

RESOLUTION 2023-008

PASSED: JANUARY 9, 2023

**AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE DEKALB PUBLIC LIBRARY FOR THE ADMINISTRATION OF EMPLOYEE HEALTH INSURANCE.**

**WHEREAS**, the City of DeKalb (the "City") is a home rule unit of local government and may exercise any power and perform any function pertaining to its government and affairs pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

**WHEREAS**, the City and the DeKalb Public Library (the "Library") negotiated an intergovernmental agreement for the administration of employee health insurance in the same or substantially similar form as Exhibit A attached hereto and incorporated herein (the "IGA"); and

**WHEREAS**, the City's corporate authorities find that approving the IGA is in the City's best interests for the protection of the public health, safety, and welfare; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEKALB, ILLINOIS:**

**SECTION 1:** The recitals to this resolution are adopted and incorporated herein as Section One to this resolution.

**SECTION 2:** The City's corporate authorities approve, authorize, and direct the Mayor to execute the IGA, and further direct the City Manager to perform such acts which may be necessary to effect the IGA.

**SECTION 3:** This resolution and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such resolution should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the City's corporate authorities that to the extent this resolution is inconsistent with any non-preemptive state law, this resolution shall supersede state law in that regard within its jurisdiction.

**SECTION 4:** This resolution shall be in full force and effect from and after its passage and approval as provided by law.

**PASSED BY THE CITY COUNCIL** of the City of DeKalb, Illinois at a Regular meeting thereof held on the 9<sup>th</sup> day of January 2023 and approved by me as Mayor on the same day. Passed by an 8-0 roll call vote. Aye: Morris, Larson, Smith, Perkins, McAdams, Verbic, Faivre, Barnes. Nay: None.



  
COHEN BARNES, Mayor

ATTEST:



Ruth A. Scott, Executive Assistant

**INTERGOVERNMENTAL AGREEMENT FOR THE ADMINISTRATION OF  
EMPLOYEE HEALTH INSURANCE PROGRAM BETWEEN THE CITY OF  
DEKALB AND THE DEKALB PUBLIC LIBRARY**

This Intergovernmental Agreement (the “Agreement”) is made and entered into this 9th day of January, 2023 (the “Effective Date”), by and between, the City of DeKalb, an Illinois municipal corporation (the “City”), and the DeKalb Public Library (the “Library”), who are collectively referred to herein as the “Parties”.

**RECITALS**

**WHEREAS**, pursuant to Article VII, Section 10 of the Illinois Constitution of 1970 and the Intergovernmental Cooperation Act, 5 ILCS 220/1, *et seq.*, the Parties are authorized to enter into intergovernmental agreements to jointly exercise, combine, transfer, and enjoy their powers, privileges, functions, and authority; and

**WHEREAS**, the City is a home rule unit of local government and may exercise any power and perform any function pertaining to its government and affairs pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

**WHEREAS**, the Library is a local public library and may exercise those powers provided by law; and

**WHEREAS**, the City provides certain group health insurance benefit plans for its employees and their dependents including, but not limited to, medical and dental (the “Plans”); and

**WHEREAS**, the Library wishes to enable its employees to participate in the Plans, subject to the City’s requirements and the provisions of this Agreement; and

**WHEREAS**, the City is willing to allow the Library to enable its employees to participate in the Plans, subject to the City’s requirements and the provisions of this Agreement; and

**WHEREAS**, this Agreement is not intended to constitute the transaction of an insurance business within the State of Illinois; and

**WHEREAS**, the City may exercise its home rule powers to perform its functions under this Agreement including, but not limited to, contracting with the Library to obtain or share services and to exercise, combine, or transfer the City’s powers or functions to allow the Library to enable its employees to participate in the Plans; and

**WHEREAS**, the Library is not prohibited by law or ordinance from exercising its powers and performing its functions under this Agreement; and

**WHEREAS**, the City and the Library find that approving this Agreement is in their best interests to protect the public health, safety, morals, and welfare; and

**NOW, THEREFORE,** in consideration of the promises, undertakings and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged by the City and the Library agree as follows:

**1.0 Recitals:** The foregoing recitals are true, correct, material, adopted, and incorporated into this Agreement as if fully set forth in this section.

