

**AGENDA**  
**SHOREWOOD-TROY PUBLIC LIBRARY DISTRICT**  
**LOCAL GOVERNMENT EFFICIENCY ACT DECENNIAL COMMITTEE MEETING**  
**650 Deerwood Dr., Shorewood, IL 60404**  
**Meeting Room A**

**June 8, 2023**  
**6:30 pm**

1. Welcome
2. Call to order and roll call of Trustees
3. Changes/Additions to the Agenda
4. Approval of Minutes:
  - None
5. Old Business
  - a. None
6. New Business –
  - a. Approval of Adoption of Shorewood-Troy Public Library District Public Participation at Board of Trustee Meetings Rules for Public Comment (from the Board By-Laws) for Use in Shorewood-Troy Library District Local Government Efficiency Act Decennial Committee Meetings (**Action**)
  - b. Discussion of Agreements, Ordinances, Policies, Reports, Resolutions, and Other Items Related to the Decennial Committee’s Work (**Discussion**)
  - c. Approval of Format for Decennial Committee Report (**Action**)
  - d. Approval of Meeting Schedule for the Decennial Committee (**Action**)
7. Comments from the Public
8. Survey of Residents in Attendance
9. Announcements
10. Adjournment

Any individual requiring special accommodations as specified by the Americans with Disabilities Act is requested to notify the Shorewood-Troy Public Library District Director at 815-725-1715 at least 24 hours before the meeting date.

For further information regarding this meeting agenda, please contact:  
Jennie Cisna Mills, Director/815.725.1715 or [jmills@shorewoodtroylibrary.org](mailto:jmills@shorewoodtroylibrary.org)  
Shorewood – Troy Public Library District, 650 Deerwood Dr., Shorewood, IL 60404

June 8, 2023

TO: Local Government Efficiency Act Decennial Committee, Shorewood-Troy Library

FROM: Jennie Mills, Director, Shorewood-Troy Library

RE: Approval of Adoption of Public Participation Rules

As this is a new Committee, the Committee must adopt rules for Public Participation at Committee meetings. The Shorewood-Troy Library Board already has existing Public Comment rules; it may make sense to simply adopt those rules.

From the Shorewood-Troy Library Board of Trustee By-Laws:

Article II, Sections 10-11:

Section 10: Community members will be allowed 3 minutes (per visitor) to comment on Board actions at the beginning of each meeting. Due to Open Meetings Act restrictions, the Board will not necessarily be able to take action at the meeting the comments are presented.

Section 11: Members of the public may audio or video record the Board's open meetings. However, such recording may not interfere with the Board's conducting of business, nor should it interfere with other members of the public's observation of the meeting.

The Local Government Efficiency Act does require a survey of residents in attendance at the meeting to be surveyed at the end of the meeting as well, so essentially, every meeting of the Decennial would have two sections for public comment.

The rules for the Decennial Committee would be as follows:

- Community members will be allowed 3 minutes (per visitor) to comment on Committee actions at the beginning of each meeting. Due to Open Meetings Act restrictions, the Committee will not necessarily be able to take action at the meeting the comments are presented.
- Members of the public may audio or video record the Committee's open meetings. However, such recording may not interfere with the Committee's conducting of business, nor should it interfere with the other members of the public's observation of the meeting.

6/8/2023

TO: Local Government Efficiency Decennial Committee

FROM: Jennie Mills, Library Director

RE: Review of Laws, Policies, Rules & Procedures, Training Materials and Other Documents

There is a lot of paperwork assorted with this part of the report! To help sort out, I've prepared this.

1. State Laws applicable to libraries – *This was sent to you in an email on Monday, and will be sent to you in an email again on Friday 6/9.*
2. Illinois Open Meetings Act – *This was sent to you in an email on Monday, and will be sent to you in an email again on Friday 6/9.*
3. Policy on Public Comment – *Included in this packet.*
4. Designation of Open Meetings Act Officers – *Will be voted upon at regular board meeting tonight 6/8. Designation is in your packet, as are training certificates of officers*
5. All Board members have completed OMA training – *In progress will be completed by July.*
6. Schedule of Regular meetings of the Library Board – *This was sent to you in an email on Monday, and will be sent to you in an email again on Friday 6/9.*
7. Illinois Freedom of Information Act – *This was sent to you in an email on Monday and will be sent to you again in an email on Friday 6/9.*
8. Designation of FOIA Officer – *Will be voted upon at regular board meeting tonight 6/8. Designation is in your packet.*
9. FOIA officer trainings – *Certificates are in your packet*
10. Posting other Required FOIA Information – *FOIA Policy for FY24 will be approved at the 6/8 Board meeting after the Operating Budget is approved. It will be posted internally and on the webpage. It's included in your packet for review.*
11. List of types or categories of FOIA records under library control – *this is included in the FOIA policy.*
12. Periodic meetings to review closed meeting minutes – *This is done in January and June of every year. Another session is scheduled for tonight's Board meeting (6/8)*
13. IMRF total compensation packages – *This is required for staff making over \$75,000 annually. As the Board is approving the operating budget tonight, this will be approved tonight, and posted internally and on the webpage. It's included in your packet.*
14. Designation of Whistleblowing official – *This will be completed in July*
15. All applicable officials have filed statement of economic interests – *The link was sent to you in an email on Monday and will be sent to you again on Friday, 6/8*
16. Sexual Harassment Prevention Training – *Elected officials will complete in July/August*
17. Our Intergovernmental Agreements - *I've included*
  - a. The Pinnacle By-laws – *for the library cooperative that enables our resource sharing*

- b. The Intergovernmental Agreement with Troy 30-C for Library Link cards, providing library cards to all students residing in our district automatically upon their enrollment in the school district.
  - c. We have similar agreements in place for the Joliet Township High School district, and the Minooka School District
  - d. The Intergovernmental agreement for LIMRiCC – our health insurance cooperative/unemployment insurance cooperative, which spreads our risk across a wider pool
  - e. The Intergovernmental agreement for Illinois Libraries Present, which allows us to present programming virtually with authors that we could never afford on our own in cooperation with other libraries.
  - f. I have emailed links for Reaching Across Illinois Library System (RAILS), which we don't have an IGA with, but allows us to resource share broadly, and LIRA, our property & casualty and Worker's Compensation Pool which also allow us to spread risk across a wider base than just our own library
  - g. I've also included community partnerships in your packet that our Library participates in.
18. Our Budget & Financial documents – *a link has been emailed to you and will be emailed again to you on Friday, 6/9. I've also enclosed the draft of the Operating budget that will be approved on 6/8.*
19. State Ethics Laws – *A link has been emailed to you and will be emailed again on Friday, 6/9.*
20. Reports on Government Efficiency, including "Local Government Efficiency and Size in Illinois: Counting Tax Revenues, Not Governments," by Wendell Cox. – *Included in your packet*

Shorewood-Troy Public Library District  
Public Participation at Board of Trustees meetings

Rules for Public Comments

The meetings of the Board of Trustees of the Shorewood-Troy Public Library District are open to members of the public. Members of the public have a right to speak at all meetings of the Board of Trustees of the Shorewood-Troy Public Library District. At each regular and special open meeting, the members of the public may comment on matters germane to Library District operations, subject to reasonable constraints.

