

RESOLUTION NO. ¹⁰09-2017

**A RESOLUTION AUTHORIZING THE WITHDRAWAL
FROM A GOVERNMENTAL SELF-INSURANCE SUB-POOL
AND MEMBERSHIP IN ANOTHER GOVERNMENTAL
SELF-INSURANCE SUB-POOL AND REQUESTING THE
APPROVAL OF THE BOARD OF DIRECTORS OF THE
INTERGOVERNMENTAL PERSONNEL BENEFIT COOPERATIVE (IPBC)**

WHEREAS, the Village of Gilberts, has for some years, been a Member of the Northern Illinois Health Insurance Initiative (NIHII), a sub-pool which has been a Member of the Intergovernmental Personnel Benefit Cooperative (IPBC); and

WHEREAS, this governmental body wishes to authorize its delegate to vote at its existing sub-pool for its withdrawal and for that same person to be selected as our representative to a new governmental self-insurance sub-pool William Beith; and

WHEREAS, the IPBC, which is an Intergovernmental Cooperative, which provides health claim and other coverages for its Members, must approve the Membership of both newly-created sub-pools and their Members.

NOW, THEREFORE, BE IT RESOLVED BY THE Board of the Village of Gilberts, Kane County, as follows:

SECTION 1. The Corporate Authorities of this governmental body authorize its withdrawal from the Northern Illinois Health Insurance Initiative (NIHII) sub-pool under such terms and conditions as that sub-pool shall establish and which our delegate agrees to by seeking such withdrawal.

SECTION 2. The Corporate Authorities authorize the execution of an Intergovernmental Agreement consenting to become a Member of an existing or new sub-pool called Northwest Health Insurance Pool (NWHIP). The appropriate officers of this governmental body are

authorized to execute the Contract and By-Laws Document of that sub-pool, a copy of which is attached to this Resolution.

SECTION 3. This governmental body requests that the Board of Directors of the IPBC take such actions as are required to permit this governmental body to take the actions authorized in Sections 1 and 2 of this Resolution effective July 1, 2017.

SECTION 4. This Resolution shall be in full force and effect from and after its passage.

PASSED this 21st day of February, 2017.

AYES: Korjzrek, Corbett, Farrell, Hacker, President Zirk

NAYS: Ø

ABSENT: 2

CERTIFIED AS TO CORRECTNESS:


Mayor or President



ATTEST:

Clerk or Secretary

NIHII Subpool Split - North/South

Entity	PPO		HMO		
	Employees	Employees	Employees	Total Employees	
NIHII North	Algonquin	93	44	137	
	ALFPD	54	0	54	
	Batavia	156	0	156	
	Beach Park	12	0	12	
	Cary	34	19	53	
	Gilberts	9	11	20	
	Glencoe	72	60	132	
	Highwood	15	3	18	
	Huntley	76	12	88	
	Itasca	85	3	88	
	Lake Zurich	127	0	127	
	NWCD	61	22	83	
	Roscoe	9	12	21	
	Schaumburg Township	19	6	25	
	SEECOM	19	0	19	
	Subtotal	841	192	1,033	
	NIHII South	Bensenville	45	51	96
		DU-COMM	28	50	78
		FPDKC	26	38	64
		Hinsdale	41	80	121
Lisle		71	32	103	
Lisle Park District		19	9	28	
MPEA		24	9	33	
Naperville Park District		67	48	115	
North Riverside		125	0	125	
Oak Park Public Library		34	9	43	
Oak Park Township		22	4	26	
River Forest		57	34	91	
Rock Falls		83	0	83	
Summit		48	15	63	
Warrenville		42	26	68	
Westchester		86	17	103	
Winfield		38	2	40	
WSCDC		18	5	23	
Subtotal	874	429	1,303		
Total NIHII		1,715	621	2,336	

**CONTRACT AND BY-LAWS
FOR THE
NORTHWEST HEALTH INSURANCE POOL**

THIS INTERGOVERNMENTAL AGREEMENT creating the Northwest Health Insurance Pool (“NWHIP”) is made and entered into by and between the Charter Members listed on Appendix A (“Charter Members” or “Members”) and such other MEMBERS as shall subsequently be approved and which shall adopt this Contract and By-Laws document in its present form or as it may subsequently be amended.

