VILLAGE OF WINNEBAGO

COMMITTEE OF THE WHOLE

September 03, 2025 at 6:05 PM

108 West Main Street and Virtually

To access meeting from any device: https://global.gotomeeting.com/join/856730805

Or by (Toll Free): 1 877 309 2073| Access Code: 856-730-805

1. **RECORDING OF THE MEETING**
2. **CALL TO ORDER**
3. **ROLL CALL**
4. **ESTABLISHMENT OF A QUORUM**
5. **MEETING GUIDELINES**

   Discussion and Vote to Allow an Absent Trustee to Vote By Phone or Other Allowable Means.
6. **PUBLIC COMMENT**

   It is recommended that a written request to address the Village Board by non-members should be submitted via mail, hand delivery, or the Village Website to the Village of Winnebago Office located at 108 West Main Street, Winnebago, Illinois, 61088, by 12:00 Noon on the day of the meeting scheduled by the Village authorities in which the speaker would like to participate. Alternatively, speakers may fill out the form at the meeting to sign up for public comment. Each speaker is limited to three (3) minutes. A maximum of thirty (30) minutes shall be allowed for public comment at each meeting.
7. **APPROVAL OF MINUTES**
   - a. Approval of Committee of the Whole Meeting Minutes for August 13, 2025.
   - b. Approval of Committee of the Whole Meeting Minutes for August 20, 2025
8. **DISCUSSION**
   - a. Intergovernmental Personnel Benefit Cooperative (IPBC) Quote Review
   - b. Special Event Form Update
   - c. Storm Water Funding "Utility Fund"
9. **EXECUTIVE SESSION (CLOSED SESSION) Pursuant to 5ILCS 120/2(c)**
   - **a.** Bonus Compensation for Water Certification Obtained by Street Superintendent
   - **b.** Employee Promotion to Public Works Foreman Position Created During 2025 Budget
10. **NEW BUSINESS**
11. **ADJOURNMENT**

Posted: August 27, 2025, at 03:45p.m. at 108 W. Main Street, Winnebago, IL

and online at www.villageofwinnebago.com Tel 815.335.2020 | Fax 815.415-8491

The Committee of the Whole of the Village of Winnebago was held on August 13, 2025, at 6:19 p.m. with President Franklin J. Eubank, Jr. presiding. The link for the employees and the public to attend remotely was made available through GoToMeeting.

ROLL CALL: ACKERMAN - LEFEVRE - SPRINGER – present
MCKINNON – attended remotely
KIM -absent

Guests: Attorney Mary Gaziano, Village Administrator Joseph Dienberg, Public Works Director Chad Insko, Treasurer Dana Novinson, Chief Jeff White, Lieutenant Nick Haff. Attending online Luke Ziegler of Fehr Graham.

4. ESTABLISHMENT OF A QUORUM – A quorum was established.
5. MEETING GUIDELINES
   Board approved MR. MCKINNON's participation as out of town on business
6. PUBLIC COMMENT – No one requested the opportunity to address the Board.
7. APPROVAL OF MINUTES
   a. A motion was made by MR. ACKERMAN, seconded by MR. SPRINGER to accept the minutes of the July 16, 2025, and August 6, 2025, meetings as presented. Motion carried on a voice vote.
8. DISCUSSION
   a. Snow Ordinance Update.
      The Board agreed with the suggested change to the snow ordinance to allow declaration of a snow emergency if a severe storm is projected.
   b. The draft of the Development Agreement for 209 W. Main Street is being reviewed by the developers. If there are no major changes the matter will be voted on at the next meeting.

Ron Huggins joined the meeting at 6:40 p.m.

   c. The extension of the Peak Letter of Credit was discussed. Mr. Ziegler explained the phases of the development. Mr. Dienberg and Mr. Ziegler will discuss the plans. Conditions for the letter of credit will be developed.

   Mr. Ziegler left at 6:52 p.m.

   d. Mr. Dienberg discussed the 6-month budget review.
   e. The drafted special events form was reviewed and discussed. It was suggested someone from the Village assist with filling out the form and the event organizer signing it. Ron Huggins, who was involved with the July 4 event for 26 years, offered his suggestions. It was also suggested that the Fire Chief and Police Chief be contacted as needed.
9. EXECUTIVE SESSION – none needed
10. NEW BUSINESS – None
11. ADJOURNMENT
    A motion was made by MR. LEFERVE, seconded by MR. ACKERMAN to adjourn at 7:22 p.m. Motion carried on a voice vote.

UAPPROVED

____
Sally Jo Huggins, Village Clerk

The Committee of the Whole of the Village of Winnebago scheduled to follow the August 20, 2025, Board of Trustees meeting was cancelled at 6:02 p.m. due to lack of quorum.

ROLL CALL: ACKERMAN - KIM - LEFEVRE - MCKINNON - SPRINGER - absent

In attendance: Village Administrator Joseph Dienberg, and myself.

The Committee of the Whole meeting will be September 03, 2025, following the Regular Board meeting.

UNAPPROVED

Sally Jo Huggins, Village Clerk

Agenda Item Executive Summary

Item Name	DISCUSSION ON POTENTIAL MEMBERSHIP IN THE INTERGOVERNMENTAL PERSONNEL BENEFIT COOPERATIVE (IPBC)	Committee or Board	Committee of the Whole

BUDGET IMPACT			
Amount:	N/A	*Budgeted:*	N/A
List what fund:	N/A		

EXECUTIVE SUMMARY

The Village of Winnebago is exploring potential membership in the Intergovernmental Personnel Benefit Cooperative (IPBC), a pooled insurance group made up of Illinois municipalities and local governments. Membership would allow the Village to participate in a cooperative risk-sharing model that provides more predictable renewal rates, administrative efficiencies, and potential long-term cost savings.

Based on a preliminary quote, IPBC proposes a single PPO plan with a $1,500 deductible, consolidating the Village's four current PPO options. This proposed plan offers broader coverage with lower out-of-pocket costs for employees, while holding the projected rate increase to 8.8%—comparable to or below M3's early estimate of an 8%–12% renewal increase.

In addition to medical coverage, IPBC offers competitive rates on dental, vision, and life insurance plans. The Village's insurance costs have averaged 8.7% annual increases over the last five years, while IPBC has maintained lower trends: 4.8% for PPOs and 2.6% for HMOs.

Joining IPBC would also reduce administrative burdens related to compliance and reporting, and gives the Village access to wellness and support programs already in place. If the Village intends to move forward, an ordinance must be adopted by mid-September to allow for a January 1, 2026 start.

ATTACHMENTS (PLEASE LIST)

Staff Memo, IPBC Quote, Introduction to IPBC PowerPoint, IPBC Policy Manual, IPBC By-Laws, Timing for IPBC Membership Memo, Sample Ordinance

ACTION REQUESTED

☒For Discussion Only

☐Resolution

☐Ordinance

☐Motion:

MOTION: I MOVE TO APPROVE ORDINANCE 2025-__ , AN ORDINANCE AUTHORIZING MEMBERSHIP IN THE INTERGOVERNMENTAL PERSONNEL BENEFIT COOPERATIVE (IPBC)

Staff:	Joey Dienberg, Village Administrator	Date:	9/3/2025

VILLAGE OF WINNEBAGO

MEMORANDUM

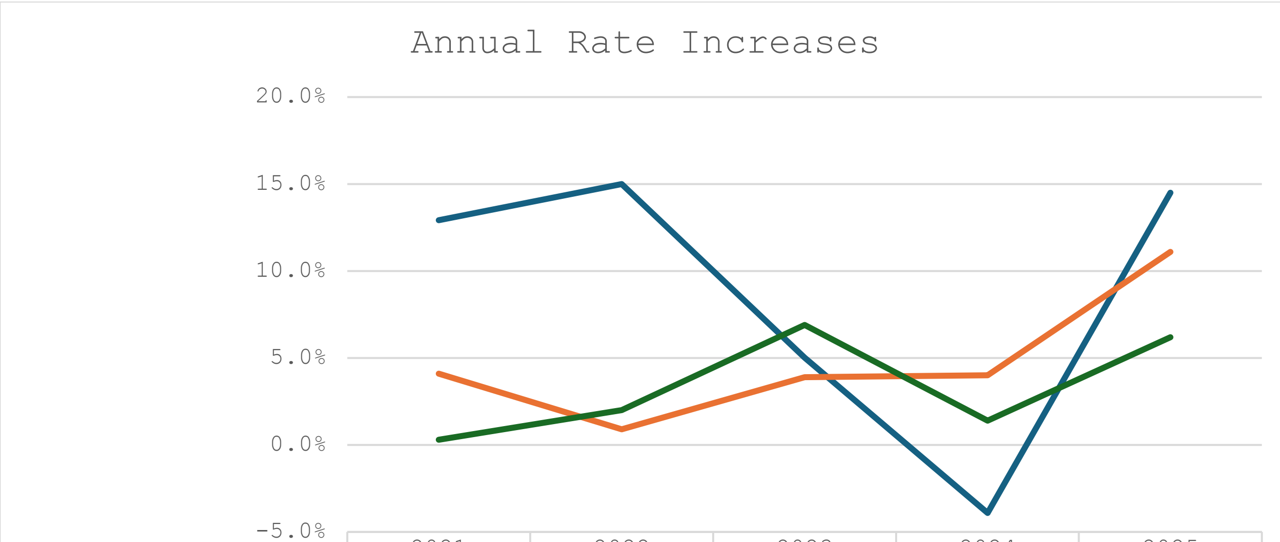
Prepared By:	Joseph Dienberg, Village of Winnebago
To:	President Eubank and Village Board of Trustees
Date:	August 27, 2025
Subject:	IPBC Quote Discussion

Background:

At the direction of the Village Board, staff has reviewed the possibility of joining an insurance cooperative and specifically evaluated the Illinois Public Benefits Cooperative (IPBC), at the recommendation of various other local governments who have seen significant savings. This review comes as we await renewal information from our current broker, M3. While M3 has not yet released formal quotes, their preliminary communication indicates that the Village should expect an increase in the range of 8% to 12%, with final quotes anticipated in early October.

The IPBC proposal provides a useful comparison. Their quote reflects an overall increase of 8.8%, which is at the low end of M3's projected range. More importantly, this increase comes with a plan design that is richer for employees. Under the current structure, the Village offers four separate PPO options with deductibles ranging from $1,600 to $6,900. IPBC proposes to consolidate into a single $1,500 deductible PPO plan with broader coverage and lower out-of-pocket exposure. In addition to the health plan, IPBC's dental, vision, and life insurance rates are all lower than what the Village currently provides, creating opportunities for cost savings beyond medical coverage.

In considering the value of IPBC, it is also helpful to review historical performance. The Village's insurance costs have risen steadily over the last five years, averaging close to 8.7% annually. By contrast, IPBC's five-year average renewal increase for PPO plans has been 4.8% percent, and for HMO plans 3.4% percent. The following chart illustrates this comparison:



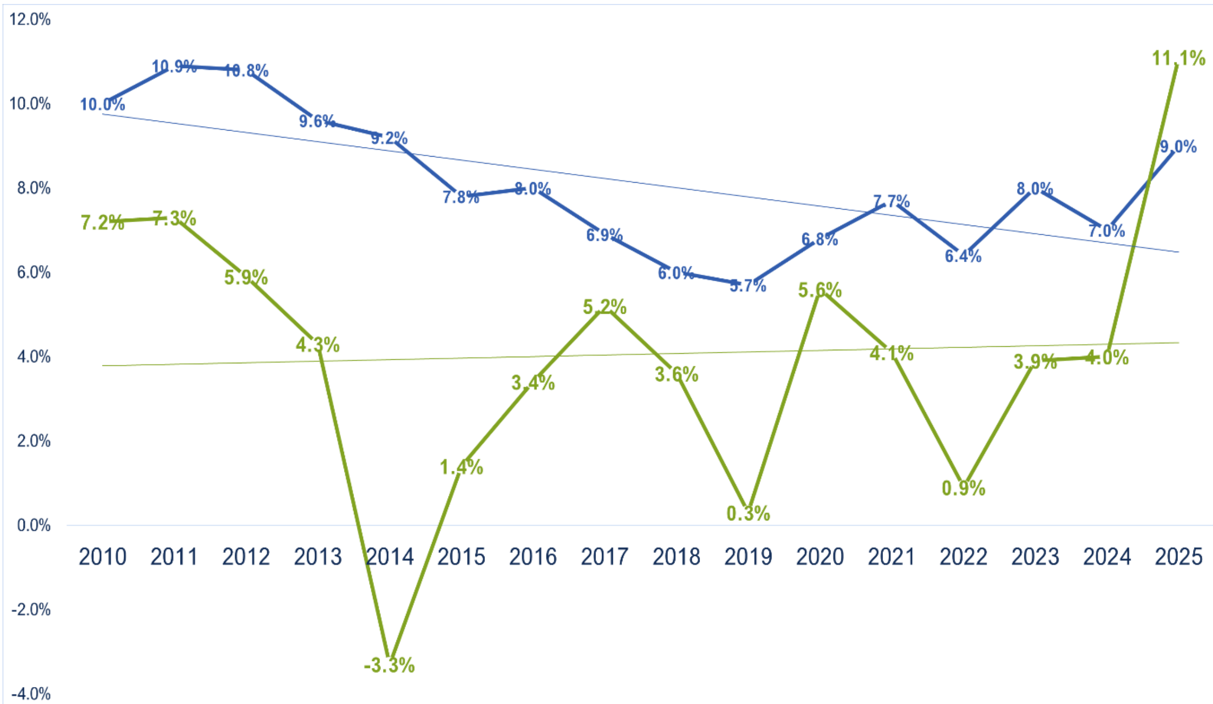
	2021	2022	2023	2024	2025
Village Increase	12.9%	15.0%	5.02%	-3.9%	14.5%
IPBC PPO Average	4.1%	0.9%	3.9%	4.0%	11.1%
IPBC HMO Average	0.3%	2.0%	6.9%	1.4%	6.2%

Village Increase   IPBC PPO Average   IPBC HMO Average

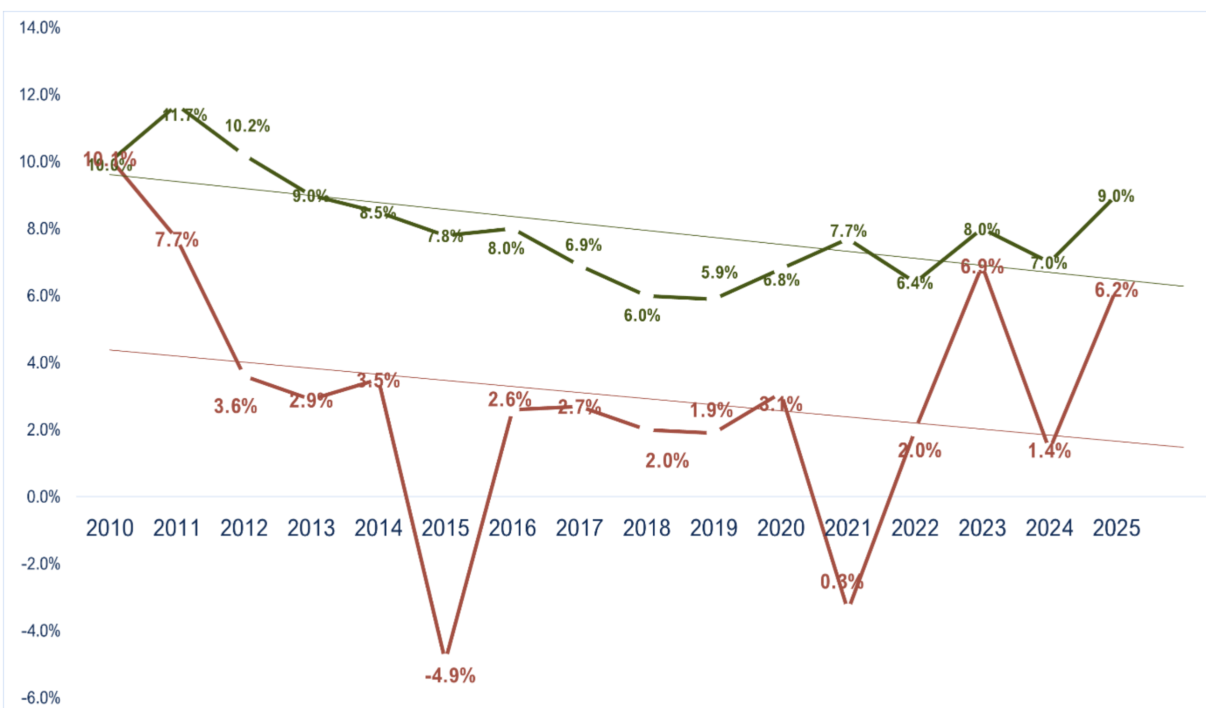
In plain terms, joining IPBC means that the Village would no longer stand alone with a very small pool of covered employees. Instead, the village would join a much larger group of municipalities and government entities that pool their resources together. This pooling spreads out the financial risk of high-cost claims and creates purchasing power to secure more favorable rates. The cooperative model has built-in transparency, requiring disclosure of claims experience and financial data, and it places annual rate caps on changes tied to individual member experience. For employees, the cooperative offers plan stability and options comparable to or richer than what we provide today. For the Village, it offers predictability and long-term savings potential.

Over time, these advantages can add up. While the first-year increase of 8.8% does not appear substantially lower than what we might expect under M3, there are long-term benefits of cooperative membership. Historical trends show that IPBC's rate renewals have consistently outperformed the broader insurance market, and in some years members have received dividends back when claims experience came in below expectations. These broader trends are illustrated below:

IPBC PPO RENEWAL HISTORY



IPBC HMO RENEWAL HISTORY



There are also administrative considerations. Much of the reporting, compliance, and Affordable Care Act (ACA) documentation currently handled by Village staff would become the responsibility of IPBC. This shift reduces staff workload, lowers the risk of compliance errors, and provides access to specialized resources already in place through the cooperative.

Next Steps

Timing is a critical factor in this decision. In order to join IPBC effective January 1, 2026, the Village would need to adopt an ordinance by mid-September. The IPBC Executive Board would then consider new member approvals later that month, with implementation beginning immediately thereafter.

The Village Board will meet again on September 17. A model ordinance has been attached for review and would be required if the Board chooses to proceed. Depending on the timing of Board action, a special meeting may also need to be considered to ensure compliance with IPBC's deadlines.

Because of these deadlines, the Village will not be able to conduct a side-by-side comparison between IPBC and M3 before a decision is required. If the Board chooses not to move forward with IPBC, the Village would still be able to renew through M3 once their quotes are released in early October. At that time, staff would also explore expanding employee choices by adding an HMO and a Health Savings Account (HSA) option alongside the PPO.

Both of these plan types can help control long-term costs. HMOs are generally the lowest-cost option in terms of monthly premiums but are more restrictive in provider choice and require referrals for specialist care. HSAs, when paired with a high-deductible plan, reduce monthly premiums for the employer while giving employees the ability to set aside pre-tax dollars for medical expenses. While these plans typically shift more upfront cost exposure to employees, they can lower the Village's overall annual premiums compared to traditional PPOs, and they give staff greater flexibility in tailoring coverage to their household needs.

At this stage, staff is seeking Committee of the Whole feedback on next steps so that a clear direction can be established for the September 17 meeting.

Milliman

Milliman
4370 La Jolla Village Drive
Suite 700
San Diego, CA 92122
USA

milliman.com

MEMO

August 22, 2025

To: Dave Cook, IPBC Executive Director
From: Barb Dewey, FSA, MAAA
Jacob Sargent, ASA, MAAA
Susannah Gallup
Re: Quote for Village of Winnebago

Village of Winnebago has expressed interest in joining the IPBC for medical, dental, vision, and life benefits. IPBC asked Milliman to prepare a quote for Village of Winnebago to join IPBC's pool for these benefits from January 1, 2026 through December 31, 2026.

Village of Winnebago currently has 9 employees enrolled across its four medical PPO plan offerings through BCBS. Due to its size, Village of Winnebago would need to join IPBC under one of its standard UHC PPO plan designs. This quote proposes the UHC PPO $1,500 deductible plan. A summary of the current plan designs and the proposed plan design is provided in the table below. Note that the IPBC proposed plan design is considerably richer than the current plan designs.

	Deductible		Maximum Out-of-Pocket		Inpatient	Emergency	Office Visits		Other
	ind	fam	ind	fam	Admit	Room	PCP	Specialtist	Coinsurance
Current Plan Designs									
$2,600 deductible PPO	$2,600	$5,200	$5,250	$10,500	$200, 20%	$400, 20%	$40	$70	20%
$1,600 deductible PPO	$1,600	$3,200	$6,500	$13,000	$200, 20%	$400, 20%	$45	$70	20%
$5,100 deductible PPO	$5,100	$15,300	$9,200	$18,400	$250, 30%	$500, 30%	$50	$75	30%
$6,900 deductible PPO	$6,900	$13,800	$6,900	$13,800	0%	0%	0%	0%	0%
IPBC Proposed Plan Design									
PPO $1,500	$1,500	$3,000	$3,500	$7,000	20%	$250	$35	$75	20%

Village of Winnebago currently has 9 employees enrolled in dental benefits through Delta Dental. The current plan design has a $1,000 annual maximum and no coverage for orthodontic services. IPBC proposes a similar fully insured plan design through Delta Dental with a $1,000 annual maximum and no coverage for orthodontic services.

Village of Winnebago currently has 9 employees enrolled in vision benefits through Delta Dental. The current plan design has a $130 frame allowance every 24 months and a $10 annual exam copay among other benefits. IPBC proposes a plan design with a $130 annual frame allowance and a $10 annual exam copay on a fully insured basis through VSP.

Village of Winnebago currently provides basic life and AD&D benefits through The Standard. IPBC proposes to continue the same plan design through Securian.

The IPBC proposed rate changes for calendar year 2026 over the current calendar year 2025 rates are summarized in the table below.

PRODUCT	RATE CHANGE OVER CURRENT
PPO	11.0%
Dental	-7.9%
Vision	-34.1%
Life	-84.1%
Total	**8.8%**

EXHIBITS

The following exhibits are included as attachments to this memo.

- Exhibit 1 - Current Premiums and Proposed IPBC Funding Rates
- Exhibit 2 - Detailed Calculation Underlying Proposed IPBC Funding Rates (PPO)
- Exhibit 3 - IPBC Banded Layer Analysis – PPO
- Exhibit 4 - Proposed Medical Funding Rates for UHC Standard PPO Plan Design Options

The remainder of this memo discusses the data sources and methodologies that were applied in preparing this quote.

DATA SOURCES AND METHODOLOGY

TYPE OF DATA	FILENAME
Funding rates or premiums	2025 Winnebago Benefit Spreadsheet for Quote IPBC .xlsx 5.1.2025 Life ADD STD Renewal Standard.docx
Enrollment	Census Template Village of Winnebago 2025.xlsx
Current plan designs	2025 Winnebago Benefit Spreadsheet for Quote IPBC .xlsx 5.1.2025 Life ADD STD Renewal Standard.docx
Experience data	Not available for Village of Winnebago

Exhibit 1 shows a summary of the proposed IPBC funding rates by plan design and dependent tier for each benefit.

We used Milliman Intelliscript Curv to calculate a Curv score for the medical PPO. This tool compares an input census to a large claims database and develops risk scores (among other outputs) based on matches to pharmacy claims and medical diagnosis codes. The risk score (or Curv score) is lower than the average IPBC population. However, the level of certainty in the risk score is somewhat low, so no adjustment was made to projected claims costs, allowing the risk of the low certainty to offset the reduced risk indicated by the Curv score.

Exhibit 2 shows the development of the IPBC medical PPO funding rates for Village of Winnebago. The following table explains what considerations are applied to the calculations at each pooling layer:

LAYER	POOLING APPROACH	DATA USED TO CALCULATE EXPECTED CLAIMS IN LAYER
Claims costs under $50,000	Claims in this layer are constrained to be within +/- 2.5% of claims across other IPBC members with 50 employees or fewer. We have expanded this factor cap to +/- 25% in consideration of family size differences between Village of Winnebago and other IPBC members.	Calibrated cost model using plan design, current premiums, age/gender distribution, and geography for Village of Winnebago

LAYER	POOLING APPROACH	DATA USED TO CALCULATE EXPECTED CLAIMS IN LAYER
Claims costs between $50,000 and $150,000	Claims in this layer are constrained to be within +/- 2.5% of claims across all IPBC members. We have expanded this factor cap to +/- 12.5% in consideration of family size differences between Village of Winnebago and other IPBC members.	Calibrated cost model using plan design, current premiums, age/gender distribution, and geography for Village of Winnebago
Claims costs between $150,000 and individual stop loss (ISL)	Claims in this layer are constrained to be within +/- 2.5% of claims across all IPBC members. We have expanded this factor cap to +/- 12.5% in consideration of family size differences between Village of Winnebago and other IPBC members.	Calibrated cost model using plan design, current premiums, age/gender distribution, and geography for Village of Winnebago
Claims over ISL	Pooled across all IPBC members without adjustment	N/A

Exhibit 3 shows the potential exposure to existing IPBC members associated with adding Village of Winnebago to the IPBC. We show the exposure under three different scenarios for Village of Winnebago’s claims costs PEPM at each layer: 1) best estimate using the projected experience from Exhibit 2, 2) the scenario where their claims are twice the average IPBC claims for the members pooled at that layer, and 3) the scenario where their claims are half the average IPBC claims for the members pooled at that layer. We also show the impact on existing IPBC members with 0% factor caps and the factor caps described in the table above.

For both the PPO, Village of Winnebago is expected to have minimal impact (approximately $0.00 PEPM) on other IPBC members across each layer after the application of the expanded factor caps described above.

LIMITATIONS

Milliman's work is prepared solely for the internal business use of the IPBC for the purposes of evaluating prospective members and communicating the projected financial impact (both on IPBC and the prospect) of bringing the prospect into the IPBC pools. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third-party recipient of its work product, even if Milliman consents to the release of its work product to such third party.

Milliman has developed certain models to estimate the values included in this memo. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models rely on data and information as input to the models. We have relied upon certain data and information provided by IPBC and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete. The models, including all input, calculations, and output may not be appropriate for any other purpose.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Barb and Jacob are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses in this memo.

