



## CITY OF WASHINGTON, ILLINOIS

### Committee of the Whole Agenda Communication

**Meeting Date:** October 13, 2025

**Prepared By:** Joanie Baxter, Finance Director

**Agenda Item:** Health Insurance Renewal – Intergovernmental Personnel Benefit Cooperative (IPBC)

**Explanation:** As you may recall, the City opted in 2017 to join the Intergovernmental Personnel Benefit Cooperative (IPBC) for both health and life insurance. This was done in an attempt to contain costs and have access to more resources for health and wellness related initiatives.

We were recently notified that the final renewal came in at an 8.6% increase. Staff has been very pleased with the IPBC program and the savings that we have realized since joining it.

Since joining IPBC, the City has realized the following decreased/increased premiums, including the proposed for calendar year 2026.

Fiscal/Calendar Year		
17-18	-2.4%	
18-19	-2.7%	
19-20	-8.0%	
20-21	5.7%	
21-22	0.2%	
22-23 thru 12/31/23	-2.1%	
Net	-9.30%	
2024	6.76%	
	-2.54%	
2025	5.50%	
2026	8.60%	
	11.56%	avg. increase 1.28%

As such, the premiums that will be paid for calendar year 2026 are less than 12% higher than what we were paying in FY16-17, which equates to an average increase of 1.28%. This is amazing considering the health insurance inflation that has been realized during this 9-year period. The City's favorable health insurance benefit package and low premiums are a crucial tool for recruiting and retention and thus these are important factors to consider in setting the premium rates.

**Fiscal Impact:** The budget for FY25-26 reflects a 10.8% increase (the preliminary increase) for 4 months of the fiscal year.

**Recommendation/Committee Discussion Summary:** Staff provides two alternatives for the Committee of the Whole to consider as follows:

- Keep the premiums unchanged recognizing the value of favorable insurance benefits and low premiums as a recruiting and retention tool as well as the significance of the average increase over nine years being just over 1% per year; or
- Increase the employee premiums by the percentage increase for calendar year 2026 of 8.6%. This equates to an increase for family coverage from \$220 to \$240 or \$20 per month and for single coverage of \$106 to \$115 or \$9 per month.

**Action Requested:** Consensus of the Committee of the Whole with recommendation to be included in the Consent Agenda for approval on October 20, 2025.