W I T N E S S E T H :

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, 5 ILCS 120, et seq., Illinois Compiled Statutes, 2014, as amended, entitled the “Intergovernmental Cooperation Act,” authorizes units of local government to exercise any power or powers, privileges or authority which may be exercised by the unit of local government individually to be exercised and enjoyed jointly with any other local government or body in the State; and

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

WHEREAS, a large number of local governmental entities previously undertook a series of studies to determine the feasibility of entering into an Intergovernmental Personnel Benefit

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, and concluded that the creation of such a Cooperative was financially and administratively feasible; and

WHEREAS, the corporate authorities of a number of units of local government have organized the Intergovernmental Personnel Benefit Cooperative, (“IPBC”), and have adopted a combined Contract and By-Laws for such Agency; and

WHEREAS, the Contract and By-Laws of the IPBC (“IPBC By-Laws”), as amended, allows combinations of units of local government, other governmental bodies, quasi-governmental bodies and non-profit public service entities to contract with each other to create an intergovernmental benefit subpool with the rights and powers equivalent to that of a single member of IPBC; and

WHEREAS, the Charter MEMBERS created the Northwest Health Insurance Pool effective July 1, 2017, hereinafter referred to as the “NWHIP” and have Membership as a sub-pool in the IPBC; and

WHEREAS, the MEMBERS, with this Agreement, are desirous of establishing their mutual rights and obligations with respect to their membership in NWHIP and with regard to the IPBC;

NOW, THEREFORE, in consideration of the foregoing recitals and of 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 the Agreement.

2. Participation

The membership of NWHIP shall consist of those Charter Members which are parties to this Agreement provided that Charter Members with at least ten lives covered by Membership will be included in the sub-pool plus any other governmental entity admitted to membership as a MEMBER from time-to-time, less any MEMBER which withdraws or is expelled from NWHIP in accordance with the provisions of this Agreement. MEMBERS of NWHIP may also add listed entities as defined in the IPBC By-Laws. The MEMBER who lists other entities to its membership shall be the sole MEMBER of NWHIP and shall be responsible for all costs and duties of membership provided herein. The MEMBER may make such arrangement as is desired with the listed entities regarding the manner of payment, sharing of risks and duration of such arrangement. Such arrangement is not a part of this Agreement. The admission of new MEMBERS and their listed entities and the listing of additional entities by any MEMBER shall take place only after a favorable two-thirds (2/3) vote of the entire membership of the Board of Directors of NWHIP and subject to the payment of such sums and under such conditions as the Board shall in each case or from time-to-time establish. Such conditions may include participation in or benefit from any HMO or indemnity plan surpluses. In addition to the approval of the NWHIP Board of Directors, the admission of such new MEMBER or listed entity must be approved by the Board of Directors or the Executive Committee of the IPBC prior to the admission of such prospective MEMBER or such listed entity.

3. Representation

Each MEMBER shall, by majority vote of its corporate authorities, appoint one (1) person as delegate to represent that MEMBER on the Board of Directors of NWHIP for a term of one (1) year or until a successor is selected. An alternate delegate may also be appointed to serve when the primary delegate is unable to carry out his duties. Neither the delegate nor the alternate need be an elected official. The failure of a MEMBER to appoint a delegate or the failure of the delegate to participate shall not affect the responsibilities or duties of a MEMBER under this Agreement. At its first meeting of each plan year, of the IPBC, the Board shall elect one (1) delegate to serve as both Chairperson of the Board and representative to the IPBC. An IPBC alternate representative shall also be elected. The term of office for the Chairperson and other officials shall be for a period of one (1) year, or until a successor is selected. The Board may, from time-to-time, establish other offices and may select a delegate to serve in any of such offices. The Board may fill any vacancies which may occur in such offices until the end of the term.

