative's activities. Activities not addressed or contrary to these listed below may be taken with prior full Board approval.

### Terminology:

- Fiscal Year - the Cooperative has adopted a fiscal year of July 1<sup>st</sup> of a year through June 30<sup>th</sup> of the following year, to coincide with the Cooperative's Plan Year and Annual Renewal.
- Member – an entity that participates in the Cooperative, either as a member of a sub-pool, a listed entity, or a stand-alone community.
  - Mature member or Mature Sub-Pool - a member, or a sub-pool, which has participated in the Cooperative through one complete fiscal year or longer, as of the date of the Cooperative's annual audit.
  - Immature member or Immature Sub-Pool - a member, or a sub-pool, which has not participated in the Cooperative through a minimum of one complete fiscal year, as of the date of the Cooperative's annual audit.

### I. Administrative Account Balances

Year-End Fund Balance: Member's Administrative fund balances will be adjusted through the audit process to bring their fund balance into compliance with the Administrative Fund – Fund Balance Policy, as adopted by the Board of Directors.

### II. Benefit Account Balances

#### A. Surplus – Reduce Future ACH Allocation

Surplus Benefit Account balances in excess of the minimum Benefit Fund - Fund Balance Policy may be utilized by the members to reduce future ACH allocation to the member's Benefit Account. After the establishment of Benefit Fund premiums with GBS, a member may request a reduction to the ACH by premium offset through the Benefit Fund Reserve account.



B. Surplus - Transfer to Terminal Reserve

Surplus Benefit Account balances in excess of the minimum Benefit Fund - Fund Balance Policy may be transferred to the members Terminal Reserve account. A reduction of the Benefit Account balance should be treated as an internal transfer to the member's Terminal Reserve account. Procedures for the transfer of any surplus are as follows:

- Members are to submit a request in writing to the Cooperative's Executive Director and Insurance Consultant. Requests from Sub-pool members must first be submitted to the Sub-pool Board for approval (if required by sub-pool by-laws) prior to the request being made to the Executive Director and Insurance Consultant.
- The Insurance Consultant will review the request and verify the Member's last audited balance and fiscal year to date activity to verify that the withdrawal will not result in an account balance deficit to be satisfied through the Cooperative's audit.
- The Insurance Consultant will forward the request to the Cooperative's Accountant for further verification of the Member's surplus balance in accordance with the Accountant's records and applicable reduction of the monthly total ACH. The effective date of the transfer will be the first of the month following the approval of the transfer.
- Any amounts requested by a member which are not approved by the Insurance Consultant and Accountant may be brought to the Finance Committee for approval.

C. Deficit

Upon acceptance of the Cooperative's annual audit, for any mature member, or mature sub-pool deficit balances in the Benefit Account will be settled with transfers from the member's, or sub-pool's, Terminal Reserve Account in accordance with the Benefit Fund – Fund Balance Policy.



### III. HMO Account Balances

#### A. Surplus and Deficit Transfer to Terminal Reserve

HMO Account balances will be transferred to the Terminal Reserve Account for each member participating in the HMO Program as part of the year-end audit process,

### IV. Terminal Reserve Account Balances

#### A. Declared Dividends

Any member balances in the Terminal Reserve Account shall be declared dividends of the Cooperative, provided that the Member is in compliance with all applicable IPBC Fund Balance Policies. Any excess funds transferred from the other accounts to the Terminal Reserve Account shall be declared dividends of the Cooperative. Terminal Reserve balances may be utilized by the members to reduce future total ACH's, to fund deficits in the member's IPBC accounts, or may be withdrawn by the member upon written request to the Cooperative (See Terminal Reserve Account Balances – Withdrawal of Funds policy)

#### B. Withdrawal of Funds

Upon written request to the Cooperative, Terminal Reserve balances may be utilized by the individual members to reduce future ACH's, to fund deficits in other member accounts, or may be withdrawn by the member. Procedures for the withdrawal of funds are as follows:

- Members are to submit a request in writing to the Cooperative's Executive Director and Insurance Consultant. Requests from sub-pool members must first be submitted to the Sub-Pool Board for approval (if required by sub-pool by-laws) prior to the request being made to the Executive Director and Insurance Consultant.
- The Insurance Consultant will review the request and verify the Member's Terminal Reserve balance, and fiscal year to date activity, provided that there



shall be deducted from the withdrawal any amounts owed by the member or reasonable anticipated to be owed by the member to the Cooperative either being then due or payable or estimated to be due based upon tentative figures or preliminary audits, or any other amounts due from the member to the Cooperative.

- The Insurance Consultant will forward the request to the Cooperative's Accountant for further verification of the member's current Terminal Reserve balance in accordance with the Accountant's records.
- Approved requests to reduce future ACH premium payments or to fund deficits in other member accounts will be sent to the requesting member with a copy to the IPBC Executive Director and Treasurer.
- Verified requests for withdrawal will be forwarded to the IPBC Treasurer for approval and payment with a copy to the Executive Director. Payments will be remitted within 30 days of The IPBC Treasurer's approval.

C. Deficit

Upon acceptance of the Cooperative's annual audit and settlement of other deficit account balance transfers for any member's or sub-pools', a Terminal Reserve Account balance deficit may be settled with either direct payment to the Cooperative from the member or sub-pool, or a Cooperative-approved transfer from a member's or sub-pool's surplus account balance, provided such a transfer follows the above policies.

V. **Total Account Balances**

A. Deficit – Mature Members

If insufficient surplus account balances, should result that a Terminal Reserve Account balance deficit cannot be fully settled with a transfer, the Cooperative shall accrue a Terminal Reserve Fund receivable for the net deficit balance due and issue an invoice to the member for the receivable. The member shall either pay within 60 days from the acceptance of the Cooperative's annual audit and written notice of the deficit or pay over 12 months in equal installments in addition to their normal monthly premium beginning in July of the next IPBC fiscal year.



B. Deficit – Immature Members

Deficit account balances of immature members of the Cooperative, or immature members of a mature sub-pool, will not be transferred or invoiced until such time as the member is considered mature, as defined by these Policies and Procedures.

Account balance deficits of mature members within a sub-pool, will not be invoiced provided the two qualifications below are both met:

- The total sub-pool experience is reallocated among its members.
- The total covered lives of the sub-pool increase by 50% from the prior plan year, as a result of new immature members being admitted into the sub-pool.

However, non-qualifying deficits of mature sub-pool members, resulting from their own experience or a premium deficiency, will be invoiced for the resulting Terminal Reserve Account balance deficit.

**VI. Accounting for Claims Incurred-but-not-Reported (IBNR)**

IBNR claims shall be allocated at year-end to individual member balances in the Benefit and HMO Accounts. HMO Account surplus transfer to, or deficit transfer from, the Terminal Reserve Account shall be made after the IBNR allocation.

**VII. Claims Exception of the Coverage Available in the Cooperative**

If a member requests a claims exception of the Cooperative i.e. coverage of an experimental procedure not normally covered, the full exception amount shall be paid by the member, not the Cooperative.

**VIII. Premium Payments to the Cooperative – Method of Payment**

All premium payments to the Cooperative shall be made on a monthly basis via ACH pull processed by the Accountant on the first business day of the month for the month. Any requests for exception to an ACH pull require approval of the IPBC Finance Committee and Executive Board.



## **IX. Premium Deficiencies**

Any member premium deficiencies, which exist after the fiscal year end final adjustments, shall reduce the member's balance in the Terminal Reserve Account, regardless of how the deficiency shall be made up by the member.

Adopted by the IPBC Board of Directors on December 3, 2015  
Revised by the IPBC Board of Directors on November 30, 2017  
Revised by the IPBC Board of Directors March 19, 2020



## **INVESTMENT POLICY**

### **I. Policy**

It is the policy of the Intergovernmental Personnel Benefit Cooperative (IPBC) to invest funds held by the Pool in a manner, which seeks the following:

- A. Legal Investments – IPBC investments must be within those instruments, which may be purchased by Illinois non-home rule communities under statutory provisions of Illinois law.
- B. Preservation of Capital – Pool and individual members balance security is our investment policy's primary goal.
- C. Proper Cash Flow – Investments must be structured so as to provide proper cash flow for the IPBC and to provide member access to funds in accordance with the IPBC by-laws.
- D. Competitive Return – Investment instruments will be utilized in accordance with the above provisions for risk versus return. Investments of longer duration should be in instruments of greater security.

### **II. Scope**

This policy applies to the investment of all monies held by the IPBC. Illinois State Statutes will determine the eligible investments for the IPBC. The Treasurer may choose to invest in only a subset of allowable investments in accordance with the above provisions and will inform that IPBC Executive Board of investments by type, duration and diversity at each quarterly meeting.

### **III. Prudence**

The standard of prudence to be used for all investment activities shall be the following "prudent person" standards, as stated below, and shall be applied while conducting all investment transactions.

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the





management of their own affairs, not for speculation, but for investment, considering the probable preservation of their capital as well as the probable income to be derived.”

#### **IV. Objective**

The portfolio will be invested in certain fixed income securities and cash equivalents. The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

##### **A. Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

##### **1. Credit Risk**

The IPBC will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- a) Limiting investments to the types of securities listed in Section \* of this Investment Policy.
- b) Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

##### **2. Interest Rate Risk**

The IPBC will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- a) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- b) Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio.



**B. Liquidity**

The Investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonable anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

**C. Yield**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

1. Security swaps may occur within professionally managed funds that are permitted to buy and sell as part of their contract.
2. The IPBC will pursue a buy and hold strategy for directly held investments unless otherwise determined by the Treasurer and then any sales/swaps will be specifically reported by the Treasurer in the next quarterly report.

**V. Standards of Care**

**A. Prudence**

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual's security credit risk or a market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.



The “prudent person” standard stated that, “Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**B. Ethics and Conflicts of Interest**

Officers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Officers shall refrain from undertaking personal investment transactions with the same firm and/or individual who, business is conducted on behalf of the IPBC.

**C. Delegation of Authority**

Authority to manage the investment program is hereby delegated to the Treasurer of the IPBC. The Treasurer is responsible for the operations of the investment program, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy and approved by the IPBC Finance Committee and Executive Board. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreement. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer and approved by the IPBC Finance Committee and Executive Board.

**VI. Authorized Financial Institutions, Depositories and Brokers/Dealers**

A list, approved by the IPBC Board of Directors, will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security brokers/dealers. These may include “primary” dealers or regional dealers that qualify under Security and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

The Treasurer may suspend an approved institution or broker/dealer from business with the IPBC for non-compliance and/or non-conformance. Such suspension must be confirmed by the IPBC Board of Directors at the following quarterly meeting or the suspension is lifted.



## VII. **Safekeeping and Custody**

### A. **Delivery vs. Payment**

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to release of funds.

### B. **Safekeeping**

Securities will be held by an independent third-party custodian selected by the entity as evidenced by safekeeping receipts in the IPBC's name.

The Treasurer shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Finance Committee, and with the independent auditor and approved by the IPBC Board of Directors. The controls shall be designed to prevent the loss of public parties, unanticipated changes in financial markets, or prudent actions by officers of the IPBC.

## VIII. **Suitable and Authorized Investments**

The IPBC will invest in those securities, which may be purchased by Illinois non-home rule communities under the statutory provisions of Illinois law.

Collateralization, where allowed by state law and in accordance with GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

## IX. **Investment Parameters**

### A. **Diversification**

It is the policy of the IPBC to diversify its investment portfolios. To eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all IPBC funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised periodically by the Treasurer for all funds.

In establishing specific diversification strategies, the following policies and constraints shall apply:

- Portfolio maturities shall be staggered to avoid undue concentrations of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.
- No more than 50% of IPBC funds shall be invested with any one investment firm.



B. Cash Management Funds

- Liquidity shall be assured through practices ensuring that the next disbursement date is covered through maturing investments or marketable U.S. Treasury or Agency obligations.
- Positions in securities having potential default risk (e.g., commercial paper) shall be limited in size so that in case of default, the portfolio's annual investment income will exceed a loss on a single issuer's securities.
- Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- The Treasurer shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, Treasury bills or collateralized certificates of deposit. The Finance Committee shall conduct a quarterly review of these guidelines and evaluate the probability of market and default risk in various investment sectors as part of its considerations.

C. Maximum Maturities

To the extent possible, the IPBC shall attempt to match investments with anticipated cash flow requirements. The weighted average maturity of the portfolio shall not be more than three (3) years with any one position having a maximum maturity of five (5) years.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that the appropriate liquidity is maintained to meet ongoing obligations.

D. Competitive Bids

The Investment Manager shall obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments purchased on the secondary market.



## **X. Reporting**

### **A. Investment Report**

The Treasurer shall submit an investment report quarterly that summarizes recent market conditions, economic developments, and anticipated investment conditions. The report shall summarize the investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics and other features. The report shall explain the quarter's total investment return and compare the return with budgetary expectations.

The report shall include an appendix that discloses all transactions during the past quarter. The report shall be in compliance with state law and shall be distributed to the IPBC Board of Directors and others as required by law.

Each quarterly report shall indicate any areas of policy concern and suggested or planned revision of investment strategies.

### **B. Performance Standards**

The investment portfolio will be managed in accordance with the parameters specified in this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The Treasurer shall establish appropriate benchmark against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

### **C. Marking to Market**

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Market-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

## **XI. Policy Considerations**

### **A. Exemption**

Any investment currently held that does not meet the guidelines of this policy shall be temporarily exempted from the requirements of this policy. Investments must come in conformance with the policy within six months of the policy's adoption or the governing body must be presented with a plan through which investments will come into conformance.



B. Amendments

This policy shall be reviewed on an annual basis and any changes must be approved by the IPBC Executive Board.

**XII. Approval of Investment Policy**

The investment policy shall be formally approved and adopted by the IPBC Finance Committee and Executive Board and reviewed regularly.

As amended and approved by the Board of Directors of March 20, 2014  
Revised and approved by the Board of Directors on January 24, 2019



### IPBC Investment Strategy and Guidelines

To ensure that the IPBC Investment Managers are investing the IPBC portfolio in a manner that is in full compliance with the IPBC's Investment Policy, the following guidelines for investing IPBC's funds have been established by the IPBC Treasurer in conjunction with the IPBC Finance Committee.

The following are allowable investments in the IPBC's portfolio up to the stated percentage allowed below:

<u>Investment Type</u>	<u>Allowable Percentage</u>
US Treasury Securities	100%
US Governmental Agency	100% with no more than 60% in any of the Securities following issuers: Federal Home Loan Bank (FHLB) Federal Farm Credit Bank (FFC) Federal Home Loan Mortgage Corporation (FHLMC) Federal National Mortgage Association (FNMA)
Municipal Securities	Maximum of 30% of the Portfolio with no more than 10% with any one issuer; must have a credit rating of A3/A- or better at the time of purchase for any security that has a maturity greater than 366 days at time of purchase.
Certificates of Deposit	Maximum of 60% of the Portfolio with FDIC insured CDs at a maximum of the FDIC guaranteed amount. Managers shall not make CD investments in institutions where the total IPBC investment shall exceed the FDIC guarantee.



Corporate Obligations      Maximum of 10% of the Portfolio with no more than \$1 million with any one issuer; must have a credit rating in compliance with State Statute at the time of purchase for any security. Managers shall not make Corporate Obligation investments in any one issuer where the total IPBC investment shall exceed \$1 million

### Strategies

- In the event that market conditions warrant security swaps, they are allowed with a minimum of two bids for both the sale and purchase side of the transaction unless the purchase side is a new issue security. The spread concession on either side of the transaction must correspond to current new issue agency concessions.
- Desired investment increments - Can use any increments desired for all securities purchased except for FDIC CD's which are capped at the FDIC guaranteed amount and Corporate Obligations which are capped at \$1 million for any one issuer.
- Benchmarks desired - CMT (Constant Maturity Treasuries) plus 15bp  
Barclays 1-3 Year Government Bond Index Fund
- Maximum Maturity of any one security at the time of purchase of no more than 5 years – as per Investment Policy notwithstanding the statutory maximum maturity for Corporate Obligations.
- Weighted Average Maturity of no more than 3 years – as per Investment Policy, calculated on total portfolio.
- Investment Strategy – Preserve capital while seeking yield while complying with Illinois Statute and the Investment Policy and the Strategy and Guidelines contained herein.