1. Members of the public may address the Board only at the appropriate times as indicated on the agenda and when recognized by the Board President.
2. Comments by members of the public are limited to three minutes. A speaker may not cede time to another speaker.
3. Individuals are expected to identify themselves by full name and to be brief.
4. Public comments must pertain to an item on the agenda or to an issue that is relevant to the Board's work. The President of the Board of Trustees retains the right to stop any speaker who raises issues that are not on the agenda or are not germane to the duties of the Board.
5. Petitions or written correspondence to the Board shall be presented to the Board at the next regularly scheduled Board meeting.
6. The President shall have the authority to determine reasonable procedures regarding public participation not otherwise defined in Board policy.

Approved September 11, 2014

**RESOLUTION 2023-2**

**RESOLUTION DESIGNATING OPEN MEETINGS ACT OFFICERS**

WHEREAS, the Open Meetings Act requires a public body to designate one or more employees, officers, or members to receive electronic training on compliance with the Act, and said persons are to complete said training on an annual basis; and

WHEREAS, the Board of Trustees of the Shorewood-Troy Library District hereby finds and declares that it is in the best interests of the Library District to designate such persons;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF LIBRARY TRUSTEES OF SHOREWOOD-TROY LIBRARY DISTRICT, WILL COUNTY, ILLINOIS, AS FOLLOWS:

SECTION ONE: Jennifer Cisna Mills and Cindy Norman are hereby designated to receive training on compliance with the Open Meetings Act officers for the Shorewood-Troy Public District.

SECTION TWO: All policies and resolutions of the Library District that conflict with the provisions of this resolution shall be and are hereby repealed to the extent of such conflict.

SECTION THREE: This resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED THIS 8<sup>th</sup> Day of June, 2023

APPROVED THIS 8<sup>th</sup> Day of June, 2023.

ATTEST:

\_\_\_\_\_  
Thomas Novinski  
President, Board of Library Trustees

\_\_\_\_\_  
Karen Voitik  
Secretary, Board of Library Trustees





# Office of the Attorney General State of Illinois

## Certificate of Completion

OMA - 12/19/2022437635

Monday, May 22, 2023

Jennifer Mills

Has successfully completed the  
Open Meetings Act on-line training.

Kwame Raoul  
Attorney General  
State of Illinois





# Office of the Attorney General State of Illinois

## Certificate of Completion

OMA - 12/19/2022437642

Monday, May 22, 2023

Ms.  
Cindy A Norman

Has successfully completed the  
Open Meetings Act on-line training.

Kwame Raoul  
Attorney General  
State of Illinois

DynamicPDF Core Suite (Generator, Merger and ReportWriter) for .NET v11.21



**RESOLUTION 2023-3**

**RESOLUTION DESIGNATING FREEDOM OF INFORMATION ACT OFFICERS**

WHEREAS, the Freedom of Information Act (5 ILCS 140/3.5) requires a public body to designate one or more Freedom of Information officer or officers; and

WHEREAS, the Board of Trustees of the Shorewood-Troy Library District hereby finds and declares that it is in the best interests of the Library District to designate Freedom of Information officers as set forth herein below;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF LIBRARY TRUSTEES OF SHOREWOOD-TROY PUBLIC LIBRARY DISTRICT, WILL COUNTY, ILLINOIS, AS FOLLOWS:

SECTION ONE: Jennifer Cisna Mills and Julie Hornberger are hereby designated Freedom of Information officers for the Shorewood-Troy Public Library District. The names, titles and contact information for the FOIA Officer(s) shall be posted on the District's website and the District administrative office.

SECTION TWO: All policies and resolutions of the Library District that conflict with the provisions of this resolution shall be and are hereby repealed to the extent of such conflict.

SECTION THREE: This resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED THIS 8<sup>th</sup> Day of June, 2023.

APPROVED THIS 8<sup>th</sup> Day of June, 2023.

ATTEST:

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Thomas Novinski  
President, Board of Library Trustees

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Karen Voitik  
Secretary, Board of Library Trustees



# Office of the Attorney General State of Illinois

## Certificate of Completion

FOIA - 12/19/2022439860

Monday, June 5, 2023

Circulation Manager  
Julie Hornberger

Has successfully completed the  
Freedom of Information Act on-line training.

Kwame Raoul  
Attorney General  
State of Illinois





# Office of the Attorney General State of Illinois

## Certificate of Completion

FOIA - 12/19/2022437618

Monday, May 22, 2023

Jennifer Mills

Has successfully completed the  
Freedom of Information Act on-line training.

Kwame Raoul  
Attorney General  
State of Illinois

**SHOREWOOD-TROY PUBLIC LIBRARY DISTRICT POLICY:  
THE ILLINOIS FREEDOM OF INFORMATION ACT**

I. A brief description of our public body is as follows:

- A. Our purpose is to provide materials and services for the recreational, social, informational, and educational needs of the community.
- B. An organizational chart is attached.
- C. The total amount of our operating budget for FY 2023-24 is: **\$2,010,300.**  
Funding sources are property and personal property replacement taxes, state and federal grants, fines and fees, charges, and donations. Tax levies are:
  - 1. Corporate purposes (for general operating expenditures)
  - 2. IMRF (provides for employee's retirement and related expenses)
  - 3. Social Security (provides for employee's FICA costs and related expenses)
  - 4. Audit (for annual audit and related expenses)
  - 5. Maintenance (for maintaining the building)
  - 6. Tort Liability (for insurance premiums, risk management, attorney's fees and related expenses, unemployment and worker's compensation insurance)
  - 7. Workers Comp (provides for worker's disability insurance)

D. The office is located at this address: 650 Deerwood Drive, Shorewood, IL 60404

E. We have approximately the following number of persons employed:

1.	Full-time	10
2.	Part-time	11

F. The following organization exercises control over our policies and procedures: *The Shorewood-Troy Public Library District Board of Library Trustees*, which meets monthly on the second Thursday of each month at 7 pm at the library.

Its members are: Thomas Novinski, President; Vito Schultz, Vice President; Karen Voitik, Secretary; Robert J. Stahl, Treasurer; Tracy Caswell, Krysten McGee, and Arthetta Reeder,

G. We are required to report and be answerable for our operations to: *Illinois State Library*, Springfield, Illinois. Its members are: State Librarian, Alexi Giannoulis (Secretary of State); Director of the Illinois State Library, Greg McCormick; and various other staff.