4. Responsibility of the Board of Directors

The Board of Directors shall determine the general policy of NWHIP with respect to NWHIP's membership in IPBC, as well as the relationship between NWHIP and its MEMBERS. Policies established by the Board of Directors shall be followed by the representative and/or alternate representative to IPBC. In the absence of the establishment of a specific policy regarding a matter, the representative and/or alternate representative shall vote in that manner believed to best represent the interests of the majority of the MEMBERS.

No one serving on the Board of Directors shall receive any salary or other payment from NWHIP and any salary, compensation, payment or expenses for such delegate shall be paid by each MEMBER separate from this Agreement.

5. Voting

Each MEMBER shall be entitled to one (1) vote on the Board of Directors. Such vote may be cast only by the designated delegate or the alternate. Proxy or absentee voting shall not be permitted, although the Board of Directors may approve of electronic participation in accordance with law. Voting shall be conducted according to the following procedures:

- a. A quorum shall consist of a majority of the delegates of the MEMBERS then in office. A simple majority of a quorum shall be sufficient to pass upon all matters except as otherwise provided herein.
- b. Voice voting shall be permitted unless one (1) or more MEMBERS requests a roll call vote or the vote requires greater than a majority vote for passage.
- c. A two-thirds (2/3) affirmative vote of the entire membership of NWHIP shall be required to amend the plan of benefits available to the officers or employees of its MEMBERS, to admit a new MEMBER or listed agency or expel a MEMBER or listed agency, to amend this Agreement, and such other matters as the Board shall establish as requiring a two-thirds (2/3) affirmative vote, provided that such a rule can only be established by at least a two-thirds (2/3) affirmative vote of the entire membership.
- d. Any amendments to this Agreement which involve the manner in which NWHIP shall function as a MEMBER of the IPBC or the financial obligations of NWHIP or its MEMBERS to the IPBC shall not become effective after passage by the Board of NWHIP unless such amendment is also approved by a two-thirds (2/3) affirmative vote of the IPBC Board.

6. Meetings

Meetings of the Board of Directors shall be held at least two (2) times a year. The dates of meetings of the Board shall be established by the Chairperson in consultation with the membership. Special meetings may be held at the call of the Chairperson or by any three delegates. Any item of business may be discussed at a regular meeting but it cannot be voted upon unless it was included on the agenda. Business conducted at special meetings shall be limited to those items specified in the agenda. Ten (10) days' written notice of regular or special meetings shall be given to the delegates of each MEMBER by the Chairperson in consultation with the membership or the convening authority. The time, date and location of regular and special meetings of the Board of Directors shall be determined by the Chairperson of the Board of Directors or by the convening authority.

To the extent not contrary to this Agreement, and except as modified by the Board of Directors, Robert's Rules of Order, Latest Edition, shall govern all meetings of the Board of Directors. Minutes of all regular and special meetings of the Board of Directors shall be sent to all delegates of the Board of Directors and to each MEMBER and to the Chairman of the IPBC.

7. Finances

A. NWHIP shall be considered a single MEMBER of IPBC, (as defined in IPBC By-Laws), for purposes of determining its required contribution to the IPBC. Each separate MEMBER of NWHIP shall be responsible for its share in the cost of membership in IPBC, which cost shall be in direct proportion to the number of employees and officers of the MEMBER whose benefit programs are to be administered by IPBC as compared to the total number of such persons in NWHIP, along with uniform method to determine differences in benefit plans and claims history and the obligations of Members to contribute to payments and cost of collective self-insurance

divided among the MEMBERS under formulas approved by the IPBC Board of Directors. Proposed changes in benefit plans must be approved by NWHIP and subject to the review and approval process in Article IX of the IPBC By-Laws.