# IPBC

Intergovernmental  
Personnel Benefit  
Cooperative

*The premier health benefit option for Illinois local governments*

## RETIREE & DEPENDENTS ELIGIBILITY EXCEPTION POLICY

### I. Purpose of Policy

The Pension Code for the Police Pension, Fire Pension and IMRF (215 ILCS 5/367) states that only retirees and dependents on the health plan the day before retirement have the right to maintain coverage. The retiree continuation privilege is offered simultaneously with COBRA and once a choice is made limited options are only available. Members may elect to include more generous benefits for retiree policies regarding dependent coverage other than is required under law.

In order to align with some member's practices, the IPBC allows its members to offer more generous coverage, which is lawful. To accommodate this, the member must amend their plan documents with a summary of material modifications and assume additional financial responsibility which relieves some of the financial burden to IPBC members that do not allow this practice.

### II. Policy

To allow members to elect to offer more generous coverage benefits to retirees and their dependents based upon the following criteria: 1) Members will be required to notify the IPBC Executive Director and the IPBC Administrator of any retirees and dependents applicable under this policy; 2) The member must amend their plan documents with a summary of material modifications 3) Members will be individually responsible for Medical and Pharmacy claims up to the IPBC stop loss amount for both the PPO plan and the HMO plan; 4) Medical and Pharmacy Claims for the identified retirees and dependents will be separately tracked and the member will be financially liable for the claims up to the maximum limits.

### III. Exemptions

The following circumstances shall be exempted from this policy and will not be tracked separately, and the financial liability will continue to be shared in the same manner as active employees and their dependents.

- A. IPBC members with existing contractual obligations as of July 1, 2020, including successor agreements and when contract negotiations are ongoing.
- B. Any retiree with a retirement date before July 1, 2020.



- C. Members admitted to the IPBC after July 1, 2020 during their first year of their membership.
- D. New IPBC members will have one-year from their entrance date to come into compliance with the policy.

**IV. Effective Date**

This policy shall be effective for IPBC members on July 1, 2020.

Approved by the IPBC Board of Directors on November 21, 2019



## **DEPENDENT ELIGIBILITY AUDIT POLICY**

### **I. Policy Statement**

It is the policy of the IPBC to ensure that the compensated officers, employees, retirees and COBRA eligible persons of IPBC members that are properly eligible to participate in an IPBC Health or Dental Insurance plan receive cost-effective health care. These individuals will be referred to throughout this policy as “Employee” or “Employees”. Ensuring enrollment of only eligible dependents, as defined by each individual IPBC member’s plan document, is one means by which health care costs can be controlled and remain cost-effective.

Enrollment of ineligible Employees or dependents will directly increase the contribution or premium costs of an IPBC member and may also increase the costs of its other Employees or other IPBC members. In order to effectively manage these and other costs, all IPBC members are required to determine whether all Employees are eligible and in addition to conduct a dependent eligibility verification audit to ensure that only eligible dependents are enrolled in an IPBC Health or Dental plan (collectively and herein after referred to as “Plan”).

### **II. Purpose**

Dependent eligibility verification audits are an industry recognized and acceptable means by which the IPBC can ensure that only eligible dependents are enrolled in a Plan. By establishing this Policy, the IPBC is providing its members an acceptable means to assist in maintaining compliance with their plan documents, control health care costs, and to notify its members of their responsibilities toward the effort of eliminating unnecessary costs. Further, the IPBC is notifying its members of the actions that are expected should a member identify the enrollment of an ineligible dependent and the actions that may occur should the member fail in its responsibilities related to the enrollment of an ineligible dependent.

### **III. Scope**

This Policy shall apply to all IPBC members that offer health and/or dental coverage to an Employee.



#### IV. Responsibilities

- A. IPBC members are responsible for:
1. Ensuring that their Employees only enroll eligible dependents in a Plan.
  2. Notifying IPBC when a previously eligible enrolled dependent becomes an ineligible dependent. Notification shall be made within 30 calendar days of the date that the dependent becomes ineligible to continue coverage in a Plan. Notification shall be made by entry of the applicable coding into the third-party benefits management software used by the IPBC to manage benefit coverage, and applicable maintenance thereof.
  3. Conducting a dependent eligibility verification audit no less often than once every five years. An initial audit shall be completed by December 31, 2020. Audits conducted and completed after January 1, 2018 shall be deemed to have satisfied the initial audit requirement.
  4. Said audit may be conducted by an IPBC member by using their own internal resources or by using a third-party vendor that has been authorized by IPBC. Any third-party vendor costs are the sole responsibility of the IPBC member.
  5. IPBC members shall require their Employees to provide proof of dependent eligibility. To assist IPBC members in determining dependent eligibility, please refer to the Dependent Eligibility Verification – Acceptable Document Matrix. Whether the IPBC member conducts the Dependent Eligibility Verification internally or uses an authorized third-party vendor, it is the IPBC member's responsibility to utilize the matrix for guidance on a minimum documentation requirements for various dependent types.
  6. Providing proof of said audit in a form acceptable to the IPBC.
  7. The IPBC, from time to time, may seek reimbursement from the member of all claims paid not by or through direct charges to the member but rather by the IPBC or by an individual or aggregate excess insurance carrier. The IPBC also retains the right to seek reimbursement from the Employee or the ineligible dependent, but this is simply an alternative to seeking direct reimbursement from the member, including all costs,



including but not limited to legal costs associated with the reimbursement recovery.

8. If the IPBC member fails to complete the Dependent Audit in the specified timeframe, the IPBC will have its third-party vendor conduct the audit and bill the IPBC member appropriately, and the member may be subject to an additional administrative fee as determined by the IPBC Executive Board.

B. IPBC is responsible for:

1. Maintaining and enforcing this Dependent Audit Policy.
2. Maintaining a resource of a third-party vendor that has the experience and expertise to conduct a dependent eligibility verification audit to serve as an authorized vendor.
3. Make reasonable efforts to collect all claims that were paid on behalf of ineligible dependents which affected the IPBC and in some instances, to cooperate with IPBC members in seeking to jointly recover claims improperly paid by either entity.

Approved by IPBC Board of Directors on January 24, 2019  
Revised by IPBC Board of Directors on September 24, 2020



## GROWTH POLICY STATEMENT

### I. Purpose and Policy

With the assistance of its consultant, Gallagher benefit Services (GBS), the Executive Board and with the concurrence of the Board of Directors, the IPBC understands that the insurance marketplace and the IPBC's own financial protocols value continued controlled growth to the extent it is beneficial to the membership and the admitted entity

The Executive Board supports a policy of selective membership growth, not to exceed 1,000 new employee lives per fiscal year. This level of growth is intended to allow GBS reasonable time to assimilate new members into the IPBC without affecting its service responsibilities to the existing members.

Sub-pool additions are counted against the 1,000 employee lives, but growth in existing mature sub-pools is limited to no more than a gain of 50% of the sub-pool population as of June 30<sup>th</sup>.

The Board of Directors hereby transfers authority to the Executive Board to approve new members per the parameters and guidelines set forth in this policy. All prospective members over 500 employee lives, or the creation of a new sub-pool will require Board of Directors' approval. In addition, if in the best interests of the IPBC the Executive Board may recommend to the Board of Directors that the Pool exceed the new member limit.

For the purposes of considering new members, the IPBC recognized that there is a focus within the Chicago Metropolitan area and metro East St. Louis or other members in proximity to an existing member. Outside these areas, it is preferred that unless a prospective member is over 500 employee lives, that any such prospecting activity support the critical mass necessary to form a new Sub-pool.

### II. Membership Factors

Before conducting an assessment of a prospective member, GBS shall discuss and review the prospect with the Executive Board, which shall include a preliminary discussion of the potential service and financial impact to existing members. In considering a new member, the Pool will evaluate and consider the following factors:



A. Required Data:

1. **Accurate Underwriting**  
The prospective member will need to provide at least two-years of verifiable health claims information per the IPBC Quoting Data Requirements; or, if not available, health rate information for the two-year period. GBS underwriters will use this information to develop a premium quote to insure the new member risk is accurately underwritten and to ascertain the financial impact of the prospective entity/member to the Pool.
2. **Financial Capacity**  
The prospective member shall provide or make available its last two audited financial reports which will be used to evaluate the prospective member's financial condition including fund balance levels and trends.

B. Other Factors Considered for Membership:

1. **Bond Rating**  
If rated by an outside financial agency, it should have a current bond rating of not less than an "A" level from said agency.
2. **Effective Leadership**  
The Pool's preference is to consider entities that are similar to current members that exhibit a stable government history with a qualified staff.
3. **Demonstrates Long-Term Stability**
  - a) **Familiarity with IPBC**
  - b) **Organization or staff members that have participated in the IPBC or other health pools in the past and understands IPBC organization structure and member participation requirements and/or:**
  - c) **Participates in Other Intergovernmental Organizations**  
Organization that participate in other intergovernmental organizations or cooperatives and/or:
  - d) **Understands Pooling Concept**  
Understands the general concept of pooling and agrees with the philosophy that all communities are in it together and:
  - e) **Membership Participation**  
Willing to actively participate in the governance of the IPBC.





C. Factors That Impact the IPBC:

1. Sub-pool Growth Development  
With smaller entities – look to evaluate the critical mass of entities that will be logical for future sub pools and that service needs will not exceed appropriate levels due to size or geography.
2. Optimal Effective Date for New Member – January 1 or July 1.

Revised by the Board of Directors September 28, 2017



# IPBC

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*The premier health benefit option for Illinois local governments*

## RECORD RETENTION/DISPOSITION POLICY & GUIDELINES

### I. Policy

This policy implements the retention and disposition of records maintained by the Intergovernmental Personnel Benefits Cooperative ("IPBC"). For the purposes of this policy, a record is any print or electronic document or e-mail created and maintained in the ordinary course of business. The documents listed herein that are required to be retained herein may not be all inclusive. Additional documents not specifically listed herein that may be required to be retained by law or regulation will be retained in accordance with such law or regulation. Any records that are not required to be maintained pursuant to this policy may be destroyed, or otherwise disposed of as necessary for administrative purposes. This policy shall not govern records between members or between members and consultants.

### II. Records Required to be Maintained

- A. Board/Committee Meeting Materials - All items produced or used at any IPBC Executive Board, Board of Directors, Committee or sub-pool meeting, including all minutes.
- B. Financial Records and Supporting Detail – IPBC financial records, including but not limited to, reports and records of any obligation, receipt and use of public funds of units of local governments, financial statements, certified audits and all other audit reports, billing and payment detail for the IPBC, including payments and billing for IPBC contractors as well as payments or billing to or for Claimants or Members.
- C. Complaints brought against the IPBC or individual members under applicable state and federal statutes.
- D. Administrative Records - Including but not limited to general correspondence, training materials.
- E. Contracts and leases with vendors
- F. Electronically Stored Information, in pdf, text or other electronic format comprising or relating to a particular document or record otherwise addressed in this policy.
- G. Electronic Mail (E-mail) to or from the IPBC relating to a particular document or record otherwise addressed in this policy.



### **III. Storage of Retained Records**

All records to be retained by the IPBC, which are no longer regularly used, may be stored by the IPBC at an on or off-site facility for records storage, as the IPBC shall determine. The storage facility shall be secure and to the extent possible, fire-resistant Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the retention schedule set forth herein.

### **IV. Length of Retention of Files**

The following retention lengths shall apply:

- A. Board/Committee Meeting Materials. Board minutes, agendas, and Bylaws shall be retained until the IPBC is no longer actively operating and all obligations of the IPBC are fulfilled. Any other materials created for Board meetings shall be maintained for 5 years.
- B. Financial Records and Supporting Detail. Certified Audits, audit reports and general ledgers shall be retained permanently. All other records of the finance office shall be retained for 7 years.
- C. Complaints brought against the IPBC or individual members under applicable state and federal statutes shall be retained for 7 years.
- D. Administrative Records. All administrative records including general correspondence and training materials shall be retained for 5 years.
- E. Contracts and leases shall be retained for 7 years after the expiration of the contract or lease.
- F. Electronically Stored Information. The retention period for electronically stored information relating to a particular record otherwise addressed in this Policy should be retained for the same period as the document, which they relate.
- G. Electronic Mail to or from the IPBC. The retention period for electronic mail relating to a particular record otherwise addressed in this Policy should be retained for a minimum of three years.



**V. Destruction of Records**

All records, except those that are not subject to this policy, made or received by, or under the authority of, or coming into the custody, control or possession of the IPBC shall not be mutilated, destroyed or otherwise disposed of, in whole or in part, prior to the time frames provided herein. Prior to the destruction of any records, the Executive Director will notify the membership of the records scheduled to be destroyed at least seven days in advance.

**VI. Litigation hold**

In some instances, this policy may be temporarily suspended, specifically if records are relevant to an investigation, litigation, potential litigation or if an audit is anticipated. Suspension of this policy will take the form of no business records, including electronically stored information, being disposed of for the stated period of time. Notice of a litigation hold will be given to staff and upon notification, the records must be preserved until the matter in question is satisfactorily resolved and notice of that resolution is given to the staff. This exception supersedes any previously or subsequently established destruction schedule for those records.

**VII. Administration of this Policy**

This Policy shall be administered by the Executive Director who shall be the custodian of all retained records. The Administrator's responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy.

Approved by the IPBC Board of Directors on March 20, 2014

## **REMOTE ATTENDANCE POLICY**

### **I. Policy Statement**

It is the policy of the IPBC that a Delegate or Alternate Delegate (“Delegate”) of any group associated with this unit of government which is subject to the provisions of the Open Meetings Act (Covered Group) may attend and participate in any open or closed meeting of that Covered Group from a remote location via telephone, video, or internet connection provided that such attendance and participation is in compliance with this policy and other applicable laws.

### **II. Prerequisites**

A Delegate of the Covered Group of the IPBC shall be provided the opportunity to attend an open and closed meeting or only one of such meetings from a remote location if the Delegate meets the following conditions and a majority of a quorum of the Covered Body votes to approve the remote attendance:

The Delegate must notify the Chairman of the Covered Body at least 24 hours before the meeting unless advance notice is impractical.

The Delegate must meet one of the three reasons described herein why he or she is unable to physically attend the meeting, including either: (1) that the Delegate cannot attend because of personal illness or disability, (2) the Delegate cannot attend because of employment purposes or the business of the IPBC Member or the Delegate’s employer or (3) the Delegate cannot attend because of a family or other emergency; and

### **III. Voting Procedures**

After roll call, a vote of the Covered Body shall be taken, considering the prerequisites set forth in Section 2, on whether to allow an off-site Delegate to participate remotely. All of the Delegates physically present are permitted to vote on whether remote participation will be allowed. A vote may be taken to permit remote participation for a stated series of meetings if the same reason applies in each case. Otherwise, a vote must be taken to allow each remote participation.



**IV. Quorum and Vote Required**

A quorum must be established by Delegates physically present at any meeting before it can be considered whether to allow a Delegate to participate in the meeting remotely. A concurring vote of a majority of s quorum shall be necessary to decide the issue. For the meeting to continue there shall always need to be a quorum physically present.