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Winnebago
Exhibit 1 - Current Premiums and Proposed IPBC Funding Rates

			Current 1/1/2025 to 12/31/2025		IPBC - Proposed Plan Designs 1/1/2026 to 12/31/2026	
PPO Plans	**Rate Tier**	**Enrollment**	**Current Monthly Premium**	**Monthly Premium @ Current Rates**	**IPBC Monthly Funding Rates**	**Monthly Funding @ IPBC Rates**
Current: $2,600 deductible PPO	EE	1	$877.64	$878	$980.88	$981
Proposed: UHC PPO $1,500 Ded	ES	1	$1,755.28	$1,755	$1,961.75	$1,962
	EC	0	$1,623.63	$0	$1,814.62	$0
	FAM	3	$2,501.27	$7,504	$2,795.49	$8,386
Current: $1,600 deductible PPO	EE	2	$871.67	$1,743	$980.88	$1,962
Proposed: UHC PPO $1,500 Ded	ES	0	$1,743.34	$0	$1,961.75	$0
	EC	0	$1,612.59	$0	$1,814.62	$0
	FAM	0	$2,484.26	$0	$2,795.49	$0
Current: $5,100 deductible PPO	EE	2	$927.70	$1,855	$980.88	$1,962
Proposed: UHC PPO $1,500 Ded	ES	0	$1,855.40	$0	$1,961.75	$0
	EC	0	$1,716.25	$0	$1,814.62	$0
	FAM	0	$2,643.95	$0	$2,795.49	$0
Current: $6,900 deductible PPO	EE	0	$861.41	$0	$980.88	$0
Proposed: UHC PPO $1,500 Ded	ES	0	$1,722.82	$0	$1,961.75	$0
	EC	0	$1,593.61	$0	$1,814.62	$0
	FAM	0	$2,455.02	$0	$2,795.49	$0

Dental Plan	**Rate Tier**	**Enrollment**	**Current Monthly Premium**	**Monthly Premium @ Current Rates**	**IPBC Monthly Funding Rates**	**Monthly Funding @ IPBC Rates**
Current: $1,000 Annual Max, No Ortho	EE	5	$32.75	$164	$34.30	$172
Proposed: $1,000 Annual Max, No Ortho	EE+1	1	$65.51	$66	$68.61	$69
	FAM	3	$94.83	$284	$77.72	$233

Vision Plan	**Rate Tier**	**Enrollment**	**Current Monthly Premium**	**Monthly Premium @ Current Rates**	**IPBC Monthly Funding Rates**	**Monthly Funding @ IPBC Rates**
Current: $130 frames ea. 24 mo., $10 exam	EE	5	$7.35	$37	$5.47	$27
Proposed: $130 frames ea. 12 mo., $10 exam	EE+1	2	$14.33	$29	$10.66	$21
	FAM	2	$21.48	$43	$11.39	$23

Life	**Volume in Thousands**	**Current Premium Rate per $1,000**	**Monthly Premium @ Current Rates**	**IPBC Monthly Funding Rates per $1,000**	**Monthly Funding @ IPBC Rates**
Current: Basic Life Proposed: No Change	$420	$0.391	$164	$0.053	$22
Current: Basic AD&D Proposed: No Change	$420	$0.050	$21	$0.017	$7

Benefit	**Enrollment ***	**Current Monthly Premium**	**Current Annual Premium**	**IPBC Monthly Funding Rates**	**IPBC Annual Funding Rates**	**Rate Change from Current**
PPO	9	$13,735	$164,826	$15,253	$183,031	11.0%
Dental	9	$514	$6,165	$473	$5,679	-7.9%
Vision	9	$108	$1,300	$71	$857	-34.1%
Life	$420	$185	$2,223	$29	$353	-84.1%
Total		**$14,543**	**$174,514**	**$15,827**	**$189,921**	**8.8%**

* Life enrollment is volume in thousands.

Notes:

Village of Winnebago currently offers four PPO health plans through BCBSIL. IPBC proposes a single PPO plan design through UHC.
Village of Winnebago currently offers dental benefits through Delta Dental. IPBC proposes a similar fully insured plan design through Delta Dental.
Village of Winnebago currently offers vision benefits through Delta Dental. IPBC proposes a similar fully insured plan design through VSP.
Village of Winnebago currently offers life and AD&D benefits through The Standard. IPBC proposes to continue this plan design through Securian.

Documentation about source files and methodology can be found in the accompanying memo.

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Winnebago
Exhibit 2 - Detailed Calculation Underlying Proposed IPBC Funding Rates (PPO)

	Total	Notes
Trended PEPM claims under $50,000	$1,099.47	No claims data received. This is a proxy based on expected
Trended PEPM claims $50,000 to $150,000	$297.44	claims costs from the Milliman Health Cost Guidelines.
Trended PEPM claims $150,000 to $2,000,000	$198.81	
Tier 1 IPBC average claims under $50,000	$1,285.04	Based on IPBC claims data through 4/30/2025.
IPBC average claims $50,000 to $150,000	$321.71	Based on IPBC claims data through 4/30/2025.
IPBC average claims $150,000 to $2,000,000	$203.86	Based on IPBC claims data through 4/30/2025.
Prospect claims under $50,000, with Tier 1 factor cap	$1,099.47	Expanded factor cap of 25.0% used to account for family size.
Prospect claims $50,000 to $150,000, with Tier 1 factor cap	$297.44	Expanded factor cap of 12.5% used to account for family size.
Prospect claims $150,000 to $2,000,000, with Tier 1 factor cap	$198.81	Expanded factor cap of 12.5% used to account for family size.
Total projected PEPM claims with factor caps	$1,595.72	
UHC PPO administration fee	$57.35	Assume 4.0% increase on 7/1/2026.
BCBSIL Health Advocacy Solutions fee	$0.00	N/A, proposed carrier is UHC
Stop loss	$6.07	Recent stop loss RFP; assume 15% increase on 7/1/2026.
Wellness	$11.74	Assume 4.0% increase on 7/1/2026.
IPBC administration fee	$23.85	Assume 4.0% increase on 7/1/2026.
Total non-benefit expenses	$99.01	
Total PEPM monthly cost	$1,694.73	
Total projected monthly cost	$15,253	
Total projected annual cost	$183,031	
Current monthly plan premiums for prospect	$13,735	
Change over current for prospect	11.0%	

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Winnebago
Exhibit 3 - IPBC Banded Layer Analysis - PPO
Impact of Adding New Member to IPBC

Tier 1 Factor 1 Analysis
Claims under $50,000 are shared on a PEPM basis across all members in Tier 1.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Projected Tier 1 Factor 1 Banded Layer without Village of Winnebago	$1,285.04	$1,285.04	$1,285.04
Projected Village of Winnebago Banded Layer	$1,099.47	$2,570.08	$642.52
Projected Tier 1 Factor 1 Banded Layer with Village of Winnebago	$1,283.94	$1,292.66	$1,281.23
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 0% factor cap	-$1.10	$7.62	-$3.81
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 25.0% factor cap	$0.00		

IPBC Factor 2 Analysis
Claims between $50,000 and $150,000 are shared on a PEPM basis across all IPBC members.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Projected Tier 1 Factor 2 Banded Layer without Village of Winnebago	$321.72	$321.72	$321.72
Projected Village of Winnebago Banded Layer	$297.44	$643.44	$160.86
Projected Tier 1 Factor 2 Banded Layer with Village of Winnebago	$321.71	$321.89	$321.63
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 0% factor cap	-$0.01	$0.17	-$0.08
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 12.5% factor cap	$0.00		

IPBC Factor 3 Analysis
Claims between $150,000 and $2,000,000 are shared on a PEPM basis across all IPBC members.

Category	Expected	High (2x IPBC Average)	Low (1/2 of IPBC Average)
Projected Tier 1 Factor 3 Banded Layer without Village of Winnebago	$203.87	$203.87	$203.87
Projected Village of Winnebago Banded Layer	$198.81	$407.73	$101.93
Projected Tier 1 Factor 3 Banded Layer with Village of Winnebago	$203.86	$203.97	$203.81
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 0% factor cap	$0.00	$0.11	-$0.05
Estimated Impact to Current IPBC Members' Banded Layer (PEPM) with 12.5% factor cap	$0.00		

Notes:
Village of Winnebago has 9 PPO employees so we have quoted as a Tier 1 IPBC member.

Claim Bucket 1 (< $50k)	Factor 1 (Tier)
Claim Bucket 2 ($50-150k)	Factor 2 (IPBC)
Claim Bucket 3 ($150k-ISL)	Factor 3 (IPBC)

The expected banded layer claims for the entity were estimated using the Milliman Health Cost Guidelines model of claims costs calibrated using the geographic mix of the prospect as well as current premiums. Projections were made using the same trends as in Milliman's final renewal for FY2026.

Proposed IPBC Rates
January 1, 2026 to December 31, 2026
Village of Winnebago
Exhibit 4 - Proposed Medical Funding Rates for UHC Standard PPO Plan Design Options

	Current - 1/1/2025 to 12/31/2025										IPBC - UHC Plan Options 1/1/2026 to 12/31/2026						
	$2,600 ded. PPO		$1,600 ded. PPO		$5,100 ded. PPO		$6,900 ded. PPO		Blended Total								
Rate Tier	Enroll.	Premium	Enroll.	Premium	Enroll.	Premium	Enroll.	Premium	Enroll.	Premium	PPO $250 Ded	PPO $500 Ded	PPO $750 Ded	PPO $1,000 Ded	PPO $1,500 Ded	Navigate HMO	HSA $3,400
EE	1	$877.64	2	$871.67	2	$927.70	0	$861.41	5	$883.31	$1,130.88	$1,065.52	$1,048.96	$1,050.83	$980.88	$958.93	$949.66
ES	1	$1,755.28	0	$1,743.34	0	$1,855.40	0	$1,722.82	1	$1,766.62	$2,261.75	$2,131.04	$2,097.92	$2,101.65	$1,961.75	$1,917.86	$1,899.33
EC	0	$1,623.63	0	$1,612.59	0	$1,716.25	0	$1,593.61	0	$1,634.12	$2,092.12	$1,971.21	$1,940.57	$1,944.02	$1,814.62	$1,774.02	$1,756.87
FAM	3	$2,501.27	0	$2,484.26	0	$2,643.95	0	$2,455.02	3	$2,517.43	$3,222.99	$3,036.73	$2,989.53	$2,994.85	$2,795.49	$2,732.95	$2,706.54
Total Monthly		**$10,137**		**$1,743**		**$1,855**		**$0**		**$13,735**	**$17,585**	**$16,569**	**$16,311**	**$16,340**	**$15,253**	**$14,911**	**$14,767**
Change Over Current											**28.0%**	**20.6%**	**18.8%**	**19.0%**	**11.0%**	**8.6%**	**7.5%**

Notes: UHC standard plans assume current $2,600 ded. PPO plan Rx copay structure for all plans
Total Monthly and Change Over Current assumes all current members move to that one plan

IPBC
Intergovernmental
Personnel Benefit
Cooperative

Our Purpose & Mission

Collaborating to optimize member financial stability and provide high-quality, cost- effective benefits to achieve positive health outcomes.

Presented by: Dave Cook, IPBC Executive Director

ABOUT IPBC / AT A GLANCE

IPBC is a partnership of Illinois local government entities who are committed to the philosophy of risk pooling and working together to provide cost-effective health and related benefits to their employees and their families.

Scott Anderson
IPBC Board Chair

History

Risk sharing entity established in 1979 | Grown to 174 member entities (as of 6/1/25) covering more than 23,000 employees and retirees

Members

- **Open to: Municipalities-Counties-Special Districts-Intergovernmental Agencies**
- **1-year membership term (July 1 Renewal)**
- **New members admitted by majority vote of Executive Board**

Governance

- **Members *own* the cooperative**
- **Each member appoints a delegate to the Board of Directors**

Leadership

- **Executive Board**
- **Advisory Committees: Finance, Operations, Membership Development**

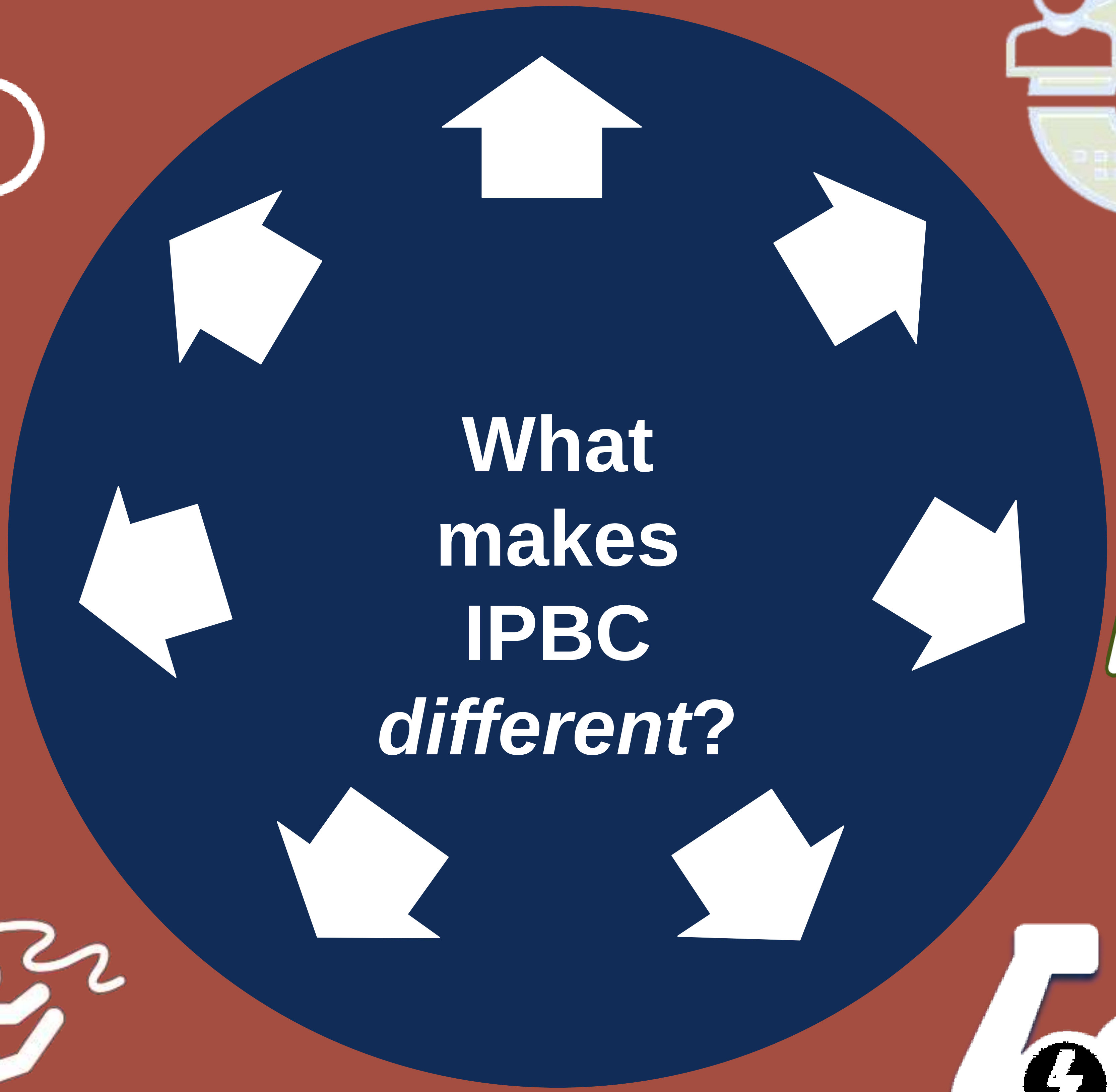
IPBC

THE IPBC ADVANTAGE

Financial Stability & Predictability

Access to Data
Helping to drive decisions.

Dividends
Reflecting excellent experiences.



Full Disclosure & Transparency

Staff/Service Team
Eases administrative burden.

Flexibility
In plan design

Benefits of Pooling =
Purchasing Power

IPBC’S FUNDING ARRANGEMEN T

The Keys to Stability

THE IPBC PPO RISK MODEL: HOW IT WORKS

Claims < $50,000	Paid in full by the Member or Tier Members
Claims $50,000 - $2,000,000	Allocated among all Members based on their number of employees
Claims > $2,000,000	Covered by stop loss insurance Members share insurance cost

IPBC

THE IPBC RISK MODEL: WHY IT WORKS

PREDICTABLE

- Employers pay fixed monthly rates – aka “Premiums” - for yearly coverage
- Actuarial estimates of the employer’s and the Cooperative’s claims are used to establish rates
- Monthly reports allow spotting of positive or negative trends
- Impact of experience on rate changes is capped at +/- 5% for PPO | +/- 5% for HMO from IPBC average

TRANSPARENT

- Information is provided about each Member’s claims, allocated expenses, and reserves.
- All financial information is disclosed to the Membership

EFFECTIVE

- IPBC model has produced stable rates and positive returns for Cooperative Members
- IPBC performance consistently below medical trend for BlueCross BlueShield’s and UHC’s book of business

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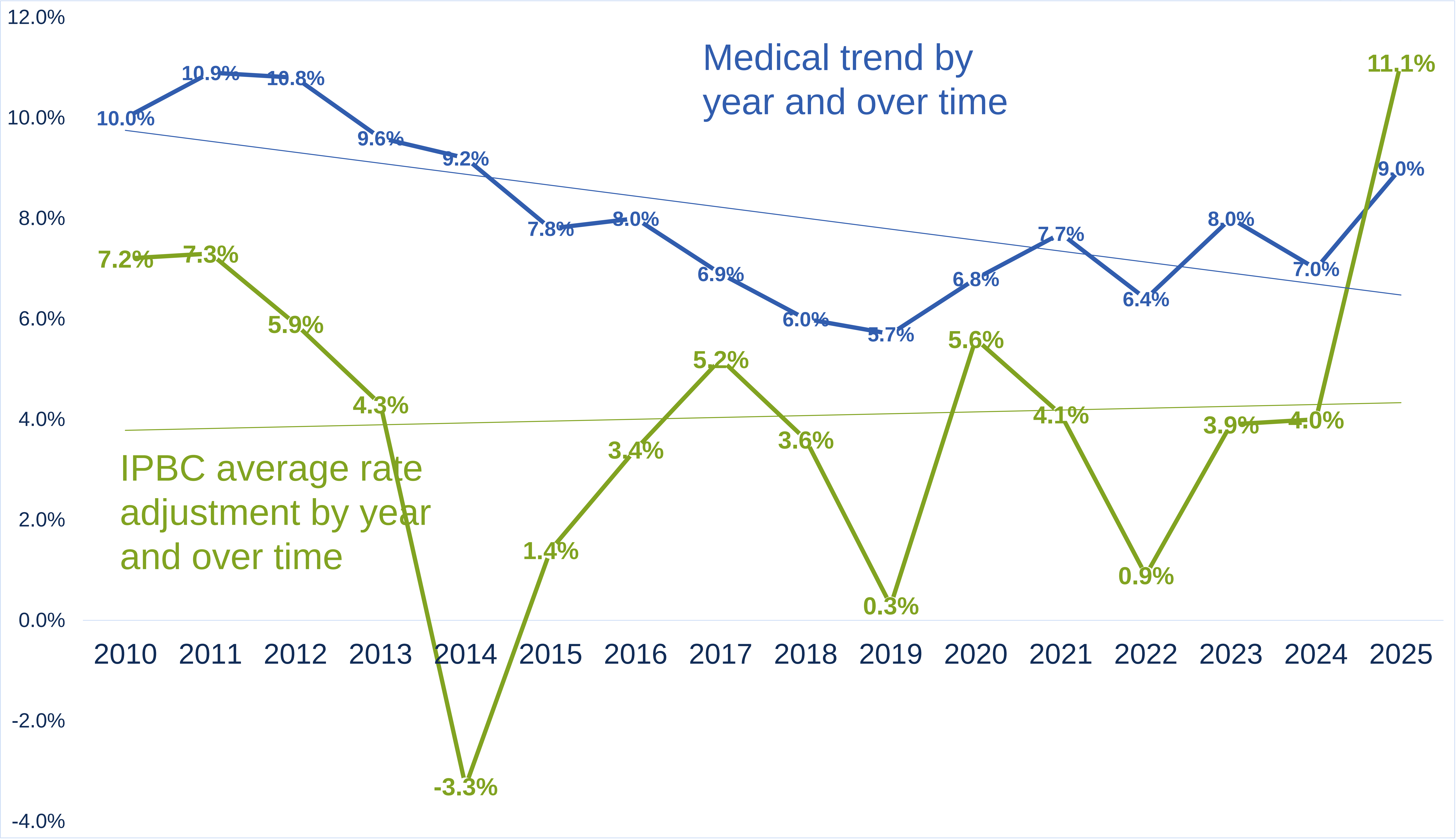
IPBC PPO RENEWAL HISTORY

PPO 5-Year Average: 4.8%



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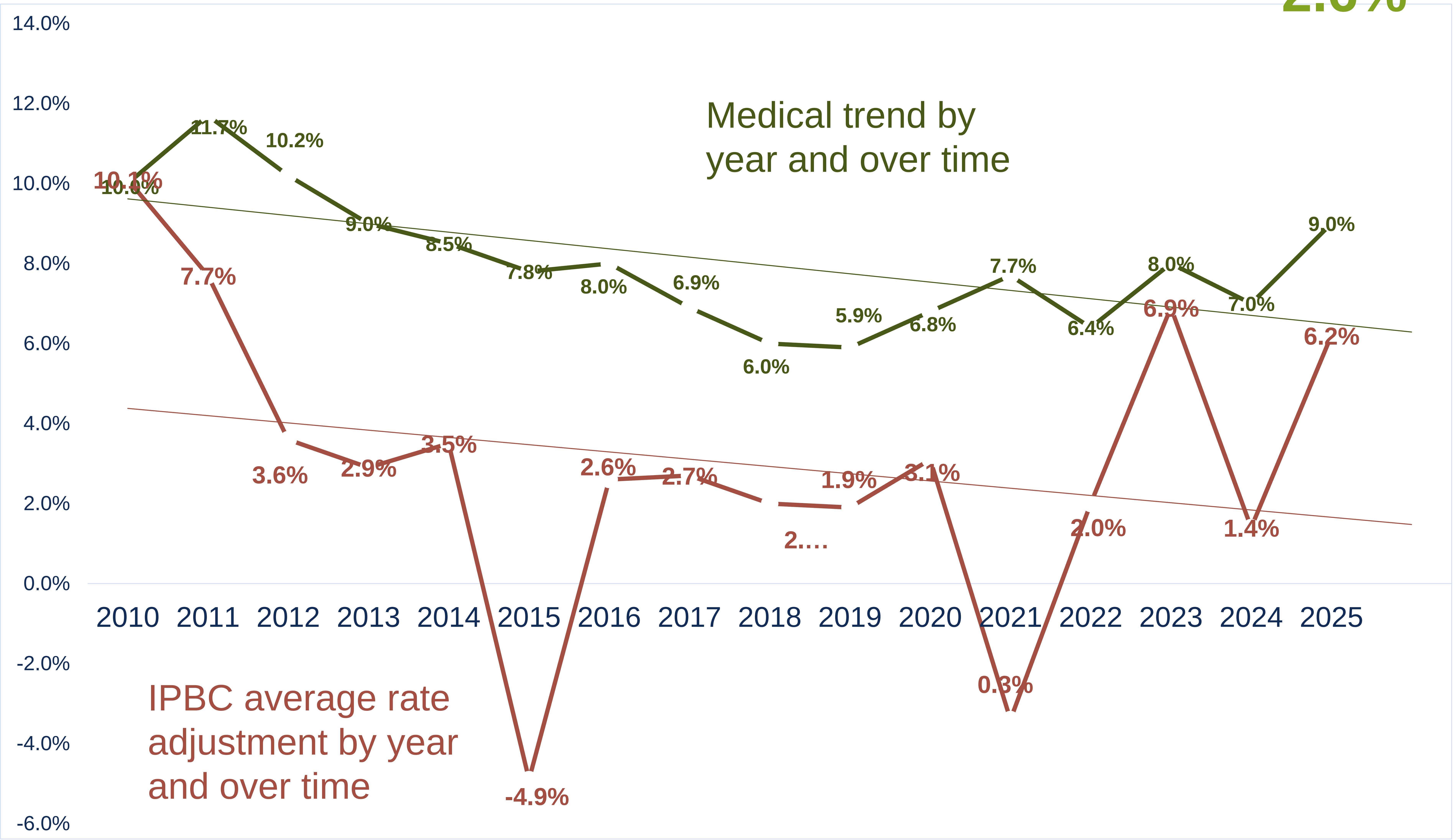
IPBC HMO RENEWAL HISTORY