II. You may request the information and the records available to the public in the following manner:

- A. Use request form (see attached) or email your FOIA request to Jennifer Mills, [jmills@shorewoodtroylibrary.org](mailto:jmills@shorewoodtroylibrary.org) FOIA Officer or Julie Hornberger, [jhornberger@shorewoodtroylibrary.org](mailto:jhornberger@shorewoodtroylibrary.org), FOIA officer.



- B. Your request should be directed to the following individual(s): Jennifer Cisna Mills, FOIA officer or Julie Hornberger, FOIA Officer. You must indicate whether you have a “commercial purpose”<sup>1</sup> in your request.<sup>2</sup>
- C. You must specify the records requested to be disclosed for inspection or to be copied. If you desire that any records be certified, you must specify which ones.
- D. To reimburse us our actual costs for reproducing and certifying (if requested) the records, you will be charged the following fees:
  - There is a \$1.00 charge for each certification of records.
  - There is no charge for the first fifty (50) pages of black and white text, either letter or legal size;
  - There is a \$.15 per page charge for copied records in excess of 50 pages;
  - The actual copying cost of color copies and other sized copies will be charged.
- E. If the records are kept in electronic format, you may request a specific format, and *if feasible*, they will be so provided, but if not, they will be provided either in the electronic format in which they are kept (and you would be required to pay the actual cost of the medium only, i.e. disc, CD-ROM, jump-drive, etc.) or in paper as you select.
- F. The office will respond to a written request within five (5) working days or sooner if possible. An extension of an additional five (5) working days may be necessary to respond properly. If an extension is necessary, you will be notified in writing.
- G. Records may be inspected or copied. If inspected, an employee must be present throughout the inspection.
- H. Many records are available on our website at [www.shorewoodtroylibrary.org](http://www.shorewoodtroylibrary.org)
- I. The place and times where the records will be available are as follows:
  - Weekdays, 9 a.m. to 5 p.m.
  - Shorewood-Troy Public Library, Administrative Offices

III. The following types or categories of records are maintained under our control:

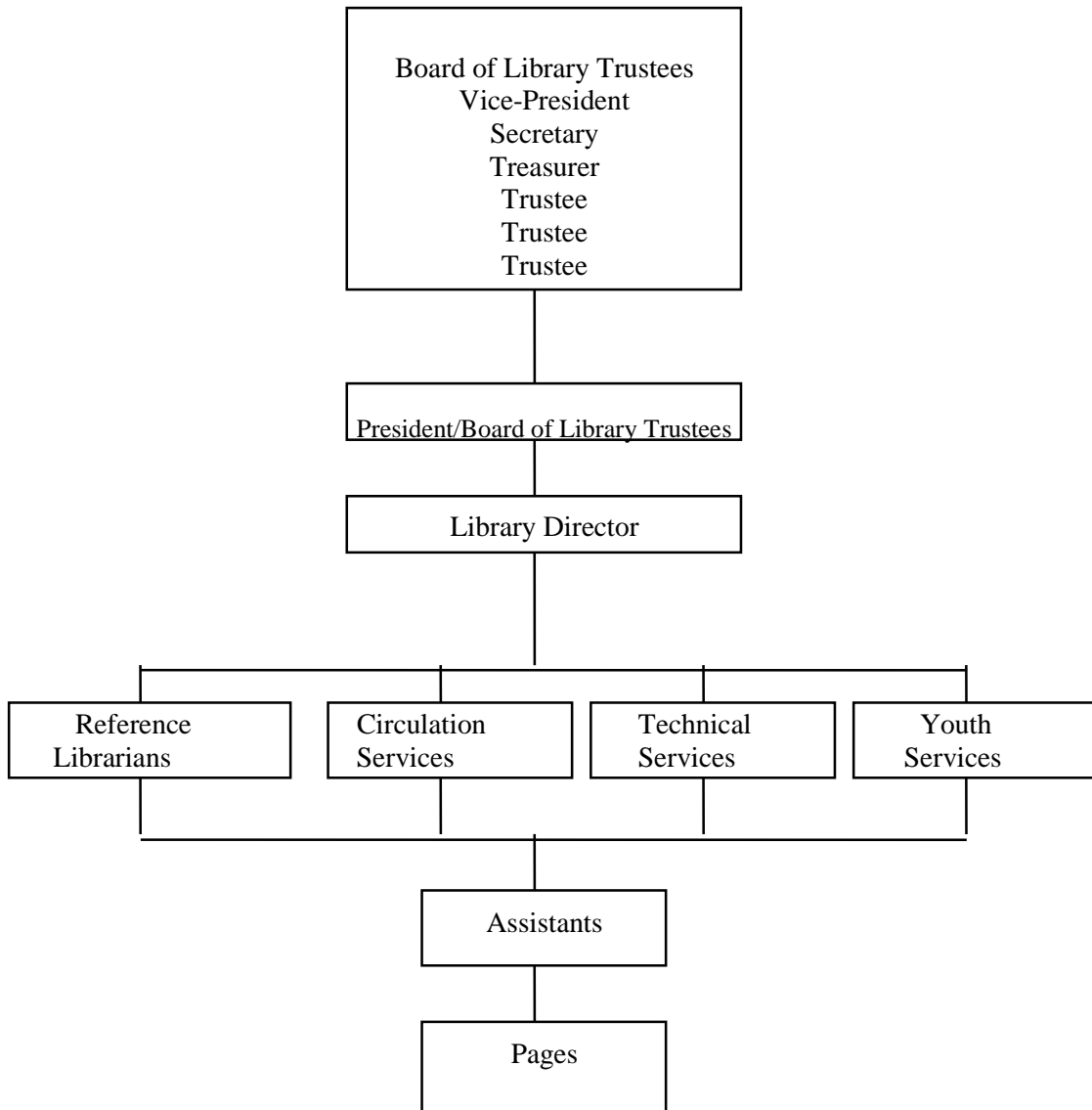
- A. Monthly Financial Statements
- B. Annual Receipts and Disbursements Reports
- C. Budget and Appropriation Ordinances
- D. Levy Ordinances
- E. Operating Budgets
- F. Annual Audits
- G. Minutes of the Board of Library Trustees
- H. Library Policies, including Materials Selection
- I. Adopted Ordinances and Resolutions of the Board
- J. Annual Reports to the Illinois State Library

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<sup>1</sup> “Commercial purpose” is defined in the Act as “the use of any part of a public record or records, or information derived from public records, in any form for sale, resale, or solicitation or advertisement for sales or services.” However, there are exceptions for news media, non-profits, scientific and academic organizations for disseminate news, articles or opinions of public interest, or research or education.

<sup>2</sup> In the event a “commercial interest” is involved, additional questions can be asked of the requestor by the public body FOIA officer in order to determine the classification, then the public body has up to 21 days to respond and either deny the request based on exemptions or undue burden; or estimate the time and cost of the copying for prepayment; or provide the documents requested.