**V. Minutes**

The Delegate participating remotely shall be considered an off-site participant and counted as present by means of video or audio conference, for that meeting if the Delegate is allowed to participate. The meeting minutes shall also reflect and state specifically whether each Delegate is physically present, present by video, or present by audio means

**VI. Rights of Remote Delegate**

The Delegate permitted to participate remotely will be able to express his or her comments during the meeting and participate in the same capacity as those Delegates physically present, subject to all general meeting guidelines and procedures previously adopted and adhered to. The remote Delegate shall be heard, considered, and counted as to any vote taken. Accordingly, the name of any remote Delegate shall be called during any vote taken, and his or her vote counted and recorded by the Secretary and placed in the minutes for the corresponding meeting. A Delegate participating remotely may leave a meeting and return as in the case of any Delegate.

**VII. Meetings**

The term meeting as used herein refers to any gathering whether in person or by video or audio conference, telephone call, electronic means (such as, without limitation, electronic mail, electronic chat, and instant messaging), or other means of contemporaneous interactive communication of a majority of a quorum of the Delegates of the Covered Body held for the purposes of discussing public business.

**VIII. Closed Meetings**

Delegates participating remotely shall otherwise be entitles to participate in closed meetings by video or audio conference under the same rules as open meetings.

Approved by the IPBC Board of Directors on August 15, 2007.



## COMMUNICATION GUIDELINES

### I. Purpose

The IPBC values good communication with its membership and believes it is a critical element in creating a successful organization. Communication encompasses both “official” communication (announcements, newsletters, memos etc.) and “unofficial” communication that occurs between IPBC members, IPBC staff and the IPBC Benefit Consultant.

These guidelines outline the IPBC communication framework, and the roles of IPBC members, IPBC staff and the IPBC Benefit Consultant in establishing effective communications within the IPBC.

### II. Objective

The IPBC has the objective of enhancing and streamlining communications to its membership. This involves ensuring that information is disseminated to the membership is relevant, easy to access, accurate and appropriate in both content and quantity. The IPBC will continue to develop and trial new communication platforms, channels, and tools to improve information sharing with its membership.

### III. Communication Channels

A. IPBC Newsletter – the IPBC will publish a monthly newsletter to update the membership on activities related to the IPBC. Topics will include items such as IPBC meeting updates, carrier updates, and benefits administration provider updates. The creation of the newsletter will be a joint effort between IPBC staff and the IPBC Benefit Consultant. It will be distributed to the IPBC membership via e-mail and placed on the IPBC website by IPBC staff.

B. IPBC Committee/Board Meetings – Governance decisions for the IPBC are made at the Executive Board and Board of Director meetings. Recommendations for action are made by the Committees. All of the meetings are open to the general membership. Meetings include, but are not limited to: Board of Directors, Executive Board, Finance Committee, Operations Committee, and Membership Development Committee.

C. IPBC Sub-Pool Meetings – the IPBC sub-pools meet in order to make governance decisions for their individual sub-pools. The sub-pool meetings also provide the opportunity for the sub-pools to discuss the activities of the



IPBC Committees and Boards. All of the meetings are open to the general membership.

- D. IPBC Website – the IPBC Website contains items such as: meeting calendar and packets, news and announcements, financial reports, and training information. The website is updated on an as needed basis and is maintained by IPBC staff.
- E. GBS Insight – HIPAA compliant website that allows information sharing between each individual IPBC member and the IPBC Benefit Consultant.
- F. IPBC Membership E-mails – Topics that require a more urgent distribution will be sent via e-mail to all IPBC Delegates and Alternates. In order to not overwhelm the membership with e-mails, IPBC staff and the IPBC Benefit Consultant will try to limit these communications to items that cannot wait for the distribution of the monthly newsletter.
- G. IPBC Distribution List E-mails – IPBC staff maintains distribution lists (by Committee, sub-pools etc.). IPBC staff and the IPBC Benefit Consultant may send e-mails to those distribution lists on an as needed basis.
- H. Individual Member E-mails – IPBC staff and the IPBC Benefit Consultant may send e-mails to individual members on an as needed basis.
- I. IPBC Membership Surveys – IPBC staff and the IPBC Benefit Consultant may occasionally develop membership surveys in order to gather information about member's practices or gauge the membership's opinion on different topics. Surveys will be developed on an as-needed basis by IPBC staff and the IPBC Benefit Consultant and sent to the appropriate distribution list(s).

#### **IV. Distribution Lists**

IPBC staff will maintain the following distribution lists:

- A. All IPBC Membership – All Delegates and Alternates of Individual and Sub-Pool Members.
- B. Individual Sub-Pool Membership – All Delegates and Alternates of Sub-Pool Members (currently: NIHII, NWHIP, QCHIP, SCDCBP, SIHII and SWAHM).





- C. IPBC Committees – All members of IPBC Committees (currently: Membership Development, Finance Committee, Operations Committee and Executive Board).
- D. IPBC Board of Directors – All Delegates and Alternates of the IPBC Board of Directors Members (currently: individual members Delegates and Alternates and appointed Delegates and Alternates of the sub-pools).
- E. Human Resources Personnel – Human Resources personnel of IPBC members that are not listed as a Delegate or an Alternate Delegate.
- F. Finance Personnel - Finance personnel of IPBC members that are not listed as a Delegate or an Alternate Delegate.

## V. **Expectations & Responsibilities**

- A. IPBC Membership  
As an IPBC Member, you can expect to be and should:
  - 1. Provided with relevant information and kept informed of relevant developments in a timely manner;
  - 2. Given the opportunity to raise questions or issues of concern relevant to your membership within the IPBC. Your questions should be treated seriously and respectfully and should be answered within a reasonable time period.
  - 3. Read relevant IPBC correspondence including e-mails, notices etc.;
  - 4. Attend applicable meetings (sub-pool, Board of Director, member-wide);
  - 5. Respond to surveys and general membership questions in a timely manner.
- B. IPBC Staff Should:
  - 1. Maintain IPBC E-mail distribution lists;
  - 2. Develop the monthly newsletter and distribute to the IPBC membership;
  - 3. Maintain the IPBC website;
  - 4. Develop annual meeting schedule;
  - 5. Prepare meeting packets and distribute to applicable distribution lists;
  - 6. Respond to all membership questions in a timely manner.
- C. IPBC Benefit Consultant Should:
  - 1. Provide content for the monthly newsletter in a timely manner;
  - 2. Provide content for the IPBC website;
  - 3. Attend all applicable meetings;
  - 4. Provide content for the meeting packets in a timely manner;
  - 5. Respond to all membership questions in a timely manner

**Communication Guidelines Matrix**

Channel	Purpose	Audience	Intended Result	Frequency
Newsletter	To inform the membership on topics/issues related to the IPBC	All Delegates and Alternates of all IPBC members	To keep members up to date on IPBC information	Monthly/as needed
IPBC Committee/Board Meetings	To make governing decisions for the IPBC. Committees make recommendations for approval by the Executive Board or Board of Directors	Members of the various committees and overall IPBC membership	To effectively govern the IPBC	Annual Meeting schedule (each group meetings 3-6 times per plan year)
IPBC Sub-Pool Meetings	To make governing decision for the sub-pools and discuss the activities of the IPBC Boards and Committees	Sub-Pool membership	To effectively govern the sub-pools	Each sub-pool meetings 3-4 times per year
Website	To provide a resource for members to gather the information they need related to their membership within the IPBC	Staff of IPBC members that have a login for the IPBC website	To keep members up to date on IPBC information	Updated on an as-needed basis (usually weekly)
GBS Insight	HIPAA compliant website	IPBC members and Benefit Consultant	To allow HIPAA compliant information sharing	As needed basis
All Member E-mails	To inform the membership on topics and issues related to the IPBC that cannot wait until the distribution of the next monthly newsletter	All Delegates and Alternates of all IPBC members	To keep members up to date on important IPBC information	As needed basis
Distribution List E-mails	To inform members of that particular distribution list on	All Delegates and Alternates of IPBC sub-	To inform the members of the particular	As needed basis



Channel	Purpose	Audience	Intended Result	Frequency
	topics/issues related to the IPBC (i.e., meeting packets, meeting topics)	pools and members of IPBC committees	distribution list on items related to that group	
Individual E-mails	To discuss topics/issues with individual members (that do not relate to the entire IPBC membership)	Appropriate member staff	To discuss issues related to that particular IPBC member	As needed basis
Surveys	To gather information about IPBC member practices or to gather the membership's opinion on a certain topic	All Delegates and Alternates of all IPBC members	To gather information needed for policy development or direction for the IPBC committees	As needed basis



## IPBC Executive Board Election Policy & Procedures

Per the IPBC Contract and By-Laws, the Executive Board is composed of 15 Members that are elected at the All Member Meeting of the Board of Directors held in March of each year (except for the Special Executive Board election in September, 2024) as follows:

- In odd numbered years beginning in 2027, the Chair, the Vice-Chair, and Treasurer, each of which is elected at large by the entire Membership, and 1 Member of the Executive Board from each of the six Voting Tiers as elected by and from among the Members in each of the six respective Voting Tiers of the IPBC.
- In even-numbered years beginning in 2026 - 6 Members elected at large
- The 6 Voting Tiers are as follows: 1-50 Lives, 51-100 lives, 101-200 lives, 201-300 lives, 301-400 lives, 401+ lives
- The term for each position on the Executive Board shall be two years and shall commence on July 1<sup>st</sup> of the year in which the Member is elected.
- No member shall serve in the same office (other than the Treasurer) for more than 2 consecutive terms. There shall be no limit on the number of consecutive terms for the office of Treasurer.

The procedure for the Election process shall be as follows:

1. Beginning in 2026, The Executive Committee may, but is not required to, annually select a past Chair who shall serve as Chair of the Nominations Committee, no later than November 30<sup>th</sup> of each year.
2. The Chair of the Nominations Committee wills select members to serve on the Nominations Committee.
3. The Nominations Committee will solicit interest from the Membership to serve on the Executive Board during the month of December of each year.
4. The Nominations Committee shall present to the Executive Board a recommended slate of candidates for review by the Membership at its January meeting.
5. Members who were not slated by the Nominations Committee, can have their name added to the election ballot by submitting a letter of interest to the Chair of the Nominations Committee, within 30 days of the January Executive Board Meeting.
6. The Election for the Executive Board Members shall be held at the March All Member Meeting of the Board of Directors.

Criteria to be considered by the Nominations Committee:

The Nominations Committee will consider the following criteria in making their recommended slate of candidates:

1. Diversity based on the following:
  - a. Discipline (Administration, Finance & Human Resources)
  - b. Gender
  - c. Geography
  - d. Membership Size
    - i. The Nominations Committee will attempt to slate the 6 Members elected at large based on the 6 Voting Tiers if candidates are willing and able to serve.
  - e. Length of membership in the IPBC
2. Prior Committee Participation (Finance, Operations, Membership, Ad-Hoc)

Approved by the Executive Board – July 18, 2024



*The premier health benefit option for Illinois local governments*

## **NEW MEMBER POLICY STATEMENT**

### **I. Purpose and Policy**

The IPBC understands that the local government insurance marketplace and the IPBC's own financial protocols value continued controlled growth to the extent it is beneficial to the membership and the admitted entity.

The Executive Board supports a policy of selective membership growth that is intended to allow the IPBC staff and service team sufficient time to implement new members into the IPBC without impacting its service responsibilities to the existing members.

Per the IPBC Contract and By-Laws, the Executive Board has the authority to approve new members per the parameters and guidelines set forth in this policy upon the recommendation of the Executive Director.

### **II. Membership Factors**

Before conducting a final assessment of a prospective member, the Executive Director shall discuss the prospective member with the Executive Board, which shall include a preliminary discussion of the potential service and financial impact to existing members. The Executive Director will provide periodic updates to the Executive Board prior to making a recommendation for admitting the prospect.

In considering a new member, the IPBC will evaluate and consider the following factors:

#### **A. Required Data:**

##### **1. Accurate Underwriting**

The prospective member will need to provide at least two-years of verifiable health claims information and current census data per the IPBC Quoting Data Requirements; or, if not available, health rate information for the two-year period. The IPBC's underwriter will use this information to develop a premium quote to insure the new member risk is accurately underwritten and to ascertain the financial impact of the prospective entity/member to the Pool.



2. Financial Capacity

The prospective member shall provide or make available its last two audited financial reports which will be used to evaluate the prospective member's financial condition including fund balance levels and trends.

**B. Other Factors Considered for Membership:**

1. Bond Rating

If rated by an outside financial agency, it should have a current bond rating of not less than an "A" level from said agency.

2. Effective Leadership

The Pool's preference is to consider entities that are similar to current members that exhibit a stable government history with a qualified staff.

3. Demonstrates Long-Term Stability

a) Familiarity with IPBC

b) Organization or staff members that have participated in the IPBC or other health pools in the past and understands the IPBC organizational structure and member participation requirements and/or:

c) Organization that participates in other intergovernmental organizations or cooperatives

d) Understands the general concept of pooling and agrees with the philosophy that all local governments are in it together and:

e) Willing to actively participate in the governance of the IPBC.

**C. Factors That Impact the IPBC:**

1. Staffing Implications – The IPBC will assess the impact on staffing related to adding new members. The IPBC will be pro-active in adding staff to ensure service levels remain high. It is expected that the cost of any additional staff will be covered by the new growth.

2. Plan Year - Effective Date for New Members – January 1 or July 1.

Approved by the Executive Board on July 18, 2024

**SEVENTH AMENDMENT TO THE FIFTH CONSOLIDATED  
AMENDMENT TO THE CONTRACT AND BY-LAWS  
INTERGOVERNMENTAL PERSONNEL BENEFIT COOPERATIVE**

ARTICLE I. Purpose, Definitions, Term.

**PURPOSE:**

The Intergovernmental Personnel Benefit Cooperative is a cooperative entity voluntarily established by contracting units of local government as are permitted by Article VII, Section 10 of the 1970 Constitution of the State of Illinois, and the Intergovernmental Cooperation Act and other provisions of law to jointly administer some or all of the personnel benefit programs offered by its MEMBERS to their officers and employees and the officers and employees of other governmental, quasi-governmental and non-profit public service entities with which some or all MEMBERS have separately arranged to list as if such officers and employees were employed by the MEMBER.

To the extent provided for in this Contract and By-Laws, and as approved by the BOARD OF DIRECTORS, or as authorized herein, the EXECUTIVE BOARD, the Intergovernmental Personnel Benefit Cooperative shall provide benefit coverage to the officers or employees of its MEMBERS. The Intergovernmental Personnel Benefit Cooperative shall also carry out such claim reduction and educational programs as shall be authorized by its BOARD OF DIRECTORS, or as authorized herein, the EXECUTIVE BOARD. The creation of the various funds established in this Contract and By-Laws are not intended by the parties to constitute the transaction of an insurance business within the State of Illinois. The intent of the parties is to separately establish benefit programs and to utilize the Intergovernmental Personnel Benefit Cooperative to achieve reduced costs of



administration and insurance purchases by providing similar services to all MEMBERS and to require MEMBERS to pay for the costs of such benefits or to share such costs in the manner from time-to-time established by the BOARD OF DIRECTORS or, as authorized herein, the EXECUTIVE BOARD.

## **DEFINITIONS**

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

**ADMINISTRATIVE FUND** - A fund of monies established by the MEMBERS of the Intergovernmental Personnel Benefit Cooperative to pay for the joint administration of the personnel non-salary benefit programs offered by each MEMBER to its employees and officers and turned over for administration to the COOPERATIVE.