**2.0 City's Duties:** The City agrees to perform the following duties:

a. To select, and from time to time, change the plan administrator, insurance benefits consultant, claims administrator, and such other persons as may be necessary to administer the Plans, and to enter into all necessary contracts to administer the Plans, which contracts shall include all necessary provisions to permit the Library's employees to participate in the Plans.

b. To cause to be purchased certain insurance policies for medical, dental, and life insurance.

c. To direct the collection and payment of funds to be used for the administration of the Plans and the provision of benefits thereunder.

d. To respond within ten (10) business days to any requests from the Library.

e. To process monthly billing to the Library on or before the end of the calendar month.

f. To notify the Library of any proposed changes in the Plans, or in the administrative fee and premiums required under Sections 2(k)-(l) of this Agreement.

g. To maintain records as provided by the Library to assure that each new employee hired by the Library, who desires to participate in the Plans including, but not limited to, the group medical insurance program.

h. To advise employees of their right to continue medical coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 and the Illinois Insurance Code, and to provide the City with the necessary forms documenting the employee's election to continue coverage, if applicable.

i. To cause the City's Human Resources Director or designee to meet at least annually with the Library's designated representative(s), to review any proposed changes in the Plans, and to provide training assistance to enable the Library's representative(s) to orient the Library's new employees to the benefits and claims requirements for the Plans.

j. To cause the Parties' designated representatives to meet at least semiannually and at any additional time(s) reasonably requested by the Library or the

City, to provide an opportunity for discussion of mutual concerns including, but not limited to, costs of benefits, disputes over benefit administration, possible changes to the Plans, and any issues of concern regarding this Agreement.

k. To determine from time to time an appropriate fee to be charged based upon the reasonable costs and expenses incurred by the City in administering its duties under this Agreement. Except as may otherwise be provided by this Agreement, the City's annual administrative fee shall not exceed \$500.00 per each Library employee who may be eligible for the Plans (excluding retirees), regardless of the time an employee became eligible for the Plan, during the calendar year of the then-existing term of the Agreement. This administrative fee shall not be prorated, reduced, or reimbursed depending on the timing that the employee becomes eligible for the Plans or the termination of this Agreement.

l. The City shall have sole authority and discretion to appoint and contract with administrators, to set policy and benefit levels, and to otherwise provide for the terms and conditions of coverage under the Plans. The City shall give written notice to the Library not less than sixty (60) calendar days prior to the City's selection or change of any administrator, execution or amendment of any contract, purchase of any policy or adjustment of any terms of the self-insurance provided by the City including, but not limited to, the fee and premium charges required under Sections 2(k)-(l) of this Agreement.

**3.0 Library's Duties:** The Library agrees to perform the following duties:

a. To provide the City with completed enrollment forms for all employees who will be covered by the Plans at the time any new employee is hired within 30 calendar days of the hiring.

b. To pay the City within thirty (30) days of billing pursuant to Section 2(e) of this Agreement, such administrative fees and premium charges as are assessed pursuant to Sections 2(k)-(l) of this Agreement.

c. To designate a representative to meet with the City from time to time to be the primary contact with the City's Human Resources Department.

d. To provide an orientation for each new employee hired, outlining the benefits of the Plans, and the requirements for making any claims thereunder.

e. To make, on a monthly basis, any requests for necessary information and forms regarding the Plans including, but not limited to, plan booklets, prescription cards, medical, dental, and life insurance claim forms.

f. To direct all questions concerning the Plans or the administration thereof first to the City's claims administrator and, if necessary, to the City's Human Resources Director or designee, as designated by the City, and thereafter only if necessary to the City's Employee Benefits Coordinator.

g. Subject to the terms of this Agreement, to reasonably cooperate with the City, the Claims Administrator, the Insurance Benefits Consultant, and their respective attorneys or other agents, regarding any matter related to the administration of the Plans and the provision benefits under the Plans.

h. To the fullest extent permitted by law, to defend, indemnify, waive, release, discharge and hold harmless the City and the City's officers, employees, and agents from and against any and all causes of action, claims, costs, damages, expenses, fines, liabilities, losses, penalties, and attorney's fees arising out of, relating to, or resulting from this Agreement including, but not limited to, any and all claims to recover benefits under the Plans by the Library's officers, employees, and insured dependents. Library's duties under this Section 3(j) of the Agreement shall survive the termination of this Agreement.

