



**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: **7. a**

Title:

Recommendation to approve a Resolution Authorizing an Intergovernmental Agreement between the City of St. Charles and the St. Charles Park District for the Participation in the Intergovernmental Personnel Benefit Cooperative.

Presenter:

Jennifer McMahon, Director of Human Resources

Meeting: Government Operations Committee

Date: February 6, 2023

Proposed Cost: \$0

Budgeted Amount: N/A

Not Budgeted:

**Executive Summary** *(if not budgeted please explain):*

The City is a member of the Intergovernmental Personnel Benefits Cooperative (IPBC), which provides health and welfare benefits to City employees. The IPBC is an intergovernmental agency allowing units of local government to band together for the purposes of insurance and is open to municipalities, counties, special districts, and intergovernmental agencies. Its purpose is to provide economies of scale and risk pooling that allows members more financial stability than offered by the commercial insurance market. Members retain the right to create and change their plan design.

The City entered the IPBC in May 2022, as a Tier 3 member (151-300 employees), which allowed the City to continue with the BCBSIL network. The Park District is interested in becoming a member of the IPBC, but would have to enter as a Tier 2 member (51-150 employees) and, per BCBSIL’s rules, utilize United Healthcare for 18 months before transitioning back to BCBSIL. In order to address retention and recruitment concerns, as well as employee expectations about maintaining the BCBSIL network, the Park District could enter the IPBC and maintain the BCBSIL network under City sponsorship.

In the spirit of intergovernmental cooperation, the City can sponsor the Park District, provided it results in no extra cost or administrative burden to the City. The intergovernmental agreement ensures that. While not an outcome objective, this action supports the strategic goal within the recently-adopted Strategic Plan under Community Engagement of strengthening relationships with community partners.

Staff recommends entering into an intergovernmental agreement with the Park District.

**Attachments** *(please list):*

Resolution and Intergovernmental Agreement

**Recommendation/Suggested Action** *(briefly explain):*

Recommendation to City Council to Adopt a Resolution Approving an Intergovernmental Agreement between the City of St. Charles and the St. Charles Park District allowing the City to add the Park District as a Listed Entity to Receive Benefits from the Intergovernmental Personnel Benefits Cooperative (IPBC) for a Term of 18 months

**City of St. Charles, Illinois**  
**Resolution No. \_\_\_\_\_**

**A Resolution Authorizing an Intergovernmental Agreement between  
the City of St. Charles and the St. Charles Park District for the  
Participation in the Intergovernmental Personnel Benefit Cooperative**

**Presented & Passed by the  
City Council on \_\_\_\_\_**

WHEREAS, the City of St. Charles (“City”) and the St. Charles Park District (“Park District”) are units of local government, as defined in Article VII, Section 1, of the Illinois Constitution of 1970, and public agencies, as defined in Section 2 of the Intergovernmental Cooperation Act, 5 ILCS 220/2; and

WHEREAS, Article VII, Section 10 of the Illinois Constitution of 1970 and the Intergovernmental Cooperation Act authorizes units of local government to contract or otherwise associate among themselves to obtain or share services in any manner not prohibited by law; and

WHEREAS, the City is a member of the Intergovernmental Personnel Benefit Cooperative (“IPBC) which administers personnel benefits programs, and the Park District has requested that the City add the Park District as a listed entity for participation in the IPBC; and

WHEREAS, the Corporate Authorities of the City have determined that it is necessary, desirable and in its best interest to enter into an Intergovernmental Agreement with the Park District which sets forth each party’s responsibilities for the City to add the Park District as a listed entity for participation in the IPBC.

NOW, THEREFORE, be it resolved by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois as follows:

Section 1. That the foregoing recital clauses to this Resolution are adopted as findings of the Corporate Authorities of the City of St. Charles and are incorporated herein by specific

reference.

Section 2. The corporate authorities of the City hereby approve the Intergovernmental Agreement between City of St. Charles (Member) and St. Charles Park District (Listed Entity).

Section 3. The Mayor is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest, on behalf of the City, the Intergovernmental Agreement between City of St. Charles (Member) and St. Charles Park District (Listed Entity) in substantially the same form as attached hereto as Exhibit “A” and made a part hereof.