**ALL MEMBER MEETINGS** - Meetings of the BOARD OF DIRECTORS shall be held during March and November of each year, at such date and time as designated by the EXECUTIVE COMMITTEE. At the ALL MEMBER MEETING of the BOARD OF DIRECTORS held in March of odd-numbered calendar years (e.g., 2027, 2029), the MEMBERSHIP shall elect the Officers of the COOPERATIVE who shall also serve on the EXECUTIVE BOARD and the EXECUTIVE COMMITTEE as provided herein. At the ALL MEMBER MEETING of the BOARD OF DIRECTORS held in March of odd-numbered years, the BOARD OF DIRECTORS shall also divide into their respective VOTING TIERS and each VOTING TIER shall elect 1 Member of the EXECUTIVE BOARD. At the ALL MEMBER MEETING of the BOARD OF DIRECTORS held in March of even-numbered calendar years (e.g., 2026,

2028), the BOARD OF DIRECTORS shall elect 6 at large MEMBERS of the EXECUTIVE BOARD, At any of the ALL MEMBER MEETINGS, the BOARD OF DIRECTORS shall also vote on any items of business that are the exclusive jurisdiction of the BOARD OF DIRECTORS (i.e., all Vendors serving the COOPERATIVE; the Annual Renewal in the administration of the Benefit Fund; and all proposed changes to the By-Laws), and any items of business that failed to secure the 10 affirmative votes of the EXECUTIVE BOARD when considered by the EXECUTIVE BOARD. The EXECUTIVE BOARD shall also add any other item of business to the agenda of the ALL MEMBER MEETING of the BOARD OF DIRECTORS when at least 10% of the MEMBERS petition for such item of business to be added to the agenda.

BENEFIT FUND - A fund of monies established by the MEMBERS of the Intergovernmental Personnel Benefit Cooperative to fund certain benefits granted by the individual MEMBERS to their respective officers and employees and to purchase excess, aggregate, or other insurance.

BENEFITS - Non-salary payments made to employees or officers of MEMBERS, including but not limited to payments or reimbursements of expenses arising out of an illness or an accident and life insurance proceeds. The units of local government which participate in the COOPERATIVE have determined not to purchase insurance coverage for benefit payments below certain high limits but rather to rely upon their pooled financial capabilities to pay benefits within the financial obligations of the COOPERATIVE and to purchase some insurance to protect against catastrophic and certain other benefit claims.

BOARD OF DIRECTORS - The BOARD OF DIRECTORS is composed of all MEMBERS of the COOPERATIVE. The BOARD OF DIRECTORS shall approve all Vendors serving the COOPERATIVE; the Annual Renewal in the administration of the Benefit Fund; and all proposed changes to the By-Laws. The BOARD OF DIRECTORS shall also vote on any item of business which failed to secure the 10 affirmative votes of the EXECUTIVE BOARD when considered by the EXECUTIVE BOARD.

COOPERATIVE - The Intergovernmental Personnel Benefit Cooperative established pursuant to the Constitution and the statutes of this State by this intergovernmental agreement.

EXECUTIVE BOARD – The EXECUTIVE BOARD is composed of 15 Members elected at the ALL MEMBER MEETING of the BOARD OF DIRECTORS held in March of each year as follows:

- In odd-numbered years (e.g., 2027, 2029, etc.): the Chair, the Vice-Chair, and Treasurer, each of which is elected at large by the entire Membership, and 1 Member of the EXECUTIVE BOARD from each of the six respective VOTING TIERS as elected by and from among the Members in each of the six respective VOTING TIERS of the COOPERATIVE.
- In even-numbered years (e.g., 2028, 2030): 6 Members elected at large.

EXECUTIVE COMMITTEE – The EXECUTIVE COMMITTEE is composed of the Chair, Vice-Chair, and Treasurer of the EXECUTIVE BOARD. Its powers are defined herein and includes primary supervision of the EXECUTIVE DIRECTOR and the appointment of the MEMBERS to specific committees.

EXECUTIVE DIRECTOR – A part or full-time employee or independent contractor, who shall be selected and have his or her compensation set by the EXECUTIVE BOARD upon recommendation of the EXECUTIVE COMMITTEE and who shall administer and supervise the operations of the COOPERATIVE; make recommendations to the EXECUTIVE BOARD and the EXECUTIVE COMMITTEE in all areas where each has decision-making authority; and attend all meetings of the BOARD OF DIRECTORS, EXECUTIVE BOARD, and the EXECUTIVE COMMITTEE; and such other duties as assigned by the EXECUTIVE BOARD or the EXECUTIVE COMMITTEE.

HMO FUND - A fund of monies established by the MEMBERS of the Intergovernmental Personnel Benefit Cooperative to fund certain benefits granted by the individual MEMBERS to their respective officers and employees relating to health maintenance organizations.

LISTED ENTITIES – Governmental bodies, quasi-governmental bodies and non-profit public service entities listed by a MEMBER as having their employees and officers under a benefit program which will be administered along with that of a MEMBER by the COOPERATIVE.

MEMBERS – The units of local government or intergovernmental agencies established pursuant to an intergovernmental agreement composed of units of local government (sub-pool) which initially or later enter into this intergovernmental contract for the benefit of their employees and officers along with the employees and officers of other listed entities. Whenever in this agreement the phrase “units of local government,” “municipality” or similar phrase is used, it shall also refer to any intergovernmental agency

established pursuant to an intergovernmental agreement composed of units of local government.

VOTING TIERS – The COOPERATIVE shall place MEMBERS into one of six separate voting tiers according to the size of lives served (not dependents) in effect in the records of the COOPERATIVE shown as of January 1<sup>st</sup> of each year. The Six Voting Tiers are:

1-50 lives;

51-100 lives;

101-200 lives;

201-300 lives;

301 -400 lives;

401+ lives.

TERMINAL RESERVE FUND OR TERMINAL RESERVES – A fund of monies retained by the Intergovernmental Personnel Benefit Cooperative on behalf of MEMBERS whose fund balances may be in excess of all financial requirements for that MEMBER.

WELLNESS FUND – A fund of monies established by the MEMBERS of the Intergovernmental Personnel Benefit Cooperative to fund certain benefits granted by the individual MEMBERS to their respective officers and employees and to pay for health screenings and vaccines and to incentivize member participation.

#### **TERM OF THE COOPERATIVE.**

The Intergovernmental Personnel Benefit Cooperative shall operate with fiscal

years beginning on July 1<sup>st</sup> of each calendar year, and the COOPERATIVE shall continue in existence with a term ending on June 30, 2038. Except as provided herein, all previously adopted policies of the COOPERATIVE remain in full force and effect. At the end of this multi-year period, the term of the COOPERATIVE may be extended for a multi-year period of time, or if not acted upon by the MEMBERS, it shall continue in existence from year-to-year as an intergovernmental agreement with the membership of those governmental bodies which do not provide a notice of withdrawal. The ability of an individual MEMBER of the COOPERATIVE to withdraw shall be as provided in Article XVII.

#### ARTICLE II. Powers and Duties.

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

- (a) To employ agents, employees, and independent contractors,
- (b) To lease real property and to purchase or lease equipment, machinery, or personal property necessary for the carrying out of the purpose of the COOPERATIVE,
- (c) To carry out educational and other programs relating to health, accident, and other claims reductions,
- (d) To cause the creation of, see to the collection of funds necessary for the administration and operation of the COOPERATIVE,

- (e) To purchase such types of insurance as are approved by the EXECUTIVE BOARD,
- (f) Solely within the budgetary limits established by the MEMBERS to carry out such other activities as are necessarily implied or required to carry out the purposes of the COOPERATIVE specified in Article I or the specific powers enumerated in Article II, and in conjunction with the obligation of MEMBERS specified in Article XI.

### ARTICLE III. Membership and Participation

The membership of the COOPERATIVE shall consist of those MEMBERS and previously approved listed entities which were either MEMBERS of the COOPERATIVE on July 1, 2024, or members of a "Sub-Pool" on July 1, 2024, and are now hereby approved as MEMBERS in their own capacity, and also those subsequently admitted to membership and continuing as MEMBERS as provided herein. Listed entities are other governmental, quasi-governmental and non-profit public service entities which MEMBERS have chosen to include within their membership in the COOPERATIVE. Such listing fulfills a public purpose in that such listed entities have so few employees and officers that they could not bear the risk inherent in offering such benefit programs on their own. In other cases, the MEMBER itself has so few employees that it requires the participation of such other listed entities for the same reason. The MEMBER which lists entities shall, however, be the sole MEMBER of the COOPERATIVE and shall be responsible for all costs and duties of membership provided herein. The MEMBER may make such arrangement as is desired with

members of a sub-pool or the listed entities regarding the manner of payment, sharing of risks and duration of such arrangement. Such arrangement is not a part of this Contract and By-Laws. New MEMBERS and their listed entities and the listing of additional entities by existing MEMBERS shall be added to the COOPERATIVE only after at least the concurrence of at least 10 affirmative votes of the members of the EXECUTIVE BOARD and subject to the payment of such sums and under such conditions as the EXECUTIVE BOARD shall in each case or from time-to-time establish.

The BOARD OF DIRECTORS is composed of all MEMBERS of the COOPERATIVE. The BOARD OF DIRECTORS shall approve: all Vendors serving the COOPERATIVE; the Annual Renewal in the administration of the Benefit Fund; and all proposed changes to the By-Laws. The BOARD OF DIRECTORS shall also vote on any item of business which failed to secure the 10 affirmative votes of the EXECUTIVE BOARD when considered by the EXECUTIVE BOARD.

Each MEMBER unit of local government shall choose in the manner applicable to that governmental body one (1) person to represent that body at the ALL MEMBER MEETINGS of the BOARD OF DIRECTORS and shall promptly notify the COOPERATIVE of such selection. The MEMBER may also select an alternate representative to serve when the initial representative is unable to carry out their duties. The person and alternate selected need not be an elected official of the MEMBER. Each MEMBER shall be entitled to one (1) vote at the ALL MEMBER MEETINGS of the BOARD OF DIRECTORS. Such vote may be cast only by the designated representative of the MEMBER or in their absence by designated alternate. No proxy votes or absentee votes shall be permitted. MEMBERS



may participate in any meeting by electronic means in accordance with rules adopted herein and the requirements of law. The representative selected by the MEMBER shall serve for a one fiscal year term commencing at the beginning of each fiscal year and until a successor has been selected. The representative chosen by the MEMBER may be removed by the MEMBER during the period of their term. In the event that a vacancy occurs in the representative or alternate representative, that MEMBER shall appoint a successor. The failure of a MEMBER to select a representative or his or her failure to participate shall not affect the responsibilities or duties of a MEMBER under this contract.

#### ARTICLE IV. Executive Board

(A) There is hereby established an EXECUTIVE BOARD of the COOPERATIVE.

The EXECUTIVE BOARD is composed of 15 MEMBERS that are elected at the ALL MEMBER MEETING of the BOARD OF DIRECTORS held in March of year as follows:

- In odd-numbered years (e.g., 2027, 2029, etc.): the Chair, the Vice-Chair, and Treasurer, each of which is elected at large by the entire Membership, and 1 Member of the EXECUTIVE BOARD from each of the six VOTING TIERS as elected by and from among the Members in each of the six respective VOTING TIERS of the COOPERATIVE.
- In even-numbered years (e.g., 2026, 2028) 6 Members elected at large.

The EXECUTIVE BOARD may from time-to-time establish other officers of the Board, in addition to those established in this Agreement, and choose the manner of selection of such officers.

(B) The EXECUTIVE BOARD shall determine the general policy of the COOPERATIVE which policy shall be followed by all officers, agents, employees, and independent contractors working for the COOPERATIVE. It shall have the responsibility for: (1) Hiring the EXECUTIVE DIRECTOR, (2) Setting the budget for the COOPERATIVE to be administered by the EXECUTIVE DIRECTOR, (3) Program approval, (4) Setting of fidelity bonding requirements for employees or other persons, (5) The acceptance of new MEMBERS and listed entities, (6) Approval of educational and other programs relating to claim reduction, (7) Approval of monthly and supplementary payments to the Administrative Fund and the Benefit Fund, including that portion of the cost of insurance attributable to each MEMBER, (8) Any other matters not assigned to another committee, officer, independent contractor, or agent, (9) Expulsion of MEMBERS, (10) approval of personnel policies for the employees of the COOPERATIVE. Approval of every item of business by the EXECUTIVE BOARD shall require no less than 10 affirmative votes from the MEMBERS of the EXECUTIVE BOARD. Items of Business failing to receive said 10 affirmative votes shall be added to the agenda of the next ALL MEMBER MEETING of the BOARD OF DIRECTORS.

(C) Voting shall be by roll call.

(D) The EXECUTIVE BOARD, the EXECUTIVE COMMITTEE, and any authorized committees, may establish rules governing their own conduct and procedure

consistent with the By-Laws. All notices required in this Contract and By-Laws document shall be in writing.

(E) A quorum of the EXECUTIVE BOARD shall consist of ten (10) MEMBERS of the EXECUTIVE BOARD and must include at least one MEMBER from each VOTING TIER. For purposes of establishing a quorum, the requirement to have a MEMBER from each voting tier may be met by EXECUTIVE BOARD MEMBERS that were elected at large.

(F) The term for each MEMBER of the EXECUTIVE BOARD shall be for two years and shall commence on July 1 of the year in which they MEMBER is elected.

1) As a special exception to the staggered selection of MEMBERS of the EXECUTIVE BOARD and to the term limits otherwise applicable to Officers and MEMBERS of the EXECUTIVE BOARD, the BOARD OF DIRECTORS shall at -- a Special ALL MEMBER MEETING of the BOARD OF DIRECTORS to be called in fall of 2024 for the purpose of electing the new Officers and MEMBERS of the EXECUTIVE BOARD—elect the following Officers and MEMBERS to the following terms:

- The Chair, the Vice-Chair, and Treasurer, each of which shall be elected at large by the entire Membership, and 1 Member of the EXECUTIVE BOARD from each of the six VOTING TIERS as elected by and from among the Members in each of the six respective VOTING TIERS of the COOPERATIVE, to a term extending through June 30, 2027; and
- 6 Members elected at large to a term extending through June 30, 2026.

2) Except as specified for the Officers as set forth below, there shall be no limit on the number of consecutive terms for a MEMBER of the EXECUTIVE BOARD.

3) Except as provided herein, no one serving on the EXECUTIVE BOARD shall receive any salary or other payment from the COOPERATIVE and any salary, compensation, payment, or expenses for such representative, shall be paid by each MEMBER separate from this Contract. In addition, the Chair Treasurer and such other officers as may be selected from time-to-time may submit to the EXECUTIVE COMMITTEE for its approval, reimbursement of expenses incurred in the pursuit of their position as officers of the COOPERATIVE. The reimbursement for such expenses, which shall be reported to the EXECUTIVE BOARD in the same manner as other approved payments, may include amounts advanced on behalf of the COOPERATIVE either by the officer or by a MEMBER of the COOPERATIVE.

(G) The Officers of the COOPERATIVE shall be the Chair, Vice-Chair, and Treasurer.

(1) The Chair, Vice-Chair, and Treasurer shall be elected by the MEMBERS at the ALL MEMBER MEETING of the BOARD OF DIRECTORS held in March of each odd-numbered year. Other than the initial slate of Officers to be elected at the Special ALL MEMBER MEETING of the BOARD OF DIRECTORS in the fall of 2024 (as set forth above), the term of each Office shall be for two years – corresponding to the fiscal year of the COOPERATIVE -- and no MEMBER shall serve in the same Office (other than the office of Treasurer) for more than 2 consecutive terms. There shall be no limit on the number of consecutive terms for the office of Treasurer. Officers shall serve until their successors have been chosen

and begin their terms.

- (2) All Officers are expected to conscientiously prepare for, attend, and actively participate in all EXECUTIVE BOARD meetings and EXECUTIVE COMMITTEE meetings.
- (3) The Chair is the chief elected officer of the COOPERATIVE and directs the overall affairs and operations of the EXECUTIVE BOARD; presides over all meetings of the EXECUTIVE BOARD and the EXECUTIVE COMMITTEE; and performs all other duties as are authorized in the By-Laws, or as the EXECUTIVE BOARD may authorize and as may be defined in the policies of the COOPERATIVE. The Chair, when authorized, shall execute documents on behalf of the COOPERATIVE and shall perform those duties normally associated with the Chair of an intergovernmental agency. In the absence or inability of the Chair to perform these duties, the Vice-Chair shall temporarily provide those services. If the Chair shall resign or permanently be unable to perform such duties, the Vice-Chair shall succeed to the position of Chair. In the case of vacancies, in all other offices of the Cooperative (other than the EXECUTIVE DIRECTOR or the Treasurer) the Chair shall appoint individuals with the required qualifications to fill any vacancies until the end of the term of the person leaving the office.
- (4) The Vice-Chair assists the Chair in directing the affairs and operations of the EXECUTIVE BOARD and EXECUTIVE COMMITTEE and acts as

presiding officer at meetings in the absence of the Chair.