B. NWHIP is responsible for all payments due from each of its MEMBERS. Payment may be made to a MEMBER acting as an agent for IPBC or with the approval of the IPBC from individual MEMBERS to the IPBC. In the event that a MEMBER of NWHIP should default in any payments due to the IPBC, it shall be the responsibility of the non-defaulting MEMBERS, in proportion to their payments to NWHIP, to make up the deficit, including costs of collection, after which they may take any action required to recoup their advances. In case NWHIP should dissolve, each shall be liable for its proportional share of the default or owed amounts, plus any costs in collection. Each separate MEMBER shall promptly pay to the agent for NWHIP or to the IPBC such monthly, supplementary or other payments as shall be due the IPBC. Payments shall be due within thirty (30) days after written notice from the IPBC of the amounts due.

In the event that a MEMBER of NWHIP should default in its financial obligations, both the NWHIP and the IPBC shall have the right to take action to recover such funds as are owed plus interest at the highest rate which may be paid by an Illinois non-home rule municipality and the costs of collection.

8. Plan of Benefits

Each MEMBER agrees to accept the Plan of Benefits put in place at the direction of the Board of Directors of NWHIP.

9. Obligations of MEMBERS

The obligations of each MEMBER to NWHIP and to IPBC shall be, as follows:

- a. To promptly pay all monthly and supplementary or other payments due to IPBC at such times and in such amounts as shall be established by IPBC within the scope of this Agreement and the IPBC By-Laws. The MEMBER shall also be responsible for all payments, costs and expenses established from time-to-time by the Board of Directors of NWHIP, within the scope of this Agreement. Any delinquent payments shall accrue a penalty, which, for a period of non-payment, shall be equivalent to the highest interest rate allowed by statute to be paid by an Illinois non-home rule municipality plus collection costs.
- b. To appoint a delegate and an alternate on the Board of Directors of IPBC.
- c. To allow IPBC and NWHIP reasonable access to all facilities of the MEMBERS and all records, including but not limited to financial records which relate to the purpose and powers of IPBC and NWHIP.
- d. To furnish full cooperation to IPBC and NWHIP attorneys, claims adjusters, Committees, the Benefit Administrator and any agent, employee, officer, or independent contractor, of IPBC and NWHIP relating to the purpose and powers of IPBC and NWHIP.
- e. To report to IPBC as promptly as possible all claims made to it within its benefit program as administered by IPBC.

10. Reserve Fund

NWHIP shall establish accounts in the IPBC Benefit Fund, the Administration Fund, the HMO Fund and other established funds, (the "Reserve Funds"), for the purpose of establishing a pool of funds to be used to pay for deficits in annual contributions and setting aside funds in the event that

one or more MEMBERS decides to withdraw from membership in NWHIP. A separate accounting shall be established to determine each individual Member's balance within the IPBC Funds. The exact amount of the Reserve Funds balance for each MEMBER will be determined after the audit is approved by the IPBC Board. If, after the audit process has been completed, a Reserve Fund balance below the amount specified above for one or more MEMBERS occurs, those MEMBERS with a Reserve Fund balance below the amount specified above must pay, within 150 days after the audit has been approved, an amount directly to the delinquent Reserve Fund or Funds to cover the shortfall. New MEMBERS of NWHIP shall, as a condition of membership shall adhere to the IPBC Fund Balance Policies. Payment shall be made to reach this reserve level by the end of the third full fiscal year of membership. If any MEMBERS leave this subpool before all such funds have been paid to the IPBC, the IPBC may choose to withhold the payment to any NWHIP MEMBER of claims in the amount of the deficiency.

If one or more MEMBERS chooses to withdraw from NWHIP, the fair share of Reserve Funds shall be used to pay its "run-out claims," with any surplus funds paid to the MEMBER after all sums due IPBC and NWHIP associated with its participation have been paid. If the amount on deposit in the Reserve Funds of the withdrawing MEMBER is not adequate to pay its "run-out claims," then the Reserve Funds of the remaining MEMBERS may be drawn down in a proportional manner to cover any shortfall prior to the withdrawing MEMBER fulfilling its contractual obligation to cover the shortfall or the IPBC may terminate paying such claims until the required Reserve Fund payments are made.

