

ROCHELLE CITY COUNCIL

AGENDA ITEM MEMO

REGULAR MEETING

SUBJECT: A Resolution Approving Intergovernmental Personnel Benefits Cooperative premium renewal rates for January 1, 2026 -December 31, 2026

Staff Contact: Jillian Condon, HR Director

Summary:

Background

In September 2017, the City Council approved a resolution authorizing the City of Rochelle to join the Intergovernmental Personnel Benefits Cooperative (IPBC), effective January 2018, as part of the Quad Cities Health Insurance Pool (QCHIP).

Health insurance premiums for full-time employees are cost-shared between employees and the City, with contribution percentages determined by respective collective bargaining agreements or the Employee Handbook. Since joining IPBC in 2018, the City has experienced an average annual premium increase of 3.09% through the current 2025 plan year.

Current Considerations

For the upcoming plan year, IPBC presented the City with a projected **13.9% increase** to the cost of premiums should the City remain with the current Blue Cross Blue Shield PPO plan. On June 23, our IPBC representative met with the internal Insurance Committee to review alternatives.

The committee was presented with a **Blue Choice Options (BCO)** plan reflecting a **9.05% increase** in premiums. After review, the committee determined that the BCO plan offers the most cost-effective balance for both employees and the City.

While the High Deductible Health Plan (HDHP) shows a projected **13.3% increase**, its overall premium cost remains lower than the BCO plan. Therefore, the recommendation is to continue offering the HDHP as a coverage option.

In addition, beginning in 2026, it is recommended that the City provide a **\$1,000 Health Savings Account (HSA) contribution** to each employee electing the HDHP, regardless of coverage tier. Historically the City has provided a different amount depending on coverage and tier. For financial stability, coupled with ensuring the cost-effective option is attractive to employees, it is suggested to decrease to \$1,000 for all employees on any HDHP.

Recommendation

Staff recommends that the City Council approve the following health insurance plan options and monthly premium rates for the 2026 coverage year:

- **BCO Employee Only:** \$934.34
- **HDHP Employee Only:** \$847.50
- **BCO Employee + Family:** \$2,396.11
- **HDHP Employee + Family:** \$2,173.43

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
12-00-59200	Incorporated in 2026 draft budget	

Strategic Plan Goal Application: Financial and Staffing Stability

Recommendation: Approve a Resolution Approving Intergovernmental Personnel Benefits Cooperative premium renewal rates for January 1, 2026 -December 31, 2026

Supporting Documentation: Please see attached