- (5) The Treasurer shall have charge and custody of and be responsible for all funds and securities of the COOPERATIVE; receive and give all receipts for monies due and payable to the COOPERATIVE from any source whatsoever; deposit all such monies in the name of the COOPERATIVE in such banks, savings and loan associations or other depositories as shall be selected by the EXECUTIVE BOARD; keep the financial records of the COOPERATIVE and invest the funds of the COOPERATIVE as are not immediately required in such securities as the EXECUTIVE BOARD shall specifically or generally select from time-to-time. Provided, however, that all investments of the COOPERATIVE funds shall be made only in compliance with the COOPERATIVE'S Investment Policy which must be in accordance with statutory law at the time of any investment. The Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned to the Treasurer by the EXECUTIVE BOARD. In the absence of the Treasurer, or in the event of the inability or refusal of such officers to act, the Chair may temporarily perform the duties of the Treasurer and, when so acting, shall have all of the powers of and be subject to all of the restrictions upon the Treasurer. A new Treasurer shall be selected at the next regular or special meeting of the EXECUTIVE BOARD, but the Chair may act, in any case, until the

selection is made. The Treasurer shall also serve as Chair of the Finance Committee.

- (6) The EXECUTIVE BOARD may, by at least a two-thirds (2/3) vote of the EXECUTIVE BOARD (being 10 votes required), remove the Chair, Vice-Chair, Treasurer or the chair or any member of any Committee. Such removal shall be within the total discretion of the EXECUTIVE BOARD. After removal, the EXECUTIVE BOARD shall notify in writing the individual removed and give that person an opportunity to request an appearance before the EXECUTIVE BOARD with at least seven (7) days' prior written notice to contest the removal. The EXECUTIVE BOARD shall permit the person removed to explain why that person would wish to be reinstated, but the decision of the EXECUTIVE BOARD on removal or reinstatement shall not be required to meet any due cause or due process standard. The EXECUTIVE BOARD shall notify in writing all of the MEMBERS of the COOPERATIVE of its decision to remove or reinstate the member. The decision of the EXECUTIVE BOARD shall be final. These Officers serve in "at will" positions. In the event that the Chair is removed by the EXECUTIVE BOARD, the Vice-Chair shall take over that position and the new Chair will select the Vice-chair to fill out the remainder of that term.
- (7) Ten percent (10%) or more MEMBERS of the COOPERATIVE may request a special meeting of the EXECUTIVE BOARD to be held for the

purpose of removal of the Chair, Vice Chair, or Treasurer. The person proposed to be removed from such a position may address the meeting of the EXECUTIVE BOARD, which may remove the person upon the concurrence of no less than 10 MEMBERS of the EXECUTIVE BOARD. These Officers serve in “at will” positions. In the event that the Chair is removed by the EXECUTIVE BOARD, the Vice-Chair shall take over that position and the new Chair will select the Vice-chair to fill out the remainder of that term.

#### ARTICLE V. Executive Board Meetings.

- (a) Regular meetings of the EXECUTIVE BOARD shall be held no less than every other month and the dates of regular meetings of the EXECUTIVE BOARD shall be established at the beginning of each fiscal year. Any item of business may be considered at a regular meeting. A failure to hold these meetings, as required, shall not invalidate acts otherwise taken. Special meetings of the EXECUTIVE BOARD may be called by its Chair, or by any two (2) Directors. Five (5) days written notice of regular or special meetings of the EXECUTIVE BOARD shall be given to the official representatives of each MEMBER and an agenda specifying the subject of any special meeting shall accompany such notice. Business conducted at special meetings shall be limited to those items specified in the agenda.



- (b) The time, date, and location of regular and special meetings of the EXECUTIVE BOARD shall be determined by the Chair of the EXECUTIVE BOARD or by the convening authority.
- (c) To the extent consistent with these By-Laws, and except as modified by procedural rules established, Roberts Rules of Order, latest edition, shall govern all meetings of the COOPERATIVE. Minutes of all regular and special meetings of the EXECUTIVE BOARD and the EXECUTIVE COMMITTEE shall be sent to all MEMBERS.
- (d) Committee Chairs shall attend the regular meetings of the EXECUTIVE BOARD.

ARTICLE VI. Executive Committee; Executive Director.

- (a) The EXECUTIVE COMMITTEE is comprised of the Chair, Vice Chair, and Treasurer of the EXECUTIVE BOARD. The EXECUTIVE COMMITTEE shall be responsible for implementing the policy directions of the EXECUTIVE BOARD, primary supervision of the EXECUTIVE DIRECTOR, making a recommendation to the EXECUTIVE BOARD concerning the hiring, termination, and compensation of the EXECUTIVE DIRECTOR, and carrying out duties specified in this Contract and By-Laws or otherwise assigned by the EXECUTIVE BOARD. The EXECUTIVE COMMITTEE shall meet no less than monthly with the EXECUTIVE DIRECTOR and as no formal action will be taken in these meetings with the EXECUTIVE DIRECTOR, these

meetings will not be considered a form of meeting requiring notice to the MEMBERSHIP or otherwise open to the MEMBERSHIP. The EXECUTIVE COMMITTEE, together with the EXECUTIVE DIRECTOR, shall, on dates in September and January of each year as determined by the EXECUTIVE COMMITTEE, hold a virtual update meeting that all MEMBERS may attend and for which MEMBERS may submit questions of general interest. No quorum is required for the virtual update meetings and no action will be taken at the virtual update meetings.

- (b) The EXECUTIVE DIRECTOR shall be primarily responsible for the day-to-day activities of the COOPERATIVE include but not limited to: the approval of warrants and bills; compliance with growth policy; assistance in preparation of the audit; recommending programs, vendors, investment policies, goals, and policy changes to EXECUTIVE BOARD; service level assessments and the management of the employees of the COOPERATIVE. The EXECUTIVE DIRECTOR shall, within the budgetary constraints approved by the EXECUTIVE BOARD, and subject to the supervision of the EXECUTIVE COMMITTEE, be responsible for the hiring, management, promotion, discipline, termination, and other matters related to employees of the COOPERATIVE. The EXECUTIVE DIRECTOR shall make recommendations concerning the compensation of employees and the personnel policies to be adopted by the COOPERATIVE for its employees. The EXECUTIVE DIRECTOR may enter into contracts and expenditures in

amounts up to \$50,000, have the authority to renew or extend, with or without amendments, existing contracts with cost decreases or, in the case of increases, those of less than 5% per year. The EXECUTIVE BOARD, by motion, may increase the dollar amounts of the contracts and expenditures, which may be authorized by the EXECUTIVE DIRECTOR. The EXECUTIVE DIRECTOR, or their designee, shall attend all meetings of the BOARD OF DIRECTORS, EXECUTIVE BOARD, the EXECUTIVE COMMITTEE, the Finance Committee, the Operations Committee, and the Membership Committee, but shall not be a voting member of those bodies.

#### ARTICLE VII. Committees.

(a) A Finance Committee is established. The Finance Committee shall be (15) fifteen MEMBERS comprised of the Treasurer and, as appointed by the EXECUTIVE COMMITTEE, one MEMBER from each of the six VOTING TIERS and eight other appointed MEMBERS from among the MEMBERS of the COOPERATIVE. The Treasurer shall serve as Chair. The Committee members shall be appointed for a term of two (2) years which shall be staggered. The Finance Committee shall serve as a recommending body to the EXECUTIVE BOARD. The Finance Committee shall review and recommend the annual budget, programs and vendor performance and other projects and tasks as assigned by the Chair or the EXECUTIVE BOARD. The EXECUTIVE COMMITTEE

shall fill vacancies on the Finance Committee, which appointments shall be until the end of the term of the person replaced.

(b) An Operations Committee is established. The Operations Committee shall be (15) fifteen MEMBERS comprised of the following:

- 1) the Chair, who is appointed by the Chair of the EXECUTIVE BOARD; and,
- 2) as appointed by the EXECUTIVE COMMITTEE, one MEMBER chosen from among the MEMBERS of each of the respective six VOTING TIERS; and
- 3) as appointed by the EXECUTIVE COMMITTEE, eight other MEMBERS chosen from among the MEMBERS of the COOPERATIVE at large.

The Committee members shall be appointed for a term of two (2) years which shall be staggered. The Operations Committee shall serve as a recommending body to the EXECUTIVE BOARD. It shall review the day-to-day operations of the COOPERATIVE and make recommendations for changes needed or actions to create greater efficiencies. The EXECUTIVE COMMITTEE shall fill vacancies on the Operations Committee, which appointments shall be until the end of the term of the person replaced.

(c) A Membership Committee is established. The Membership Committee shall have at least seven (7) members consisting of an appointed chair and one member from each of the respective VOTING TIERS. The members of the Committee and its Chair shall be selected by the EXECUTIVE COMMITTEE. The Committee

members shall be appointed for a term of two (2) years which shall be staggered. The Membership Committee shall provide onboarding, mentoring, education, training, networking, and leadership development to the IPBC membership. The EXECUTIVE COMMITTEE shall fill vacancies on the Membership Committee which appointments shall be until the end of the term of the person replaced.

(d) The EXECUTIVE BOARD or the EXECUTIVE COMMITTEE may establish on a permanent or ad hoc basis other committees or Boards to serve the COOPERATIVE.

(e) When officers of the COOPERATIVE need to be selected by the EXECUTIVE BOARD, the EXECUTIVE COMMITTEE shall name a Nominations Committee, which will consider candidates and make a recommendation for the filling of the positions. The EXECUTIVE COMMITTEE may, but shall not be required to, select a past Chair who shall serve as Chair of the Nominations Committee. The past Chair may be authorized to select Delegates or Alternates to serve as Members of the Nominations Committee. The Nominations Committee shall present to the EXECUTIVE BOARD a recommended slate of candidates for review by the MEMBERSHIP. This report shall be submitted no later than thirty (30) days before the date of the ALL MEMBER MEETING of the BOARD OF DIRECTORS held in March of each year and at which the elections shall take place. Other persons seeking to be named to positions on committees may have their names offered and reported for consideration by the EXECUTIVE COMMITTEE as it shall be

constituted from time to time.

(f) The COOPERATIVE shall purchase Directors and Officers Liability Insurance, commercial general liability insurance, and a blanket fidelity bond, all in such amounts as to be established by the EXECUTIVE BOARD to protect Officers, Directors and employees and to assure the fidelity of all officers, directors, and employees of the COOPERATIVE who shall have the authority to receive or authorize by their signature or order the payment of COOPERATIVE funds. Additional fidelity and similar coverages may be procured by the COOPERATIVE from time-to-time.

(g) The EXECUTIVE BOARD may select a financial institution to carry out some or all of the functions which would otherwise be assigned to a Treasurer and may select a management company or agent to carry out some or all of the functions which would otherwise be assigned to the EXECUTIVE DIRECTOR.

#### ARTICLE VIII. Finances.

##### A. Administrative Fund.

The cost of the administration of the COOPERATIVE shall be borne by each of its MEMBERS in direct proportion to the number of employees and officers of the MEMBER and listed entities whose benefit programs are to be administered by the COOPERATIVE as compared to the total number of such persons served by the COOPERATIVE.

Whenever payments to the Administrative Fund shall be based upon an estimate, the MEMBER shall promptly receive a refund or pay a deficiency when final figures

become available. The Administrative Fund shall pay all of the administrative costs of the COOPERATIVE and payment shall be made to cause the administration of all actions approved by the BOARD OF DIRECTORS.

B. The Benefit Fund.

Payments into the Benefit Fund will be developed and administered in the following manner:

1. Before the start of each fiscal year, the BOARD OF DIRECTORS, based upon the advice and recommendation of the EXECUTIVE COMMITTEE, will determine on the basis of financial data the amount of total payments from all MEMBERS necessary to fund anticipated benefit payments and the cost of insurance.
2. The BOARD OF DIRECTORS, based upon the recommendation of the EXECUTIVE COMMITTEE will also determine how this total amount of anticipated expenses should be divided among the MEMBERS. The charges to be made to the MEMBERS shall be determined by a vote of the BOARD OF DIRECTORS which shall, in establishing such sums due, treat all similarly situated MEMBERS in an equal manner. Such a vote must receive at least the concurrence of two-thirds (2/3) of a quorum at a BOARD OF DIRECTORS meeting.
3. The BOARD OF DIRECTORS may, each fiscal year, choose an allocation of the payments into the Benefit Fund whereby some or all of the costs are divided among the MEMBERS based upon general in-

creases or decreases in the total costs of the COOPERATIVE without regard to the claims made against individual MEMBERS or it may elect to grant debits or credits based upon the individual plans offered by the MEMBERS or the level of claims. Debits or credits may be expressed through the use of a banding formula.

4. In the event that the BOARD OF DIRECTORS shall fail to approve the charges or allocations by the requisite vote, the charges and allocations for the next year shall, until and unless modified, be based upon the prior year's allocations with charges increased by ten percent (10%) and additionally subject to the obligation to make Supplementary Payments.
5. The COOPERATIVE may purchase such other insurance coverage as may be approved by the EXECUTIVE BOARD.
6. Without regard to any other provision contained herein, the EXECUTIVE BOARD may establish charges to be paid by the MEMBERS for life insurance benefits to be based upon total pooling of the experience of all MEMBERS with each MEMBER paying the same cost per employee for such life insurance coverage. The time at which a determination regarding the amounts due for such life insurance coverage and the manner in which such amounts shall be paid shall be the same as that established for other payments into the Benefit Fund. The EXECUTIVE BOARD may also establish a



program to provide dental or other benefits to MEMBERS which wish such coverage.

C. The Wellness Fund.

Payments into the Wellness Fund will be developed and administered in the following manner:

1. Before the start of each fiscal year, the EXECUTIVE BOARD, based upon the advice and recommendation of the EXECUTIVE DIRECTOR, will determine on the basis of financial data the amount of total payments from all MEMBERS necessary to fund anticipated wellness related expenses and wellness incentives.
2. The EXECUTIVE BOARD, based upon the recommendation of the EXECUTIVE DIRECTOR, will also determine how this total amount of anticipated expenses should be divided among the MEMBERS. The charges to be made to the MEMBERS shall be determined by a vote of the EXECUTIVE BOARD which shall, in establishing such sums due, treat all similarly situated MEMBERS in an equal manner. Such a vote must receive at least 10 affirmative votes of the MEMBERS of the EXECUTIVE BOARD.
3. The EXECUTIVE BOARD may, each fiscal year, choose an allocation of the payments into the Wellness Fund whereby some or all of the costs are divided among the MEMBERS based upon general increases or decreases in the total costs of the COOPERATIVE without

regard to the claims made against individual MEMBERS or it may elect to grant debits or credits based upon the individual plans offered by the MEMBERS or the level of claims.

4. In the event that the EXECUTIVE BOARD shall fail to approve the charges or allocations by the requisite vote, the charges and allocations for the next year shall, until and unless modified, be based upon the prior year's allocations with charges increased by ten percent (10%) and additionally subject to the obligation to make Supplementary Payments.

D. General Fiscal Matters.

The EXECUTIVE BOARD shall provide to the MEMBERS an annual audit of the financial affairs of the COOPERATIVE to be made by a certified public accountant at the end of each fiscal year in accordance with generally accepted auditing principles.