HMO 5-Year Average: 2.6%



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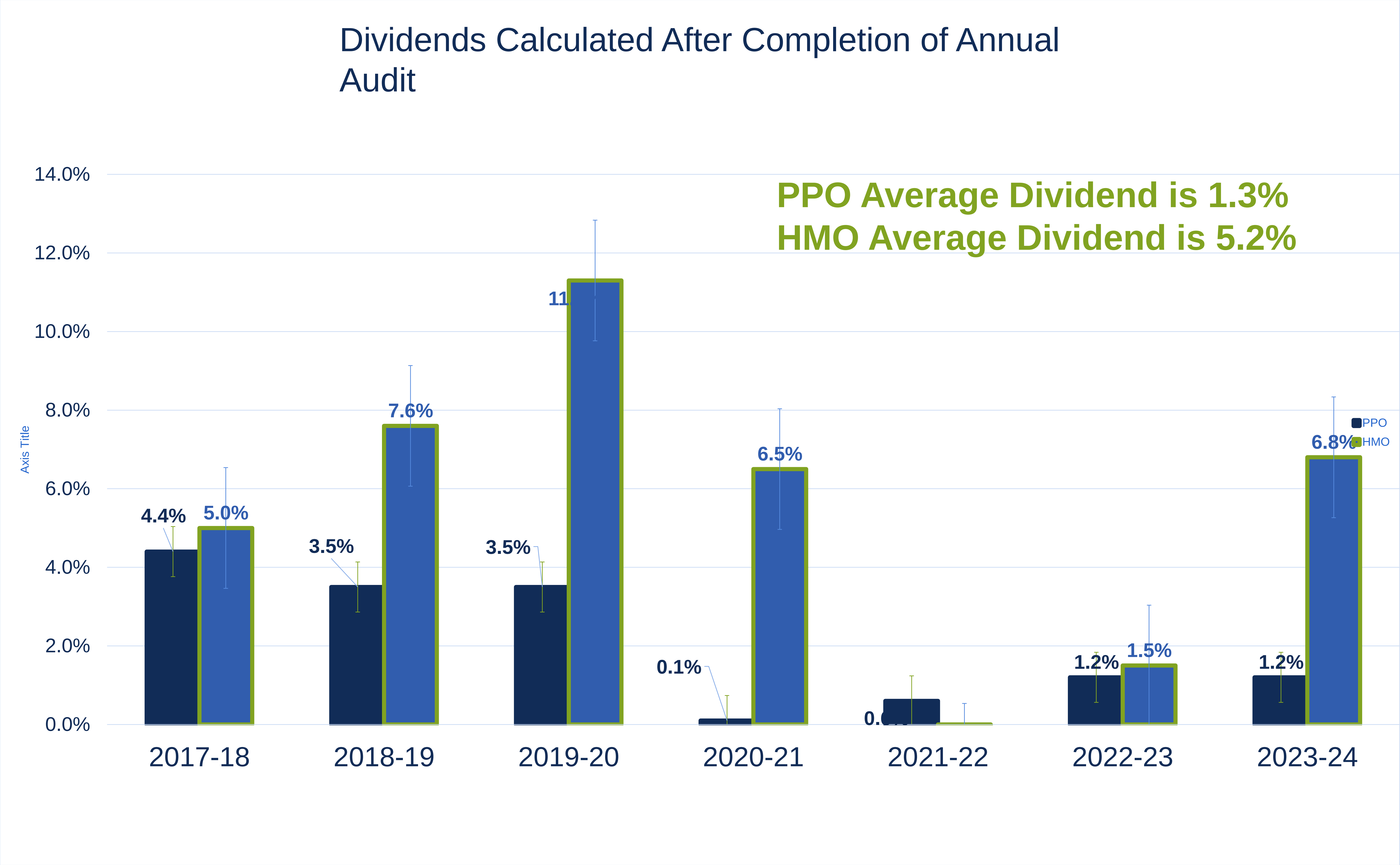
DIVIDEND HISTORY



IPBC

IPBC IS A LONG-TERM INVESTMENT

Estimated Five-Year Savings on Medical Plan for City of Anytown

	City of Anytown	IPBC	Estimated Savings	Estimated Dividends
5 Year Trend	6.00%	3.00%	3.00%	2.50%
2023 Medical Annual Premiums	$2,186,000	$2,186,000		
2024 Estimated Annual Premium	$2,317,160	$2,251,580	$65,580	$56,290
2025 Estimated Annual Premium	$2,456,190	$2,319,127	$137,063	$57,978
2026 Estimated Annual Premium	$2,603,561	$2,388,701	$214,860	$59,718
2027 Estimated Annual Premium	$2,759,775	$2,460,362	$299,413	$61,509
2028 Estimated Annual Premium	$2,925,362	$2,534,173	$391,189	$63,354
Total Estimated Five-Year Premiums	$13,062,048	$11,953,943	$1,108,105	$298,849
Total Estimated Medical Plan Savings and Dividends				$1,406,954

Note: Based on 100 Member Life Group

IPBC

ADDITIONAL POTENTIAL SAVINGS

- Dental Premiums – Normally 15 to 20% lower
- Vision Premiums – Normally 20 to 25% lower
- Life Insurance – 7 cents/thousand (Basic & AD&D)
- EAP Program Including First Responder Program – Provided at No Cost
- Wellness Program – Reimbursement of $135/eligible participant for Health Screening and Flu Shots plus Incentives of $100 to $400 per employee based on participation levels

IPBC

IPBC's BENEFIT OPTIONS

IPBC

BENEFIT PROGRAM ADMINISTRATORS & INSURANCE CARRIERS

BlueCross BlueShield of Illinois

UnitedHealthcare

EXPRESS SCRIPTS

ComPsych GuidanceResources Worldwide

DELTA DENTAL

securian FINANCIAL | Ochs

PLANSOURCE

VSP

WEX

IPBC

IPBC OPTIONAL PROGRAMS

VSP – Optional Vision Program

- Select from 12 menu plan options
- 2, 3, and 4-tiered rates available

Medicare Supplemental & Medicare Advantage Programs

- Administered by Benistar & BCBS
- Transfer Medicare retirees to alternate plan
- Reduces administrative burden
- Vendors provide enrollment, communication and billing support

Delta Dental – Additional Offerings

- Fully Insured and self-insured options
- PPO and Premier network options

Securian Life – Additional Offerings

- Voluntary Life, AD&D, Accident Insurance, Critical illness & Hospital Indemnity

PlanSource – Additional Offerings

- Transfer eligibility to non-IPBC insurance carriers
- COBRA Administration Services and Retiree Billing
- ACA Reporting Services
- FSA Administration Services
- Private exchange technology

WEX –Additional Offerings

- Pre-tax spending accounts including FSA, Dependent Care FSA, HSA, HRA and Lifestyle Reimbursement
- COBRA Administration Services

IPBC

IPBC VALUE-ADDED PROGRAMS

No Additional Cost

Benefit Enrollment Services (Core Only)

- All members use PlanSource to manage eligibility and billing for IPBC programs
- No additional charge for employee self-service enrollment

Wellness Program

- Members design wellness program appropriate for their organization
- Members reimbursed up to $135 for biometric screenings and flu shots
- Earn $100 to $400 in incentives if targets achieved

Employee Assistance Program (EAP)

- Options available through ComPsych: 6 or 8 session programs, 8 session with wellness package and First Responder EAP program
- Rate offset for employees enrolled in the medical plan.
- Resources to help balance work/home life
- Counselors for mental health, grief, substance abuse, and other needs

Virtual Visits
BCBS & UHC PPO Plans

- Option for non-emergent medical needs
- 24/7 access to medical professional online or via mobile device
- Nominal charge to plan vs. an urgent care or emergency room visit

IPBC

IPBC's SERVICE PARTNERS

IPBC

IPBC'S SERVICE PARTNERS

RPA (Risk Program Administrators)
- Benefit consultant to members
- Provides support to members on claims & enrollment

RPA (Risk Program Administrators)
- IPBC accountants
- Draws monthly ACH from members
- Prepares monthly reporting

ALERA GROUP
- Broker Consultant to the IPBC
- Assists with RFPs and carrier renewals
- Provides strategic guidance

Milliman
- Prepares annual renewal
- Prepares rates for new members

PLANSOURCE
- Enrollment system provider
- Prepares monthly billing statements

Ancel Glink

Legal services to IPBC

Mischler Financial Group / **Fifth Third Bank** / **Stifel**

IPBC portfolio management

SIKICH

Provides audit services to the IPBC

IPBC

THE IPBC SERVICE TEAM PROVIDES BENEFITS CONSULTING:

- Implementation of new IPBC members' employee benefit program

- Account service to individual IPBC members
  - Open enrollment guidance and materials
  - Problem-solving with carriers
  - Review of benefit strategies and plan designs to meet employer objectives
  - Plan changes & cost implications
  - Assistance with wellness program implementation
  - Benchmarking

- Member training programs

IPBC
Intergovernmental Personnel Benefit Cooperative

Dave Cook
IPBC Executive Director
(630) 878-2019
davec@ipbchealth.org

Sandy Mikel
IPBC Member Services Manager
(847) 269-6178
smikel@ipbchealth.org

Kaitie Tiede
IPBC Operations Manager
(630) 429-4522
ktiede@ipbchealth.org

IPBC
Intergovernmental Personnel Benefit Cooperative

Policy Manual
September 2024

IPBC
Intergovernmental Personnel Benefit Cooperative

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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.

IPBC

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

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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:

IPBC

1. Ensuring that their Employees only enroll eligible dependents in a Plan.

2. Notifying Employees that they have an obligation to promptly notify their Employer when a previously eligible enrolled dependent becomes an ineligible dependent.

3. Terminating from coverage a previously eligible enrolled dependent when notified they are now an ineligible dependent. Termination shall be made within 30 calendar days of the date that the dependent becomes ineligible to continue coverage in a Plan. Termination 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.

4. Conducting a dependent eligibility verification audit no less often than once every five years.

5. 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.

6. 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.

7. Providing proof of said audit in a form acceptable to the IPBC.

8. 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.

9. 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 by subject to an additional administrative fee as determined by the IPBC Executive Board.

10. IPBC reserves the right to have its third-party vendor audit and bill the IPBC member appropriately when there is a reason to believe that the IPBC member is not verifying dependents appropriately at the time of enrollment.

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
Revised by the IPBC Executive Board on September 12, 2024

DEPENDENT ELIGIBILITY VERIFICATION
ACCEPTABLE DOCUMENTATION MATRIX

INSTRUCTIONS: Employee must supply documentation supporting relationship (or their spouse's relationship) to their dependent.

Reminder: Send copies only and white/black out any Social Security Numbers or financial information.

Relationship	Acceptable Documentation (Multiple documents may be required)	
	Category A Documents	**Category B Documents**
Legal Spouse, including Civil Unions	**1)** Submit only page 1 of your current federal tax return or extension indicating "married filing status" with both names listed. If "married - filing separately," submit page 1 of both federal tax returns. ***-OR-*** **2)** Utility bill, bank statement or credit card statement showing a common address; ***-OR-*** ***3)*** signed affidavit that includes language about possible consequences for inaccurate information (see sample on IPBC website)	Marriage registration document (may be civil union document). Required only if not verified at the time of enrollment and documentation is not stored in PlanSource and/or employer files
Natural Child	None	A copy of a birth certificate showing the employee or current verified legal spouse as the parent. Required only if not verified at the time of enrollment and documentation is not stored in PlanSource and/or employer files
Step-child	Proof that the parent is the current spouse of the employee (see appropriate requirements).	A copy of a birth certificate showing the employee or current verified legal spouse as the parent. Required only if not verified at the time of enrollment and documentation is not stored in PlanSource and/or employer files **-and-** Documentation establishing the current spouse is the legal parent/guardian of child. Required only if not verified at the time of enrollment and documentation is not stored in PlanSource and/or employer files
Adopted Child	None	**1)** A copy of a birth certificate (long form) showing the employee as parent; ***-OR-*** 2) Court documentation verifying completed adoption; ***-OR-*** 3) A letter of placement from an adoption agency, an attorney, verifying the adoption is in progress. Document(s) required only if not verified at the time of enrollment and documentation is not stored in PlanSource and/or employer files
Foster Child	A court order or other legal document placing the child with the employee or eligible	None

	Spouse/Domestic Partner who is a licensed foster parent.	
Disabled Child over the Age of 26	Copy of page 1 of federal tax return demonstrating that the child is principally dependent on employee, for support and maintenance. *Note: Additional verification will be required through the health plan provider*	Proof of relationship based on the appropriate child type (see appropriate requirements). Required only if not verified at the time of enrollment and documentation is not stored in PlanSource and/or employer files
Other Dependent Children	For all other children for whom an employee has legal custody, a court order or other legal document granting custody of the child to the employee is required. Documentation must verify the employee has legal guardianship responsibility for the child, not merely financial responsibility.	
Military eligible personnel (to the age of 30)	None	Child's DD form 214, proof of honorable discharge. Required only if not verified at the time of enrollment/age 26 and documentation is not stored in PlanSource and/or employer files

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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 1st 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.

<u>The procedure for the Election process shall be as follows:</u>

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 30th 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

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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

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REMOTE ATTENDANCE POLICY

Section 1. **Policy Statement**. The IPBC is guided, but not strictly bound, by the Illinois Open Meetings Act. Because of the physical distances separating the Members one from another, and because of the Members' need to attend to their other respective business, physical travel to meetings of the Cooperative by all members is not practical. It is therefore the policy of IPBC that each Member may attend and participate in any open or closed meeting of the Cooperative, including but not limited to the Board of Directors, the Executive Board, and any and all other Committees, from a remote location via telephone, video or internet connection, provided that such attendance and participation is in compliance with this policy. All meetings may be conducted by fully remote attendance. However, in those cases in which a physical location is specified for a meeting, the opportunity for remote attendance by Members and the general public shall also be included.

Section 2. **Prerequisites**. The means of remote participation for Members, as well the general public during the public comment portion of the Agenda, shall be set forth on the Agenda, including any necessary login or connection information, and published at least 48 hours in advance of the meeting. A quorum may be achieved by any combination of the physical and remote attendance.

Section 3. **Voting Procedures**. After roll call, votes may be taken by either voice vote or roll call as the meeting chair shall direct in accordance with Illinois law.

Section 4. **Minutes**. The minutes shall identify specifically the remote participation means utilized and whether each member is physically present or present by remote attendance.

Section 5. **Rights of Remote Member**. The member permitted to participate remotely will be able to express his or her comments during the meeting and participate in the same capacity as those members physically present, subject to all general meeting guidelines and procedures previously adopted and adhered to. The remote member shall be heard, considered, and counted as to any vote taken. A member participating remotely may leave a meeting and return as in the case of any member.

This policy is effective as of the ___ day of __________________, 2022.

____
Chairman

ATTEST:

____
Executive Director

Approved by the IPBC Board of Directors on March 17, 2022

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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

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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 30th 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

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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 30th 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

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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

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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 1st of a year through June 30th 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 12moths 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.

IPBC

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

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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 are authorized investments under statutory provisions of the Illinois Intergovernmental Cooperation Act (5 ILCS 220/15) and outlined under section VIII of this Policy

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 (as defined in Section VIII of this Policy) 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 and equity 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 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 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/exchanges 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 swaps/exchanges 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 are authorized under the following statutes:

1. Illinois Public Funds Investment Act - 30 ILCS 235/
2. Illinois Pension Code Act – 40 ILCS 5/ Articles 3 and 4
3. Exchange Trade Funds as authorized by the Illinois Intergovernmental Cooperation Act Authorized Investments 5 ILCS 220/15 (4)

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 that 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 five (5) years with any one position having a maximum maturity of ten (10 years except for Corporate Bonds, which shall have a maximum maturity of seven (7) 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
As amended and approved by the Board of Directors on January 24, 2019
As amended and approved by the Board of Directors on November 19, 2020

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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 Service Team Member.

These guidelines outline the IPBC communication framework, and the roles of IPBC members, IPBC staff and the IPBC Service Team Member 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 Service Team Member. 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 All Member Meetings – All member updates meetings are held for the membership to discuss the activities of the IPBC. 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. PlanSource Platform – this site is used by IPBC members for benefits eligibility and for billing.

f. Secure Emails – Secure emails to maintain HIPAA compliance. It allows information sharing between each individual IPBC member and the IPBC Service Team Member.

g. 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 Service Team Member will try to limit these communications to items that cannot wait for the distribution of the monthly newsletter.

h. IPBC Distribution List E-mails – IPBC staff maintains distribution lists. IPBC staff and the IPBC Service Team Member may send e-mails to those distribution lists on an as needed basis.

i. Individual Member E-mails – IPBC staff and the IPBC Service Team Member may send e-mails to individual members on an as needed basis.

j. IPBC Membership Surveys – IPBC staff and the IPBC Service Team Member 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 Service Team Member and sent to the appropriate distribution list(s).

IV. Distribution Lists

IPBC staff will maintain the following distribution lists:

a. IPBC Board of Directors – All Delegates and Alternates of IPBC Members.

b. All IPBC Contacts – All designated contacts of IPBC members.

c. IPBC Committees – All members of IPBC Committees (currently: Membership, Finance Committee, Operations Committee and Executive Board).

V. Expectations & Responsibilities

a. IPBC Membership

As an IPBC Member, you can expect to be and should:

i. Provided with relevant information and kept informed of relevant developments in a timely manner;
ii. 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.
iii. Read relevant IPBC correspondence including e-mails, notices etc.;
iv. Attend applicable meetings (sub-pool, Board of Director, member-wide);
v. Respond to surveys and general membership questions in a timely manner.

b. IPBC Staff Should:

i. Maintain IPBC E-mail distribution lists;
ii. Develop the monthly newsletter and distribute to the IPBC membership;
iii. Maintain the IPBC website;
iv. Develop annual meeting schedule;
v. Prepare meeting packets and distribute to applicable distribution lists;
vi. Respond to all membership questions in a timely manner.

c. IPBC Service Team Member Should:

i. Provide content for the monthly newsletter in a timely manner;
ii. Provide content for the IPBC website;
iii. Attend all applicable meetings;
iv. Provide content for the meeting packets in a timely manner;
v. Respond to all membership questions in a timely manner

IPBC
Intergovernmental
Personnel Benefit
Cooperative

The premier health benefit option for Illinois local governments

Communication Guidelines Matrix

Channel	Purpose	Audience	Intended Result	Frequency
Newsletter	To inform the membership on topics/issues related to the IPBC	All IPBC members contacts	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
IPBC All Member Meetings	To review and discuss IPBC activities	IPBC membership	To keep membership informed of IPBC activities	As needed (at least 2x/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)
Benefit Eligibility and Billing - PlanSource	To manage employee benefit eligibility and for IPBC billing	IPBC membership, IPBC Staff and Service Team	To maintain eligibility and billing	As needed
Secure Emails	HIPAA compliance	IPBC members and Service Team Member	To allow HIPAA compliant information sharing	As needed basis

Channel	Purpose	Audience	Intended Result	Frequency
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 topics/issues related to the IPBC (i.e., meeting packets, meeting topics)	Decided by needed list	To inform the members of the particular distribution list on items related to that group	As needed basis
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 Policy Acknowledgement

IPBC

Entity: ______________________________

Delegate: ______________________________

Acknowledges receipt of the IPBC Policy Manual. Policy updates can be found here:

[IPBC - IPBC ByLaws and Policies (ipbchealth.org)]

Signature:

Return form to IPBC Member Services Manager, Sandy Mikel, smikel@ipbchealth.org

Intergovernmental Personnel Benefit Cooperative (IPBC)
www.ipbchealth.org

IPBC RETIREE & DEPENDENTS ELIGIBILITY EXCEPTION POLICY FORM

Entity Name:	______________________	Date:	______________________
Sub-Pool:	______________________	Main Contact:	______________________
Phone:	______________________	E-mail:	______________________

Do you provide your retirees and their dependents more generous benefits than required by Illinois State Statutes?

☐ Yes ☐ No (*if no, you may skip the rest of the form and sign and submit)*

If yes, have you updated your plan documents with a summary of material modifications?

☐ Yes ☐ No (*if no, please contact your Service Team Representative*)

Please note per the policy that 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; and 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.

Policy Exemptions: Please indicate if your entity is exempt from the financial implications of the policy:

☐ IPBC members with existing contractual obligations as of July 1, 2020, including successor agreements and when contract negotiations are ongoing.

☐ Any retiree with a retirement date before July 1, 2020.

☐ Members admitted to the IPBC after July 1, 2020 during their first year of their membership.

Signature**:** ____

Return Form to:

Sandy Mikel, smikel@ipbchealth.org

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 COOPERTIVE 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 1st 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 1st, 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,

I 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. <u>Suspension or Termination of Claim or Other Payments.</u>

In any situation, where the EXECUTIVE COMMITTEE should determine that a Members 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 shall continue to be fully obligated for any payments due to the COOPERATIVE which were created during the term of its membership along with any other unfulfilled obligation as if it were still a MEMBER of the COOPERATIVE.

The obligation of the COOPERATIVE 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 the MEMBER is not in financial arrears to the COOPERATIVE. If the expelled MEMBER is in financial arrears to the COOPERATIVE, including estimated deficits, the administration of claims shall cease immediately upon expulsion. After expulsion, the COOPERATIVE or its EXECUTIVE DIRECTOR may agree by contract to administer and pay the claims of the expelled MEMBER using funds furnished by the expelled MEMBER. The expelled MEMBER shall be required to pay the cost of the transfer of such document if it should choose to pay claims by itself or through others.

ARTICLE XVII. Withdrawal of a Member and Continuation or Termination of the COOPERATIVE.

MEMBERS shall have the right to withdraw from membership at the end of any fiscal year if proper notice of withdrawal is given in the manner provided in this Article. The obligation of a MEMBER 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 benefits at the commencement of each fiscal year. Provided, however, that if a MEMBER should choose to end continuing participation with regard to officers and employees of the MEMBER, other than at the end of a one-year term, who are to be provided health and life insurance coverage in a union-sponsored program, the

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 COOERATIVE 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: ______________________

____
Name:

____
Member

Title: ___________________________

The premier health benefit option for Illinois local governments

IPBC
Intergovernmental
Personnel Benefit
Cooperative

Timing For January 1, 2026, Implementation to the IPBC for Entities Without Claim Data

1. Would need the following information to produce a quote no later than May 31, 2025:
    a. Completion of IPBC Quote Request Form
    b. Complete Census including Dependents with Coverage Tiers for all products requested.
    c. Current medical plan design and rates
    d. Current dental plan design and rates
    e. Current Vision plan design and rates
    f. Current Life provider with total volume and rate per thousand

2. IPBC would present quote no later than July 30th

3. Municipality would have until mid-September to decide whether to join IPBC and adopt Ordinance joining the IPBC.

4. IPBC Executive Board would approve new members at its September meeting.

5. IPBC Service Team begins implementation immediately after approval and is completed by early December.

6. Member goes live on January 1, 2026

19482 W Grand Ave., Lake Villa, IL 60046

ORDINANCE NO. _________

AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF THE CONTRACT AND BY-LAWS DOCUMENT OF THE INTERGOVERNMENTAL PERSONNEL BENEFIT COOPERATIVE AND AUTHORIZING MEMBERSHIP IN THE IPBC BY A MUNICIPALITY.

WHEREAS, a number of Illinois local governments have entered into an intergovernmental agreement and created the Intergovernmental Personnel Benefit Cooperative ("IPBC"); and

WHEREAS, the IPBC has existed for several decades, and has provided benefit coverages for the officers and employees of many Illinois local governments; and

WHEREAS, this Municipality wishes to become a Member of the IPBC; and

WHEREAS, the obligation of membership requires the acceptance by the Corporate Authorities of the Municipality of the Contract and By-Laws document of the IPBC as an intergovernmental contractual obligation to which the Municipality will become bound.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE CITY (VILLAGE) OF ______________, ___________COUNTY, ILLINOIS, as follows:

SECTION 1: This Municipality, as of the starting date at which admission to membership was or is granted by the IPBC Executive Board, shall become a Member of that intergovernmental cooperative.

SECTION 2: The terms and conditions of that membership shall be such terms and conditions as were imposed by the Executive Board of the IPBC in the acceptance motion, and the contractual obligations under the terms of the Contract and By-Laws of the IPBC as such document currently exists and as it may be amended in accordance with its terms. This Municipality assumes such terms and conditions.

SECTION 3: The Mayor (President) of this Municipality, or such other officer, as shall be authorized, is directed to execute any documents necessary to indicate the membership of the Municipality in the IPBC.

SECTION 4: This Ordinance shall be in full force and effect upon its passage, approval, and publication in pamphlet form, if required by law.

PASSED this _______ day of ________________________, 2024.

AYES:

NAYS:

ABSENT:

____
Mayor (President)

ATTEST:

____
Clerk

Agenda Item Executive Summary

Item Name	Discussion of Draft Special Event Permit Application and Potential Special Event Liquor License	Committee or Board	Committee

BUDGET IMPACT			
Amount:	N/A	*Budgeted:*	N/A
List what fund:	N/A		

EXECUTIVE SUMMARY

In response to Committee feedback at the August 13, 2025 Committee of the Whole meeting, Village staff revised the Special Event Permit Application to make the process more accessible and user-friendly for community groups, nonprofits, and local businesses.

The updated draft simplifies paperwork, consolidates requirements into a simpler 3 page application form, and introduces the possibility of allowing Village staff to approve events administratively, making it easier and faster for organizers to move forward with their plans.

Additionally, the Village currently lacks a Special Event Liquor License, which limits flexibility for events that may want to include alcohol. Staff is asking whether the Board would support drafting an ordinance to make this option available.

Key Changes from Previous Draft:

- Reduced the amount of required information for applicants
- Shifted detailed requirements and departmental coordination to an internal-use-only form
- Many items (e.g., Emergency Action Plan) are now “by request” instead of automatically required
- Added a required pre-application conference with Village staff for better event coordination

These changes are aimed at making the Village easier to work with while still ensuring public safety and compliance.

ATTACHMENTS (PLEASE LIST)

Draft Application

ACTION REQUESTED

☒For Discussion Only
☐Resolution
☐Ordinance
☐Motion:

MOTION:

Staff: Joey Dienberg, Village Administrator
Date: 8/6/2025

Village of Winnebago
Special Event Permit Application and Instructions

This packet provides the information, requirements, and forms needed to apply for a Special Event Permit. The Village recognizes that special events—whether organized by non-profit community organizations or local businesses—are an important part of our community life, and we are committed to helping make your event safe and successful.

This form should be used by all applicants, regardless of organizational type. Requirements vary slightly between non-profit and for-profit applicants, particularly in regard to fees, and insurance and are outlined clearly throughout this packet.

Applications for all permits can be found on the Village's website at:
https://www.villageofwinnebago.com/

A Special Event Checklist is included in this packet to help you identify which permits, documentation, and approvals may be required for your event. Not all items will apply to every event. However, all event organizers—whether individuals, non-profit organizations, or for-profit entities such as sole proprietorships, partnerships, corporations, or limited liability companies (collectively referred to as the "Applicant")—must complete the application in full and submit all relevant supporting materials. Final approval of any special event is at the sole discretion of the Village of Winnebago.

What Is a Special Event?

A special event includes any organized activity, public or private, that meets one or more of the following conditions:

- Occurs on public property (streets, sidewalks, parks, etc.)
- Requires Village services (e.g., barricades, police presence, or public works assistance)
- Impacts traffic or public access
- Includes alcohol sales or service
- Includes live entertainment or amplified sound outdoors
- Requires temporary structures such as tents, stages, or rides
- Anticipates large crowds and impacts surrounding properties

If you are unsure whether your event qualifies, please contact the Village Administrator's Office.

Who Should Use This Application?
Any individual, business, civic group, religious organization, or other entity planning to hold a special event in the Village of Winnebago must complete this application at least 45 days in advance of the event. Applications are subject to Village review and final approval.

This form covers both:

- For-Profit Entities: Such as corporations, partnerships, and sole proprietors.

- Non-Profit Organizations: Including educational, fraternal, religious, civic, and charitable groups.
- Governmental Agencies and Units of Local Government: Including park districts, school districts, townships, and the Village of Winnebago itself, when acting as the event organizer.