**4.0 Term:** The term of this Agreement shall commence upon the Effective Date and expire on December 31, 2023, unless terminated earlier pursuant to this Agreement. Thereafter, this Agreement shall be automatically renewed for a one-year term, unless terminated pursuant to this Agreement. Either party may terminate this Agreement by giving written notice to the other party not less than sixty (60) calendar days before the end of the then-existing term of the Agreement. Except as may otherwise be provided by this Agreement, the Parties' obligations under this Agreement shall terminate upon the expiration of the term of this Agreement.

**5.0 Miscellaneous:**

**5.1 Assignment.** No party may assign this Agreement without the express written consent of the other Party, which shall not be unreasonably withheld.

**5.2 Non-Waiver.** The failure of any party to this Agreement to insist upon the strict and prompt performance of the terms, covenants, agreements, and conditions herein contained, or any of them, upon any other party imposed, shall not constitute or be construed as a waiver or relinquishment of any party's right thereafter to enforce any such term, covenant, agreement or condition, but the same shall continue in full force and effect. No action taken by any party to this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any party at law or equity.

**5.3 Choice of Law.** This Agreement shall be governed by Illinois law.

**5.4 Default.** Upon a breach of this Agreement, any of the parties may secure the specific performance of the covenants and agreements herein contained or may exercise any remedies available at law or equity in an appropriate action, the sole venue for which shall be in the Circuit Court of DeKalb County, Illinois. In the event of a material breach of this Agreement, the Parties agree that the party alleged to be in breach shall have thirty (30) calendar days after written notice of said breach to correct the same prior

to the non-breaching party seeking a judicial remedy as provided for herein; provided, however, that said thirty (30) calendar day period shall be extended for a reasonable period of time if the defaulting party has commenced to cure said default and is diligently proceeding to cure the same.

**5.5 Force Majeure.** If the performance of any covenant to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party including, but not limited to, acts of God, war, strikes, inclement weather conditions, inability to secure governmental permits, or similar acts, but expressly excluding a Party's negligent or intentional acts or omissions ("Force Majeure"), the time for such performance shall be extended by the length of such delay; provided, however, that the party that seeks the benefit of this provision shall give the other(s) written notice of both its intent to rely upon this provision and the specific reason which permits the party to avail itself of the benefit of this provision. The Party invoking Force Majeure shall use reasonable efforts to remove or mitigate the Force Majeure.

**5.6 Time.** Time is of the essence for this Agreement.

**5.7 Integration.** This Agreement sets forth all agreements, understandings, and covenants between and among the parties. This Agreement supersedes all prior agreements, negotiations and understandings, written and oral, and is a full integration of the entire Agreement of the parties.

**5.8 Severability.** If any provision, clause, word, or designation of this Agreement is held to be invalid by any court of competent jurisdiction, such provision, clause, word or designation shall be deemed to be excised from this Agreement and the invalidity thereof shall not affect any other provision, clause, word, or designation contained herein.

**5.9 Mutual Cooperation.** The Parties stipulate that their mutual cooperation is essential to the performance of their respective duties under this Agreement. Therefore, the Parties agree to aid each other and to cooperate reasonably with each other in performing their respective duties under this Agreement.

**5.10 Multiple Counterparts.** This Agreement may be executed in multiple counterparts, all of which when taken together shall constitute one Agreement.

**5.11 Headings.** The headings of the Sections of this Agreement are for convenience and reference only and do not form a part hereof and do not modify, interpret or construe the understandings of the parties hereto.

**5.12 Copies.** This Agreement may be reproduced by means of carbons, xerox process, or otherwise. Each such reproduction, if manually executed by the parties, shall for all purposes be deemed, and the same is hereby declared, to be a duplicate original of this Agreement.

**5.13 Third-Party Beneficiaries.** No claim as a third-party beneficiary under

this Agreement by any person, firm, or corporation shall be made or be valid against the parties.

**5.14 Notices.** Notices, including Notices to effect a change as to the persons hereinafter designated to receive Notice(s), or other writings which any party is required to or may wish to serve upon any other party in connection with this Agreement shall be in writing and shall be delivered personally, by e-mail, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the City:

ATTN: City Manager  
City of DeKalb  
164 E. Lincoln Hwy  
DeKalb, Illinois 60115

If to Library:

DeKalb Public Library  
309 Oak Street  
DeKalb, Illinois 60115-3369  
Attn: Emily Faulkner, emilyf@dkpl.org

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized representatives.

ATTEST:

By: [Signature]

Title: Executive Asst.