**SHOREWOOD-TROY PUBLIC LIBRARY DISTRICT ORGANIZATIONAL CHART**



**SHOREWOOD-TROY PUBLIC LIBRARY DISTRICT  
FREEDOM OF INFORMATION REQUEST**

Requestor's Name (or business name, if applicable)	Date of Request	Phone number
Street Address	Certification requested:  _____ Yes                      _____ No	
City	State	Zip
Description of Records Requested: _____ _____ _____		
Is the reason for this request a "commercial purpose" as defined in the Act?    ___ Yes        ___ No		
<i>Library Response (Requestor does not fill in below this line)</i>		
A P P R O V E D	<input type="checkbox"/> The documents requested are enclosed. <input type="checkbox"/> You may inspect the records at _____ on the date of _____. <input type="checkbox"/> The documents will be made available upon payment of copying costs of \$ _____. <input type="checkbox"/> <b>For "commercial requests" only:</b> the estimated time of when the documents will be available is _____, at the prepaid costs stated above.	
D E N I E D	<input type="checkbox"/> The request creates an undue burden on the public body in accordance with Section 3(g) of the Freedom of Information Act, and we are unable to negotiate a more reasonable request. <input type="checkbox"/> The materials requested are exempt under Section 7 _____ of the Freedom of Information Act for the following reasons: _____ _____ Individual(s) that determined request to be denied and title: _____ _____ In the event of a denial, you have the right to seek review by the Public Access Counselor at (217) 558-0486 or 500 S. Second St., Springfield, IL 62705 Or you have the right to judicial review under section 11 of FOIA. <input type="checkbox"/> Request delayed, for the following reasons (in accordance with 3(e) of the FOIA): _____. You will be notified by the date of _____ as to the action taken on your request.	

**NOTE: This form cannot be MANDATORY under FOIA, but it is preferred.  
Failure to use it may result in the request not being properly or promptly processed.**

FOIA Officer	Date of Reply
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Draft 6/8/23

**Shorewood-Public Library District-PUBLIC DISCLOSURE OF "TOTAL COMPENSATION"  
Illinois Public Act 97-0609 of Compensation in Excess of \$75,000 Annually**

The Shorewood-Troy Public Library does not provide: Vehicle Allowances, Housing Allowances, Loans, or Clothing Allowances.

<b>Position</b>	<b>Annual salary</b>	<b>Employer-paid health insurance</b>	<b>Vacation Hours Earned</b>	<b>Sick hours Earned</b>	<b>Total Compensation</b>
Director	\$93,932.00	\$7,776.00	200	96	\$101,708.00
ILS Manager	\$90,292.80	\$7,776.00	160	96	\$98,068.80

For Fiscal Year 2024

The Director position receives 200 hours vacation time per year; 96 hours of sick time. It is not known how many hours of PTO time will be used this year. The Integrated Library Systems Manager receives 160 hours of vacation time per year; 96 hours of sick time. It is not known how many hours of PTO time will be used this year.

Sick time accumulates up to a bank of 320 hours; Vacation does not accumulate.

The full-time employees of Shorewood-Troy Public Library District are provided the option to enroll in the Library's group health insurance. Employees pay 20% of the premium costs; the employer pays 80% of the costs (of the High-Deductible PPO option). If the employee chooses the other two options, they also pay the cost differential between the plans. The Library only pays for employee coverage, not family coverage.

The 2023 Monthly Rates for Insurance are shown below.

HMO	\$944.00
Low Deduct PPO	\$810.00
High Deduct PPO	\$967.00



FY2024

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**BYLAWS  
OF  
PINNACLE LIBRARY COOPERATIVE**

**MISSION STATEMENT**

The primary mission of the Pinnacle Library Cooperative is to provide access to information resources by means of an integrated automated system which reflects the holdings and availability of holdings in all participating libraries. At the same time, through its computerized cooperative public library network, the Cooperative promotes cooperation and resource sharing.

**ARTICLE I - AUTHORITY**

Pinnacle Library Cooperative is established pursuant to the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution of the State of Illinois, the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.* Pinnacle Library Cooperative shall not have or exercise any power which is not granted to a public library pursuant to Illinois law.

**ARTICLE II - DEFINITIONS**

Governing Board – the board of directors of the Pinnacle Library Cooperative, consisting of one representative from each Member.

Director – the representative of a Member appointed by its Governing Body to serve on the Governing Board

Executive Committee – the Chair, Vice Chair, Secretary and Treasurer of the Governing Board.

Member – a library that pays for the services and the use of all existing application programs as delineated in the Intergovernmental Agreement and whose patrons have full access to the benefits of the ILS. Members are voting members and may hold any office.

Committees – Committees will be convened as needed to discuss issues related to the functions of the Pinnacle Library Cooperative. Committees will be comprised of staff of member libraries

Governing Board - the group of persons vested with the ultimate legal and fiscal authority for the management of the affairs of a Member, irrespective of the name by which such group is designated by the Member.

**ARTICLE III - GOVERNING BOARD**

**Section 1. General Powers and Duties**

To the extent not otherwise expressly provided in these Bylaws, the affairs of Pinnacle Library Cooperative shall be managed by its Governing Board. In addition, the Board shall have the following specific duties:

- A. To administer and supervise the ILS;
- B. To adopt policy and bylaws;
- C. To approve the budget;
- D. To employ, contract with, and evaluate agents, employees, vendors, independent contractors or other entities, including legal counsel, accountants and other persons as may be necessary to provide any services required for the ILS or its implementation, to store any of the equipment required to carry out the services outlined in this Agreement and to accomplish the purposes of Pinnacle Library Cooperative;
- E. To purchase or lease equipment, machinery or personal property necessary for the carrying out of the purpose of the ILS;
- F. To create and approve the strategic plan;
- G. To review agreements and bylaws at least every three (3) years.

The Pinnacle Library Cooperative Governing Board shall not have or exercise any power that is not granted to a public library pursuant to Illinois Law.

### **Section 2. Number of Members**

The number of directors on the Governing Board shall be equal to the number of libraries which are Members and shall be increased or decreased automatically and without further act so that the number of the members of the Governing Board shall be equal to the number of Members.

### **Section 3. Appointment**

Each Member shall appoint its Director, head administrator or acting administrator (during position vacancy) as the Member's representative on the Governing Board. The Director may also designate, in writing, an alternate to vote in their absence.

Each Director shall vote in accordance with the authority conferred by the Governing Body of the Member making the appointment.

### **Section 4. Meetings**

The Governing Board shall establish a schedule of regular meetings as it deems appropriate, no less frequently than once each quarter of each fiscal year. Meetings of the Governing Board will be held customarily at a Pinnacle Library Cooperative Member, but under special circumstances they may be held elsewhere with prior approval of the Governing Board. Robert's Rules of Order, Newly Revised Edition, shall be applicable to the conduct and business of such meetings on all matters not covered by these Bylaws. The Pinnacle Library Cooperative Chair shall ensure that the packet of materials for each meeting of the Governing Board is transmitted to each member of the Governing Board.