What is a Special Event for a For-Profit Entity
and do I need to Complete this Application?

If your For-Profit Entity is the holder of a Class A, Class A Extended, Class B, Class F or Class G Winnebago liquor license (collectively referred to as a "Pour License") desires to hold a special event at a designated location off your licensed premises, your Pour License is limited to the sale and serving of alcohol inside the building on the premises listed on your liquor license (the "Licensed Premises"), and in some instances also in an adjacent outdoor beer garden or seating area thus, a Pour License does not grant you authority to sell or serve alcohol at any location other than the Licensed Premises.

The Special Event Permit Application is NOT intended to be used for any event held by an organization that desires to hold an event at a designated private location in the Village.

Requirements and Conditions

1. **Conference Requirements:** Prior to the Village's review of any application, a conference with Village staff is required to ensure that the applicant and Village have a shared understanding of the event and its impacts. This meeting provides an opportunity to work together in a collaborative, problem-solving manner to make sure the event is safe, successful, and beneficial to the community. The conference may include representatives from:
    a. Village administrative staff
    b. Police Department staff
    c. Public Works staff
    d. Win-Bur-Sew Fire Protection District staff

    The purpose of this conference is to identify requirements such as emergency planning, insurance, staffing, and permitting in advance of formal approval, while fostering open communication and teamwork between the event organizers and Village staff.

2. **Insurance Requirements:**
    a. General Liability: All applicants must provide commercial general liability (CGL) insurance on an occurrence basis, including coverage for products and completed operations, property damage, bodily injury, and personal and advertising injury. Minimum coverage limits are $1,000,000 per occurrence and $2,000,000 aggregate. Coverage must specifically include the date(s), time(s), and location(s) of the special event.
    b. The applicant, and any relevant property owners must provide certificates of insurance naming the Village of Winnebago, its officials, employees, and volunteers, as well as the Win-Bur-Sew Fire Protection District and its board of trustees, as additional insureds.
3. **Landowner's Consent:** Applicants must provide proof of property control for the event location:
    a. Deed (if owned),
    b. Lease agreement (if rented), or
    c. Written authorization (if otherwise permitted). Events on Village property require a written license or use agreement approved by the Village President or Village Administrator.
4. **Amplified Sound and Noise Regulation:** Any use of sound-amplifying equipment (e.g., loudspeakers, public address systems, music, or other sound-producing devices) in connection with a special event must comply with the Village of Winnebago's Noise Ordinance (Ord. No. 2015-10). Sound levels must not disturb the peace, comfort, or quiet enjoyment of neighboring residents or businesses. The Village reserves the right to restrict or terminate amplified sound at any time if it is determined to be unreasonable or disruptive. <u>Event organizers are required to plan amplified sound outside of the following quiet hours:</u>
    - *Sunday through Thursday: 10:00 p.m. to 7:00 a.m.*
    - *Friday and Saturday: 11:00 p.m. to 7:00 a.m.*

5. **Barricades:** The Village will determine if and where barricades are needed. Costs for rental, delivery, and setup may be passed on to the applicant.

6. **Compliance with Ordinances:** Applicants must comply with all applicable Village codes and regulations, as well as all applicable fire district rules and state laws.
7. **Village Staffing Costs:** The Village may require police, public works, or other staff support. If deemed necessary for public safety or operations, the applicant will be notified in writing with a cost estimate at least 30 days before the event. If actual costs exceed the estimate, the applicant is still responsible for the full cost. The Village may deny an event if staffing needs are unreasonable or burdensome.
8. **EMS/Fire Support:** The Win-Bur-Sew Fire Protection District may require standby or on-site fire/EMS personnel. The applicant is responsible for all associated costs, which will be invoiced after the event. The fire district will determine staffing requirements.
9. **Emergency Action Plan (EAP):** Applicants may be required submit an EAP prior to the event for review by the Police Department and Fire District as requested.
10. **Fireworks:** Fireworks require a permit and approval from the Win-Bur-Sew Fire Protection District. Applicants must submit a fireworks operator’s license, insurance, site map, and shell list. Standby fire personnel are mandatory, and all associated costs will be billed to the applicant.
11. **Food and Beverage Inspections:** Food vendors must be approved and inspected by the Winnebago County Health Department. Food trucks and open flames may require additional fire inspections. The applicant is responsible for coordinating all inspections.
    a. Winnebago County Health Department: (815) 720-4000
    b. Win-Bur-Sew Fire Protection District: (815) 335-2513
12. **Release and Indemnification:** All applicants must sign the provided Release, Hold Harmless, and Indemnification Agreement, agreeing to indemnify the Village and the fire district from all liabilities related to the event.
13. **Parking Plan:** Applicants must submit a parking plan outlining available on-site and off-site parking, including ADA-compliant spaces. Temporary no-parking areas must be coordinated with the Village.
14. **Raffle Permit:** If a raffle will be held, a Village raffle permit must be obtained by Winnebago County
15. **Resident/Business Notification:** Events involving street closures or likely to disrupt nearby areas must provide advance notice to affected parties at least two weeks prior. The Village will provide a mailing list as needed.
16. **Street Closures:** Street closure requests must be submitted at least 90 days in advance. Closures on County roads require approval and permitting through the appropriate agency. The applicant must coordinate and pay for any required insurance and fees.
17. **Volunteers:** The Village may require a minimum number of on-site volunteers for crowd control or logistical purposes. Staff will coordinate with the applicant if needed.
18. **Site Plan:** Applicants must submit a detailed site plan showing the layout of vendors, first aid, stages, restrooms, waste stations, alcohol zones, entrances/exits, and parking. This can be hand-drawn or digital.
19. **Amusement Rides:** All mechanical rides, inflatables, and similar amusement devices must be operated by individuals or companies properly licensed with the Illinois Department of Labor, Division of Amusement Rides and Attractions, in compliance with the Illinois Carnival and Amusement Rides Safety Act (430 ILCS 85/). The Village of Winnebago and the Win-Bur-Sew Fire Protection District may conduct safety inspections of amusement rides prior to event.
20. **Cancellations:** Applicants must notify the Village in writing at least five (5) business days prior if an event is canceled for any reason other than weather.

Special Event Application Checklist

Use this list to ensure that you have included all required documentation for your application packet and have information ready for when the event is approved.

Documents that must be submitted:

- ☐ Completed and signed Special Event application
- ☐ Executed Release, Hold Harmless and Indemnification Agreement
- ☐ Certificate of Insurance including the Additional Insured Endorsement page, listing the Village and others as stated in the Instructions, 30 days prior to the event
- ☐ Site Plan
- ☐ Copy of deed, lease or owner written approval/consent.

Once your event is approved:

- ☐ Supplemental information as needed due in time frame requested.
- ☐ Appropriate payment based on required supplemental permits (see below)

Supplemental permit applications that *may* be required:
(Place a check mark in either "Submitted" or "Does Not Apply" for every line)

Submitted	Does Not Apply	Permit/License/Inspection	Cost/Fee
		Raffle Permit	Contact Winnebago County
		Fireworks Permit	Contact Win-Bur-Sew Fire District for Fee

*****The Winnebago Community Unit School District or Winnebago Park District may require additional permits if your event takes place on school district or park district property*****

SPECIAL EVENT PERMIT APPLICATION – PAGE 1 OF 3

GENERAL INFORMATION

Name of Event: ____

Type of Event:________Parade/Walk/Run ___________Festival _______Other______________(Describe)

Location of Event: _________________

Date (s) of Event:_______________Hours on Site: _____ to _____ Hours of Event: ______ to ______

Requested make-up date if any: _________________

Estimated attendance per day: ______Event Web site: ____

Purpose of the event: ____

____

Name of Applicant: ____

Note: Please list the Applicant's legal status, i.e. Sole Proprietorship, Partnership, Corporation, Limited Liability Company, or other type of For-Profit Entity.

Does your event include the use of a tent? ☐ **YES** ☐ **NO**

Will there be amusement rides and/or inflatable devices at the event? ☐ **YES** ☐ **NO**

Will you be using speakers and/or sound equipment at your event? ☐ **YES** ☐ **NO**

Are you holding a raffle at your event? ☐ **YES** ☐ **NO**

Are you planning to put up signs to promote your event? ☐ **YES** ☐ **NO**

Will you serve food at your event? ☐ **YES** ☐ **NO**

If yes, please indicate the number of vendor's _____

All food vendors are required to meet the standards set forth by Winnebago County.

Will you have portable toilets at your event? ☐ **YES** ☐ **NO**

Does your event require the use of sidewalks? ☐ **YES** ☐ **NO**

SPECIAL EVENT PERMIT APPLICATION – PAGE 2 OF 3

Would you like to request the closing of Village or County streets? YES☐ NO ☐
If yes, please fill in the following information or submit a route map along with this application ninety (90) days before the day of the event.

STREET	FROM	TO	DATE	TIME

SPECIAL EVENT PERMIT APPLICATION – PAGE 3 OF 3

SITE PLAN AND/OR ROUTE MAP

Please use the space below to illustrate the layout for your event or provide a separate site plan. If any parade or travel over public sidewalks and/or streets will be involved, on a separate sheet illustrate the route of travel. If you need additional space, please attach a separate sheet(s).

If applicable, the following must be included:

Location of food vendors (FV)
Location of beverage vendors (BV)
Location of toilets (T)
Location of hand washing sinks (HWS)
Location of retail merchants (RM)
Location of First Aid (FA)
Location and number of barricades (B)
Location of fire lane (FL)
Location of fire extinguishers (FE)
Public entrances and exits (PE)
Location of sound stages and amplified sound (S)
Location of residential streets surrounding events
Location of garbage receptacles (G)
Parking Plans

EVENT DETAIL (INTERNAL USE ONLY)

Applicant organization is a: ______ Sole Proprietorship ______ Partnership ______ Corporation
______ Limited Liability Company ______ Other For-Profit
______ Non-Profit ______ Government Agency

State of Incorporation or Organization: ____________________________

Contact person for the Application: ______________________________

Organization address:____

City:________________________ State:______ Zip: ___________

Primary Phone:________________ Cell Phone:________________ E-mail: _______________________

Is this an annual event? ☐ YES ☐ NO

If the event is a recurring event, please state any problems and/or incidents that have occurred in past years, such as sound amplification, neighborhood parking complaints, safety concerns, etc.

____

____

____

What has been done to address the problem(s)?

____

RELEASE, HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

____ [Insert Name of Applicant] (the "Applicant") does hereby waive, release, and discharge any and all claims for damages, including but not limited to those for death, personal injury, or property damage, that the Applicant may have or which may hereafter accrue to it against the Village of Winnebago (the "Village"), its Village President and Board of Trustees, and each of its officers, officials, employees, and volunteers, arising out of or in connection with the Applicant's participation in the special event described in the Special Event Permit Application submitted by the Applicant.

Additionally, the Applicant waives and releases any and all such claims against the Win-Bur-Sew Fire Protection District and its Board of Trustees, as well as their respective officers, employees, and volunteers, to the extent any liability arises from their involvement with the event.

The undersigned affirms that they have the authority to sign and submit this application on behalf of the Applicant. The Applicant agrees to notify the Village of any changes to the information provided in the application at least fifteen (15) days prior to the event. The Applicant further agrees to abide by all terms, conditions, ordinances, and applicable laws as set forth in the application materials and issued permits.

____
[insert name of Entity]

By:_______________________________________ ______________________
Name of signer: ________________________ Date
Title of signer: _________________________

Signed and sworn before me on this____________day of____________, ____________

____
Notary Public

All applications must be signed and notarized.
After submitting all forms, your application will be reviewed. All departments that will be involved in providing services or permits for the event will be notified. You will be notified if the event has been approved. **Please do not assume that all aspects of the event will be approved; you may be asked to make some changes to your plan based on the availability of services and scheduling of other events.**
The Village reserves the right to cancel any event at any time for reasons deemed necessary by the Village Board, Village Administrator, Police Department, and/or the WBSFPD.

Mail, email, or deliver in person completed applications to:
Village of Winnebago
108. West Main St., Winnebago, IL 61088
Phone: 815-335-2020
Email: vowadmin@winnebagoil.gov

Village of Winnebago – Internal Review & Approval Page

For Internal Use Only – Not to Be Shared with Applicants

I. Application Routing & Department Review

☐ Village Administrator – Reviewed by: ________________ Date: __________

☐ Public Works Department – Reviewed by: ________________ Date: __________

☐ Police Department – Reviewed by: ________________ Date: __________

☐ Fire District – Reviewed by: ________________ Date: __________

☐ Building Official – Reviewed by: ________________ Date: __________

☐ Village Attorney (if applicable) – Reviewed by: ________________ Date: __________

II. Internal Checklist: Required Permits & Approvals

Item	Required	Submitted	Approved	Staff Initials
Certificate of Insurance	☐ Yes ☐ No	☐	☐	___
Site Plan	☐ Yes ☐ No	☐	☐	___
Parking Plan	☐ Yes ☐ No	☐	☐	___
Tent Permit	☐ Yes ☐ No	☐	☐	___
Sign Permit	☐ Yes ☐ No	☐	☐	___
Raffle Permit	☐ Yes ☐ No	☐	☐	___
Fireworks Permit	☐ Yes ☐ No	☐	☐	___
Carnival/Inflatable Inspection	☐ Yes ☐ No	☐	☐	___
Emergency Action Plan	☐ Yes ☐ No	☐	☐	___
Barricades Needed	☐ Yes ☐ No	☐	☐	___
Street Closure	☐ Yes ☐ No	☐	☐	___

III. Fee Calculation Worksheet

Fee Type	Amount	Notes
Barricade Delivery & Setup		Based on PW estimate
Police Staffing		# hours x hourly rate
Public Works Staffing		# hours x hourly rate
Fire/EMS Standby		Invoiced by Fire District
Other: __________		
Total Estimated Cost		

Fee Waiver Eligibility & Documentation

Automatic Fee Waivers Apply If Any of the Following Are True:

☐ The applicant is a local taxing body, including Village of Winnebago, Winnebago Park District, or Winnebago School District

☐ The applicant is a registered 501(c)(3) nonprofit and the event is free and open to the public

☐ The event is held entirely on Village-owned property and does not require staff overtime or barricades

Documentation confirming eligibility must be included in the file (e.g., IRS nonprofit determination letter, intergovernmental status, site map). **<u>Board Review Required for All Other Waiver Requests</u>**

III. Final Administrative Review

☐ All departmental reviews complete

☐ Required permits issued

☐ Fee responsibilities confirmed or waived

☐ Event added to Village calendar

☐ Applicant notified of final approval

☐ Application scanned and archived

Final Approval By: ________________________

Title: _________________

Date: _________________

Agenda Item Executive Summary

Item Name	STORMWATER UTILITY FUNDING – INITIAL OPTIONS FOR CONSIDERATION	Committee or Board	Committee

BUDGET IMPACT			
Amount:	N/A	*Budgeted:*	N/A
List what fund:	N/A		

EXECUTIVE SUMMARY

At the August 28, 2024 Committee of the Whole meeting, the Village Board discussed the need for a sustainable, long-term approach to stormwater management. Historically, stormwater improvements in the Village of Winnebago have been funded through the general fund, leading to inconsistent funding or competition with other priorities.

Staff has presented three preliminary options for the Board to consider:

1. **Conduct a Feasibility Study** funded through general revenues to evaluate system conditions and long-term funding strategies.
2. **Implement a Nominal Flat Fee** (e.g., $2–$5 per month) to immediately begin generating revenue for a future feasibility study and minor improvements.
3. **Continue Current Practice** of funding stormwater improvements as-needed through general funds, with no dedicated source.

Each option offers trade-offs in timing, funding stability, and community impact. Staff seeks Board direction on which approach to pursue, including whether to prioritize study completion or establish a dedicated funding stream immediately.

ATTACHMENTS (PLEASE LIST)

Staff Memo, Example Stormwater Study (Stillman Valley), Resh Farms Drainage Proposal (Fehr Graham) 2024

ACTION REQUESTED

☒For Discussion Only

☐Resolution

☐Ordinance

☐Motion:

MOTION:

Staff: Joey Dienberg, Village Administrator Date:

VILLAGE OF WINNEBAGO

MEMORANDUM

©

Prepared By:	Joey Dienberg, Village Administrator
To:	Chad Insko, Director of Public Works
Date:	September 3, 2025
Subject:	Stormwater Utility Funding

Background

At the August 28, 2024, Committee of the Whole meeting, we discussed the need for a long-term, sustainable approach to stormwater management. The Village has historically taken a reactive approach, responding to drainage issues as they arise. However, the increasing demands on our aging stormwater infrastructure—combined with unpredictable funding from general revenues—necessitate a more structured plan for improvements.

Stormwater management is unique in that, unlike water or sewer utilities, it is not traditionally funded through user fees. Instead, municipalities often rely on general funds, which can create funding inconsistencies and place a disproportionate burden on taxpayers. A stormwater utility is a funding mechanism that allows a municipality to charge a user fee based on a property's impact on the stormwater system, ensuring predictable and equitable funding for stormwater infrastructure, maintenance, and improvements.

While stormwater utilities are relatively rare in Illinois, several communities have successfully implemented them. Municipalities typically structure fees as:

- Flat fees (same rate for all properties).
- Impervious area-based fees (higher fees for properties that generate more runoff).
- Tiered fees (grouping properties into runoff impact categories).

For Winnebago, stormwater management has historically been funded through the general fund, competing with other priorities such as road maintenance, public safety, and facility improvements. As a result, there is no dedicated funding source to plan for large-scale drainage improvements. The Board must now determine how best to proceed, balancing funding needs, community impact, and long-term sustainability.

This memo presents four options for first steps, building on our previous discussion.

Options for First Steps

1. Conduct a Feasibility Study First (Funded with Local Funds)

The Village could begin with a stormwater feasibility study, similar to our water rate study, to assess system conditions, identify needs, and explore funding options. This would provide a clear, data-driven foundation for decision-making. The study could be funded from general revenues, which would delay the need for a fee but require budget adjustments elsewhere.

- Pros: Ensures informed decision-making before implementing fees; establishes a structured improvement plan.
- Cons: Requires upfront local funding; potential delays in addressing immediate stormwater issues.

2. Develop a Flat Stormwater Fee First, Then Conduct a Study

A nominal flat fee (e.g., \$2–\$5 per month per customer) could be implemented now to generate revenue for a feasibility study and minor improvements. This approach would create a dedicated funding stream while allowing time to evaluate long-term solutions. Based on our estimates, this fee could generate between \$28,800 and \$72,000 annually (see attached revenue estimates).

- Pros: Establishes dedicated stormwater funding without impacting general funds; allows minor improvements now.
- Cons: Introduces a fee before a full assessment; adjustments may be needed after the study is complete.

3. Continue the Status Quo: Fund Stormwater Projects Through Local Funds

The Village could continue to address stormwater needs through the general fund, allocating resources on an as-needed basis. This avoids a new fee but limits long-term planning and competes with other budget priorities, such as road maintenance and public safety.

- Pros: No new fees; maintains flexibility in budget allocations.
- Cons: Reduces funding for other Village services; no dedicated stormwater funding for future projects.

Next Steps for Committee Discussion

The Village Board should consider:

1. Which option aligns best with our priorities?
2. Should we fund a feasibility study upfront or establish a fee first?
3. Do we need a dedicated stormwater fee now, or can we continue funding projects through general funds?

Conclusion

Following the Committee's discussion, staff can begin preparing the necessary information and materials to support the selected approach. This may include developing preliminary cost estimates, identifying potential funding sources, outlining a public engagement strategy, or drafting policy recommendations. Each option presents trade-offs in terms of funding, timing, and community impact. The decision on how to proceed remains with the Board, and staff is prepared to take the next steps based on the Committee's direction.

Stormwater Utility Revenue Estimates (Based on 1200 Users - Estimate)		
Flat Fee ($)	Estimated Monthly Revenue ($)	Estimated Annual Revenue ($)
$ 2.00	$ 2,400.00	$ 28,800.00
$ 2.25	$ 2,700.00	$ 32,400.00
$ 2.50	$ 3,000.00	$ 36,000.00
$ 2.75	$ 3,300.00	$ 39,600.00
$ 3.00	$ 3,600.00	$ 43,200.00
$ 3.25	$ 3,900.00	$ 46,800.00
$ 3.50	$ 4,200.00	$ 50,400.00
$ 3.75	$ 4,500.00	$ 54,000.00
$ 4.00	$ 4,800.00	$ 57,600.00
$ 4.25	$ 5,100.00	$ 61,200.00
$ 4.50	$ 5,400.00	$ 64,800.00
$ 4.75	$ 5,700.00	$ 68,400.00
$ 5.00	$ 6,000.00	$ 72,000.00

FEHR GRAHAM
ENGINEERING & ENVIRONMENTAL

August 23, 2024

President Frank Eubank
Village President
Village of Winnebago
108 West Main Street
Winnebago, Illinois 61088

RE: Proposal for Professional Services
Resh Farm Drainage Study and Improvements

Dear President Eubank,

We understand the Village intends to replace the box culvert crossing under Westfield Road near the point of stormwater discharge from the Resh Farms subdivision. This replacement will require a topographic survey, the design of a new precast box culvert, a brief drainage review to confirm sizing of the new culvert and bidding documents and services.

The following is the scope of services which Fehr Graham is set to provide:

SCOPE OF SERVICES

Topographic Survey

Fehr Graham will perform a limited topographic survey at the Resh Farms stormwater outlet structure, as well as the area surrounding the box culvert under Westfield Road described above. Accurate edge of pavement locations will be obtained at the Westfield culvert along with visible utilities, and spot elevations where needed for design purposes. A permanent benchmark will be placed on site. Upon completion of the field data collection, GIS data and LIDAR contours from WinGIS will be supplemented into the survey information to create a base surface to work from.

Westfield Culvert Replacement Design

Fehr Graham will prepare the following Final Engineering Services:

- Final Engineering Plans to facilitate replacement of the existing box culvert through the preparation of:
  - Removal Plan.
    - Will indicate the removal of existing box culvert and headwall sections.
  - Site Plan and Details.
    - Proposed plan layouts.
    - Proposed spot elevations.
    - Proposed culvert invert elevations. At this time, it is assumed that the Village is requesting a design for a precast box culvert structure.
    - Proposed pavement section and specification for Westfield Road.
    - Construction Detail Drawings.
  - Soil Erosion and Sedimentation Control Plans.
    - Details and Specifications relating to the work depicted in these drawings.
  - Brief drainage memo justifying culvert sizing based on the drainage area tributary to the culvert assuming the existing Resh Farms detention basin is not detaining to the Winnebago County Stormwater Ordinance requirements.

- Fehr Graham will provide an itemized opinion of probable costs for the proposed improvements upon completion of the design phase for the Village of Winnebago to use in verifying the project budget.

Bidding Documents and Services
Fehr Graham will prepare bidding documents and opinion of probable cost, advertisement of bid documents via QuestCDN, issuance of addendums, evaluation of bids, and recommendation of Contract award to the Village board. This shall also include the attendance and coordination for one (1) pre-bid conference.

EXCLUSIONS

The following items are **not** anticipated to be required as a part of this Scope of Services:

- Environmental or soil remediation services.
- Water and sanitary sewer improvements.
- Civil and structural engineering design relating to the Resh Farms stormwater outlet structure.
- Multiple culvert design options for Westfield Culvert replacement.
- As-built survey.
- National Pollutant Discharge Elimination System Permit and Stormwater Pollution Prevention Plan (assumed less than 1 acre of disturbance).
- Permit fees.
- Archaeological investigations.
- Ecological investigations.
- Preparation of permanent or temporary easements and/or right-of-way acquisition documents.
- Utility coordination.
- Title commitments.
- Construction management and observation services.
- Contract management services.
- Construction staking.
- Boundary survey.
- Design services for scope outside of that listed above.
- Multiple bidding processes.
- Geotechnical borings and reporting.
- Illinois Department of Natural Resources hydrologic and hydraulic study/report and permitting.
- Preliminary bridge design and Hydraulic Report submission to Illinois Department of Transportation (DOT).
- Type, Size, and Location Drawing for culvert structure (Illinois DOT).
- PCSWMM modeling of Resh Farms Subdivision.
- Stormwater modeling of existing Resh Farms stormwater basin.
- Topographic survey of Resh Farms subdivision.

**Any of the above services can be performed at an additional cost to the project upon request.*

FEES

Based on the information available at this time, Fehr Graham is prepared to provide the Scope of Services described as follows on a lump sum basis:

»	Topographic Survey	$3,100.00
»	Westfield Culvert Replacement Design	$26,600.00
»	Bidding Documents and Services	$5,500.00
	Total	**$35,200.00**

AUTHORIZATION

We appreciate the opportunity to provide you with this proposal. Please sign and return the attached Agreement for Professional Services, which will serve as your official authorization for us to proceed with the proposed work scope.

I trust that the information we have provided is in line with your expectations. If you should have any questions or concerns, please do not hesitate to contact me in the office at (815) 394-4700.