Section 4. The officials, officers, employees and agents of the City are hereby authorized to take such actions and execute such documents as are necessary to carry out the purpose and intent of this resolution and the agreement.

Section 5. This Resolution shall be in full force and effect upon its passage and approval in accordance with law.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 21<sup>st</sup> day of February, 2023.

PASSED by the City Council of the City of St. Charles, Illinois, this 21<sup>st</sup> day of February, 2023.

APPROVED by the Mayor of the City of St. Charles, Illinois, this this 21<sup>st</sup> day of February, 2023.

ATTEST:

\_\_\_\_\_  
Lora A. Vitek, Mayor

\_\_\_\_\_  
Nancy Garrison, City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

**EXHIBIT A**  
**INTERGOVERNMENTAL AGREEMENT BETWEEN**  
**CITY OF ST. CHARLES (MEMBER)**  
**AND**  
**ST. CHARLES PARK DISTRICT (LISTED ENTITY)**

THIS AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023, by and between City of St. Charles, an Illinois municipal corporation and (“Member”) and St. Charles Park District, (“Listed Entity”), a unit of local government.

WITNESSETH:

WHEREAS, Section 10 of Article VII of the Illinois Constitution of 1970 authorizes units of local government to contract or otherwise associate among themselves in any manner not prohibited by law or by ordinance; and

WHEREAS, the “Intergovernmental Cooperation Act.” 5 ILCS 220/1 *et seq.* authorizes units of local government to exercise any power or powers, privileges or authority which may be exercised by a unit of local government individually, to be exercised and enjoyed jointly with any other unit of local government in the State; and

WHEREAS, units of local government within Illinois have found it increasingly expensive to provide health and life insurance benefits to their officers and employees; and

WHEREAS, a large number of local government entities, having undertaken a series of studies to determine the feasibility of creating an intergovernmental entity known as Intergovernmental Personnel Benefit Cooperative (“IPBC” or “Cooperative”) for the purpose of administering some or all of the personnel benefits programs offered by its member units of local government to their respective officers and employees, created and have successfully operated such a Cooperative; and

WHEREAS, the Member and other local government entities have organized the Cooperative and have adopted a combined Contract and By-Laws for such agency (the “Cooperative BY-LAWS”); and

WHEREAS, the Cooperative By-Laws provide that a Member of the Cooperative may add listed entities to receive benefits as defined in the Cooperative By-Laws, provided, however, that the Member who lists other entities to its membership shall be the sole member of the Cooperative, and shall be responsible for all costs and duties of membership provided by the Cooperative By-Laws; and

WHEREAS, Listed Entity has requested that Member add it as a listed entity to Member's participation in the Cooperative, provided the Listed Entity is responsible for and subject to all the costs, expenses, liabilities, obligations, and conditions arising out of such listing, as is more fully set forth in this Agreement; and

WHEREAS, the Cooperative has heretofore consented or is expected to consent to Member adding Listed Entity as a listed entity to Member's membership in the Cooperative.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and conditions hereinafter contained, the adequacy and sufficiency of which the parties hereto hereby stipulate, the parties agree as follows:

1. INCORPORATION OF RECITALS: The recitals contained hereinabove are incorporated herein by reference as substantive provisions of this Agreement.

2. AGREEMENT TO ACCEPT: Subject to all the terms, provisions, conditions and restrictions of the Cooperative By-Laws, Member agrees to add Listed Entity as a listed entity to its membership in the Cooperative. Listed Entity shall not be deemed to be a member of the Cooperative.

3. PLAN OF BENEFITS: The Plan of Benefits to be available to eligible employees and retirees of Listed Entity shall be comprised of benefits available to Member and its Listed Entities through the Cooperative and subject to all the conditions and restrictions set forth in the Cooperative By-Laws, as implemented by the Cooperative. The Plan of Benefits selected by Listed Entity to be made available to Listed Entity's eligible employees and retirees does not need to be the same Plan of Benefits selected by Member to be made available to Member's employees, and Listed Entity may offer different benefits to Listed Entity's eligible employees and retirees through the Cooperative than Member offers to Member's employees through the Cooperative. Changes to the Plan of Benefits, other than changes required by the Cooperative, shall be made by Listed Entity directly with the Cooperative. Member will not unreasonably withhold approval of any selection or change in Listed Entity's Plan of Benefits if such approval is required by the Cooperative to effectuate such change.