**CITY OF DEKALB**

By: [Signature]

Its: Mayor

ATTEST:

By: [Signature]

Title: Director

**DEKALB PUBLIC LIBRARY**

By: [Signature]

Its: Secretary

**Comparison of Independent Broker to City of DeKalb Insurance Costs 2023**

Independent Broker Insurance 2023		Employees Enrolled		Total Annual Premium Cost		Library Premium Cost	
Plan Type	Volumes	# of Employees	Per Employee	All Employees	Per Employee	All Employees	
HMO	EE Only	7	\$8,167	\$57,170	\$6,942	\$48,594	
	EE+Sp	2	\$16,342	\$32,684	\$13,891	\$27,782	
	EE+Ch	2	\$15,117	\$30,233	\$12,849	\$25,698	
	Family	5	\$23,288	\$116,438	\$19,794	\$98,972	
	<b>Total</b>	<b>16</b>		<b>\$236,525</b>		<b>\$201,046</b>	
PPO	EE Only	2	\$8,481	\$16,963	\$6,942	\$13,884	
	EE+Sp	0	\$16,963	\$0	\$13,891	\$0	
	EE+Ch	0	\$15,690	\$0	\$12,849	\$0	
	Family	0	\$34,140	\$0	\$19,794	\$0	
	<b>Total</b>	<b>2</b>		<b>\$16,963</b>		<b>\$13,884</b>	
<b>Total</b>		<b>18</b>		<b>\$253,488</b>		<b>\$214,930</b>	

City of DeKalb Insurance 2023		Employees Enrolled		Total Annual Premium Cost		Library Premium Cost	
Plan Type	Volumes	# of Employees	Per Employee	All Employees	Per Employee	All Employees	
HMO	EE Only	7	\$7,438	\$52,066	\$6,322	\$44,256	
	EE+1	4	\$14,170	\$56,680	\$12,045	\$48,178	
	Family	5	\$19,484	\$97,419	\$16,561	\$82,806	
	<b>Total</b>	<b>16</b>		<b>\$206,165</b>		<b>\$175,241</b>	
PPO	EE Only	2	\$12,535	\$25,070	\$6,322	\$12,645	
	EE+1	0	\$23,880	\$0	\$12,045	\$0	
	Family	0	\$32,835	\$0	\$16,561	\$0	
	<b>Total</b>	<b>2</b>		<b>\$25,070</b>		<b>\$12,645</b>	
Administration Cost		18	\$500	\$9,000		\$9,000	
<b>Total</b>		<b>18</b>		<b>\$240,235</b>		<b>\$196,885</b>	

Cost to Library	
Independent Broker Insurance	\$214,930
City of DeKalb Insurance	\$196,885
<b>Savings</b>	<b>\$18,045</b>



DeKalb City Council  
164 E. Lincoln Highway  
DeKalb, IL 60115

December 21, 2022

Dear Members of the DeKalb City Council, Mayor Barnes, and City Manager Nicklas,

The DeKalb Public Library requests to enter into a formal resource-sharing agreement with the City of DeKalb to purchase health insurance for our employees from the City, beginning as soon as possible.

At the direction of the Library Board, I have been in discussion with City Manager Nicklas and Human Resources Director Michelle Anderson about the logistics and potential cost-savings of purchasing health insurance for Library employees. Together, we have determined what we believe to be a fair arrangement that will fairly compensate City employees for their labor, while reducing costs to the Library.

Insurance premiums for Library employees will be invoiced from the City to the Library to be paid monthly, including payments for life insurance and retiree health insurance. Any other benefits (wellness, EAP, etc.) will be administered and paid for entirely by the Library.

In our discussions, it was clear that this agreement will create an increased amount of administrative work for the City's Human Resources staff. To offset this, the Library will pay an administrative fee of \$500 per year for each employee, which is similar to the amount currently being paid to an independent broker for our current insurance plan.

Rejoining the City's insurance will create significant cost savings to the Library and, thereby, to the taxpayers of DeKalb. I have included charts comparing the cost of insurance using an independent broker with that of rejoining the City's plan. These savings were included in the Library's FY2023 Budget, and the funds will be applied to necessary capital needs projects in FY2023.

An intergovernmental agreement has been prepared by the City's attorney and reviewed by the Library's attorney, which would formalize this arrangement. We continue to seek ways to reduce the Library's expenses while maintaining services, and feel that this agreement will have a meaningful positive impact this year and beyond.

We ask for your favorable consideration of this request.

Sincerely,

Emily Faulkner  
Director