Sincerely,

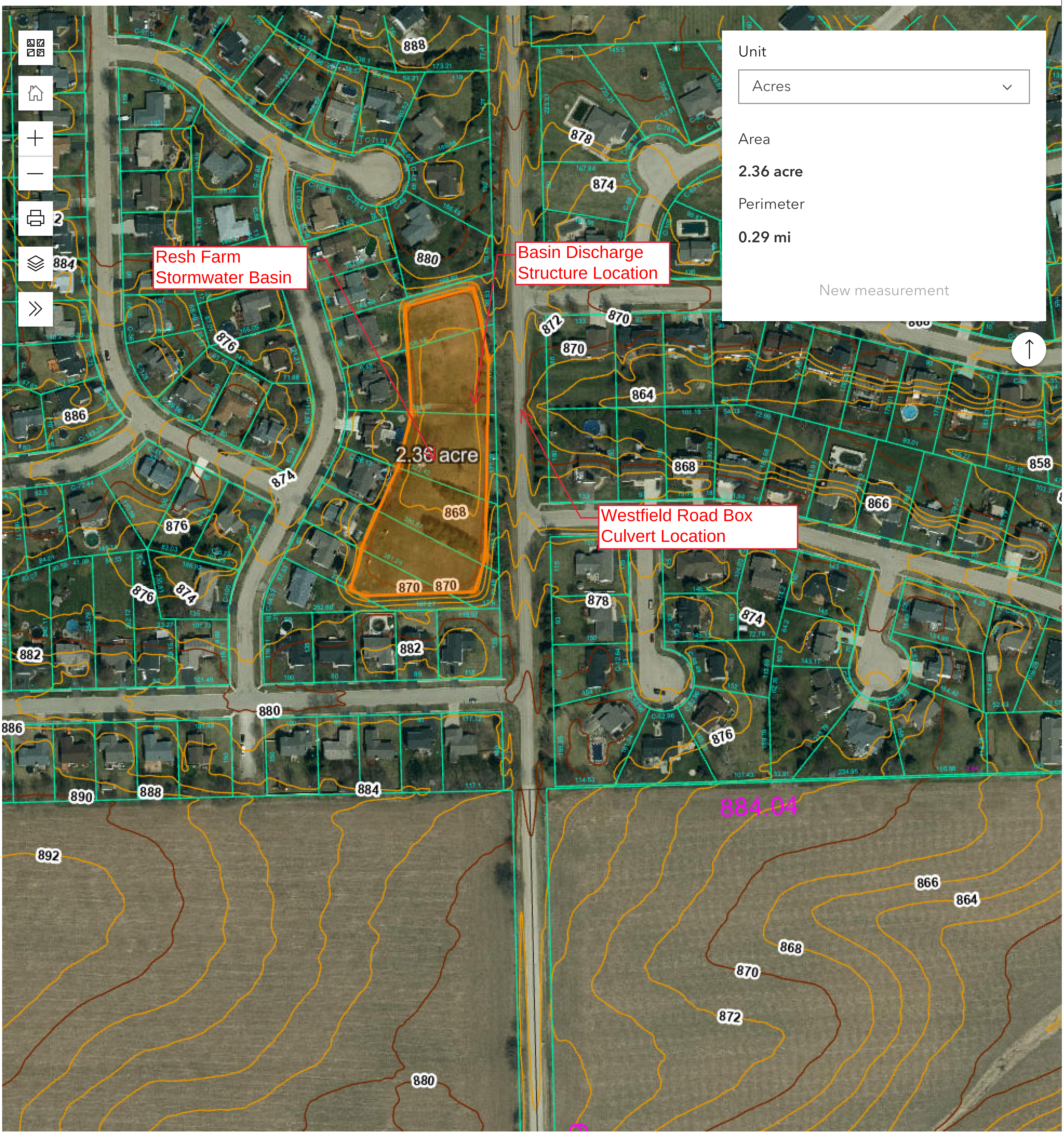
Seth Gronewold, PE
Principal

SWG:jja

Enclosures
Site Exhibit
Agreement for Professional Services

N:\Proposals\2024\Luke Ziegler\Winnebago, Village of\Resh Farm Stormwater\Reduced Scope Proposal\Winnebago - 2024.08.23 Resh Farm Storm Proposal.docx

| WinCo Layers Subscription Map



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FEHR GRAHAM
ENGINEERING & ENVIRONMENTAL

AGREEMENT
FOR PROFESSIONAL SERVICES

Client	President Frank Eubank Village President Village of Winnebago 108 West Main Street Winnebago, Illinois 61088

Description of Services:

<u>Village of Winnebago – Resh Farm Drainage Study and Improvements</u>

Fehr Graham will complete the scope of services as outlined in the proposal dated August 23, 2024, included herein.

COST:

Based on the information available at this time, Fehr Graham is prepared to provide the Scope of Services described as follows on a lump sum basis:

»	Topographic Survey	$3,100.00
»	Westfield Culvert Replacement Design	$26,600.00
»	Bidding Documents and Services	$5,500.00
	Total	**$35,200.00**

The attached General Conditions are incorporated into and made a part of this Agreement.

ACCEPTED AND AGREED TO:
I/we, the undersigned, authorize Fehr Graham to provide services as outlined above, and also agree that I/we are familiar with and **<u>ACCEPT THE TERMS OF THE ATTACHED GENERAL CONDITIONS.</u>**

CLIENT:		CONSULTANT:	
Signature		By	
Name		Name	Seth Gronewold, PE
Title		Title	Principal
Date Accepted		Date Proposed	August 23, 2024

24-1570

GENERAL CONDITIONS TO AGREEMENT FOR PROFESSIONAL SERVICES

1. The Client requests the professional services of Fehr Graham hereinafter called "The Consultant" as described herein.

2. The Consultant agrees to furnish and perform the professional service described in this Agreement in accordance with accepted professional standards. Consultant agrees to provide said services in a timely manner, provided, however, that Consultant shall not be responsible for delays in completing said services that cannot reasonably be foreseen on date hereof or for delays which are caused by factors beyond his control or delays resulting from the actions or inaction of any governmental agency. Consultant makes no warranty, expressed or implied, as to his findings, recommendations, plans and specifications or professional advice except that they were made or prepared in accordance with the generally accepted engineering practices.

3. It is agreed that the professional services described in the Agreement shall be performed for Client's account and that Client will be billed monthly for said services. A 1½% per month service charge will be incurred by Client for any payment due herein and not paid within 30 days of such billing which is equal to an ANNUAL PERCENTAGE RATE OF 18%. Partial payments will be first credited to the accrued service charges and then to the principal.

4. The Client and the Consultant each binds himself, his partners, successors, executors, and assigns to the other party to this agreement and to the partners, successor, executors, and assigns of such other party in respect to this agreement.

5. The Client shall be responsible for payment of all costs and expenses incurred by the Consultant for his account, including any such monies that the Consultant may advance for Client's account for purposes consistent with this Agreement.

6. The Consultant reserves the right to withdraw this Agreement if not accepted within 30 days.

7. A claim for lien will be filed within 75 days of the date of an invoice for services (last day of services rendered) unless the account is paid in full or other prior arrangements have been made. All attorney fees incurred by the Consultant due to the filing of said lien or the foreclosure thereof shall be borne by the Client.

   In the event suit must be filed by Consultant for the collection of fees for services rendered, Client will pay all reasonable attorney's fees and court costs.

   If Client defaults in payment of fees or costs due under the terms of this Agreement and Consultant incurs legal expenses as a result of such failure, Client shall be responsible for payment for Consultant's reasonable attorney fees and costs so incurred.

8. The Consultant shall present, for the consideration of the Client, engineering and technical alternatives, based upon its knowledge and experience in accordance with accepted professional standards, with selection of alternatives and final decisions as requested by the client to be the sole responsibility of the Client.

9. Construction Phase Activities (When applicable) - In connection with observations of the work of the Contractor(s) while it is in progress the Consultant shall make visits to the site at intervals appropriate to the various stages of construction as the Consultant deems necessary in Agreement to observe as an experienced and qualified design professional the progress and quality of the various aspects of the Contractor(s)'s work. Based on information obtained during such visits and on such observation, the Consultant shall endeavor to determine in general if such work is proceeding in accordance with the Contract Documents and the Consultant shall keep the Client informed of the progress of the work.

   The purpose of the Consultant's visits to the site will be to enable the Consultant to better carry out the duties and responsibilities assigned to and undertaken by the Consultant during the Construction Phase, and, in addition, by exercise of the Consultant's efforts as an experienced and qualified design professional, to provide for the Client a greater degree of confidence that the completed work of the Contractor(s) will conform generally to the Contract Documents and that the integrity of the design concept as reflected in the Contract Documents has been implemented and preserved by the Contractor(s). The Consultant shall not, during such visits or as a result of such observations of Contractor(s)' work in progress, supervise, direct or have control over Contractor(s)' work nor shall the Consultant have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by Contractor(s), for safety precautions and programs incident to the work of Contractor(s) or for any failure of Contractor(s) to comply with laws, rules, regulations, ordinances, codes, or orders applicable to Contractors(s) furnishing and performing their work. Accordingly, the Consultant can neither guarantee the performance of the construction contracts by Contractor(s) nor assume responsibility for Contractor(s)' failure to furnish and perform their work in accordance with the Contract Documents.

10. Estimates of Fees – When fees are on a time and material basis the estimated costs required to complete the services to be performed are made on the basis of the Consultant's experience, qualifications, and professional judgment, but are not guaranteed. If the costs appear likely to exceed the estimate in excess of 20%, the Consultant will notify the Client before proceeding. If the Client does not object to the additional costs within seven (7) days of notification, the increased costs shall be deemed approved by the Client.

11. The Consultant is responsible for the safety on site of his own employees. This provision shall not be construed to relieve the Client or the Contractor(s) from their responsibility for maintaining a safe work site. Neither the professional services of the Consultant, nor the presence of his employees or subcontractors shall be construed to imply that the Consultant has any responsibility for any activities on site performed by personnel other than the Consultant's employees or subcontractors.

12. Original survey data, field notes, maps, computations, studies, reports, drawings, specifications and other documents generated by the Consultant are instruments of service and shall remain the property of the Consultant. The Consultant shall provide copies to the Client of all documents specified in the Description of Services.

Any documents generated by the Consultant are for the exclusive use of the Client and any use by third parties or use beyond the of the document shall be at the sole risk of the Client. To the fullest extent permitted by law, the Client shall indemnify, defend and hold harmless the Consultant for any loss or damage arising out of the unauthorized use of such documents.

13. No claim may be asserted by either party against the other party unless an action on the claim is commenced within two (2) years after the date of the Consultant's final invoice to the Client.

14. If a Client's Purchase Order form or acknowledgment or similar form is issued to identify the agreement, authorize work, open accounts for invoicing, provide notices, or document change orders, the preprinted terms and condition of said Purchase Order shall be superseded by the terms hereof.

15. Standard of Care – Services performed by Consultant under this agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. No other representation expressed or implied, and no warranty or guarantee is included or intended in any report, opinion or document under this agreement.

16. Liability Insurance – Consultant will maintain such liability insurance as is appropriate for the professional services rendered as described in this Agreement. Consultant shall provide Certificates of Insurance to Client, upon Client's request, in writing.

17. Indemnification and Limitation of Liability – Client and Consultant each agree to indemnify and hold the other harmless, including their respective officers, employees, agents, members, and representatives, from and against liability for all claims, costs, losses, damages and expense, including reasonable attorney's fees, to the extent such claims, losses, damages or expenses are caused by the indemnifying party's acts, errors or omissions.

    The Client understands that for the compensation herein provided Consultant cannot expose itself to liabilities disproportionate to the nature and scope hereunder. Therefore, the Client agrees to limit Consultant's liability to the Client arising from Consultant's professional acts, errors or omissions, such that the total aggregate liability of Consultant shall not exceed $50,000 or Consultant's total fee for services rendered on this Project, whichever is less.

18. Allocation of Risk – Consultant and Client acknowledge that, prior to the start of this Agreement, Consultant has not generated, handled, stored, treated, transported, disposed of, or in any way whatsoever taken responsibility for any toxic substance or other material found, identified, or as yet unknown at the Project premises. Consultant and Client further acknowledge and understand that the evaluation, management, and other actions involving toxic or hazardous substances that may be undertaken as part of the Services to be performed by Consultant, including subsurface excavation or sampling, entails uncertainty and risk of injury or damage. Consultant and Client further acknowledge and understand that Consultant has not been retained to serve as an insurer of the safety of the Project to the Client, third parties, or the public.

    Client acknowledges that the discovery of certain conditions and/or taking of preventative measures relative to these conditions may result in a reduction of the property's value. Accordingly, Client waives any claim against Consultant and agrees to indemnify, defend, and hold harmless Consultant and its subcontractors, consultants, agents, officers, directors, and employees from any claim or liability for injury or loss allegedly arising from procedures associated with environmental site assessment (ESA) activities or the discovery of actual or suspected hazardous materials or conditions. Client releases Consultant from any claim for damages resulting from or arising out of any pre-existing environmental conditions at the site where the work is being performed which was not directly or indirectly caused by and did not result from, in whole or in part, any act or omission of Consultant or subcontractor, their representatives, agents, employees, and invitees.

    If, while performing the Services set forth in any Scope of Services, pollutants are discovered that pose unanticipated or extraordinary risks, it is hereby agreed that the Scope of Services, schedule, and costs will be reconsidered and that this Agreement shall immediately become subject to renegotiation or termination. Client further agrees that such discovery of unanticipated hazardous risks may require Consultant to take immediate measures to protect health and safety or report such discovery as may be required by law or regulation. Consultant shall promptly notify Client upon discovery of such risks. Client, however, hereby authorizes Consultant to take all measures Consultant believes necessary to protect Consultant and Client personnel and the public. Furthermore, Client agrees to compensate Consultant for any additional costs associated with such measures.

19. In the event of legal action to construe or enforce the provisions of this agreement, the prevailing party shall be entitled to collect reasonable attorney fees, court costs and related expenses from the losing party and the court having jurisdiction of the dispute shall be authorized to determine the amount of such fees, costs and expenses and enter judgment thereof.

20. Assignment - Neither party to this Agreement shall, without the prior written consent of the other party, which shall not be unreasonably withheld, assign the benefit or in any way transfer its obligations under this Agreement or any part hereof; provided, however, either Party may freely assign this Agreement to a parent, subsidiary or affiliate without the other party's consent. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and except as otherwise provided herein, upon their executors, administrators, successors, and assigns.

21. Termination – The obligation to provide further services under this Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. In the event of any termination, Consultant will be paid for all services rendered to the date of receipt of written notice of termination, at Consultant's established chargeout rates, plus for all Reimbursable Expenses including a 15% markup.

22. Provision Severable – The unenforceability or invalidity of any provisions hereof shall not render any other provisions herein contained unenforceable or invalid.

23. Governing Law and Choice of Venue – Client and Consultant agree that this Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Illinois. If there is a lawsuit, Client and Consultant agree that the dispute shall be submitted to the jurisdiction of the Illinois District Court in and for Stephenson County, Illinois.

DRAINAGE STUDY REPORT

FOR

VILLAGE OF STILLMAN VALLEY

STUDY OF DRAINAGE CHANNEL LOCATED BETWEEN WALNUT STREET AND PINE STREET

2021

Aaron M Full

Aaron M. Full, P.E.
Illinois Licensed Professional Engineer
License No. 062-060827
Expires: 11/30/2021
WHA # 1309R21

WILLETT HOFMANN
& ASSOCIATES INC
ENGINEERING ARCHITECTURE LAND SURVEYING

57 AIRPORT DRIVE, ROCKFORD, IL 61109
T: 815-964-2897 DESIGN FIRM: #184-000918

WILLETT HOFMA
& ASSOCIATES
ENGINEERING ARCHITECTURE LAND SU
57 AIRPORT DRIVE, ROCKFORD, IL 61109
T: 815-964-2897 DESIGN FIRM: #184-000918

TABLE OF CONTENTS

LIST OF EXHIBITS

Introduction

Willett, Hofmann and Associates, Inc. (WHA) was retained by the Village of Stillman Valley to perform a drainage study on an existing drainage ditch/channel located between Pine Street and Walnut Street from Wilson Street to Main Street. The purpose of this study was threefold. First, the Village requested that WHA determine the runoff generated by the upstream area draining to the existing channel and determine if the existing channel has adequate capacity during various storm events. Second, the Village requested that WHA examine alternatives for improvements to the drainage channel that would alleviate the existing erosion due to scour while provided extra conveyance capacity. Third, provide an estimate of probable construction costs of the various alternatives examined.

Existing Conditions

In total, the existing drainage area contributing runoff to the studied drainage channel is approximately 86 acres in size and extends as far south as 2nd Street, as far west as Stillman Road, and as far east as Spruce Street. The defined drainage channel begins just north of Grant Street between Pine and Walnut Streets and continues to drain from the south to the north through the Village Limits. Exhibit 1 outlines the overall drainage limits and drainage channel location.

The section of the drainage channel of interest to this study is that section previously described from Wilson to Main Streets. This section has been further broken down into three (3) distinct segments as follows:

- Segment 1 – Main Street to the alley between Main Street and Roosevelt Street
- Segment 2 – The alley between Main Street and Roosevelt Street to Roosevelt Street
- Segment 3 – Roosevelt Street to Wilson Street

The channel in Segment 1 is rectangular in shape with a dirt and stone bottom and vertical walls consisting of concrete blocks on the east side and a homemade gabion basket-type system comprising the west wall. The channel bottom, while only constructed in dirt and rock, appears to be stable and does not show significant signs of erosion. The homemade gabion basket-type system comprising the west wall also appears to be stable showing only a few places of erosion along the base. The concrete block wall on the west side of the channel is leaning significantly, and pieces of the top of the wall have started to fall off into the channel. While not imminent, the failure of the west wall is only a matter of time. The capacity of this section of the drainage channel will be discussed later in this report.

The channel in Segment 2 is a trapezoidal channel with established short to medium grasses lining the bottom and sides. The channel bottom and sides do not show any significant signs of erosion; however, it does appear that eroded material has been deposited and collecting in this channel for a significant amount of time. The capacity of this section of the drainage channel will be discussed later in this report.

The channel in Segment 3 is also trapezoidal with varying lining as the channel drains from south to north. At the south end, Segment 3 is densely overgrown with trees, brush, and reeds which eventually recede into a section with a lining combination of dirt, rock, and medium height weeds as the channel extends to the north. The south end of the channel has been poorly maintained and the tree and brush growth will have a significant impact on the flow conveyance capacity of the drainage channel. At the north end, it appears that the adjacent homeowners have attempted to clean and maintain the ditch to a certain degree.

The capacity of this section of the drainage channel will be discussed later in this report. This cleaning has created a larger and uniform section while also removing a significant amount of the existing turf lining.

Between Wilson Street and Main Street, the drainage channel passes beneath Roosevelt Street and an alley. At Roosevelt Street, Segment 3 is conveyed beneath the roadway to Segment 2 in a concrete box culvert having approximate dimensions of 6'-4" wide x 2' tall. Immediately upstream and downstream of the box culvert, the sidewalks on the north and south sides of the street act as small bridges over the channel supported on concrete walls. The opening provided by these "bridges" is the same approximate size as the box culvert. At the alley, two (2) 15" corrugated metal pipe (CMP) culverts convey drainage from Segment 2 to Segment 1. At this location, the alley pavement is depressed and constructed out of concrete to act as a spillway for runoff to overtop the pavement and continue draining to the north during larger rainfall events. At Main Street, two (2) 27" equivalent round elliptical concrete culvert pipes convey drainage from Segment 1 to the north beyond the study limits. The capacity of these culverts will be discussed later in this report.

Photographs of the existing ditch Segments and the culvert crossings are provided in Exhibit 2.

Study Hydrologic Approach

Based on the size of the overall drainage basin and the type of facilities to be analyzed, the hydrology (runoff) for the drainage basin was calculated for the 2-, 5-, 10-, 25-, 50-, and 100-year recurrence storm events using two (2) different methodologies. The first method used was USGS Rural and Urban Regression Equation Method. The following Table 1 summarizes the results of this analysis:

Table 1
Regression Equation Method Runoff Calculation Results

Storm Recurrence Event	Segments 1 and 2		Segment 3	
	Rural Method	Urban Method	Rural Method	Urban Method
2 - Year	38.31 ft^3/s	74.70 ft^3/s	30.77 ft^3/s	60.00 ft^3/s
5 - Year	75.89 ft^3/s	130.53 ft^3/s	61.30 ft^3/s	105.44 ft^3/s
10 - Year	106.78 ft^3/s	172.99 ft^3/s	140.16 ft^3/s	140.16 ft^3/s
25 - Year	150.60 ft^3/s	231.92 ft^3/s	122.36 ft^3/s	188.43 ft^3/s
50 – Year	186.36 ft^3/s	275.81 ft^3/s	151.66 ft^3/s	224.46 ft^3/s
100 - Year	224.76 ft^3/s	325.91 ft^3/s	183.20 ft^3/s	265.64 ft^3/s

Since the existing channel is in a dense residential neighborhood and much of the runoff is generated by residential land uses, the results obtained from the urban method are more applicable to the specific channel being studied. The detailed calculations that generated the results provided in Table 1 can be found in Exhibit 3.

The second method used was the Rational Method. The following Table 2 summarizes the results of this analysis:

Table 2
Rational Method Runoff Calculation Results

Storm Recurrence Event	Segments 1 and 2 Rational Method	Segment 3 Rational Method
2 - Year	120.61 ft³/s	93.07 ft³/s
5 - Year	157.31 ft³/s	121.24 ft³/s
10 - Year	191.79 ft³/s	147.54 ft³/s
25 - Year	242.02 ft³/s	185.50 ft³/s
50 – Year	284.62 ft³/s	218.10 ft³/s
100 - Year	330.91 ft³/s	253.45 ft³/s

The detailed calculations that generated the results provided in Table 2 can be found in Exhibit 4.

The results derived from the Urban Method and Rational Method calculations for each of the segments are nearly identical in the 10- thru 100-year events. In the 2- and 5-Year recurrence events, the Rational Method generated the more conservative estimates. For this study, the Rational Method values were used to fulfill the first objective of determining whether-or-not the existing drainage channel provided sufficient runoff conveyance.

Existing Ditch Hydraulics

WHA personnel performed field measurements to determine the "average" ditch cross section in the various segments while also reviewing LIDAR data to determine the approximate ditch slopes. Once obtained, this data was used with the Chezy-Manning's equation to determine the theoretical peak runoff that could be conveyed by the various ditch segments. The results of this analysis are summarized in the following Table 3:

Table 3
Existing Ditch Full-Flow Hydraulic Capacity

	Full-Flow Hydraulic Velocity	Full-Flow Hydraulic Capacity
Segment 1	5.69 ft/s	62.7 ft³/s
Segment 2	4.97 ft/s	69.6 ft³/s
Segment 3	5.26 ft/s	69.4 ft³/s

The detailed calculations that generated the results provided in Table 3 can be found in Exhibit 5.

As calculated, the existing ditch cross sections are insufficient when compared to the runoff values outlined in Table 2. Based on this analysis, the existing ditches should flow at capacity in every storm event throughout the year and are under capacity during significant storm events. Since these ditches provide the overland flow path through the Village for a significant drainage area, these ditches should be designed to convey the 100-year recurrence event without damage to permanent structures. Based on the calculations performed, the in-situ ditch sections have approximately 20 to 25% of the needed capacity to convey the 100-year recurrence event.

Existing Culvert Hydraulics

WHA personnel performed field measurements to determine the approximate capacity of each of the culvert crossings in the study area. Each crossroad culvert was modeled using the HY-8 culvert modeling software created by the Federal Highway Authority (FHWA) at the various peak runoff volumes calculated previously. The following Table 4 summarizes the results of this analysis:

Table 4
Existing Culvert Crossing Full-Flow Hydraulic Capacity

Storm Recurrence Event	Main Street Culvert Crossing Discharge	Alley Culvert Crossing Discharge	Roosevelt Street Culvert Crossing Discharge
2 - Year	50.24 ft3/s	12.26 ft^3/s	81.86 ft3/s
5 - Year	52.28 ft3/s	12.66 ft^3/s	84.79 ft3/s
10 - Year	53.98 ft3/s	12.98 ft^3/s	85.48 ft3/s
25 - Year	56.14 ft3/s	13.42 ft^3/s	80.35 ft3/s
50 – Year	57.78 ft3/s	13.77 ft^3/s	76.17 ft3/s
100 - Year	59.42 ft3/s	14.05 ft^3/s	71.76 ft3/s

The detailed calculations reports from the HY-8 analysis that represent the detailed calculations provided in Table 4 can be found in Exhibit 6.

The results of this analysis indicate that the existing culvert sizes at each location are insufficient to convey the runoff generated by any of the modeled storm recurrence events without causing overtopping of the roadway to allow excess flow to continue to discharge downstream.

Analysis of the Existing System

Based on the hydrologic calculations and the capacity analyses performed for the ditch segments and roadway culvert crossings, the existing drainage channel should experience flooding on a common and routine basis during even minor rainfall events. However, flooding in these segments of the drainage channel does not occur at the rate expected. The reason for the lack of downstream flooding can be found in the performance of the upstream system.

As previously described, the main runoff pathway for this drainage basin channelizes just north of Grant Street and is conveyed through the back and side yards of residential homes before crossing streets via culverts at various other streets. The crossroad culverts serve as restrictions in the flow path that allows the upstream ditch sections and depressions in the yards to fill with water creating a complicated series of interconnected quasi-detention ponds. These detention ponds then attenuate the peak flow discharging downstream and serve to lower the values outlined in Tables 1 and 2. The lower, attenuated peak runoff then allows the drainage ditch and culvert system to convey adequate volumes of water without flooding the surrounding areas. To determine the attenuated peak runoff values would require a more significant study with larger scope than the purpose of this analysis.

Improvement Alternatives

Overall, the potential for making improvements to the drainage system for the purposes of increasing the overall system capacity is limited due to the restrictions at the existing culverts at Main Street, Roosevelt Street, and the alley. As outlined in Tables 3 and 4, the existing channel segments immediately upstream of the Main Street and alley culvert crossing have more capacity than the culverts. Increasing the capacity of the ditch cross section would not benefit the overall conveyance capacity of the system due to these restrictions. Each of the culvert crossings could be replaced; however, there are three potential impediments to be considered:

1. Jurisdictional control. The Village has the authority to replace the culverts beneath Main Street and the alley since they are located on Village right-of-way. However, the culvert beneath Roosevelt Street falls under the Illinois Department of Transportation's jurisdiction and would require the Village to permit the new culvert(s) and justify the sizing, improvement, etc.
2. Cost to benefit ratio. The cost to replace these culverts with those that could potentially convey larger storm events would be substantial, specifically the culverts beneath Main and Roosevelt Streets. This improvement would alleviate some of the local issues; however, significant lowering of upstream flood elevations would only be impactful if other bottlenecks were removed.
3. System stability. Replacing the existing culverts to allow for more conveyance would negatively impact the downstream channel and any culvert crossings downstream. The channel immediately downstream of the Main Street culverts appears to have sufficient capacity for the 100-year event; however, culvert crossings further downstream were not analyzed. Making improvements upstream without improving the downstream system would result in moving a problem in one location to another.

Even though channel cross section improvements will not specifically increase the overall system capacity due to restrictions caused by the existing culverts, improvements to the ditch cross sections are warranted due to various factors. The existing concrete block wall along Segment 1, while not an imminent threat, will eventually collapse and should be replaced. The cross sections of both Segments 2 and 3 can be widened to allow for more flow while also removing any debris that has collected over the years. All segments should be further stabilized to prevent future erosion.

Both Segments 1 and 2 of the drainage channel appear to be located on private property. Consultation with the Ogle County GIS does not indicate the presence of a dedicated right-of-way or easement for the drainage path. Potential improvements to the channel in these segments were limited to a total width of approximately 16' or less to limit the impact to the adjacent properties and reduce the amount of right-of-way/easement purchase by the Village.