11. Withdrawal/Termination

A. MEMBERS shall be obligated to continue as MEMBERS during the term as established by the Board of Directors of IPBC until individual withdrawal. The current term of the IPBC, itself is through June 30, 2025. The obligation of a MEMBER until the individual withdrawal, shall include continuing participation with regard to all classes of officers and employees of the MEMBER, not including its listed entities, established as being entitled to any health benefits when it became a MEMBER of NWHIP. Provided, however, a MEMBER shall only be required to provide continued participation for those persons within said classes of officers and employees as are actually employed or working for the MEMBER or as otherwise permitted to its MEMBERS by the IPBC.

Any MEMBER may withdraw from membership by giving written notice of such intention to withdraw to all other MEMBERS of NWHIP, and to the Chairman of the IPBC at least one hundred twenty (120) days prior to commencement of the then next fiscal year of the IPBC. Withdrawal from Membership can only take place at the end of a fiscal year of the IPBC. Failure to give such notice shall obligate the MEMBER to continue as a MEMBER of NWHIP for the next fiscal year except where NWHIP withdraws from IPBC, IPBC terminates or the IPBC declines to permit NWHIP to remain within the COOPERATIVE, with a reduced membership or for any other reason permitted under the IPBC Contract and By-Laws. Withdrawal by NWHIP shall only be made to take effect at the end of the then-current fiscal year in the same manner as other MEMBERS of the IPBC.

B. If a MEMBER should withdraw from NWHIP, no benefit claims of the MEMBER shall be processed or paid by the IPBC after the close of the plan year in which withdrawal takes place,

unless the MEMBER of NWHIP shall, in order to receive such services, provide funds or there are already adequate Reserve Funds applicable to the MEMBER available to pay said claims.

C. A final accounting of the withdrawing MEMBER's fair share of its Reserve Funds shall occur during the audit process for the last plan year that the withdrawing MEMBER was a MEMBER of NWHIP. After all amounts to the IPBC, if any, are paid, all remaining funds shall be refunded to the withdrawing MEMBER or, if that MEMBER is still in default, then to NWHIP within thirty (30) days after the aforementioned audit is approved.

D. In the event that a non-appealed or appealable order of a court in which IPBC is a party should decide that NWHIP may not be a MEMBER of the IPBC, then this Agreement shall terminate, provided, however, that to the extent permitted by law, the termination shall take place in accordance with Paragraph 11-B hereof.

12. Expulsion of MEMBERS

By the vote of two-thirds (2/3) of the entire remaining membership of the Board of Directors of NWHIP, 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 NWHIP or the IPBC.
- b. Failure to furnish full cooperation with the IPBC's attorneys, Committees, claims adjusters, Benefit Administrator and any agent, employee, officer or independent contractor of the IPBC or NWHIP relating to the purpose and powers of the IPBC or NWHIP.
- c. Failure to carry out any obligation of a MEMBER which impairs the inability of NWHIP to carry out its purposes and powers.

No MEMBER may be expelled except after notice from NWHIP 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 fifteen (15) day period, may request a hearing before the Board before any decision is made as to whether the expulsion shall take place. The Board shall set the date for a hearing which shall not be less than fifteen (15) days after the expiration of the time to cure has passed. The Board may appoint a hearing officer to conduct such hearing and make a recommendation to the 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 Board to expel a MEMBER after notice and hearing and a failure to cure the alleged defect shall be final unless the Board shall be found by a court to have committed a gross abuse of discretion. After expulsion, the former MEMBER shall continue to be fully obligated for any payment to the IPBC or NWHIP, which was created during the term of the administration of its claims along with any other unfulfilled obligation as if it was still a MEMBER of NWHIP.