### **Section 5. Special Meetings**

Special meetings of the Governing Board may be called by or at the request of the Chair, the Vice Chair or any three (3) members of the Governing Board. Special meetings will be held at a Pinnacle Library Cooperative Member, but under special circumstances they may be held at another location convenient to the public and with the prior approval of the Governing Board.

## **Section 6. Notices**

Subject to the provisions of Section 5 above, no further notice of annual or regularly scheduled meetings of the Governing Board need be given to the individual members of the Governing Board.

The Governing Board shall notify members at least two (2) days prior to any special meeting.

In the event that the Chair, Vice Chair or any three (3) members of the Governing Board shall determine that there is a financial or other emergency to Pinnacle Library Cooperative, an emergency special meeting of the Governing Board may be held if reasonable notice thereof is given by telephone or electronic telecommunications prior to such meeting.

## **Section 7. Quorum**

A majority of all members of the Governing Board must be physically present, pursuant to Illinois law, and shall constitute a quorum of the Governing Board for the transaction of business at any meeting of the Governing Board, provided that if less than a quorum of the members of the Governing Board is present at said meeting, a majority of the members of the Governing Board present may adjourn the meeting to another time without further notice.

## **Section 8. Remote Attendance**

If a quorum of members of the Governing Board are physically present as required by Section 2.01 of the Open Meetings Act, 5 ICLS 120/2.01, the Board may allow a physically absent board member to attend the meeting by other means if the member is prevented from physically attending the meeting due to personal illness, disability, employment purposes or other emergency.

The board member must give advanced notice to the Board Secretary of the desire to attend the meeting remotely unless advanced notice is impractical. At the board meeting, the members physically present will vote in favor of a board member's remote attendance.

## **Section 9. Voting**

Except as provided elsewhere in these Bylaws, a simple majority shall be sufficient to pass on all matters. All votes will be taken at a Pinnacle Library Cooperative Governing Board meeting. No substitutes or proxies shall be allowed to vote in the place of a Director or the designated alternate.

## **Section 10. Compensation**

Members of the Governing Board shall not receive any compensation for their services.

# **ARTICLE IV – Governing Board & Officers**

## **Section 1. Officers**

Officers shall be elected by the Governing Board at the last general meeting before the end of the Pinnacle Library Cooperative's fiscal year. They shall assume their office at the beginning of the new fiscal year in accordance with the provisions below. Only those



persons who are members of the Governing Board are eligible for election to the office of Chair, Vice Chair, Secretary and Treasurer.

Officers whose authority and duties are not prescribed in these Bylaws shall have the authority and perform the duties prescribed by the Governing Board.

The term of office for each officer shall be for one (1) fiscal year of Pinnacle Library Cooperative.

The person elected as Vice Chair shall, after serving his/her term as Vice Chair, serve as Chair of Pinnacle Library Cooperative for the succeeding fiscal year.

Each officer shall hold office until his/her successor shall have been duly elected or until he/she shall resign, vacate office or shall have been removed in the same manner set forth herein. Election of an officer shall not of itself create contract rights.

### **Section 2. Chair**

The Chair shall be the executive officer of the Board and shall have general supervision of the group. The Chair shall approve agendas and preside at all meetings of the Governing Board. The Chair shall appoint all committees and liaisons to other groups. The Chair, with the concurrence of the Governing Board, shall establish Standing and Ad Hoc Committees as deemed necessary to support the normal functions, special activities and purposes of Pinnacle Library Cooperative. Except in those instances which the authority to execute is expressly delegated to another officer or agent of Pinnacle Library Cooperative or a different mode of execution is expressly prescribed by the Governing Board or these Bylaws, he/she may execute for Pinnacle Library Cooperative any contracts, deeds, mortgages or other instruments which the Governing Board has authorized to be executed, and he/she may accomplish such execution either individually or with the Secretary or any other officer or agent thereunto authorized by the Governing Board, according to the requirements of the form of the instrument.

### **Section 3. Vice-Chair/Chair-Elect**

The Vice Chair is the Chair-Elect. In the absence of the Chair or in the event of the Chair's inability or refusal to act as mandated by the Governing Board, the Vice Chair shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of Pinnacle Library Cooperative or a different mode of execution is expressly prescribed by the Governing Board or these Bylaws, the Vice Chair may execute for Pinnacle Library Cooperative any contracts, deeds, mortgages or other instruments which the Governing Board has authorized to be executed, and he/she may accomplish such execution either individually or with the Secretary or any other officer or agent thereunto authorized by the Governing Board, according to the requirements of the form of the instrument.

### **Section 4. Treasurer**

The Treasurer shall be the principal accounting and financial officer of Pinnacle Library Cooperative. In performing these duties, the Treasurer shall oversee the work of the employee, agent, consultant or independent contractor hired to perform financial services for Pinnacle Library Cooperative. He/she shall have charge of and be responsible for the maintenance of adequate books of account for Pinnacle Library

Cooperative; have charge and custody of all funds and securities of Pinnacle Library Cooperative, and be responsible therefore, and for the receipt and disbursement thereof and, subject to the provisions of Section 6 of Article V below, shall deposit such funds and securities in such banks as the Governing Board shall approve; perform all the duties incident to the office of Treasurer and other duties as assigned to him/her by the Chair or by the Governing Board; and shall give a bond or government crime policy for the faithful discharge of his/her duties with such surety or sureties as the Governing Board shall determine, which shall be paid for by Pinnacle Library Cooperative.

### **Section 5. Secretary**

The Secretary shall record the minutes of the meetings of the Governing Board and Executive Committee meetings. The Secretary shall also see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the official records of Pinnacle Library Cooperative; and perform all duties incident to the office of Secretary; and other duties as may be assigned to him/her by the Chair or by the Governing Board.

In the absence of the Secretary, the Chair shall designate another Governing Board member as Secretary Pro Tem to keep the minutes.

### **Section 6. Vacancies**

In the event that the office of Chair becomes vacant, the Vice-Chair shall assume the duties of the Chair, and the Board shall elect one of its members to the office of Vice-Chair for the remainder of the term. In the event one of the other offices becomes vacant, the Board shall elect one of its other members to fill the remainder of the term at the next Governing Board meeting.

### **Section 7. Removal**

Any officer elected or appointed by the Governing Board may be removed by a simple majority of Board Members whenever in its judgment the best interests of Pinnacle Library Cooperative would be served thereby.

## **ARTICLE V - FINANCIAL MATTERS**

### **Section 1. Fiscal Year**

The fiscal year of Pinnacle Library Cooperative shall be from July 1 to June 30.