The proposed improvement alternatives examined for Segment 1 were as follows:

- Alternative 1: Remove the existing concrete block and gabion basket walls and construct a new rectangular channel having an approximate size of 6' wide x 3' depth constructed out of precast concrete channel sections.
- Alternative 2: Remove the existing concrete block and gabion basket walls and construct a new rectangular channel having an approximate size of 6' wide and 3' depth constructed out of a cast-in-place concrete channel bottom and gabion basket walls.

- Alternative 3: Remove the existing concrete block and gabion basket walls and construct a new trapezoidal channel with a 4’ bottom width, 3’ depth, and 2:1 side slopes constructed out of cast-in-place concrete.

Estimates of probable construction cost for each of the three (3) alternatives are summarized in the following Tables 5, 6, and 7:

Table 5
Segment 1 – Alternative 1 Estimate of Probable Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$5,000	$5,000
2	Earth Excavation	Cu. Yd.	88	$30	$2,640
3	Seeding, Class 1 (Special)	Sq. Yd.	400	$15	$6,000
4	Inlet and Pipe Protection	Each	1	$300	$300
5	6’x3’ Precast Concrete Channel	Foot	130	$700	$91,000
6	Structural Concrete	Cu. Yd.	20	$700	$14,000
7	Fence Removal and Replacement	Foot	200	$55	$1,100
				Subtotal:	$129,940
				Contingency, 20%:	$25,988
				Total Estimated Construction:	$155,928

Table 6
Segment 1 – Alternative 2 Estimate of Probable Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$5,000	$5,000
2	Earth Excavation	Cu. Yd.	128	$30	$3,840
3	Seeding, Class 1 (Special)	Sq. Yd.	400	$15	$6,000
4	Inlet and Pipe Protection	Each	1	$300	$300
5	Concrete Channel Bottom, 8” Thick	Sq. Yd.	130	$105	$13,650
6	Gabion Baskets	Cu. Yd.	47	$300	$14,100
7	Structural Concrete	Cu. Yd.	20	$700	$14,000
8	Fence Removal and Replacement	Foot	200	$55	$1,100
				Subtotal:	$57,990
				Contingency, 20%:	$11,598
				Total Estimated Construction:	$69,588

Table 7
Segment 1 – Alternative 3 Estimate of Probably Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$5,000	$5,000
2	Earth Excavation	Cu. Yd.	184	$30	$5,520
3	Seeding, Class 1 (Special)	Sq. Yd.	400	$15	$6,000
4	Inlet and Pipe Protection	Each	1	$300	$300
5	Concrete Channel, 8" Thick	Sq. Yd.	306	$125	$38,250
6	Structural Concrete	Cu. Yd.	20	$700	$14,000
7	Fence Removal and Replacement	Foot	200	$55	$1,100
				Subtotal:	$70,170
				Contingency, 20%:	$14,034
				Total Estimated Construction:	$84,204

Detailed drawings showing the typical cross sections for each of the described improvement alternatives is provided in Exhibit 7.

The proposed improvement alternatives examined for Segment 2 were as follows:

- Alternative 1: Reconstruct the existing channel to provide a new, larger trapezoidal channel with a 4′ bottom width, 2′ depth, and 3:1 side slopes. The channel bottom and sides would be soil reinforced with geo-web to allow for turf growth with reduced erosion impacts. The flatter side slopes provided would allow for easier maintenance by adjacent homeowners.
- Alternative 2: Reconstruct the existing channel to provide a new, larger trapezoidal channel with a 4′ bottom width, 2′ depth, and 3:1 side slopes. The channel bottom would be constructed out of concrete and the side slopes construed out of soil reinforced with geo-web to allow turf growth with reduced erosion impacts. The flatter side slopes provided would allow for easier maintenance by adjacent homeowners.
- Alternative 3: Reconstruction the existing channel to provide a new, larger trapezoidal channel with an 8′ bottom width, 2′ depth, and 2:1 side slopes. The channel bottom and side slopes would be constructed out of cast-in-place concrete.

Estimates of probable construction cost for each of the three (3) alternatives are summarized in the following Tables 8, 9, and 10:

WILLETT HOFMA[N]
& ASSOCIATES
ENGINEERING ARCHITECTURE LAND SU[RVEYING]
57 AIRPORT DRIVE, ROCKFORD, IL 61109
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Table 8
Segment 2 – Alternative 1 Estimate of Probable Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$5,000	$5,000
2	Earth Excavation	Cu. Yd.	78	$30	$2,340
3	Seeding, Class 1 (Special)	Sq. Yd.	540	$15	$8,100
4	Inlet and Pipe Protection	Each	1	$300	$300
5	Geo-Web Reinforcement	Sq. Yd.	265	$60	$15,900
				Subtotal:	$31,640
				Contingency, 20%:	$6,328
				Total Estimated Construction:	$37,968

Table 9
Segment 2 – Alternative 2 Estimate of Probable Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$5,000	$5,000
2	Earth Excavation	Cu. Yd.	94	$30	$3,840
3	Seeding, Class 1 (Special)	Sq. Yd.	480	$15	$7,200
4	Inlet and Pipe Protection	Each	1	$300	$300
5	Concrete Channel Bottom, 8” Thick	Sq. Yd.	65	$105	$6,825
6	Geo-Web Reinforcement	Sq. Yd.	200	$60	$12,000
				Subtotal:	$35,165
				Contingency, 20%:	$7,033
				Total Estimated Construction:	$42,198

Table 10
Segment 2 – Alternative 3 Estimate of Probably Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$5,000	$5,000
2	Earth Excavation	Cu. Yd.	112	$30	$3,360
3	Seeding, Class 1 (Special)	Sq. Yd.	290	$15	$4,350
4	Inlet and Pipe Protection	Each	1	$300	$300
5	Concrete Channel, 8” Thick	Sq. Yd.	265	$125	$33,125
				Subtotal:	$46,135
				Contingency, 20%:	$9,227
				Total Estimated Construction:	$55,632

The proposed improvement alternatives examined for Segment 3 were the same as those developed for Segment 2. Estimates of probable construction cost for each of the three (3) alternatives are summarized in the following Tables 11, 12, and 13:

Table 11
Segment 3 – Alternative 1 Estimate of Probable Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$7,500	$7,500
2	Earth Excavation	Cu. Yd.	170	$30	$5,100
3	Seeding, Class 1 (Special)	Sq. Yd.	1,730	$15	$25,950
4	Inlet and Pipe Protection	Each	1	$300	$300
5	Geo-Web Reinforcement	Sq. Yd.	815	$60	$48,900
				Subtotal:	$87,750
				Contingency, 20%:	$17,550
				Total Estimated Construction:	$105,300

Table 12
Segment 3 – Alternative 2 Estimate of Probable Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$7,500	$7,500
2	Earth Excavation	Cu. Yd.	213	$30	$6,390
3	Seeding, Class 1 (Special)	Sq. Yd.	1,530	$15	$22,950
4	Inlet and Pipe Protection	Each	1	$300	$300
5	Concrete Channel Bottom, 8" Thick	Sq. Yd.	200	$105	$21,000
6	Geo-Web Reinforcement	Sq. Yd.	615	$60	$36,900
				Subtotal:	$95,040
				Contingency, 20%:	$19,008
				Total Estimated Construction:	$114,048

Table 13
Segment 3 – Alternative 3 Estimate of Probably Construction Cost

No.	Item	Quantity	Unit	Unit Price	Total Price
1	Tree Removal	L. Sum	1	$7,500	$7,500
2	Earth Excavation	Cu. Yd.	270	$30	$8,100
3	Seeding, Class 1 (Special)	Sq. Yd.	1,020	$15	$15,300
4	Inlet and Pipe Protection	Each	1	$300	$300
5	Concrete Channel, 8" Thick	Sq. Yd.	815	$125	$101,875
				Subtotal:	$133,075
				Contingency, 20%:	$26,615
				Total Estimated Construction:	$159,690

Detailed drawings showing the typical cross sections for each of the described improvement alternatives is provided in Exhibit 8.

Recommendations

Based on the previously described analysis of the existing drainage system, the potential for significant increase in conveyance capacity is limited by the crossroad culverts in the channel segments studied, as well as, in the areas upstream and downstream of the studied segments. The failing retaining wall on the west side of Segment 1 is a significant issue that the Village should consider addressing in the near future. The existing wall is leaning into the channel significantly and will eventually fall into the stream creating a significant obstruction to the drainage path. This failure is likely to take place during a significant rain event which will compound the issue. The possibility for damage to adjacent homes and property due to the failure of this wall is extremely high.

To address this issue with Segment 1, Alternative No. 2 appears to be an ideal solution due to multiple factors. Alternative No. 2 is the most cost-effective solution based on the estimates of probable costs prepared. The use of gabion baskets are a cost-effective replacement for the masonry block wall that is failing while keeping the shape of the overall channel consistent with the existing. Finally, the new channel will be sized such that the existing private fences on either side of the existing channel can be returned to their current positions without reducing the current side yards of the existing adjacent properties. This fact could prove to be a significant selling point to the property owners when attempting to acquire property and or easement for the construction and maintenance of the channel going forward.

While still necessary on extremely flat channel slopes, using cast-in-place concrete to line ditch channels has decreased in popularity in recent years. There are several reasons for this change in engineering thought. First, concrete channel linings dramatically increase velocity in the channel over natural materials allowing for more flow to move downstream faster contributing to flooding and scour. Second, new rules established by the Environmental Protection Agency regarding the protection of surface water have driven the use of more ecologically friendly designs. Turf linings, when properly stabilized, serve as natural filters to remove eroded silt, road salts, and other pollutants that can more readily enter downstream surface water when conveyed through an impermeable and smooth ditch/channel lining. Third, the permeability of the channel allows for some absorption of surface water in lieu of straight conveyance downstream.

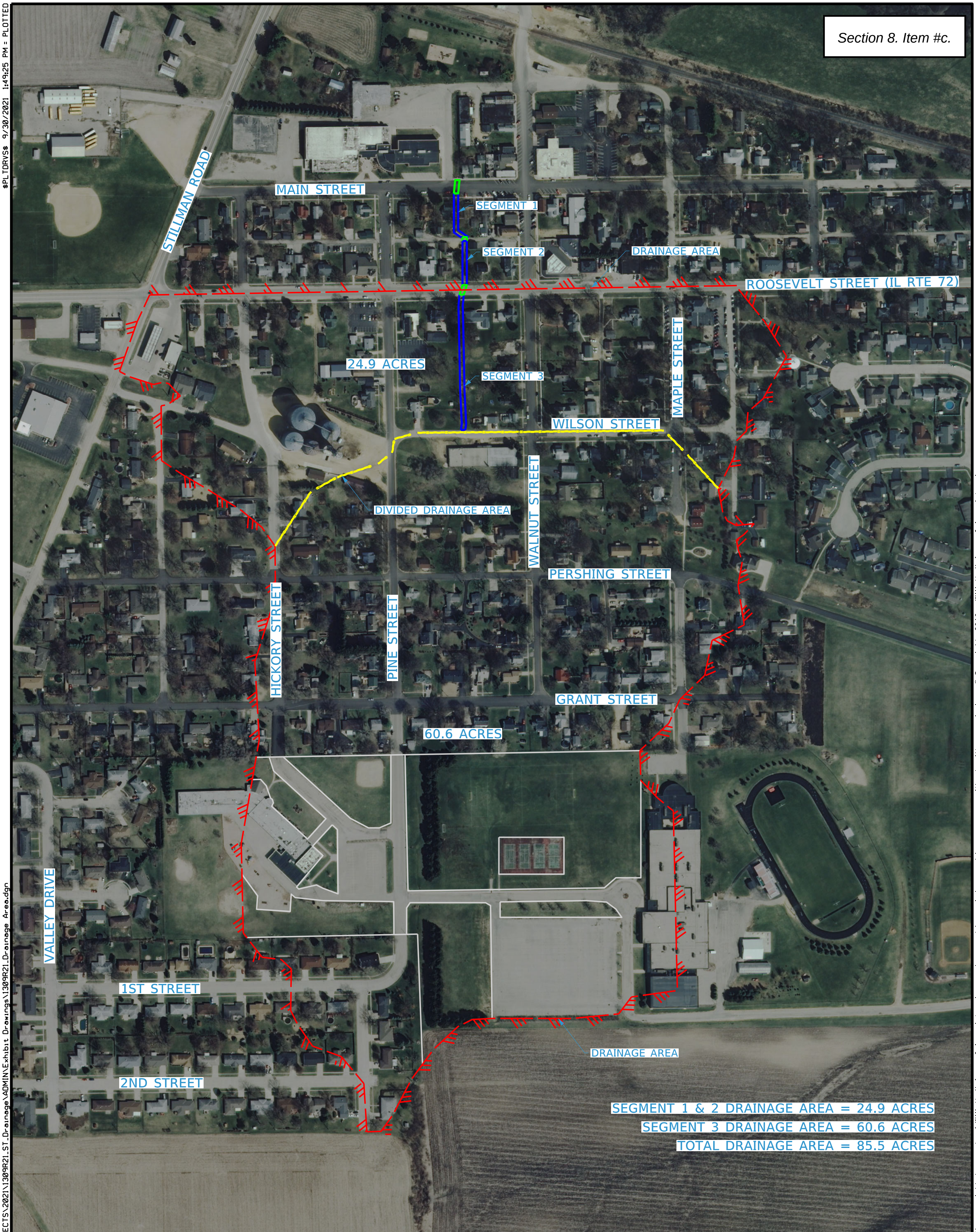
Based on this philosophy, the widening of the channel cross-sectional area in conjunction with the establishment of a stabilized turf lining as described in Alternative No. 1 appears to be the ideal improvement methodology for Segments 2 and 3. Increasing the cross-sectional area while maintaining a turf channel lining will reduce the velocity in the channel which will reduce the erosion that is currently taking place. The widening of the channel also provides an increased volume of storage upstream of the restrictions in the flow at the crossroads culverts. This increased volume will serve as further peak flow attenuation and provide positive impacts downstream while reducing flooding elevations upstream. Finally, the flattened side slopes of the channel will allow the adjacent property owners easier access to the channel for mowing and overall channel maintenance.

As determined from the analysis, the existing system is extremely intricate and appears to be sufficient during typical rainfall events. Making dramatic changes to this system without considerations for the downstream impacts will be a critical condition of any future improvements to be undertaken by the Village.

WILLETT HOFMA
& ASSOCIATES
ENGINEERING ARCHITECTURE LAND SU
57 AIRPORT DRIVE, ROCKFORD, IL 61109
T: 815-964-2897 DESIGN FIRM: #184-000918

Exhibit 1

Overall Drainage Basin and Location Map



SCALE

0' 200' 300' 400'

PROJECT NORTH

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T: 815-964-2897 DESIGN FIRM: #184-000918

VILLAGE OF STILLMAN VALLEY

DRAINAGE AREA

SHEET 1 OF 1

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Exhibit 2

Photographs of the Existing Channel and Culverts

RIGHT PHOTO:

SEGMENT 1
MAIN STREET CULVERT

LEFT PHOTO:

SEGMENT 1
LOOKING SOUTH FROM
MAIN STREET CULVERT

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VILLAGE OF STILLMAN VALLEY
DRAINAGE DITCH STUDY
EXISTING DRAINAGE DITCH PHOTOS (PAGE 1 OF 4)

RIGHT PHOTO:

SEGMENT 2
ALLEY CULVERT

LEFT PHOTO:

SEGMENT 2
LOOKING SOUTH FROM
ALLEY CULVERT

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VILLAGE OF STILLMAN VALLEY

DRAINAGE DITCH STUDY

EXISTING DRAINAGE DITCH PHOTOS (PAGE 2 OF 4)

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RIGHT PHOTO:

SEGMENT 2
NORTH SIDE OF
ROOSEVELT STREET (IL RTE 72)
CULVERT

LEFT PHOTO:

SEGMENT 3
SOUTH SIDE OF
ROOSEVELT STREET (IL RTE 72)
CULVERT

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VILLAGE OF STILLMAN VALLEY

DRAINAGE DITCH STUDY

EXISTING DRAINAGE DITCH PHOTOS (PAGE 3 OF 4)

RIGHT PHOTO:

SEGMENT 3
LOOKING SOUTH FROM
ROOSEVELT STREET (IL RTE 72)
CULVERT

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VILLAGE OF STILLMAN VALLEY
DRAINAGE DITCH STUDY
EXISTING DRAINAGE DITCH PHOTOS (PAGE 4 OF 4)

Exhibit 3

Regression Equation Method Runoff Calculations

Client: Village of Stillman Valley
Project Name: Drainage Study of Unnamed Tributary to Stillman Creek
Project Number: 1309R21
Engineer: Aaron M. Full, P.E.
Date: August 24, 2021

DETERMINATION OF FLOWS USING THE USGS REGRESSION EQUATIONS

All locations in the study area fall in Hydrologic Region 1 as outlined in "Estimating Flood-Peak Discharge Magnitudes and Frequencies for Rural Streams in Illinois", Scientific Investigations Report 2004-5103 as published by the USGS.

For the purpose of determing the most conservative set of flow data, will calculate the flows for each location using both the rural and urban techniques and use the higher, more conservative value.

RURAL METHOD

Location: **Segment 3 - Wilson Street to Roosevelt Street**

Total Drainage Area (TDA):	60.553	Acres
	0.09	Sq. Miles
Main Channel Length (MCL):	2,514.00	Feet
	0.48	Miles
Elevetion of 10% Point:	772.75	
Elevation of 85% Point:	718	
Main Channel Slope (MCS):	153.32	Feet/Mile
Average Permeability of WS:	3.967	Inches/Hour

Region 2 Regression Equation:

$$Q_T = a(TDA)^b(MCS)^c(PermAvg)^dRF(2)$$

	a	TDA	^b	MCS	^c	PermAvg	^d	RF(2)	**Q**
Q_2 =	22.2	0.09	0.749	153.32	0.401	3.97	-0.224	1.467	**30.77**
Q_5 =	34.1	0.09	0.743	153.32	0.437	3.97	-0.223	1.563	**61.30**
Q_{10} =	41.8	0.09	0.74	153.32	0.457	3.97	-0.224	1.618	**86.52**
Q_{25} =	50.8	0.09	0.738	153.32	0.478	3.97	-0.224	1.686	**122.36**
Q_{50} =	57	0.09	0.737	153.32	0.491	3.97	-0.223	1.738	**151.66**
Q_{100} =	62.7	0.09	0.736	153.32	0.503	3.97	-0.222	1.79	**183.20**

Location: **Segments 1 and 2 - Roosevelt Street to Main Street**

Total Drainage Area (TDA):	85.54	Acres
	0.13	Sq. Miles
Main Channel Length (MCL):	2,996.00	Feet
	0.57	Miles
Elevetion of 10% Point:	771.1	
Elevation of 85% Point:	712	
Main Channel Slope (MCS):	138.87	Feet/Mile
Average Permeability of WS:	3.967	Inches/Hour

Region 2 Regression Equation:

$$Q_T = a(TDA)^b(MCS)^c(PermAvg)^dRF(2)$$

	a	TDA	^b	MCS	^c	PermAvg	^d	RF(2)	**Q**
Q_2 =	22.2	0.13	0.749	138.87	0.401	3.97	-0.224	1.467	**38.31**
Q_5 =	34.1	0.13	0.743	138.87	0.437	3.97	-0.223	1.563	**75.89**
Q_{10} =	41.8	0.13	0.74	138.87	0.457	3.97	-0.224	1.618	**106.78**
Q_{25} =	50.8	0.13	0.738	138.87	0.478	3.97	-0.224	1.686	**150.60**
Q_{50} =	57	0.13	0.737	138.87	0.491	3.97	-0.223	1.738	**186.36**
Q_{100} =	62.7	0.13	0.736	138.87	0.503	3.97	-0.222	1.79	**224.76**

URBAN METHOD

Population Density in Area:	737.5	Persons/Sq. Mile
Imperviousness Factor (I_f):	8.38	

Ratio of Flood Magnitudes, Urban to Rural:

	Ratio, U to R
Q_2 =	1.95
Q_5 =	1.72
Q_{10} =	1.62
Q_{25} =	1.54
Q_{50} =	1.48
Q_{100} =	1.45

Location: **Segment 3 - Wilson Street to Roosevelt Street**

	Rural Q	**Urban Q**
Q_2 =	30.77	**60.00**
Q_5 =	61.30	**105.44**
Q_{10} =	86.52	**140.16**
Q_{25} =	122.36	**188.43**
Q_{50} =	151.66	**224.46**
Q_{100} =	183.20	**265.64**

Location: **Segments 1 & 2 - Roosevelt Street to Main Street**

	Rural Q	**Urban Q**
Q_2 =	38.31	**74.70**
Q_5 =	75.89	**130.53**
Q_{10} =	106.78	**172.99**
Q_{25} =	150.60	**231.92**
Q_{50} =	186.36	**275.81**
Q_{100} =	224.76	**325.91**

WILLETT HOFMA[N]
& ASSOCIATES
ENGINEERING ARCHITECTURE LAND SU[RVEYING]
57 AIRPORT DRIVE, ROCKFORD, IL 61109
T: 815-964-2897 DESIGN FIRM: #184-000918

Exhibit 4

Rational Method Runoff Calculations

Client: Village of Stillman Valley
Project Name: Drainage Study of Unnamed Tributary to Stillman Creek
Project Number: 1309R21
Engineer: Aaron M. Full, P.E.
Date: September 27, 2021

DETERMINATION OF FLOWS USING THE RATIONAL METHOD

Stillman Valley is located in Ogle County which falls in the Northwest Climatic Section (Section 1) as defined in the Illinois State Water Survey's Bulletin 75 - Precipitation Frequency Study for Illinois. Bulletin 75 will be used to derive the rainfall intensity factors (I's) for the variious storm events of each of the drainage basins.

RATIONAL METHOD

Location: Segment 3 - Wilson Street to Roosevelt Street

Total Drainage Area (A):	60.56	Acres
Composite Rational "C" Factor:	0.53	
Catchment CxA:	32.25	Acres

	t_c (hr)	I (in/hr)	CxA (acre)	Q (ft^3/s)
Q_2 =	0.414	2.863	32.25	93.07
Q_5 =	0.394	3.730	32.25	121.24
Q_{10} =	0.381	4.539	32.25	147.54
Q_{25} =	0.367	5.707	32.25	185.50
Q_{50} =	0.358	6.710	32.25	218.10
Q_{100} =	0.350	7.797	32.25	253.45

Location: Segments 1 & 2 - Roosevelt Street to Main Street

Total Drainage Area (A):	85.54	Acres
Composite Rational "C" Factor:	0.54	
Catchment CxA:	45.99	Acres

	t_c (hr)	I (in/hr)	CxA (acre)	Q (ft^3/s)
Q_2 =	0.473	2.602	45.99	120.61
Q_5 =	0.452	3.394	45.99	157.31
Q_{10} =	0.439	4.137	45.99	191.79
Q_{25} =	0.425	5.221	45.99	242.02
Q_{50} =	0.416	6.140	45.99	284.62
Q_{100} =	0.408	7.139	45.99	330.91

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Exhibit 5

Existing Ditch Hydraulic Capacity Calculations

OPEN CHANNEL FLOW CALCULATIONS

Location: Stillman Valley, IL
Seqment: Main Street to Alley - Existing Ditch Channel
Rectangular, Dirt Bottom with Walls

Manning's Rougness Coefficient (r		0.025	
Channel Slope (S_o):	0.75% =	0.0075	ft/ft
Channel Width (W):		4	ft
Channel Left Side Slope:		0.001	:1
Channel Right Side Slope:		0.001	:1
Angle of Left Side Slope (θ_L):		1.57	radians
Angle of Left Side Slope (θ_L):		1.57	radians
Depth of Flow (d):		2.75	ft
Top Width (W_t):		4.0	ft
Area of Flow (A):		11.0	ft^2
Wetted Perimeter (P):		9.50	ft
Hydraulic Radius (R_h):		1.16	ft
Open Channel Velocity (v):		5.69	ft/s
Open Channel Flow (Q):		62.7	ft^3/s

OPEN CHANNEL FLOW CALCULATIONS

Location: Stillman Valley, IL
Seqment: Roosevelt Street to Alley - Existing Ditch
Channel: Trapezoidal, Dense Vegetation

Manning's Rougness Coefficient (r		0.030	
Channel Slope (S_o):	0.81% =	0.0081	ft/ft
Channel Width (W):		3	ft
Channel Left Side Slope:		2	:1
Channel Right Side Slope:		2	:1
Angle of Left Side Slope (θ_L):		0.46	radians
Angle of Left Side Slope (θ_L):		0.46	radians
Depth of Flow (d):		2	ft
Top Width (W_t):		11	ft
Area of Flow (A):		14.00	ft^2
Wetted Perimeter (P):		11.94	ft
Hydraulic Radius (R_h):		1.17	ft
Open Channel Velocity (v):		4.97	ft/s
Open Channel Flow (Q):		69.6	ft^3/s

OPEN CHANNEL FLOW CALCULATIONS

Location: Stillman Valley, IL
Seqment: Wilson Street to Roosevelt Street - Existing Ditch
Channel: Trapezoidal, Dense Vegetation

Manning's Rougness Coefficient (r		0.035	
Channel Slope (S_o):	1.23% =	0.0123	ft/ft
Channel Width (W):		3	ft
Channel Left Side Slope:		1.8	:1
Channel Right Side Slope:		1.8	:1
Angle of Left Side Slope (θ_L):		0.51	radians
Angle of Left Side Slope (θ_L):		0.51	radians
Depth of Flow (d):		2.5	ft
Top Width (W_t):		12	ft
Area of Flow (A):		18.75	ft^2
Wetted Perimeter (P):		13.30	ft
Hydraulic Radius (R_h):		1.41	ft
Open Channel Velocity (v):		5.94	ft/s
Open Channel Flow (Q):		111.3	ft^3/s

Exhibit 6

Existing Culvert Capacity Calculations

HY-8 Culvert Analysis Report

Crossing Discharge Data

Discharge Selection Method: Recurrence

Table 1 - Summary of Culvert Flows at Crossing: Main Street

Headwater Elevation (ft)	Discharge Names	Total Discharge (cfs)	Culvert 1 Discharge (cfs)	Roadway Discharge (cfs)	Iterations
706.62	2 year	120.61	50.24	70.23	8
706.73	5 year	157.31	52.28	104.75	4
706.83	10 year	191.79	53.98	137.70	4
706.96	25 year	242.02	56.14	185.83	4
707.06	50 year	284.62	57.78	226.66	3
707.17	100 year	330.91	59.42	271.43	3
706.24	Overtopping	42.81	42.81	0.00	Overtopping