4. ELIGIBLE EMPLOYEES: Only Full-Time, Part-Time Category I employees and eligible retirees of Listed Entity shall be eligible to participate in and receive benefits under the Plan of Benefits. For purposes of this Agreement, "Full-Time employees, Part-Time Category I employees, and Retirees" shall be defined as set forth in the Personnel Practices Manual adopted by Listed Entity, as amended from time to time, or as otherwise defined by the Cooperative. Notwithstanding anything contained herein to the contrary, employees of Listed Entity shall not be deemed to be employees of Member for any purposes.

5. COSTS OF PARTICIPATION: Listed Entity shall promptly pay all costs attributable to Listed Entity for participation in the Cooperative and participating in the Plan of Benefits, at such terms, with such allowable coverage and in such amounts as shall be established from time to time by the Cooperative. To the extent allowed by the Cooperative, Listed Entity shall make such payments directly to the Cooperative rather than through Member. The Parties

understand that, based on current Cooperative practice, the Cooperative will consider Listed Entity's claims experience in each plan for purposes of underwriting as part of a tier with entities of similar enrollment rather than association solely with Member, and that the Cooperative will set the reserve level for the Listed Entity at the entity level separate from Member's reserves.

6. OBLIGATIONS OF LISTED ENTITY TO MEMBER: Listed Entity shall be obligated to Member to the same extent that it would be obligated in any manner to the Cooperative pursuant to the Cooperative By-Laws, as though it were a member of the Cooperative.

7. OBLIGATIONS OF MEMBER TO LISTED ENTITY: The Parties understand that, in accordance with Cooperative practice, the responsibilities, rights and obligations of an employer participant in the Cooperative can be directly exercised by Listed Entity. However, to the extent necessary for Listed Entity to exercise such a right or obligation, the following shall apply:

- a. Member shall be obligated to pass through to Listed Entity the proportionate share attributable to Listed Entity (and which the Listed Entity has not received directly) of any dividend, refund, draw of terminal reserve funds, or other payment, reimbursement, or refund from the Cooperative to the Member, made during or allocable to the period of Listed Entity's participation in the Cooperative through Member or upon termination of participation in the Cooperative by the Member or the Listed Entity.
- b. Listed Entity shall also be entitled to the full amount of any dividend, refund, or draw of terminal reserve funds, or other payment, reimbursement, or refund from the Cooperative, that is based solely on contributions and payments made by Listed Entity.
- c. Member agrees to cooperate with Listed Entity in ensuring the Listed Entity can avail itself, through Member, of the rights available to Member under the Cooperative Contract and Bylaws, including, but not limited to, draws on reserves attributable to Listed Entity and appeal of claims.
- d. Member agrees to cooperate with Listed Entity by entering into a HIPAA Business Associate Agreement and completing other privacy documents as may be required from time to time to effectuate communication with the Cooperative and the health plans.

8. EXPULSION OF LISTED ENTITY: By a majority vote of the corporate authorities of Member, Listed Entity may be expelled as a listed agency of the Member in the Cooperative. Such expulsion may be carried out for one or more of the following reasons:

- A. Failure to make any payments due to Member or the Cooperative under this Agreement.
- B. Failure to furnish full cooperation with the Cooperative or Member's attorneys, claims adjusters, benefits administrator, or any agent, employee, officer or independent contractor of the Cooperative or Member relating to the purpose and powers of the Cooperative or Member's participation therein, and/or,

- C. Failure to carry out any obligation which impairs the ability of Member to participate in the Cooperative or which impairs the ability of the Cooperative to carry out its purposes and powers.

Listed Entity may not be expelled except after written notice from Member of the alleged failure together with a reasonable opportunity, of not less than ten (10) days nor more than thirty (30) days, to cure the alleged failure. Expulsion may be made in accordance with these standards and timetable at any time during a fiscal year of the Cooperative.