E. Supplementary Payments.

If, during any year, the funds on hand are not sufficient to pay benefits or administrative expenses which are the responsibility of the COOPERATIVE and not through a failure of insurance coverage or other causes, the EXECUTIVE BOARD shall require Supplementary Payments. The increased payments shall be computed utilizing the same method under which payments were made for the year in question and except for payments into the Administrative Fund where payments shall be made by all MEMBERS, they

shall only be due from MEMBERS which were entitled to receive benefits from the account which requires Supplementary Payments. If a MEMBER transfers employees and officers from a fund where Supplementary Payments are due to another fund, a determination shall be made by the EXECUTIVE BOARD as to the amount of Supplementary Payments due from that MEMBER arising from its prior participation in that fund.

F. Terminal Reserves

During any fiscal year, and with the approval of the Treasurer, a MEMBER may withdraw from the COOPERATIVE any amount of Terminal Reserves provided that there shall be deducted from that payment any amounts owed by the MEMBER or reasonably anticipated to be owed by the MEMBER to the COOPERATIVE either being then due and payable or estimated to be due based upon tentative figures or preliminary audits, or any other amounts due from the MEMBER to the COOPERATIVE. The Treasurer may always deduct from a MEMBER's Terminal Reserves any amounts necessary to pay for that MEMBER's obligations to the COOPERATIVE. Within thirty (30) days after a final audit, approved by the EXECUTIVE BOARD, the amounts then determined to be owed to the COOPERATIVE shall be deducted from the Terminal Reserves. Thereafter, the MEMBER shall receive a determination of the Treasurer within sixty (60) days of a written request. The Treasurer shall provide a written report to the EXECUTIVE COMMITTEE of any approved requests for withdrawals from Terminal Reserves within sixty (60) days after the withdrawal. If the COOPERATIVE shall have advanced funds on behalf of a MEMBER such that the MEMBER is expected to have a deficit balance in its Terminal Reserves, then, within sixty (60) days after written notice, the MEMBER shall be required to pay to the

COOPERATIVE at least sufficient funds so as to remove the deficit in its Terminal Reserves.

G. Suspension or Termination of Claim or Other Payments.

In any situation, where the EXECUTIVE COMMITTEE should determine that a Member has not promptly paid to the COOPERATIVE any financial obligation then due, which is in excess of the amount of \$50,000.00, or is more than one-half of one month's contribution, whichever is less, it may direct that the payment of the Member's claims or other sums sought shall be suspended or terminated for a specified period of time or until certain specified actions have taken place. If the decision is made by the EXECUTIVE COMMITTEE, the suspension may be for a period of time up to and including the date at which the EXECUTIVE BOARD considers and takes action relating to a proposed termination of membership or other action. The EXECUTIVE COMMITTEE shall notify the Members of the EXECUTIVE BOARD of its decision. The EXECUTIVE BOARD may also vote to suspend or terminate the payment of claims in the situations provided for above.

As is provided in the PURPOSE section, the IPBC is to "jointly administer some or all of the personnel benefit programs offered by its MEMBERS to their officers and employees." The COOPERATIVE has determined that the funding of those administrative acts is dependent upon the prompt and full payment by MEMBERS of their obligations. A defaulting MEMBER, rather than the COOPERATIVE, shall be fully responsible for any claims, demands or suits, or any increased costs allegedly caused by a suspension or termination of claim payment on behalf of a MEMBER in financial default. In case such a claim, demand, suit, or increased cost is made or incurred by the COOPERATIVE, the

defaulting MEMBER shall hold harmless, defend, and indemnify the COOPERATIVE, its other MEMBERS and their officers and employees against such claim, demand, suit, or cost.

H. Payments in Error.

If the COOPERATIVE should in error pay any benefit claims, administrative fees, or other charges on behalf of a Member, which it was not obligated to pay, the Member shall, upon thirty (30) days' written notice, reimburse the COOPERATIVE for the amounts improperly paid.

ARTICLE IX. Plan of Benefits, HMOs and Reductions In Coverage.

MEMBERS may change the Plan of Benefits provided at any time, but shall notify the EXECUTIVE DIRECTOR at least one hundred twenty (120) days prior to the intended effective date of such change; and such change shall be subject to a redetermination on the underwriting basis of the payments due the COOPERATIVE. The EXECUTIVE DIRECTOR shall make a determination as to the amount of the increased or reduced payment required in light of the change. If the MEMBER should dispute the amount of the redetermination, an initial decision regarding such amount shall be made by the EXECUTIVE COMMITTEE with an appeal to the EXECUTIVE BOARD. In the event that the EXECUTIVE DIRECTOR should determine that the proposed change provides a level or type of coverage, the cost of which cannot be determined on an underwriting basis or which would provide an excessive risk to the COOPERATIVE, or is inconsistent with the insurance purchased by the COOPERATIVE or would otherwise not be in the best interest

of the COOPERATIVE, the EXECUTIVE DIRECTOR shall present that opinion and the reasons supporting that opinion in writing to the MEMBER requesting the change and to the Chair and the EXECUTIVE DIRECTOR. The change shall not come into effect within the COOPERATIVE's plan of benefits except in the manner recommended by the EXECUTIVE DIRECTOR unless the decision of the EXECUTIVE DIRECTOR is overturned or modified by the EXECUTIVE COMMITTEE or the EXECUTIVE BOARD. The MEMBER may institute the change, but shall be individually financially responsible for the administration and payment of such benefits as are not eventually authorized to be provided within the COOPERATIVE. The EXECUTIVE DIRECTOR shall as promptly as possible re-price covered benefits. No claim may be made against the COOPERATIVE for the unauthorized change.

The COOPERATIVE may offer to its MEMBERS participation in an HMO Fund separate from the Benefit Fund to pay the costs of providing HMO services to the officers and employees of the participating MEMBERS. Accounting for this Fund, including surplus or deficit amounts, shall be separate from the Benefit Fund. For any fiscal year if the EXECUTIVE BOARD of the COOPERATIVE votes to provide an HMO Fund for the fiscal year, all MEMBERS offering HMO benefits to their officers and employees shall only offer the Plan of Benefits of the COOPERATIVE'S HMO Fund or those in union-sponsored programs.

An HMO Plan of Benefits shall mean any plan which provides benefits to participants through a restriction on the doctors who provide services, an absence of substantial

deductible or co-payments and an absence of or simplified claim forms. An HMO Plan of Benefits may be offered by the COOPERATIVE either through joint purchase or pooling.

The rates for the HMO Plan or Plans of Benefits offered by the COOPERATIVE for the specific plans of its MEMBERS shall be established by the EXECUTIVE BOARD. The Board may establish an average annual rate percentage change for the HMO Fund as a whole, and may then, through the use of a banding formula, establish bands of no more than 10 percentage points more or less than the average annual price adjustment for those MEMBERS whose claims experience has been above or below the average. It may also approve other allocation formulas.

Where the COOPERATIVE establishes set rates, under two (2) circumstances and upon a report of the EXECUTIVE DIRECTOR, the EXECUTIVE BOARD may individually rate a MEMBER or MEMBERS. Where the actual paid claims, incurred by a MEMBER during any two (2) or more years of a three (3) year period, were both in the highest or both in the lowest bands, or where it is discovered that claim history material submitted by a MEMBER was improperly stated, that MEMBER or MEMBERS may be individually rated and may be required to contribute to the appropriate Fund a sum no more than 100% greater or lesser than the amount which would be payable had that MEMBER or MEMBERS been rated with the group as a whole. Such individual rating shall carry into another cycle until such time as the paid claims of the MEMBER have declined for a year so that the MEMBER would be entitled to be rated with the group as a whole.

If, for any year or years, the EXECUTIVE BOARD should determine that there are surplus funds within the HMO Fund which can be distributed to the MEMBERS without

harming the fiscal integrity of the HMO Fund, those surplus funds shall be distributed to all existing and prior MEMBERS of the COOPERATIVE (who validly withdrew) who made contributions into the HMO Fund in the proportion in which those contributions were made. A determination as to whether surplus funds shall be distributed to the remaining MEMBERS of the COOPERATIVE shall be made from time-to-time by the EXECUTIVE BOARD.

If a MEMBER, in accordance with the By-Laws, elects to withdraw from the COOPERATIVE, or if it has no officers or employees who will receive the HMO Plan of Benefits for the next fiscal year, it shall be the obligation of that MEMBER to pay all the claims of its officers and employees for HMO services under the COOPERATIVE which were performed prior to the commencement of that next fiscal year, but not submitted and processed before the end of that fiscal year, but within the time period allowed for submissions. The EXECUTIVE COMMITTEE, on the recommendation of the EXECUTIVE DIRECTOR, may require a MEMBER to pre-fund an amount estimated to be sufficient to pay for such HMO runoff claims and administration.

Within sixty (60) days after the approval of the audit of the COOPERATIVE's HMO Fund for the prior fiscal year, a final accounting of funds owed or owing shall take place. If a MEMBER which has offered an HMO Plan of Benefits shall have no officers or employees receiving such benefits in a subsequent fiscal year, or if that MEMBER has validly withdrawn from the COOPERATIVE, then that MEMBER, subject to a pre-funding of HMO run-off claims and administration, shall be entitled to its percentage of any surplus funds within the HMO Fund. The payment of surplus funds or the receipt of amounts otherwise



due from the MEMBER shall be carried out in accordance with the provisions of Article XVII.

In the event that HMO coverage is no longer offered by the COOPERATIVE, any surplus funds remaining shall, after audit and the setting aside of run-off amounts, be distributed to the MEMBERS (except for expelled MEMBERS) in the proportion in which they contributed funds to the HMO Fund.

If the number of employees or officers of the MEMBERS eligible to receive some portion of any of the COOPERATIVE's benefits should decline or where for some other reason the EXECUTIVE DIRECTOR is concerned about the ability of a specific fund to cover potential claims, the matter shall be brought to the attention of the EXECUTIVE COMMITTEE and the EXECUTIVE BOARD. The EXECUTIVE BOARD may determine that the coverage shall no longer be offered or its scope or amount of coverage shall be prospectively reduced. A decision to make such a reduction shall not become effective for at least sixty (60) days after the vote of the EXECUTIVE BOARD.

#### ARTICLE X. Insurance and Other Coverages.

The COOPERATIVE may purchase insurance from a company permitted to write such coverage in Illinois. The COOPERATIVE may also join with other intergovernmental entities to provide collective self-insurance. The obligation of any MEMBER to the COOPERATIVE shall be limited to funding those benefits collectively self-insured by the COOPERATIVE. No MEMBER shall be responsible for the benefit claims of another

MEMBER which were to be paid by insurance but were not paid or at levels above the insurance purchased for MEMBERS.

ARTICLE XI. Obligations of Members.

The obligations of MEMBERS of the COOPERATIVE shall be as follows:

- (a) To appropriate or budget for, where necessary to levy for and to promptly pay all monthly and supplementary or other payments to the COOPERATIVE at such times and in such amounts as shall be established by the EXECUTIVE BOARD within the scope of this Contract and By-Laws. Any delinquent payments shall be paid with a penalty which shall, for the period of non-payment, be equivalent to the prime rate of interest on the date of delinquency charged by the bank in Illinois with the largest assets or the highest interest rate allowed by statute to be paid by an Illinois non-home rule municipality whichever is greater. In the event that the COOPERATIVE shall be required to expend funds for administrative, legal, or other costs brought about by the failure of a MEMBER to pay sums owed the COOPERATIVE or to otherwise comply with its obligations, such amounts expended shall be added to the sums due the COOPERATIVE and shall be payable by the MEMBER. In the event that a MEMBER of the COOPERATIVE should sue the COOPERATIVE or any of its MEMBERS or officers regarding an interpretation of this Contract and By-Laws, an action taken by the EXECUTIVE BOARD or officers or any other matter arising out

of its membership in the COOPERATIVE, and should not be the prevailing party in that suit, it shall, as part of its contractual obligation to this COOPERATIVE, pay the reasonable attorneys' fees and other costs and expenses expended by the COOPERATIVE in defending against that suit.

- (b) During its entire membership in the IPBC, a MEMBER shall only exclusively provide to its employees and officers, except independent contractors, or those in union-sponsored programs, the health and accident benefits and associated life insurance coverage of the COOPERATIVE. In entering into this intergovernmental agreement, each MEMBER, sub-pool, and sub-pool member acknowledges, recognizes, and accepts that intergovernmental agreements are voluntary associations where the MEMBERS can determine, by contract and, by authorized actions of the EXECUTIVE BOARD and the EXECUTIVE COMMITTEE, the identity of the MEMBERS, how MEMBERS and those otherwise bound can be admitted, dealt with during membership and expelled.
- (c) To select a person to serve on the EXECUTIVE BOARD and to select an alternate representative.
- (d) To allow the COOPERATIVE reasonable access to all facilities of the MEMBER and all records including but not limited to financial records which relate to the purpose and powers of the COOPERATIVE.
- (e) To furnish full cooperation with the COOPERATIVE's EXECUTIVE DIRECTOR, Committees, attorneys, claims adjusters, the EXECUTIVE

DIRECTOR and any Board or committee, agent, employee, officer or independent contractor of the COOPERATIVE relating to the purpose and powers of the COOPERATIVE.

- (f) To furnish the COOPERATIVE with a copy of revisions to its written benefit program at least one hundred twenty (120) days prior to the effective date of such change.
- (g) To report to the COOPERATIVE as promptly as possible all claims made to it within its benefit program as administered by the COOPERATIVE.
- (h) To follow those procedures regarding the administration of and application for benefits adopted by the EXECUTIVE BOARD which do not reduce the level of benefits contained within any MEMBER's individual benefit program, which are to be paid for by funds of or through the COOPERATIVE. For example, large case management, frequency and amount of claim submissions and wellness programs. The adoption of such procedures shall require at least the concurrence of no less than 8 votes of the members of the EXECUTIVE BOARD.
- (i) This Contract and By-Laws document is not intended to create or provide any rights in third-parties, including, but not limited to the individuals to whom the MEMBERS provide benefits.

ARTICLE XII. Liability of EXECUTIVE BOARD or Officers.

The MEMBERS of the EXECUTIVE BOARD or officers of the COOPERATIVE 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 COOPERATIVE 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 Administrative Fund shall be used to defend and hold harmless any Director or officer for actions taken by the EXECUTIVE BOARD, the EXECUTIVE COMMITTEE, Committee members, or performed by the Director within the scope of his or her authority. The COOPERATIVE may purchase insurance providing similar coverage for such Directors or officers.

ARTICLE XIII. Additional Insurance.

The EXECUTIVE DIRECTOR, through the distribution of the minutes of the EXECUTIVE BOARD or through other means, shall inform all MEMBERS of the scope and amount of insurance in force from time-to-time. Membership in the COOPERATIVE shall not preclude any MEMBER from purchasing any insurance coverage above those amounts or in addition to that purchased by the COOPERATIVE. The COOPERATIVE may also create and administer programs to pay dental or other claims. All funds for the

operation of such programs shall be accounted for separately and the financial obligations arising from such programs shall only be the responsibility of MEMBERS which participate.

#### ARTICLE XIV. Disputes Over Coverage.

In the event that a MEMBER should question whether its employee or officer or that of a listed entity is entitled to payments, that MEMBER shall, in writing, direct the COOPERATIVE not to pay any further amounts arising from such claim after the date of the receipt of the written direction. When so directed, the COOPERATIVE shall not pay such claim unless the MEMBER's order is withdrawn. Provided, however, that the MEMBER shall defend and hold harmless the COOPERATIVE against all costs, including defense costs, or damages which the COOPERATIVE shall incur in acting on the direction of the MEMBER. The COOPERATIVE may require the MEMBER to advance funds to support this obligation and on a failure of the MEMBER to do so, it may choose to make the payment.

In the event that an officer or employee or other person claiming benefits from a MEMBER or the MEMBER itself should contest the decision of the EXECUTIVE BOARD, which declines to pay a benefit in whole or in part, the decision of the EXECUTIVE BOARD shall be final in the absence of fraud. The COOPERATIVE shall have no financial responsibility if a company which provides insurance for benefit claims refuses or is unable to pay such claims. In the absence of action by the EXECUTIVE BOARD to recover such funds from the Company the MEMBER affected may pursue the matter at its expense.