### **Section 2. Budget**

The Governing Board shall facilitate the preparation of a draft of the Operating Budget by the end of the fiscal year. The Directors will review the budget and discuss it with the Member's Governing Body.

The proposed Operating Fund budget shall be voted upon by a roll call vote of two-thirds (2/3) of the Pinnacle Library Cooperative Governing Board.

The Governing Board may amend the budget by a roll call vote of two-thirds (2/3) of the Pinnacle Library Cooperative Governing Board, should the Governing Board during the course of any fiscal year determine that the approved budget of Pinnacle Library Cooperative requires amendment.

#### **Section 4. Contracts**

The Governing Board may authorize any officer or officers, agent or agents of Pinnacle Library Cooperative, to enter into any contract or execute and deliver any instrument in the name of and on behalf of Pinnacle Library Cooperative; such authority may be general or confined to specific instances.

#### **Section 5. Checks, Drafts, Etc.**

All checks, electronic payments, or fund transfers issued in the name of Pinnacle Library Cooperative, shall be signed by officers or agents of Pinnacle Library Cooperative as shall be determined by resolution of the Governing Board. In the absence of such determination by the Governing Board, such instruments shall be signed by the Treasurer and countersigned by the Chair, Vice-Chair or Secretary of Pinnacle Library Cooperative.

#### **Section 6. Deposits**

All funds of Pinnacle Library Cooperative shall be deposited in a timely manner to the credit of Pinnacle Library Cooperative in such banks, trust companies or other depositories as the members of the Governing Board may approve; provided, however, that all deposits and investments shall be in financial institutions in which monies of public libraries may be deposited or invested in, in compliance with the requirements of Illinois Compiled Statutes, 30 ILCS 235/0.01.

#### **Section 7. Gifts**

The Governing Board may accept or reject on behalf of Pinnacle Library Cooperative any contribution, gift, bequest or device for the general purposes or for any special purpose of Pinnacle Library Cooperative.

#### **Section 8. Audits**

An audit shall be conducted within 180 days of the end of each fiscal year by an independent certified public accountant authorized to practice public accounting in Illinois, which accountant shall be designated by the Governing Board. An audit shall include a report to the Governing Board and the professional opinion of the accountant as to the financial status of Pinnacle Library Cooperative and as to the accuracy of the audit. In accordance to the rules of the General Accounting Standards Board (GASB), a Management Discussion and Analysis will be prepared and approved by the Governing Board Treasurer for inclusion in the full audit report.

#### **Section 9 Payments**

Each Member shall pay in full its share of the financial obligations incurred by Pinnacle Library Cooperative within thirty (30) days of receipt of Pinnacle Library Cooperative's billing. Pinnacle Library Cooperative shall transmit annual billing statements to all Members.

Pinnacle Library Cooperative's annual billing statement to each Member shall include, but not be limited to, ILS costs, shared subscription services, new hardware, software and workstation costs, extraordinary items (such as capital improvements or new services), maintenance service costs, telecommunication operating costs, compensation to personnel employed by Pinnacle Library Cooperative, insurance, communication line installation costs and other operating costs.

Interest at the then-current Federal Reserve fund rate may be charged to each Member which fails to pay its billing statements within thirty (30) days after receipt thereof.

### **Section 10. Financial Arrearages**

In the event that a Member fails to timely pay its annual billing statement from Pinnacle Library Cooperative or fails to pay within thirty (30) days after written demand any interest or penalty imposed hereunder, the Governing Board may suspend the membership status of a Member and thereby deny computer services and database access to the Member, until payment is made in full. If the Member fails to make full payment within ninety (90) days after termination of services, the Governing Board may take other action as is necessary or appropriate, including litigation against the Member.

### **Section 11. Cost Sharing Formula**

Expenses of the Pinnacle Library Cooperative will be divided amongst its members in accordance with the Pinnacle Cost Sharing formula:

- Base Formula
  - 50% of costs shared equally as a flat charge to each member library.
  - 50% of costs divided proportionally based on the total circulation by patron branch of physical materials from the three most recent calendar years.
- OverDrive eContent Platform
  - 10% of costs shared equally as a flat charge to each member library.
  - 90% of costs divided proportionally based on the total circulation of OverDrive materials for each library from the three most recent calendar years.
  - The OverDrive platform fee will be divided amongst members according to OverDrive's platform fee structure.
- EBSCO Database Package
  - 35% of costs shared equally as a flat charge to each member library.
  - 65% of costs divided proportionally based on the total number of user database sessions for each library from the three most recent calendar years.

A member will not be charged for shared service platforms in which it does not participate. The service platform's costs will be divided amongst participating members following the Pinnacle Cost Sharing formula.

## **ARTICLE VI –COMMITTEES**

The following committees are established: Circulation, Technical Services, Public Catalog, and Digital Collection. Other committees, task forces and forums may be established by the Governing Board as needed. The committees and their subcommittees are primarily attended by employees of the Members, rather than by Directors of the Governing Board. In addition, the participants in the committees are not appointed by the Governing Board and representatives from all Members may attend any of the committees or subcommittee meetings. The Cooperative's Director is an ex officio member of each group.

Agendas for all committee and subcommittee meetings will be sent electronically to all Members and will be posted on Pinnacle Library Cooperative's Intranet. Each

committee shall elect a Chair from amongst its members to serve annually. Each member library shall appoint at least one representative to each committee.

The Circulation Committee, PIRC, shall consider issues related to circulation and interlibrary loan in Pinnacle Library Cooperative and make appropriate recommendations to the Governing Board.

The Technical Services Committee, PinTech, shall consider issues related to cataloging, serials, acquisitions and data entry in Pinnacle Library Cooperative and make appropriate recommendations to the Governing Board.

The Public Catalog Committee, PinOPAC, shall consider issues related to public access in Pinnacle Library Cooperative and make appropriate recommendations to the Governing Board.

The Digital Collection Committee, PinDigital, shall consider issues related to the shared eContent collection and make appropriate recommendations to the Governing Board. Committee members are also responsible for drafting an annual content budget and purchasing titles for the collection.

Other committees, task forces, and forums may be established by the Chair of the Governing Board. The Chair shall appoint the members of such committees.

## **ARTICLE VII - RECORDS RETENTION**

Pinnacle Library Cooperative shall keep correct and complete books and records of account and shall also keep minutes of the meetings of the membership of Pinnacle Library Cooperative and of proceedings of the Governing Board and committees having any of the authority of the Governing Board. All books and records of Pinnacle Library Cooperative may be inspected by any Governing Board Member, or the agent or attorney thereof, for any proper purpose at any reasonable time.

## **ARTICLE VIII - SERVICES TO MEMBERS**

The Pinnacle Library Cooperative provides its members with access and use of a shared ILS software system and other agreed upon services. The Governing Board of Pinnacle Library Cooperative shall take all necessary and appropriate actions to enable Pinnacle Library Cooperative to provide computer and automation services, including causing Pinnacle Library Cooperative to enter into one or more contracts with third parties for services.