Rating Curve Plot for Crossing: Main Street

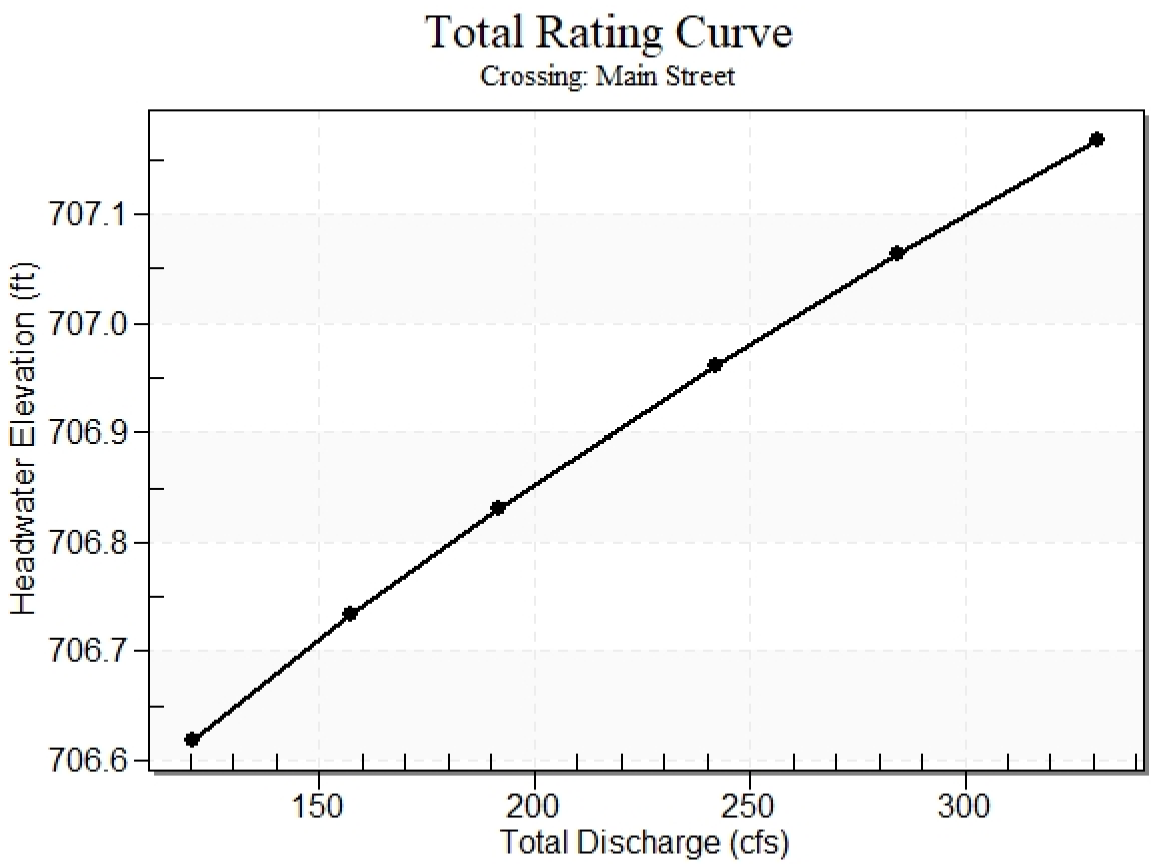


Table 2 - Culvert Summary Table: Culvert 1

Discharge Names	Total Discharge (cfs)	Culvert Discharge (cfs)	Headwater Elevation (ft)	Inlet Control Depth (ft)	Outlet Control Depth (ft)	Flow Type	Normal Depth (ft)	Critical Depth (ft)	Outlet Depth (ft)	Tailwater Depth (ft)	Outlet Velocity (ft/s)	Tailwater Velocity (ft/s)
2 year	120.61	50.24	706.62	2.619	1.381	6-FFt	0.928	1.466	1.623	1.623	6.328	6.260
5 year	157.31	52.28	706.73	2.733	1.713	4-FFf	0.947	1.494	1.833	1.857	6.150	6.736
10 year	191.79	53.98	706.83	2.831	1.991	4-FFf	0.965	1.516	1.833	2.051	6.350	7.110
25 year	242.02	56.14	706.96	2.961	2.351	4-FFf	0.987	1.542	1.833	2.300	6.604	7.570
50 year	284.62	57.78	707.06	3.063	2.627	4-FFf	1.004	1.561	1.833	2.489	6.797	7.905
100 year	330.91	59.42	707.17	3.168	2.905	4-FFf	1.021	1.579	1.833	2.676	6.990	8.227

****

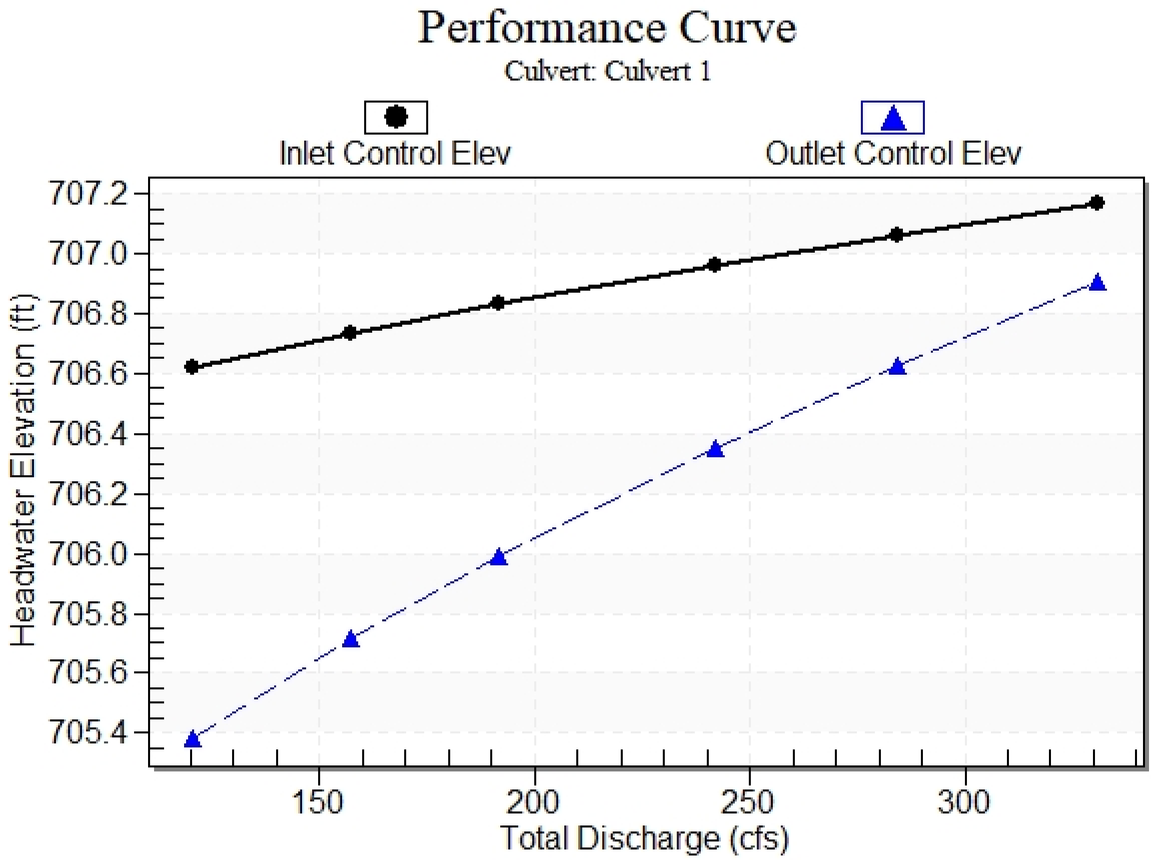
Straight Culvert

Inlet Elevation (invert): 704.00 ft, Outlet Elevation (invert): 702.58 ft

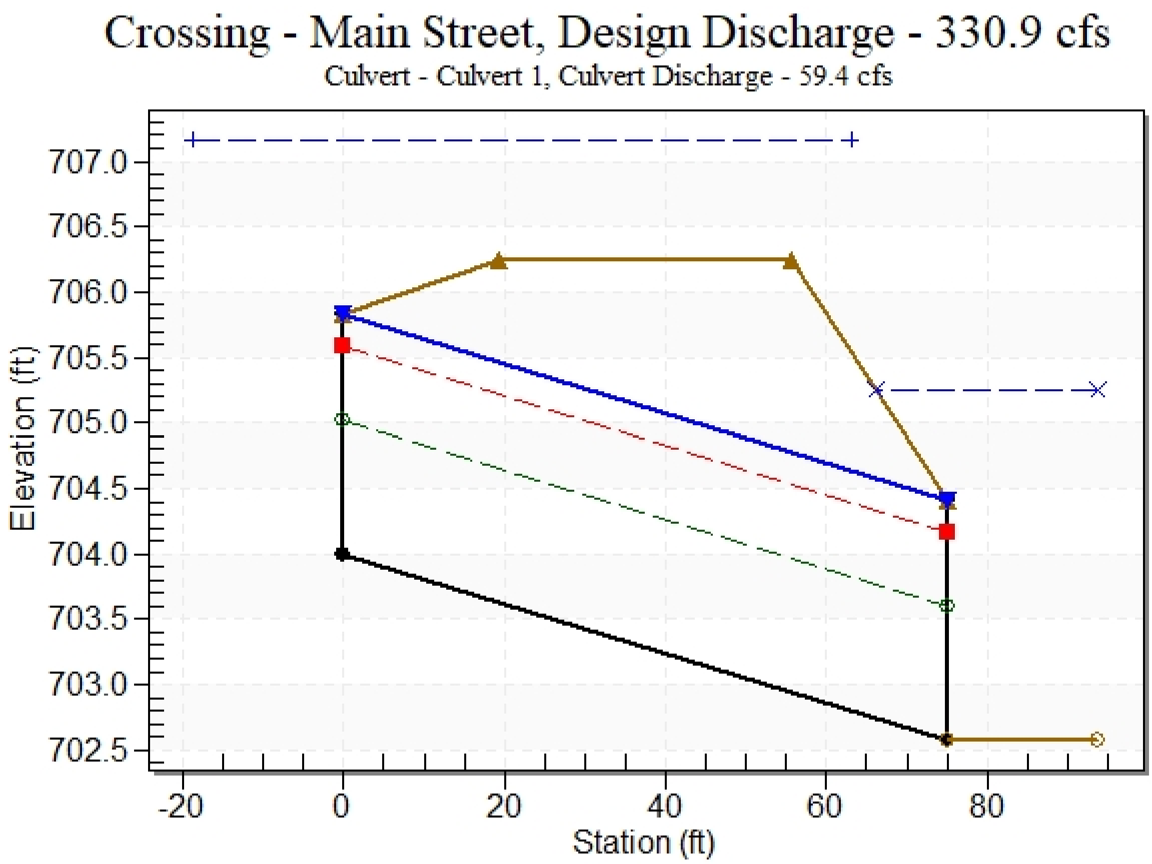
Culvert Length: 75.01 ft, Culvert Slope: 0.0189

****

Culvert Performance Curve Plot: Culvert 1



Water Surface Profile Plot for Culvert: Culvert 1



Site Data - Culvert 1

Site Data Option: Culvert Invert Data

Inlet Station: 0.00 ft

Inlet Elevation: 704.00 ft

Outlet Station: 75.00 ft

Outlet Elevation: 702.58 ft

Number of Barrels: 2

Culvert Data Summary - Culvert 1

Barrel Shape: Elliptical

Barrel Span: 34.00 in

Barrel Rise: 22.00 in

Barrel Material: Concrete

Embedment: 0.00 in

Barrel Manning's n: 0.0120

Culvert Type: Straight

Inlet Configuration: Square Edge with Headwall

Inlet Depression: None

Table 3 - Downstream Channel Rating Curve (Crossing: Main Street)

Flow (cfs)	Water Surface Elev (ft)	Depth (ft)	Velocity (ft/s)	Shear (psf)	Froude Number
120.61	704.20	1.62	6.26	1.40	1.03
157.31	704.44	1.86	6.74	1.60	1.05
191.79	704.63	2.05	7.11	1.77	1.06
242.02	704.88	2.30	7.57	1.98	1.08
284.62	705.07	2.49	7.90	2.14	1.09
330.91	705.26	2.68	8.23	2.30	1.10

Tailwater Channel Data - Main Street

Tailwater Channel Option: Trapezoidal Channel

Bottom Width: 7.00 ft

Side Slope (H:V): 3.00 (_:1)

Channel Slope: 0.0138

Channel Manning's n: 0.0300

Channel Invert Elevation: 702.58 ft

Roadway Data for Crossing: Main Street

Roadway Profile Shape: Constant Roadway Elevation

Crest Length: 100.00 ft

Crest Elevation: 706.24 ft

Roadway Surface: Paved

Roadway Top Width: 36.50 ft

HY-8 Culvert Analysis Report

Crossing Discharge Data

Discharge Selection Method: Recurrence

Table 1 - Summary of Culvert Flows at Crossing: Alley

Headwater Elevation (ft)	Discharge Names	Total Discharge (cfs)	Culvert 1 Discharge (cfs)	Roadway Discharge (cfs)	Iterations
707.51	2 year	120.61	12.26	108.34	5
707.68	5 year	157.31	12.66	144.50	4
707.82	10 year	191.79	12.98	178.74	4
708.02	25 year	242.02	13.42	228.58	4
708.18	50 year	284.62	13.77	270.68	3
708.33	100 year	330.91	14.05	316.86	3
706.50	Overtopping	0.00	0.00	0.00	Overtopping

Rating Curve Plot for Crossing: Alley

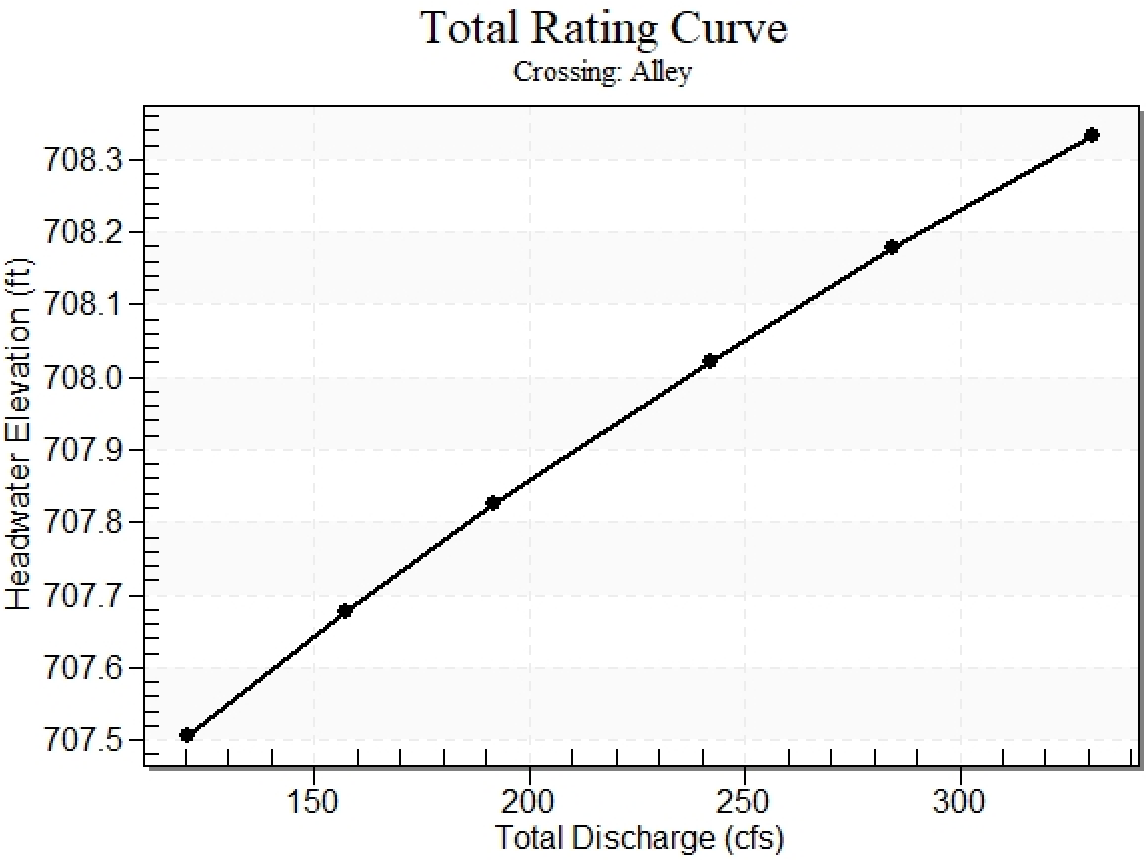


Table 2 - Culvert Summary Table: Culvert 1

Discharge Names	Total Discharge (cfs)	Culvert Discharge (cfs)	Headwater Elevation (ft)	Inlet Control Depth (ft)	Outlet Control Depth (ft)	Flow Type	Normal Depth (ft)	Critical Depth (ft)	Outlet Depth (ft)	Tailwater Depth (ft)	Outlet Velocity (ft/s)	Tailwater Velocity (ft/s)
2 year	120.61	12.26	707.51	1.806	2.506	4-FFf	1.250	1.000	1.250	1.720	4.994	0.000
5 year	157.31	12.66	707.68	1.869	2.676	4-FFf	1.250	1.015	1.250	1.830	5.160	0.000
10 year	191.79	12.98	707.82	1.920	2.823	4-FFf	1.250	1.026	1.250	1.930	5.288	0.000
25 year	242.02	13.42	708.02	1.992	3.021	4-FFf	1.250	1.041	1.250	2.060	5.466	0.000
50 year	284.62	13.77	708.18	2.052	3.178	4-FFf	1.250	1.053	1.250	2.160	5.609	0.000
100 year	330.91	14.05	708.33	2.101	3.334	4-FFf	1.250	1.061	1.250	2.270	5.723	0.000

****

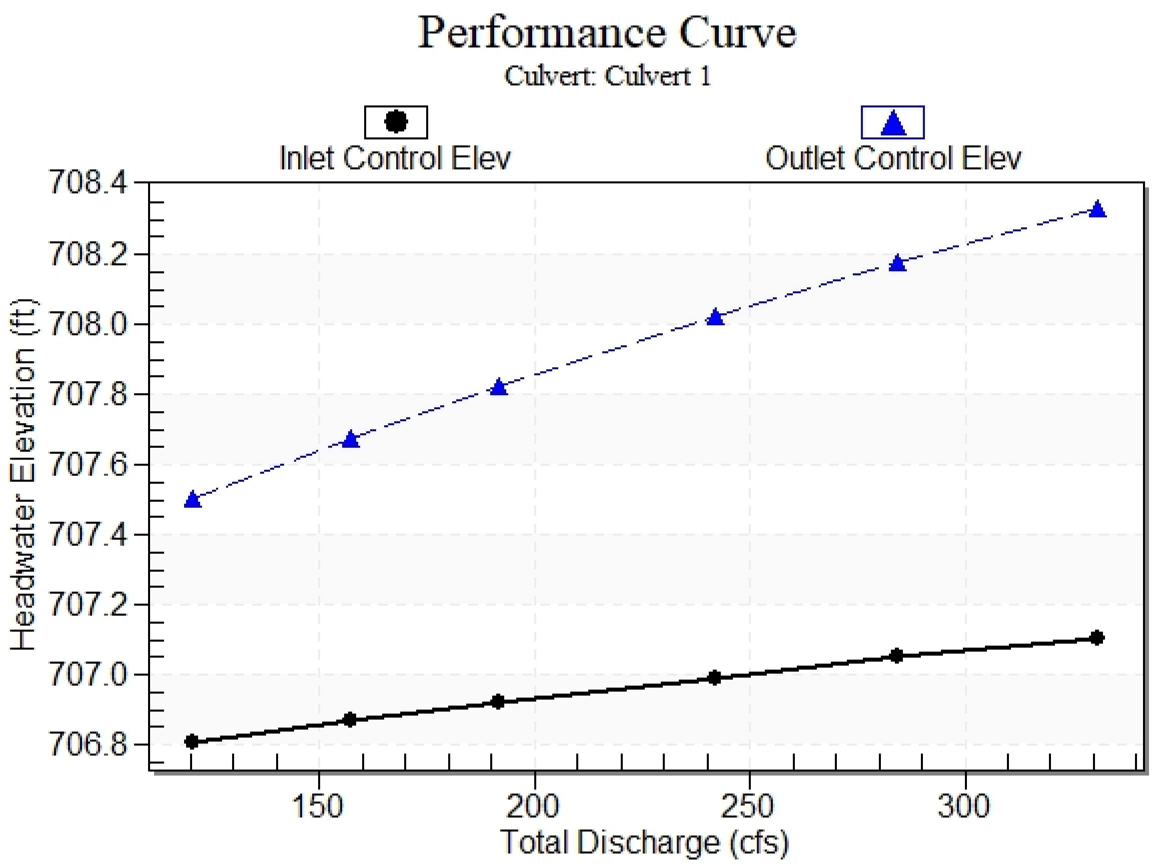
Straight Culvert

Inlet Elevation (invert): 705.00 ft,   Outlet Elevation (invert): 704.90 ft

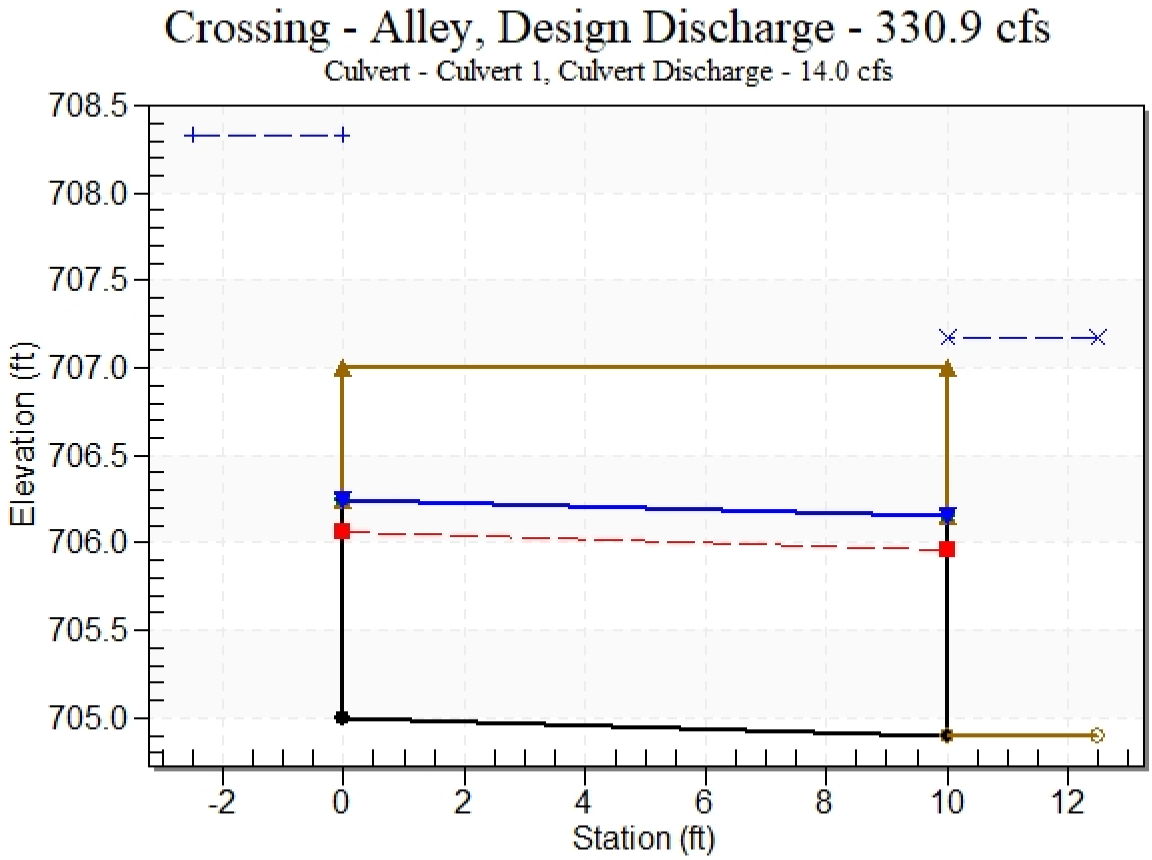
Culvert Length: 10.00 ft,   Culvert Slope: 0.0100

****

Culvert Performance Curve Plot: Culvert 1



Water Surface Profile Plot for Culvert: Culvert 1



Site Data - Culvert 1

Site Data Option: Culvert Invert Data

Inlet Station: 0.00 ft

Inlet Elevation: 705.00 ft

Outlet Station: 10.00 ft

Outlet Elevation: 704.90 ft

Number of Barrels: 2

Culvert Data Summary - Culvert 1

Barrel Shape: Circular

Barrel Diameter: 1.25 ft

Barrel Material: Corrugated Steel

Embedment: 0.00 in

Barrel Manning's n: 0.0240

Culvert Type: Straight

Inlet Configuration: Square Edge with Headwall

Inlet Depression: None

Table 3 - Downstream Channel Rating Curve (Crossing: Alley)

Flow (cfs)	Water Surface Elev (ft)	Depth (ft)	Velocity (ft/s)
120.61	706.62	706.62	0.00
157.31	706.73	706.73	0.00
191.79	706.83	706.83	0.00
242.02	706.96	706.96	0.00
284.62	707.06	707.06	0.00
330.91	707.17	707.17	0.00

Tailwater Channel Data - Alley

Tailwater Channel Option: Enter Rating Curve

Channel Invert Elevation: 704.90 ft

Roadway Data for Crossing: Alley

Roadway Profile Shape: Irregular Roadway Shape (coordinates)

Irregular Roadway Cross-Section:

Coord No.	Station (ft)	Elevation (ft)
0	0.00	707.00
1	24.00	706.50
2	32.00	706.50
3	50.00	707.00