ARTICLE XV. Contractual Obligation.

This document shall constitute a contract among the MEMBERS of the COOPERATIVE. The obligations and responsibilities of the MEMBERS set forth herein including the obligation to take no action inconsistent with this Contract and By-Laws 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 either by the COOPERATIVE itself or by any of its MEMBERS. 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 promises and agreements of the MEMBERS set forth herein and the advantage gained by MEMBERS in anticipated reduction of administrative costs for the processing of personnel benefits. Provided, however, that the financial obligations of a MEMBER are limited to that agreed to herein or such additional obligations as may come about through amendments to these By-Laws. The Scope of Coverage of the COOPERATIVE shall extend only to the MEMBERS. This intergovernmental agreement 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.

ARTICLE XVI. Expulsion of Members.

By at least the concurrence of the vote of 8 members of the EXECUTIVE BOARD, any MEMBER may be expelled. Such expulsion, which shall take effect in the manner set out below, may be carried out for one or more of the following reasons:

- (a) Failure to make any payments due to the COOPERATIVE,

- (b) Failure to exclusively provide to its employees and officers, except independent contractors, or those in union-sponsored programs, the health and accident benefits and associated life insurance coverage of the COOPERATIVE,
- (c) Failure to furnish full cooperation with the COOPERATIVE's attorneys, EXECUTIVE DIRECTOR, and any agent, employee, officer or independent contractor of the COOPERATIVE relating to the purpose and powers of the COOPERATIVE,
- (d) Failure to carry out any obligation of a MEMBER which impairs the ability of the COOPERATIVE to carry out its purpose and powers.

No MEMBER may be expelled, except after notice from the COOPERATIVE, of the alleged failure along with a reasonable opportunity of not less than fifteen (15) days to cure the alleged failure. The MEMBER, within that 15-day period, may request a hearing before the EXECUTIVE BOARD before any decision is made as to whether the expulsion shall take place. The EXECUTIVE 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. The EXECUTIVE BOARD may appoint a hearing officer to conduct such hearing and make a recommendation to the EXECUTIVE BOARD based upon findings of fact. If the Board conducts the hearing itself, it may make a decision at the close of the hearing. A decision by the EXECUTIVE BOARD to expel a MEMBER after notice and hearing and a failure to cure the alleged defect shall be final unless the EXECUTIVE BOARD shall be found by a court to have committed a gross abuse of discretion. After expulsion, the former MEMBER





COOPERATIVE shall permit such withdrawal, but it may re-price the costs of benefits to the continuing employees or officers based upon the same underwriting criteria used by that COOPERATIVE in the normal course of its business. If officers or employees are withdrawn from the COOPERATIVE into a union-sponsored program, they may subsequently be returned to coverage, but only on an underwriting basis. In addition, when the withdrawal is into a union-sponsored program, no MEMBER shall be expelled from the COOPERATIVE if the continuing employees or officers meet the general criteria required from time-to-time for other MEMBERS of the COOPERATIVE. If a MEMBER, which no longer meets the underwriting criteria as a MEMBER should be voluntarily admitted to an intergovernmental agency (sub-pool), which itself is a MEMBER of the COOPERATIVE, it may continue receiving benefits from the COOPERATIVE under the Contract and By-Laws of the Intergovernmental Agency. Provided, however, that upon at least 10 affirmative votes of the MEMBERS of the EXECUTIVE BOARD, any MEMBER may be relieved of continuing participation with regard to a particular class or classes of officers and employees of the MEMBER. In addition, a MEMBER shall only be required to provide continuing participation for those persons within such classes of officers and employees as are actually employed or working for the MEMBER.

Any MEMBER of the COOPERATIVE may withdraw from the COOPERATIVE at the end of a fiscal year of the COOPERATIVE upon the giving of at least ninety (90) days prior written notice of withdrawal. Such notice shall be addressed to the Chairman of the COOPERATIVE and the EXECUTIVE DIRECTOR, and shall be accompanied by a resolution of the Corporate Authorities of the MEMBER electing to withdraw from the

COOPERATIVE.

If a MEMBER should withdraw from the COOPERATIVE and the contract between the COOPERATIVE and providers do not provide for mandatory run-off claim payments, no benefit claims of the MEMBER shall be processed or paid by the COOPERATIVE after the close of the fiscal year in which withdrawal takes place, unless the withdrawing MEMBER shall enter into a contract with the COOPERATIVE or the provider to provide such services using funds furnished by the withdrawing MEMBER. Pending claims and other records relating to the withdrawing MEMBER shall, in the absence of such a contract, be turned over to that MEMBER in a prompt manner and at that MEMBER's cost.

If a MEMBER should withdraw from the COOPERATIVE, as of the date of its withdrawal, individual stop loss or aggregate stop loss insurance policies purchased by the COOPERATIVE, on behalf of its MEMBERS, will likely contain provisions which will provide that such insuring entities will be required to pay no claims of a withdrawing MEMBER which were not paid during the time of its Membership. Withdrawing MEMBERS will be required to pay such claims not paid during the time of its Membership. Withdrawing MEMBERS may wish to explore individually purchasing extensions of such insurance policies if available to them from the insuring entities or arrange for alternate insurance coverages. MEMBERS should be aware of such payment obligations which will not be those of the COOPERATIVE except in the unlikely event that such individual stop loss or aggregate insurance policies provide for additional coverage.

With regards to benefit claims and administrative fees after a MEMBER withdraws in any way from the COOPERATIVE, the contract between the COOPERATIVE and the

entity offering HMO benefits may provide that the COOPERATIVE is responsible for certain payments to the HMO for benefit claims and administrative costs for a continuing period. If a contract contains such a provision, the withdrawing MEMBER is responsible for the payment to the COOPERATIVE for all of such payments for the period contained within that agreement.

With regards to benefit claims and administrative fees after a MEMBER withdraws in any way from the COOPERATIVE, the Contract between the COOPERATIVE and the entity or entities offering other than HMO benefits may also provide that the COOPERATIVE is entitled to those entities paying the run-off claims of the withdrawing MEMBER for a period of time specified in the Contract. Such a contract may obligate the COOPERATIVE to pay the provider for the payment of the agreed-upon claims of the withdrawing MEMBERS with the specified period of time even if the withdrawing MEMBER should be in default of its obligations to pay the COOPERATIVE for the previously-agreed to run-off coverage after the MEMBER'S withdrawal. Such contracts with providers may prevent the COOPERATIVE from directing the provider not to pay claims of the withdrawing MEMBER even if the withdrawing MEMBER is in default of its requirements. In some cases, the provider will advance funds and bill the COOPERATIVE after the payments have been made. Under other contracts, the provider may stop the payment for all continuing MEMBERS or MEMBERS which have withdrawn from the COOPERATIVE and have fully paid in advance or as requested for run-off claims. Because of the serious adverse affect to all of the COOPERATIVE'S MEMBERS in the event that a withdrawing MEMBER fails to pay such amounts, the COOPERATIVE may utilize any funds within the

account of the withdrawing MEMBER to pay for such run-off claims or may require the withdrawing MEMBER to advance funds reasonably estimated to be paid by the provider and the COOPERATIVE in fulfilling run-off payment provisions of the previously executed contracts with the providers. All withdrawing MEMBERS shall remain fully obligated for their portion of all expenses of and claims agreed to be paid by the COOPERATIVE incurred during the period of their Membership and during any period in which contractually obligated run-off claims are to be paid. The COOPERATIVE may seek to recover those funds at any time or seek to require advance payment of estimated costs.

Within one-hundred twenty (120) days after the approval of the audit of the COOPERATIVE for the prior fiscal year, a final accounting of funds owed or owing shall take place. Such accounting shall include all funds of the COOPERATIVE. If the amount owed to or owing from the withdrawing MEMBER shall be \$250,000 or less, the party owing such funds shall make payment within ninety (90) days after the final accounting. If the amount owed to or owing from the withdrawing MEMBER shall be over \$250,000, the party owing such funds may pay such funds owed in no more than 13 equal monthly payments with interest at the highest amount lawfully payable by a non-home rule Illinois municipality with the first payment to commence within ninety (90) days after the final accounting is established.

If the withdrawal of MEMBERS prior to the start of the next fiscal year shall reduce the number of covered employees and officers of the remaining MEMBERS, and any new MEMBERS legally committed to membership for the next fiscal year, to less than 5,000 covered lives, the COOPERATIVE shall, except for winding up its affairs, cease its

operations at the end of the then-concluding fiscal year. In that case, the EXECUTIVE BOARD shall continue to meet on such a schedule as shall be necessary to carry out the winding up of the affairs of the COOPERATIVE. If, during any fiscal year, the number of covered employees and officers should, through the withdrawal or expulsion of listed entities or attrition, be reduced to below 2,000 covered lives persons, any MEMBER may call a special meeting to discuss the feasibility of continuing the COOPERATIVE in operation until the close of that fiscal year.

If any MEMBER should file a suit against the COOPERATIVE questioning the validity of the Contract and By-Laws document, or should raise the validity of this document in a suit by

the COOPERATIVE and the validity of the Contract and By-Laws document is sustained, that

MEMBER shall pay for the full legal and defense costs of the COOPERATIVE in that suit.

By execution of this Contract and By-Laws document, we do hereby certify that its approval and our membership in the IPBC has been authorized by our governing Board.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Member

\_\_\_\_\_  
Name:

Title: \_\_\_\_\_



# Agenda Item Executive Summary

AGENDA ITEM: Elected Official Salary

BOARD OR COMMITTEE: Committee

## BUDGET IMPACT

Amount	\$	Budgeted	\$
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Fund: Corresponding Activity Measure: ensure financial stewardship

## EXECUTIVE SUMMARY

During discussions about changes to the clerk/ deputy clerk officer position, a request was made for a review of officer compensation. Current salaries are \$6,000/year for the Village President, \$1,000/year for the Liquor Commissioner, \$4,000/year for Trustees, and \$4,500/year for the Village Clerk. To initiate discussions at the committee of the whole meeting on July 16, staff provided salary surveys from NWMC, DMMC, and a clerk's survey on elected official pay. The average salaries and potential 2% increase each term are presented as follows:

Mayor/Village President: \$12,800 (\$13,056 with increase)

Village Clerk: \$12,920 (\$13,178 with increase)

Village Trustee: \$4,450 (\$4,539 with increase)

For reference/current salary

Village President \$6,000 plus \$1,000 for liquor commissioner: \$7,000

Village Clerk: \$4,500

Village Trustee: \$4,000

It was noted that the clerk's salary was adjusted downward from earlier proposals due to a suggestion to exclude full-time salaries from the comparison. According to state statute, any changes to compensation must occur outside of an elected official's current term and at least 180 days before the official takes office. Therefore, the recommended timeline for establishing new compensation is to finalize decisions by an October meeting, ahead of the April elections and May swearing-in

## ATTACHMENTS (PLEASE LIST)

Memo

## RELATIONSHIP TO STRATEGIC PLAN GOAL

Strategic Plan Goal: Maintain checks and balances to ensure finance stewardship

Short Term (1-3 Years): Routine  Complex

Long Term (3-5 Years): Routine  Complex

## ACTION REQUESTED

- For Discussion Only
- Resolution
- Ordinance
- Motion

Staff: Scott Skrycki, Asst. Village Administrator

Date:

August 13, 2024

# Memorandum

**TO:** Village President and Board of Trustees  
**FROM:** Scott Skrycki, Assistant Village Administrator  
**DATE:** August 13, 2024  
**SUBJECT:** Elected Official Pay

When discussing the changes for the clerk/deputy clerk officer position, a request was made for a general review of officer compensation. As you know our code stipulates the Village President salary is \$6,000/yr. Liquor Commissioner is \$1,000/yr. Trustees are \$4,000/yr. and Village Clerk is \$4,500/yr.

To facilitate the first discussion at committee of the whole on July 16, the staff presented surveys from both NWMC, DMMC, as well as a clerk's survey about elected official pay. Below is showing the average salary per elected official. Also, mentioned was a 2% increase for each term, and is shown in the chart below.

POSITION	AVERAGE	TWO PERCENT INCREASE
Mayor/Village President	\$12,800	\$13,056
Clerk	\$12,920	\$13,178
Trustee	\$4,450	\$4,539

\*The clerk's salary is slightly lower than it was proposed in the COW meeting, because it was indicated during the meeting, that full time salaries should be removed from the comparison analysis.

Per state statute, to change the compensation, the change must not be within the elected official's current term, and at least 180 days prior to the date when the elected official would start office. So, the recommended timeline for establishing elected official compensation is no later than an October meeting ahead of the April elections and swearing in of an elected official in May.





# Agenda Item Executive Summary

AGENDA ITEM: Recreational Vehicle Parking Discussion BOARD OR COMMITTEE: Committee

## BUDGET IMPACT

Amount \$N/A Budgeted \$N/A

Fund: N/A Corresponding Activity Measure: Review adopted codes

## EXECUTIVE SUMMARY

Since 1983, the Municipal Code only permits recreational vehicles (other than snowmobiles and snowmobile trailers) to be parked on driveways of single-family or duplex lots between May 1<sup>st</sup> and October 31<sup>st</sup>. Recently a resident requested that the start date be moved to allow him to park his boat on his driveway in March or April.

Staff drafted text amendments to change the start date for recreational vehicles to March 1<sup>st</sup> or April 15<sup>th</sup> as suggested by the Commission of the Whole.

The Planning & Zoning Commission held a public hearing at their August 1, 2024 meeting and recommended that the current start date remain May 1<sup>st</sup>.

## ATTACHMENTS (PLEASE LIST)

Memo, P&Z meeting minutes, history of RV regulations, municipal survey

## RELATIONSHIP TO STRATEGIC PLAN GOAL

Strategic Plan Goal: Evaluate and update development codes

Short Term (1-3 Years): Routine  Complex

Long Term (3-5 Years): Routine  Complex

## ACTION REQUESTED

- For Discussion Only
- Resolution
- Ordinance
- Motion


## MOTION:

Staff: Kristy Stone, PDS Director

Date: August 12, 2024

**PLANNING & DEVELOPMENT SERVICES MEMORANDUM**

**24-64**

DATE: August 12, 2024  
TO: Paula Schumacher, Village Administrator  
FROM: Kristy Stone, PDS Director   
RE: **Case #24-11 Recreational Vehicle Parking**

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**BACKGROUND**

Prior to 1983, recreational vehicles including motor homes, boats, snowmobiles and trailers (collectively referred herein as RVs) were required to be parked within a garage or a fully enclosed structure. The 1983 Zoning Ordinance allowed RVs to be parked on a concrete or asphalt driveway between May 1<sup>st</sup> and October 31<sup>st</sup> or in the rear yard behind a single-family home. The full text of the current parking restrictions for recreational vehicles is attached.

On March 12, 2024, a resident emailed the following to several Board members:

*I would like to express my opinion on the above ordinance. Today I was tagged by Susan Duchesne the code enforcement officer for having my fishing boat parked on my driveway too early according to the "ordinance". I am retired, on a fixed income, and love to fish. May 1st is an unacceptable date to allow a fishing boat to be parked on my driveway when some of the best fishing is during the months of March, April and May. I like to go Crappie fishing on Kentucky Lake in Late March or Early April, Sauger fishing on the Illinois River and Salmon fishing In April and May. I cannot get my boat re-rigged and ready for the fishing season while having it in storage, not to mention the added cost of 2 additional months of storage fees. I understand the need for rules and regulations to ensure properly maintained properties, but do not understand why this ordinance date is not March 1st instead of May 1st.*

*I request that this ordinance be reviewed and changed so as not to restrict my ability to enjoy my lifetime hobby.*

In response to the request, code enforcement officers surveyed other communities to see what the parking restrictions are for the storage/parking of recreational vehicles on residential properties. A chart outlining the survey results is attached.