## **ARTICLE IX - MEMBERS AND MEMBERSHIP**

### **Section 1. Members**

Any library that agrees to the terms and conditions of an agreement with Pinnacle Library Cooperative may be admitted to membership in Pinnacle Library Cooperative, but only upon compliance with the following conditions:

- A. The addition of the new Member requires unanimous approval from all Member

Libraries;

- B. The new Member shall sign a copy of the Intergovernmental Agreement and these Bylaws for the purpose of acknowledging its commitment to assume the rights and fulfill the responsibilities of membership in Pinnacle Library Cooperative and shall transmit to the Secretary of Pinnacle Library Cooperative a certified copy of the document approved providing for the execution of the Intergovernmental Agreement and Bylaws and the signed Intergovernmental Agreement;
- C. The active membership of the new Member shall become effective on the date on which the new member signs all necessary paperwork;
- D. If the financial impact of the new Member will cause a disproportionate increase in costs on existing Members, admission may be conditioned on the applicant library bearing the increase in costs; and
- E. Upon admission, new members shall be expected to provide funds to match their portion of the Cooperative's existing reserve funds according to the Pinnacle Library Cooperative Cost Sharing Formula.

## **Section 2. Transfer of Membership**

Membership in Pinnacle Library Cooperative is not transferable or assignable.

## **Section 3. Responsibilities of Member Libraries**

Each Member shall comply with such other reasonable rules and regulations as may be established by Pinnacle Library Cooperative for the administration of the ILS as well as all policies of Pinnacle Library Cooperative.

Each Member shall comply with the confidentiality requirements contained in any Sales Agreement and Maintenance Agreement or any other agreement entered into by Pinnacle Library Cooperative with any vendor. The compliance required of each Member shall include signing any confidentiality documents and observing any other requirements designated by Pinnacle Library Cooperative in writing. In addition, each Member shall be individually responsible for any breach or violation of the confidentiality requirements, whether occurring during the term of the Member's membership in Pinnacle Library Cooperative or thereafter.

## **Section 4. Term and Termination of Membership**

Each Member (including new Members admitted pursuant to Section 1 of this Article) shall participate in the Intergovernmental Agreement for a minimum term of three (3) years from the date on which the active membership commences. Upon the expiration of a three-year period, the term of participation of each Member shall automatically be renewed for successive one-year periods, unless the terminating Governing Body and the Pinnacle Library Cooperative Governing Board, as stated in the Intergovernmental Agreement, mutually agree in writing to terminate such Agreement, or unless at any time after the expiration of the initial three-year period a Member gives written notice of its intention to cancel its participation in the Agreement as hereinafter provided.

Notice of cancellation shall be in the form of a certified copy of an ordinance or resolution, declaring the Member's intent to cancel its membership in Pinnacle Library Cooperative, and shall be effective only if:

- A. Notice is given prior to June 30, one (1) year in advance of the proposed termination date and the end of the fiscal year following the fiscal year in which

notice was given; and

- B. The Member giving notice has satisfied and will satisfy all of its obligations under the Intergovernmental Agreement and under these Bylaws.

Each renewal of a Member's participation shall be on the terms, provisions, and conditions contained in the Intergovernmental Agreement and these Bylaws (unless changed or modified by mutual consent in writing).

### **Section 5. Reinstatement**

A Member that has terminated membership may be reinstated by applying for admission as a new Member, as set forth in Section 1 of this Article. The reinstated Member shall pay its share of the costs of new equipment and services purchased by Pinnacle Library Cooperative subsequent to the termination of the library's membership status, said share to be determined according to the policies of Pinnacle Library Cooperative as in effect at the time of reinstatement.

## **ARTICLE X - TERMINATION OF MEMBERSHIP**

### **Section 1. Obligations Upon Termination of Membership**

A Member terminating its membership in Pinnacle Library Cooperative during the third or subsequent year, as provided in Section 4 of Article IX above, shall continue to be fully obligated for all payments and other duties owed to Pinnacle Library Cooperative during the final year of the Member's participation in Pinnacle Library Cooperative.

Notwithstanding anything to the contrary contained in these Bylaws, a terminating Member shall remain fully obligated for:

- A. All special payments and duties which had been specifically allocated to it by the Governing Board of Pinnacle Library Cooperative prior to the giving of written notices of termination by the terminating Member; and
- B. Its pro rata share of any extraordinary payments and duties allocated to it by the Governing Board during the final year of participation by the terminating Member.

### **Section 2. Rights Upon Termination of Membership**

At the expense of the terminating Member, Pinnacle Library Cooperative shall copy in machine-readable form the terminating Member's entries in Pinnacle Library Cooperative's bibliographic and patron databases and remove terminating Member's bibliographic and patron records from the Pinnacle Library Cooperative database. The terminating Member shall have no right or interest in the financial assets of the Cooperative or the hardware or software purchased by Pinnacle Library Cooperative, except as otherwise specifically provided in these Bylaws.

### **Section 3. Procedure Upon Dissolution of Pinnacle Library Cooperative**

Upon the adoption of a resolution of dissolution by two-thirds (2/3) of the Members of Pinnacle Library Cooperative, Pinnacle Library Cooperative shall cease to conduct its affairs except insofar as may be necessary for the proper wrapping up thereof, and shall immediately cause a notice of the proposed dissolution to be mailed to each Member and to each known creditor of Pinnacle Library Cooperative. Pinnacle Library



Cooperative shall then proceed to collect its assets and apply and distribute them as hereinafter provided:

- A. All liabilities and obligations of Pinnacle Library Cooperative shall be paid or adequate provision shall be made therefore;
- B. All assets held by Pinnacle Library Cooperative upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; and
- C. All remaining property and assets held by or in the name of Pinnacle Library Cooperative shall be distributed to the then current Members of Pinnacle Library Cooperative. Said distribution shall be in a manner which approximates the respective equity positions of the Members at the time of dissolution.

## **Article XI - ENFORCEMENT PROCEDURES**

### **Failure to Comply**

In the event that a Member fails to comply with these Bylaws or any rule or regulation of Pinnacle Library Cooperative:

- A. The Member shall be given a written notice from the Governing Board requesting compliance. At the written request of the Member, the Governing Board will meet with such Member to discuss the failure to comply and the corrective action needed for compliance;
- B. Unless the Member has taken all required corrective action within the time period set forth in said written notice, or, if a hearing was requested, within the time period imposed by the Governing Board after such hearing, the full Governing Board may suspend the active membership status of the Member and thereby deny computer services and database access, until corrective action is taken. The Member shall not thereby be released from any of its obligations under the Intergovernmental Agreement and these Bylaws, including the obligation to make financial payments to Pinnacle Library Cooperative; and
- C. If the Member has not taken corrective action within ninety (90) days after termination of services, the Governing Board may take other action as it deems necessary or appropriate, including litigation against such Member.