Roadway Surface: Paved

Roadway Top Width: 10.00 ft

HY-8 Culvert Analysis Report

Crossing Discharge Data

Discharge Selection Method: Recurrence

Table 1 - Summary of Culvert Flows at Crossing: Roosevelt Street

Headwater Elevation (ft)	Discharge Names	Total Discharge (cfs)	Culvert 1 Discharge (cfs)	Roadway Discharge (cfs)	Iterations
710.31	2 year	93.07	81.86	10.98	10
710.45	5 year	121.24	84.79	36.31	6
710.55	10 year	147.54	85.48	61.99	5
710.69	25 year	185.50	80.35	104.87	4
710.80	50 year	218.10	76.17	141.86	4
710.91	100 year	253.45	71.76	181.31	3
710.20	Overtopping	79.31	79.31	0.00	Overtopping

Rating Curve Plot for Crossing: Roosevelt Street

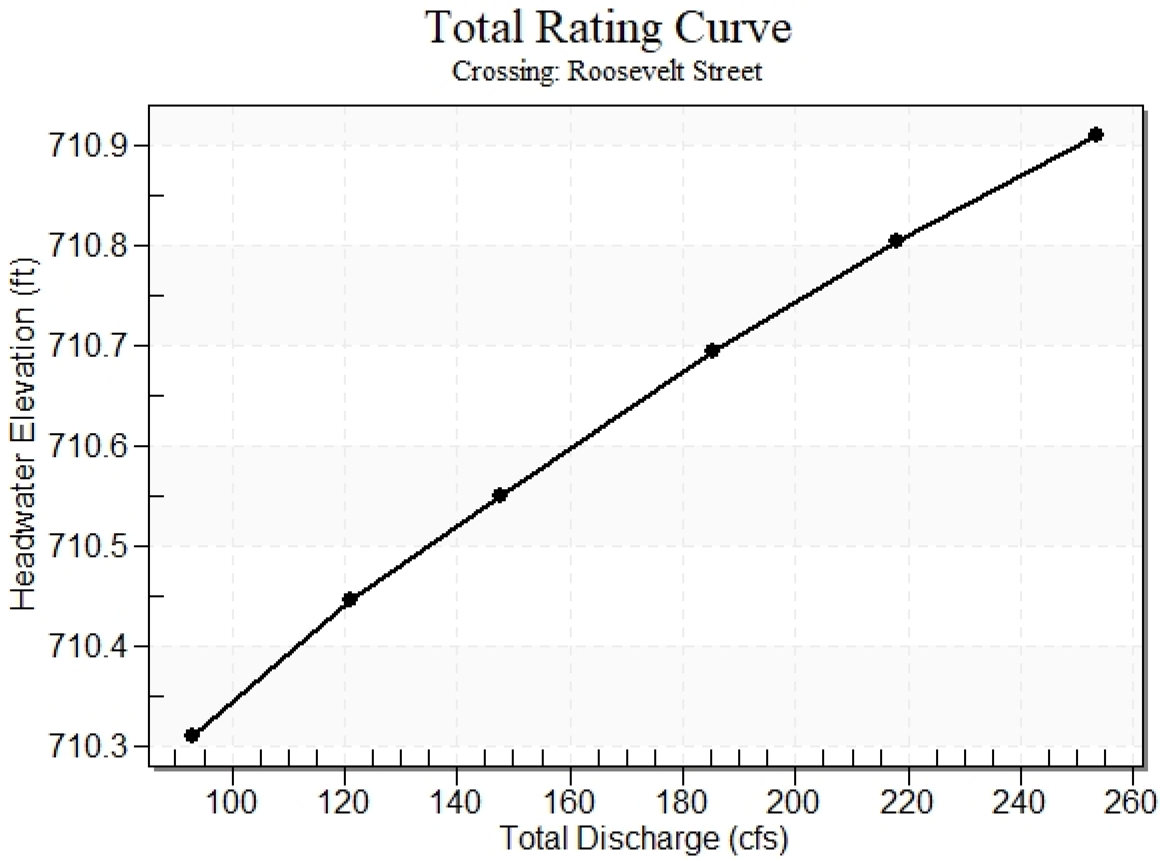


Table 2 - Culvert Summary Table: Culvert 1

Discharge Names	Total Discharge (cfs)	Culvert Discharge (cfs)	Headwater Elevation (ft)	Inlet Control Depth (ft)	Outlet Control Depth (ft)	Flow Type	Normal Depth (ft)	Critical Depth (ft)	Outlet Depth (ft)	Tailwater Depth (ft)	Outlet Velocity (ft/s)	Tailwater Velocity (ft/s)
2 year	93.07	81.86	710.31	3.312	2.896	4-FFf	1.039	1.731	1.039	2.294	12.445	5.345
5 year	121.24	84.79	710.45	3.445	3.286	4-FFf	1.063	1.772	1.063	2.591	12.593	5.719
10 year	147.54	85.48	710.55	3.477	3.549	4-FFf	1.069	1.782	1.917	2.832	7.041	6.013
25 year	185.50	80.35	710.69	3.245	3.694	4-FFf	1.026	1.710	1.917	3.138	6.619	6.372
50 year	218.10	76.17	710.80	3.066	3.803	4-FFf	0.990	1.650	1.917	3.372	6.274	6.639
100 year	253.45	71.76	710.91	2.887	3.909	4-FFf	0.952	1.586	1.917	3.602	5.911	6.895

****

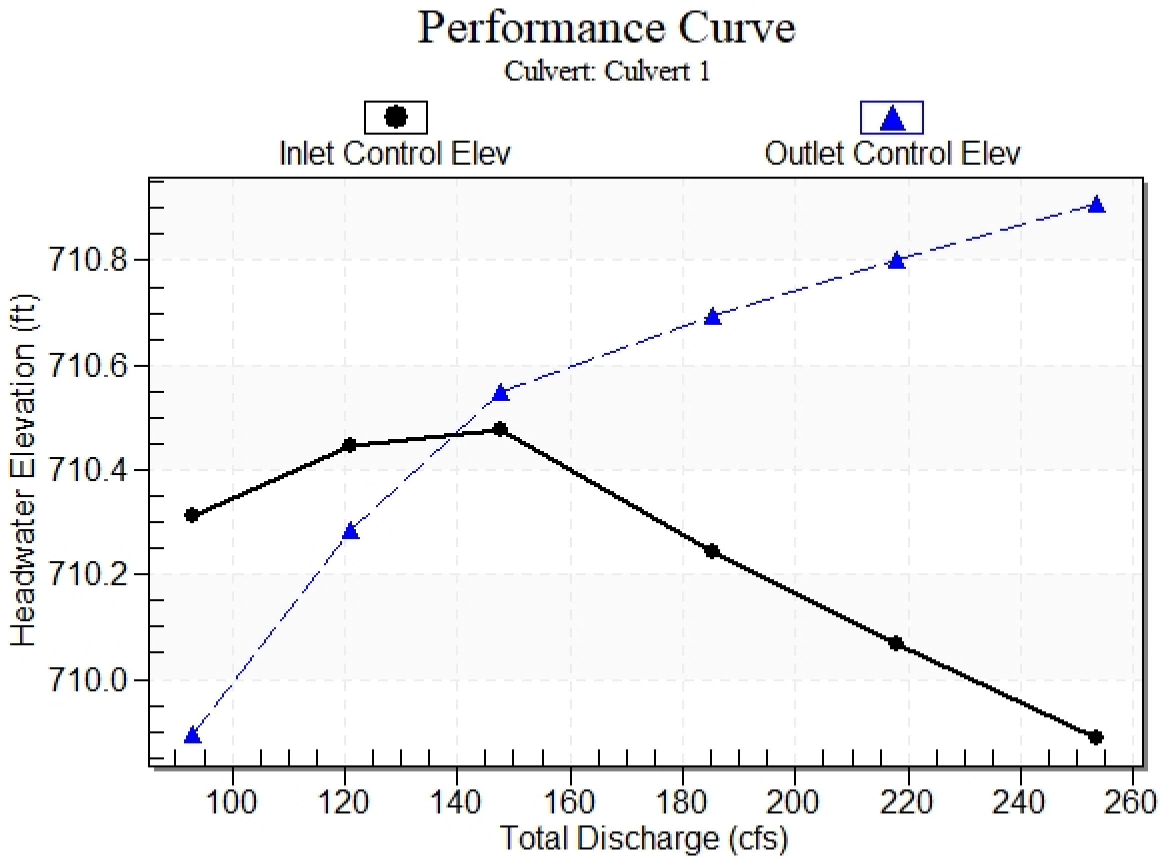
Straight Culvert

Inlet Elevation (invert): 707.00 ft,   Outlet Elevation (invert): 706.33 ft

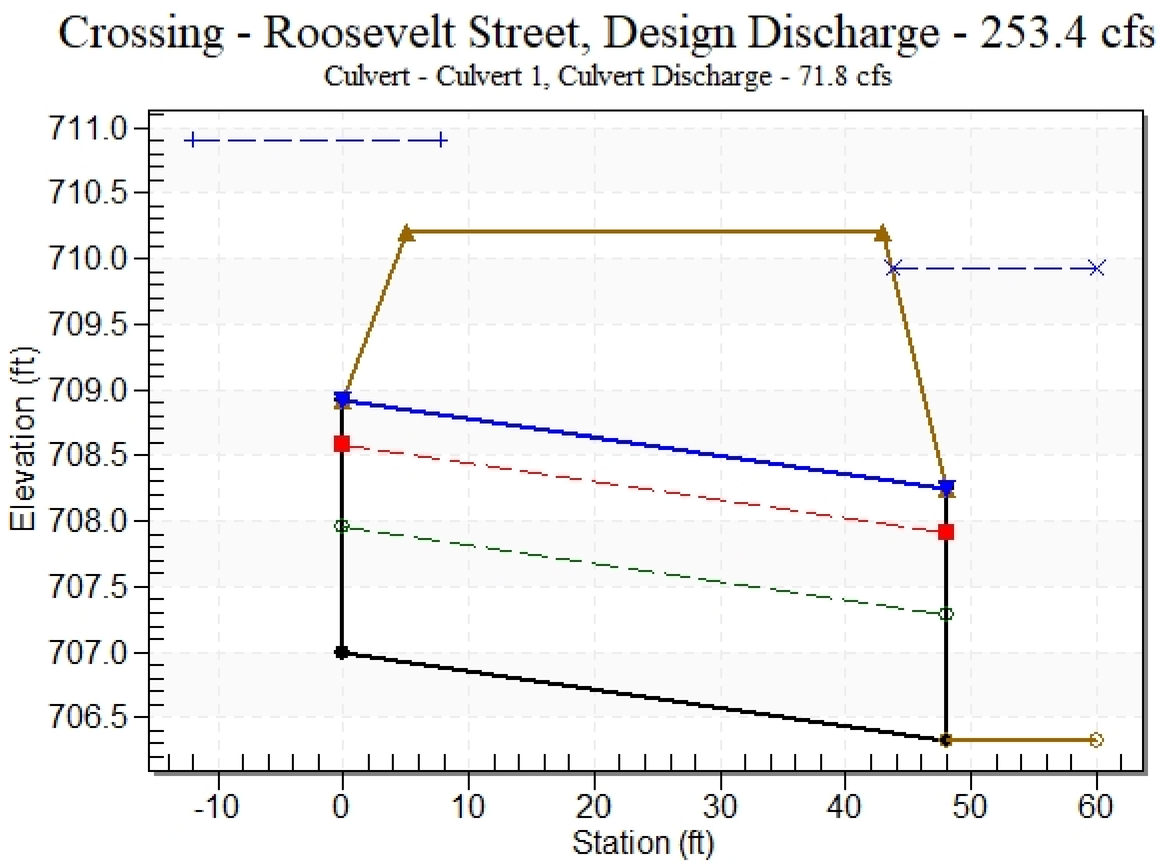
Culvert Length: 48.00 ft,   Culvert Slope: 0.0140

****

Culvert Performance Curve Plot: Culvert 1



Water Surface Profile Plot for Culvert: Culvert 1



Site Data - Culvert 1

Site Data Option: Culvert Invert Data

Inlet Station: 0.00 ft

Inlet Elevation: 707.00 ft

Outlet Station: 48.00 ft

Outlet Elevation: 706.33 ft

Number of Barrels: 1

Culvert Data Summary - Culvert 1

Barrel Shape: Concrete Box

Barrel Span: 6.33 ft

Barrel Rise: 1.92 ft

Barrel Material: Concrete

Embedment: 0.00 in

Barrel Manning's n: 0.0120

Culvert Type: Straight

Inlet Configuration: Square Edge (90º) Headwall

Inlet Depression: None

Table 3 - Downstream Channel Rating Curve (Crossing: Roosevelt Street)

Flow (cfs)	Water Surface Elev (ft)	Depth (ft)	Velocity (ft/s)	Shear (psf)	Froude Number
93.07	708.62	2.29	5.35	1.16	0.79
121.24	708.92	2.59	5.72	1.31	0.80
147.54	709.16	2.83	6.01	1.43	0.81
185.50	709.47	3.14	6.37	1.59	0.82
218.10	709.70	3.37	6.64	1.70	0.83
253.45	709.93	3.60	6.90	1.82	0.84

Tailwater Channel Data - Roosevelt Street

Tailwater Channel Option: Trapezoidal Channel

Bottom Width: 3.00 ft

Side Slope (H:V): 2.00 (_:1)

Channel Slope: 0.0081

Channel Manning's n: 0.0300

Channel Invert Elevation: 706.33 ft

Roadway Data for Crossing: Roosevelt Street

Roadway Profile Shape: Constant Roadway Elevation

Crest Length: 100.00 ft

Crest Elevation: 710.20 ft

Roadway Surface: Paved

Roadway Top Width: 38.00 ft

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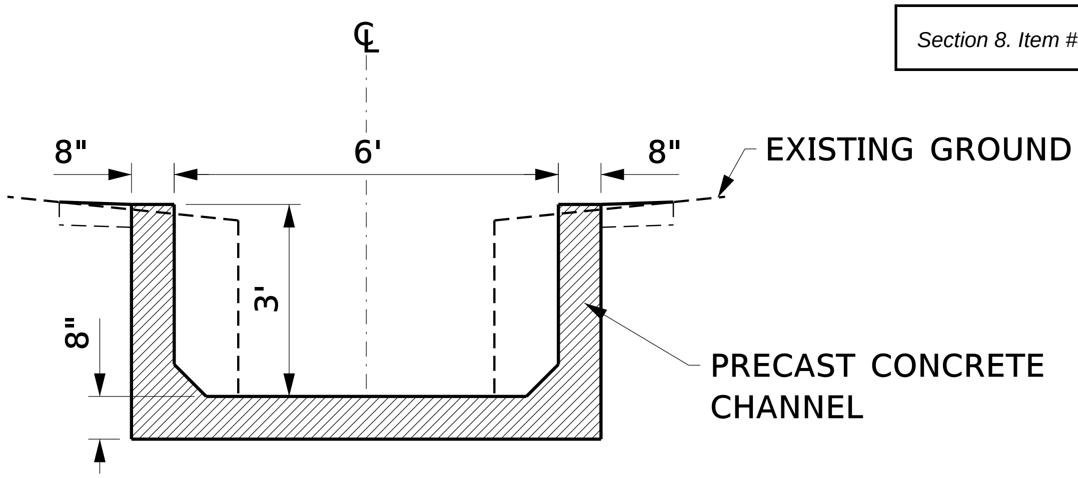
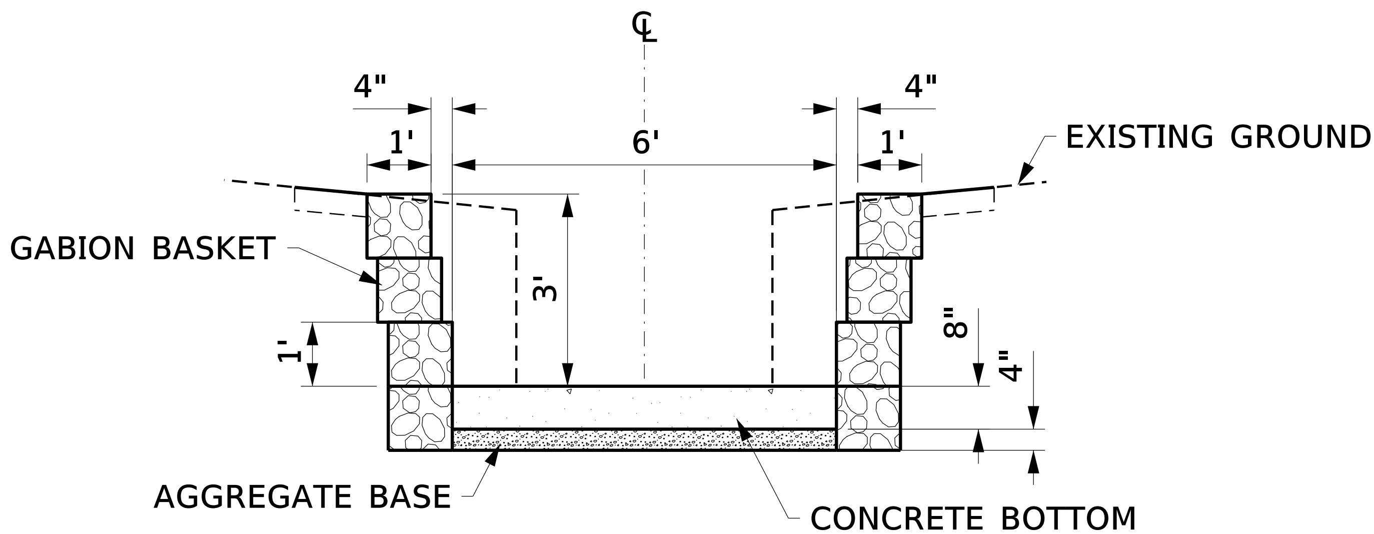
Exhibit 7

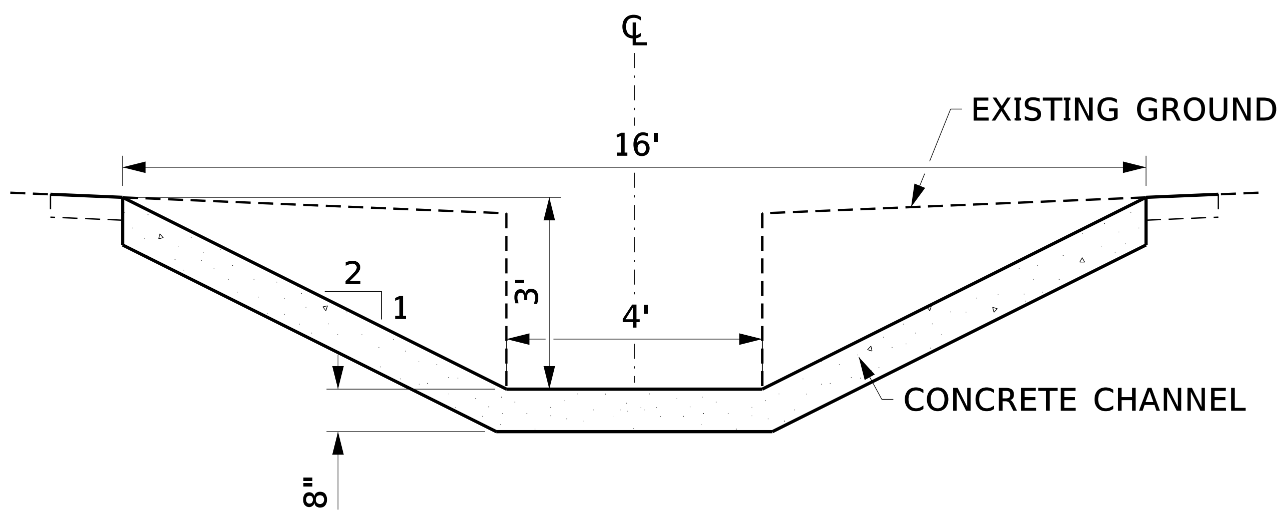
Segment 1 Improvement Alternatives Typical Sections



TYPICAL SECTION - SEGMENT 1
ALTERNATIVE NO. 1



TYPICAL SECTION - SEGMENT 1
ALTERNATIVE NO. 2



TYPICAL SECTION - SEGMENT 1
ALTERNATIVE NO. 3

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VILLAGE OF STILLMAN VALLEY
DRAINAGE DITCH STUDY
SEGMENT 1 ALTERNATIVES

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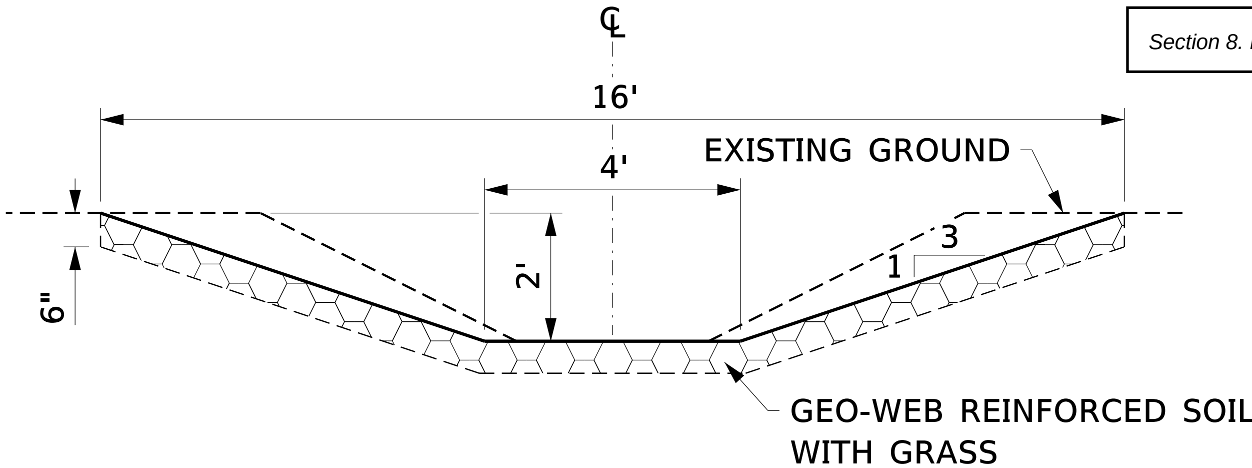
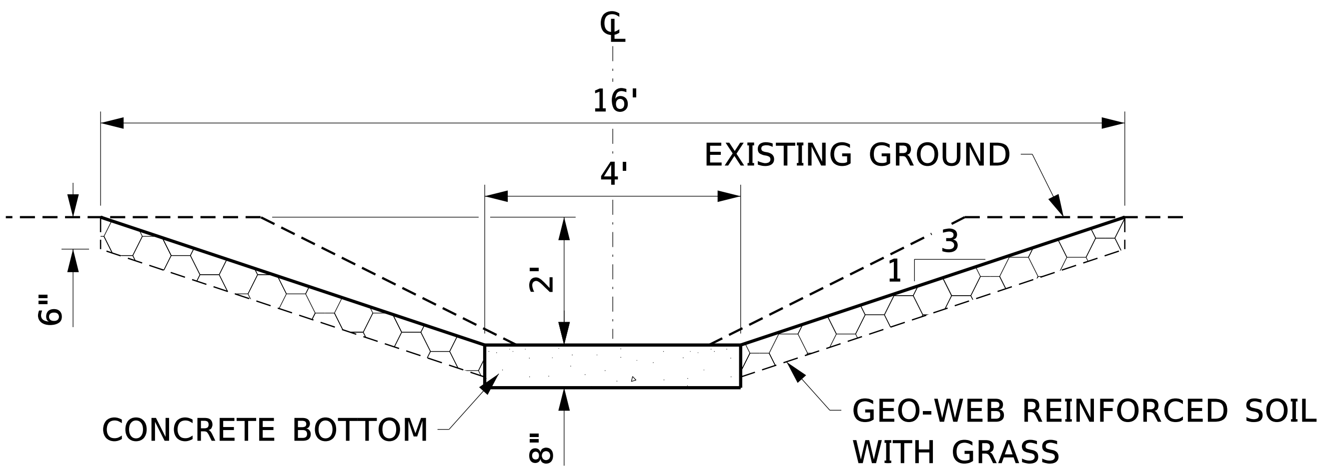
Exhibit 8

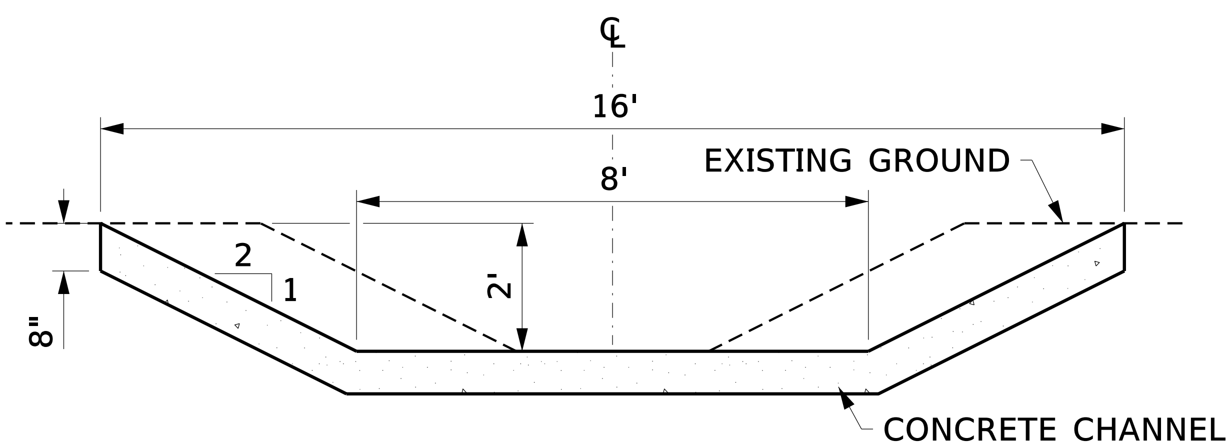
Segments 2 & 3 Improvement Alternatives Typical Sections



TYPICAL SECTION - SEGMENTS 2 & 3
ALTERNATIVE NO. 1



TYPICAL SECTION - SEGMENTS 2 & 3
ALTERNATIVE NO. 2



TYPICAL SECTION - SEGMENTS 2 & 3
ALTERNATIVE NO. 3

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VILLAGE OF STILLMAN VALLEY

DRAINAGE DITCH STUDY

SEGMENTS 2 & 3 ALTERNATIVES

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