**DISCUSSION**

After a discussion at the April 16<sup>th</sup> Committee of the Whole meeting, staff was directed to get feedback from the Planning & Zoning Commission on whether the the current start date (May 1<sup>st</sup>) for recreational vehicle parking should be modified. drafted and sent to the Planning & Zoning Commission for a public hearing.

**Option 1 - Move Date to March 1st: 10-4A-3: C. Recreational Vehicles, Trailers, All-Terrain Vehicles, Watercraft And Snowmobiles:**

10-4A-3:C.1. Recreational vehicles, trailers, recreational units, all-terrain vehicles, watercraft, and snowmobiles, as defined in [chapter 2](#) of this title shall only be parked or stored on asphalt, concrete or pavers located in the front or corner side yard on a residential or PD zoning lot containing a detached single family dwelling unit or a duplex dwelling unit: a) between ~~March 1~~ ~~May 1~~ and October 31 (except snowmobiles on snowmobile trailers), or b) between November 15 and April 15 for snowmobiles on a trailer.

**Option 2 - Move State Date to April 15th: 10-4A-3: C. Recreational Vehicles, Trailers, All-Terrain Vehicles, Watercraft And Snowmobiles:**

10-4A-3:C.1. Recreational vehicles, trailers, recreational units, all-terrain vehicles, watercraft, and snowmobiles, as defined in [chapter 2](#) of this title shall only be parked or stored on asphalt, concrete or pavers located in the front or corner side yard on a residential or PD zoning lot containing a detached single family dwelling unit or a duplex dwelling unit: a) between ~~April 15~~ ~~May 1~~ and October 31 (except snowmobiles on snowmobile trailers), or b) between November 15 and April 15 for snowmobiles on a trailer.

**Option 3 - Keep Current Regulations: 10-4A-3: C. Recreational Vehicles, Trailers, All-Terrain Vehicles, Watercraft And Snowmobiles:**

10-4A-3:C.1. Recreational vehicles, trailers, recreational units, all-terrain vehicles, watercraft, and snowmobiles, as defined in [chapter 2](#) of this title shall only be parked or stored on asphalt, concrete or pavers located in the front or corner side yard on a residential or PD zoning lot containing a detached single family dwelling unit or a duplex dwelling unit: a) between May 1 and October 31 (except snowmobiles on snowmobile trailers), or b) between November 15 and April 15 for snowmobiles on a trailer.

**RECOMMENDATION**

The Planning & Zoning Commission held the public hearing for recreational vehicle text amendments at their August 1, 2024 meeting. The Planning & Zoning Commission **recommended keeping the existing dates (May 1<sup>st</sup>-October 31<sup>st</sup>).**

The minutes of the Planning & Zoning Commission meeting, the history of the recreation vehicle regulations, municipal survey results are attached.



Village of Bartlett  
Planning and Zoning Commission  
August 1, 2024

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**(#24-11) Recreational Vehicle Parking**

Text Amendment

**PUBLIC HEARING**

**The following exhibits were presented:**

**Exhibit A – Notification of Publication**

**K. Stone** stated that Code Enforcement has been enforcing our current regulations for recreational vehicles, which restricts boats, recreational vehicles and campers from being in driveways May 1 through October 31. A resident was cited in March for having their boat on their property early. That resident sent a letter to several Village Board members and the Mayor requesting that the Board consider amending the dates for the allowing of boats and recreational vehicles on their driveway. Code Enforcement did a survey of other communities. There is not a uniform answer for this. It is all over the board. Some communities restrict recreational vehicles completely, some allow them, some follow our dates, some have different setbacks and some communities only allow them for 2 to 3 days at a time. The Village Board Committee had a discussion and thought about following the suggestion to change the date to March 1. There was also a suggestion to change the date to April 15. There was another option to leave the date the way it is. This ordinance has been in effect for years and the dates have not changed since 1983. This is something that we have had on the books for quite a long time. **M. Werden** asked, is the current start date May 1? **K. Stone** yes, May 1. **M. Werden** does Code Enforcement issue many citations for this each year? **K. Stone** most residents that have recreational vehicles know what the dates are. We do not typically get many violations for RVs being out too early. We do get violations on November 1 and phone calls from neighbors to tell us that their neighbor's boat is out on the property. This is something that we have enforced consistently since 1983 and this is the first time to my knowledge that anyone has suggested that we change the dates. **B. Bucaro** do you know when you get the most complaints about this? Is it mostly at the beginning of the season, during season or the end of the season? **K. Stone** we get a significant number of complaints in the summer and we have to tell them there is nothing we can do. they are allowed in November we do sweeps the first 2 weeks and issue 5 to 25 warnings to remove the vehicle. If they have received a prior notice, we give them less time because they are aware of what the rules are. We do not typically do sweeps at the beginning of the season looking for violations because they are not likely to be early. Those are based on complaints or done by the code officers if they see a violation while they are driving around. **K. Stone** we have not received many complaints about recreational vehicles being out early. Most people comply with the May 1 rule. **M. Werden** could there be a special provision for the one resident that brought this forward like how we allow overnight parking on the street? **K. Stone** we cannot enforce that in the zoning ordinance. These dates are in the zoning code. All of our rules have very strict deadlines. We do not have a permit to allow an exception. **M. Sarwas** a fishing boat is significantly smaller than an RV or a large speed boat on a trailer. Could we separate boats from RVs? I understand that fishing season starts earlier and by May, you have missed a couple of months and you are paying for storage fees. **K. Stone** if we separated fishing boats from RVs we would need to have very specific restrictions. Someone could have a large boat and say that they use it for fishing. How could we determine the difference? **M. Sarwas** we would have to separate boats from RVs and we would not differentiate based on size. Boats are boats whether they are speed boats or luxury boats. You cannot say, I use mine for fishing and I use mine for tubing. **K. Stone** if the separating boats



Village of Bartlett  
Planning and Zoning Commission  
August 1, 2024

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from RVs is something that the board wants to entertain, I could recommend a size restriction, but we would need to do further study on that because I do not want to pick an arbitrary number. **B. Bucaro** this seems like we would be opening up a can of worms. **M. Sarwas** could we split the difference and have the date be April 1? **M. Werden** why was the April 15 dated cited? **K. Stone** one of the trustees suggested that date to give everyone an extra 2 weeks. Typically, if we give a warning and it is the first notice, we give about 2 weeks to remedy the situation. If the date is April 15 and we have given a warning on April 1, by time the warning deadline arrives, they are in compliance. **G. Koziol** I do not have a problem with changing the start date or the end date, but I would hate to see a series of rules trying to make special changes based on the size of a boat or an RV. **B. Bucaro** the number of people that complain and the number of people with RVs are much less than people that do not have RVs. I would be inclined to just leave this alone considering the years that it has been in place. We try to make accommodations, but we need to look at the big picture. **K. Stone** we do have 1 household that calls us to tell us when a camper is there when it is not supposed to be. **B. Bucaro** in their own household? **K. Stone** yes, in their own household. **J. Battermann** if the date was changed to April 15 is there any overlap that would make it difficult for staff to enforce the ordinance because they will not be able to do the sweeps as effectively during the break between seasons? **K. Stone** there is not as much of a need for sweeps at the beginning of the season and I think our staff could handle that. **C. Deveaux** why was April 1 not a choice? **K. Stone** that date was not presented at the committee meeting. I would prefer that we choose from what was stated at the committee meeting and these are the options that were discussed. **M. Werden** March 1 seems like quite a stretch. **J. Battermann** option 1 seems way too early even for fishing season. I feel like 2 weeks is a good compromise. **B. Bucaro** in 41 years no one has brought this up. It is just this one resident saying they need March 1 because they fish. **M. Werden** there is no need for a text amendment and a "yes" vote would be to leave the dates as is.

**M. Werden** opened the public hearing. No one from the public came forward.

**C. Deveaux** made a motion to recommend **Option 3 – Keep Current Regulations: 19-4A-3: C. Recreational Vehicles, Trailers, All-Terrain Vehicles, Watercraft and Snowmobiles.**

**Motioned by: C. Deveaux**

**Seconded by: B. Bucaro**

**M. Werden** closed the public hearing portion of the meeting.

**Roll Call**

**Ayes: B. Bucaro, G. Koziol, J. Miaso, M. Sarwas, J. Battermann, M. Werden**

**Nays: C. Deveaux**

**The motion carried.**

## **HISTORY OF RECREATIONAL VEHICLE REGULATIONS**

### **1978 Zoning Ordinance**

Recreational vehicles and trailers must be parked within a garage or fully enclosed structure or within the buildable area of the rear yard behind the principal building in any residential zoning district.

### **1983 Zoning Ordinance**

Recreational vehicles and trailers can be (a) parked on concrete or asphalt driveway between May 1<sup>st</sup> and November 1<sup>st</sup> or (b) within the rear yard or side yard behind the front elevation of a single-family residence. Recreational vehicles and trailers must be parked within a garage or fully enclosed structure in multi-family zoning districts.

### **1999 Text Amendment (Ord #99-95)**

Recreational vehicles and trailers must be (a) parked within a garage or fully enclosed structures on townhome lots, (b) within the rear yard or side yard behind the front elevation of a detached single-family or duplex lot or (c) parked on a concrete or asphalt driveway between May 1<sup>st</sup> and November 1<sup>st</sup> on single-family or duplex lots.

### **1999 Text Amendment (Ord #99-137)**

Recreational vehicles shall be parked or stored on a zoning lot that contains a detached single family dwelling unit or a duplex dwelling unit only (a) between May 1 and October 31 on a concrete or asphalt driveway located in the front or corner side yard of such zoning lot (excluding snowmobiles and snowmobile trailers), (b) between November 15 and April 15 on a concrete or asphalt driveway located in the front or corner side yard of such zoning lot for snowmobiles and snowmobile trailers, or c) in a rear yard or that portion of an interior side yard which is located behind the front elevation of the principal residence, adjacent to the area where the vehicle /trailer is stored at least five (5) feet from the side lot line. This amendment also limited the number of recreational vehicles to one (1) unit on a driveway in the front or corner side yard.

### **2017 Text Amendment (Ord #2017-24) current regulations**

#### **10-4A-3: SPECIAL REQUIREMENTS IN RESIDENTIAL DISTRICTS:**

##### **C. Recreational Vehicles, Trailers, All-Terrain Vehicles, Watercraft And Snowmobiles:**

1. Recreational vehicles, trailers, recreational units, all-terrain vehicles, watercraft, and snowmobiles, as defined in [chapter 2](#) of this title shall only be parked or stored on asphalt, concrete or pavers located in the front or corner side yard on a residential or PD zoning lot containing a detached single family dwelling unit or a duplex dwelling unit: a) between May 1 and October 31 (except snowmobiles on snowmobile trailers), or b) between November 15 and April 15 for snowmobiles on a trailer.

2. A recreational vehicle or trailer parked or stored in a residential or PD Zoning District containing a detached single family or duplex dwelling unit shall only be occupied for living or sleeping purposes for a maximum of seven (7) consecutive days or a total of fifteen (15) days per calendar year.

3. A maximum of one recreational vehicle, trailer, or recreational unit (including all-terrain vehicles, watercraft, and snowmobiles on a trailer) may be located in a rear yard or that portion of an interior side yard which is located behind the front elevation of the principal residence, a minimum of five feet (5') from the side and/or rear lot line.

4. Recreational vehicles, trailers, all-terrain vehicles, watercraft, and snowmobiles, which are in a state of visible disrepair, partial construction or being utilized for a purpose other than what it was originally designed, shall only be stored or parked within a garage or fully enclosed building.

5. Recreational vehicles, trailers, all-terrain vehicles, watercraft and snowmobiles, shall be located only within a garage or fully enclosed building on a zoning lot containing a townhome, attached residential unit or a mobile home in an SR-5, SR-6, MH-1 or PD Zoning District.

6. Recreational vehicles, trailers, all-terrain vehicles, watercraft and snowmobiles may be parked or stored in a designated common area within a mobile home park provided the area is fenced and/or screened from view from adjacent properties.

CITY/VILLAGE	ALLOW RV, ETC. PARKING	DATE RESTRICTIONS	PARKING RESTRICTIONS- FRONT/CORNER SIDE	PARKING RESTRICTIONS- INT. SIDE OR REAR	DIMENSION RESTRICTIONS	TIME RESTRICTIONS	PROHIBITED	ALLOTMENT	SCREENED
ALGONQUIN	YES		Hard Surface						
AURORA	YES with restrictions		Hard Surface, Used Daily as principal means of transportation. <25' L	Hard Surface 3' int. side & 5' rear lot lines	RV: 25' L, 8' W, 11' h Boat: 25' L, Trailer: 20' L	3 days per month =< 48 hrs for loading & unloading		1	6' fence or wall or 75% opacity landscaping 6'-8' h at planting
BARTLETT	YES with restrictions	5/1-10/31 summer RVs, etc. & 11/15-4/15 snowmobiles & trailers	Hard Surface during allowable dates	5' from any lot line				1 in front No limit side or rear	
CHAMPAIGN	YES		Hard Surface	Hard Surface - side Enclosed Gravel - rear				1	
GLENDALE HEIGHTS	YES		Hard Surface	Hard Surface				1	
HAWTHORN WOODS	NO		Only for loading & unloading Friday thru Monday						
HIGHLAND PARK	YES with restrictions		Hard Surface - Temporary for loading & unloading	Hard Surface					
HUNTLEY	YES with restrictions	Hard Surface-Temporary for 7 consecutive days/28 per year	Not Allowed	Permanent Hard Surface 5' from any lot line		7 consecutive days/ max 28 days per year		1	
LAKE ZURICH	YES with restrictions	larger size only 5/1-10/31	Not Allowed	Hard Surface Rear only- larger size-5' from any lot line	>30' L, 8' W, 11' h & <30' L, 8' W, 11' h & only in rear yard.				
LINCOLNWOOD	YES with restrictions	Boats 4/2-10/30 Snowmobiles 11/30-3/31	Hard Surface - Temporary for loading & unloading			48 hrs			
NAPERVILLE	YES with restrictions		Hard Surface, Used Daily as principal means of transportation. <25' L	5' from any lot line		3xs per month =< 48 hrs for loading & unloading		1	6' fence or wall or 75% opacity landscaping 6' h at planting
NORRIDGE	NO		Hard Surface - Temporary for loading & unloading not to exceed 24 hrs						
ROCKFORD	YES with restrictions			Hard Surface 6' from any lot line	30'	6 hours for loading & unloading	trucks, utility type trailers, car hauling trailers, enclosed box type utility trailers, commercial construction trailers, any type of hauling trailer	1	



ROSCOE	YES		Hard Surface	Hard Surface 5' from side lot line & 10' from building on adjoining lot	5' from side & rear lot line & 10' from building on adjoining lot				
ROSELLE	YES with restrictions		Hard Surface for loading & unloading not to exceed 48 hrs	Allowed if doesn't exceed 29' L, 8' W, 10' h	29' L, 8' W, 10' h	48 hrs			
SOUTH ELGIN	YES	Parking: 4/1-10/31 Storage: 11/1-3/31	Hard Surface	Hard Surface 1' from side & 7.5' from rear lot lines				2	
STREAMWOOD	YES with restrictions		Hard Surface nothing over 8' h		RVs-35' L, 13' h Open trailers 16' L			1	
TROUT VALLEY	YES with restrictions	only during period or season of active use							
WARRENVILLE	YES		Hard Surface 3' from garage/principal building & 5' from lot lines	Unpaved 3' from garage/principal building & 5' from lot lines				3 max depending on lot size	
WESTMONT	TEMPORARY-3 days		TEMPORARY-3 days	Hard or Gravel Surface Specifically Designated Parking Space		3 days		1	
WINNEBAGO COUNTY	YES			3' from any lot line Motorhomes not allowed in rear yard	<22'			2	