9. WITHDRAWAL AS A LISTED AGENCY: With or without cause, Listed Entity may withdraw as a listed agency to Member's membership in the Cooperative by giving written notice of withdrawal to Member and the IPBC at least ninety (90) days prior to the commencement of any fiscal year of the Cooperative. At the present time, the fiscal year of the Cooperative commences on July 1<sup>st</sup>. Failure to give such notice shall obligate Listed Entity to continue as a listed agency for the next fiscal year, except where Member withdraws from the Cooperative, the Cooperative terminates, the Cooperative declines to permit Member to remain within the Cooperative, or the Cooperative declines to permit Listed Entity to remain as a listed entity. Withdrawal may only be made to take effect at the end of the then current fiscal year.

10. TERMINATION OF LISTED ENTITY AS A LISTED ENTITY: With or without cause, Member may terminate Listed Entity as a listed entity to Member's membership in the Cooperative by giving written notice of termination of Listed Entity at least ninety (90) days prior to the commencement of any fiscal year of the Cooperative. Failure to give such notice shall not obligate Member to continue Listed Entity as a listed entity to Member's membership in the Cooperative. Listed Entity may terminate this Agreement at any time upon thirty (30) days' written notice.

11. INDEMNIFICATION: To the fullest extent permitted by law, Listed Entity hereby agrees to defend, indemnify, and hold harmless Member and its officers, agents and employees, against all employee or other third party injuries, deaths, loss, damages, claims, suits, liabilities, judgments, costs and expenses, which may in any way accrue against Member, its officers, agents and employees, arising out of or in consequence of the performance of this Agreement and Member adding Listed Entity as a listed entity to Member's membership to the Cooperative. Listed Entity shall, at its own expense, appear, defend, and pay all charges or attorneys and all costs and other expenses arising therefore or incurred in connection therewith, and if any judgment shall be rendered against Listed Entity, its officers, agents and employees, in any such action, Listed Entity shall, at its own expense, satisfy and discharge the same. This paragraph shall not preclude or otherwise apply to any claims between the Member and Listed Entity related to enforcement of the terms of this Agreement.

12. LIMITATION OF REMEDIES TO MEMBER AND LISTED ENTITY: The sole remedies available to Member or Listed Entity, upon any breach of this Agreement by the other party, shall be specific performance of or the cancellation of this Agreement. It is of the essence of this Agreement that Member and Listed Entity shall not be liable in money damages for any breach of this Agreement except for any obligation of Listed Entity to pay unpaid amounts or any obligation of Member to return overpayments or other amounts due Listed Entity under this

Agreement.

13. ENTIRE UNDERSTANDING: This Agreement sets forth the entire understanding of the parties and may only be amended by a written instrument signed by the parties hereto. Any amendment shall not conflict with the Contract and By-Laws of the Cooperative.

14. ASSIGNMENT: This Agreement shall not be assigned by any party hereto. The terms of this Agreement, however, may be enforced by the Cooperative or the Listed Entity.

15. COUNTERPARTS: This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

16. NOTICES: All notices hereunder shall be in writing and must be served either personally or by registered or certified mail to:

- A. The Member.
- B. The Listed Entity.
- C. The IPBC.
- D. To any such person or place which any party hereto, by its prior written notice, shall designate for notice to it from the other parties hereto.

17. GOVERNING LAW: This Agreement shall be governed in accordance with the laws of the State of Illinois.

18. TERM: The provisions of this Agreement shall become effective and Listed Entity shall be deemed to be a listed entity of Member's membership in the Cooperative at 12:01 a.m. on August 1, 2023, so long as the Listed Entity has also been so accepted and named by the Cooperative. This Agreement shall continue in effect until January 31, 2025 (an 18-month term), unless terminated earlier by either Party pursuant to Section 10 of this Agreement. The Parties anticipate that the Cooperative and its administrative guidelines will allow Listed Entity to become eligible to be a separate member of the Cooperative as of February 1, 2025. If it is determined that the Listed Entity will not be eligible for such separate membership as of February 1, 2025, Listed Entity may request, in writing, a six (6) month extension of this Agreement, which request will not be unreasonably denied by Member. The Parties also may agree to a longer term of extension to this Agreement.



Resolution No. \_\_\_\_\_

Page 8

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and duly attested in accordance with ordinances duly passed by their respective corporate authorities.

City of St Charles  
an Illinois Municipal Corporation

By: \_\_\_\_\_  
Its \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Clerk

St. Charles Park District  
By: \_\_\_\_\_  
Its \_\_\_\_\_

ATTEST:

\_\_\_\_\_