The obligation of the IPBC to administer the claims filed under the benefit program of the expelled MEMBER shall cease thirty (30) days after the date of expulsion, provided that such obligations shall only exist where there is a credit balance held by the IPBC to the account of NWHIP or such a credit balance is created. The IPBC shall not be required to pay any benefits for the expelled MEMBER after the actual date of expulsion if a deficit in amounts owed to the IPBC should exist at any time during the thirty (30) day period. Within sixty (60) days after the last claim of the MEMBER is paid by the IPBC, a final accounting of funds owed or owing shall take place. Pending claims and other records of the expelled MEMBER shall be turned over to that MEMBER in a prompt manner. With regard to any claims payable under an HMO program, where the IPBC has entered into a contract with the HMO provider to pay continuing benefits after

termination, the expelled MEMBER shall be required to pay all amounts in excess of those within its Reserve Funds and, pending such payments, NWHIP shall be responsible for making the payment or reimbursing the IPBC.

In the event that the Board of the IPBC should vote to expel NWHIP from membership so long as a particular municipality or listed entity was a MEMBER of NWHIP, that MEMBER or listed entity shall be deemed to have been expelled from NWHIP in the same manner as if the NWHIP Board had taken that action.

13. Acceptance of Contract and By-Laws of the Intergovernmental Personnel Benefit Cooperative

The Charter MEMBERS and other MEMBERS, by agreeing to be bound by this Intergovernmental Agreement, hereby agree to accept the terms and conditions contained within the Contract and By-Laws of the IPBC, as of the date of this Agreement and as amended from time-to-time, except that the IPBC By-Laws may not be amended to require from NWHIP duties or responsibilities different from the other MEMBERS of the IPBC and not initially contained within this Agreement or amendments thereto, agreed to by NWHIP, by action of the Board of Directors.

14. Commencement of Agreement

This Agreement shall be in full force and effect and legally binding upon the signatory MEMBERS as of the date of its passage by the corporate authorities of the Charter Members and the approval by the Board of Directors of the IPBC.

15. Contractual Obligation

This Agreement shall constitute the contract among those units of local government which become MEMBERS of NWHIP. The obligations and responsibilities of the MEMBERS set forth

herein, including the obligation to take no action inconsistent with this Agreement as originally written or validly amended, shall remain a continuing obligation and responsibility of the MEMBERS. The terms of this Agreement may be enforced in a court of law or equity either by NWHIP itself, by any of its MEMBERS or by the IPBC. A 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 the MEMBERS and anticipated reduction of administrative costs for the processing of personnel benefits. That except to the extent of the financial contributions to NWHIP and the IPBC agreed to herein, or such additional obligations as may come about through amendments to this Agreement, no MEMBER agrees or contracts herein to be held responsible for any claims of any kind against any other MEMBER outside of the scope of NWHIP or the IPBC.

16. Entire Understanding

This Agreement sets forth the entire understanding of the parties and may only be amended as provided for herein.

17. Assignment

This Agreement shall not be assigned by any party hereto.

18. Counterparts

This Agreement is executed in multiple counterparts, each of which shall be deemed to be an original.

19. Governing Law

This Agreement shall be governed in accordance with the laws of the State of Illinois.

By execution of this Contract and By-Laws document, we do hereby certify that its approval and our membership has been authorized by our governing Board of Trustees for the Village of Gilberts

DATED: 2/21/2017

SIGNATURE:  _____

PRINTED NAME: Rick Zirk

TITLE: Village President

APPENDIX A

Charter Members – July 1, 2017

Village of Algonquin
Algonquin-Lake in the Hills Fire Protection District
City of Batavia
Village of Beach Park
Village of Cary
Village of Gilberts
Village of Glencoe
City of Highwood
Village of Huntley
Village of Itasca
Village of Lake Zurich
Northwest Central Dispatch System
Village of Roscoe
Schaumburg Township
Southeast Emergency Communitations