## **ARTICLE XII – PUBLIC COMMENT RULES**

The meetings of the Governing Board of the Pinnacle Library Cooperative are open to members of the public. Members of the public have a right to speak at all meetings of the Governing Board of the Pinnacle Library Cooperative. At each regular and special open meeting, members of the public may address the Governing Board subject to reasonable constraints.

Members of the public may address the Governing Board only at the appropriate times as indicated on the agenda and when recognized by the Governing Board Chair.

All members of the public shall address their comments to the Governing Board Chair. The Governing Board Chair may request that the appropriate member of the Governing Board or Staff respond to the comment at the appropriate time.

Comments by members of the public are limited to three minutes. Each member of the public may only speak once. A member of the public may not cede time to another member of the public.

Individuals are expected to identify themselves by full name.

The Governing Board Chair shall preserve order and decorum. The Governing Board Chair shall decide all questions of order.

When addressing the Governing Board, members of the public shall avoid personal remarks, the impugning of motives, and merely contentious statements. If any member of the public indulges in such remarks or otherwise engages in conduct injurious to the harmony of the Governing Board and the meeting, the Governing Board may immediately terminate the opportunity to speak. This decision is at the discretion of the Governing Board or upon affirmative vote of two-third (2/3rds) of the Governing Board present. Any person, except a member of the Governing Board, who engages in disorderly conduct during a meeting, may be ejected from the meeting upon motion passed by a majority of the Governing Board present.

Petitions or written correspondence to the Governing Board shall be presented to the Board at the next regularly scheduled Board meeting.

Individuals may record the open portion of meetings. Recording shall not interfere with the overall decorum and proceedings of the meeting and shall not interfere with the rights of other individuals.

Individuals addressing the Governing Board shall adhere to all Pinnacle Library Cooperative policies.

The Governing Board shall have the authority to determine reasonable procedures regarding public participation not otherwise defined in Governing Board policy.

### **ARTICLE XIII - AMENDMENT OF BYLAWS**

The Bylaws may be amended, altered, added to or repealed upon the affirmative vote of two-thirds (2/3) of the Governing Board, at any regular or special meeting of the Governing Board, provided that notice of the proposed amendment, alteration, addition or repeal is given in writing to the Members ten (10) days prior to the meeting.

### **ARTICLE XIV – NOTICES**

All notices of claims or any other notice required to be given pursuant to these Bylaws, shall be in writing, shall be sent by certified mail and shall be addressed to:

Pinnacle Library Cooperative  
c/o White Oak Library District  
20670 Len Kubinski Dr

**ARTICLE XV – LIABILITY OF PINNACLE LIBRARY COOPERATIVE, ITS EMPLOYEES AND PINNACLE LIBRARY COOPERATIVE GOVERNING BOARD DIRECTORS**

- A. The Directors of the Pinnacle Library Cooperative Governing Board and employees of Pinnacle Library Cooperative shall use ordinary care and reasonable diligence in the exercise of their powers 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; nor for any loss incurred through investment of Pinnacle Library Cooperative funds or failure to invest. They may participate in indemnification and self insurance programs and will also purchase liability insurance for Pinnacle Library Cooperative and for its officers and directors. No Director or employee shall be liable for any action taken or omitted by any other Director or employee. No Director of the Pinnacle Library Cooperative Governing Board shall be required to give a bond or other security to guarantee the faithful performance of the Director's duties, except as required by this Agreement or by law;
- B. The liability of Pinnacle Library Cooperative, its employees and Pinnacle Library Cooperative Governing Board Directors is limited solely to the proceeds of payments of Members and to the proceeds of any insurance purchased by Pinnacle Library Cooperative;
- C. If any claim or action not covered by insurance is instituted against a Pinnacle Library Cooperative Governing Board Director or employee of Pinnacle Library Cooperative arising out of an act or omission occurring within the scope of his or her duties or authority, Pinnacle Library Cooperative shall at the request of them:
  - 1. Appear and defend against the claim or action; and
  - 2. Pay or indemnify the Pinnacle Library Cooperative Governing Board Director or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
  - 3. Pay or indemnify the Pinnacle Library Cooperative Governing Board Director or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Pinnacle Library Cooperative Governing Board.
- D. The term "Pinnacle Library Cooperative Governing Board Director or employee" shall include former Pinnacle Library Cooperative Governing Board Directors and employees. Notwithstanding anything to the contrary in this Article XV, this indemnification shall not apply if the Pinnacle Library Cooperative Governing Board finds that the claim or action is based on malicious, willful or criminal claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the Pinnacle Library Cooperative Governing Board will be

determined after an investigation of the facts.

Revised: February 2022  
May 2023

## **Proposed Memorandum of Agreement among Troy 30-C, Joliet Public Library, Shorewood-Troy Public Library District, Three Rivers Public Library District**

This MEMORANDUM OF AGREEMENT ("MOA") is entered into by and among the Joliet Public Library acting by and through its Library Board of Trustees (LIBRARIES), the Shorewood-Troy Public Library District acting by and through its Library Board of Trustees (Libraries), and the Three Rivers Public Library District acting by and through its Library Board of Trustees (LIBRARIES) and the Troy 30-C School District (School District) for the purpose of providing Library Cards to School District Students.

LIBRARIES and SCHOOL DISTRICT may be referred to herein individually as a "PARTY" and collectively as the "PARTIES."

WHEREAS, the mission of the LIBRARIES is to provide free and easy access to information, ideas, books, and technology that can help to enrich, educate, and empower the lives of every individual within the various and diverse communities within the Library District Boundaries.

WHEREAS, the vision of the SCHOOL DISTRICT is for every student to gain a quality education in a safe, caring environment.

WHEREAS, the LIBRARIES and the SCHOOL DISTRICT are partners in education for the students attending the SCHOOL DISTRICT and have a long tradition of collaborating to meet the needs of students in achieving their academic goals.

WHEREAS, President Obama's 2013 ConnectedED initiative strives to enrich the education and opportunities of every K-12 student through partnerships and cooperation; and,

WHEREAS, in April 2015 the White House launched ConnectedED Library Challenge in which libraries and schools are encouraged to build partnerships to ensure that every child receives a library card.

NOW THEREFORE, in consideration of the terms, covenants, and conditions hereinafter contained to be kept and performed by the respective PARTIES, the PARTIES agree to collaborate on connecting every SCHOOL DISTRICT student with a Library Link Library Card issued by the LIBRARIES as follows:

### **SECTION 1- TERM**

The Term of this MOA shall commence on the last date all required signatures are obtained and shall not exceed a period of three (3) years. This MOA shall terminate without cause upon thirty (30) days written notice from either PARTY to the other PARTY stating that PARTY'S intent to terminate this MOA.

#### **SECTION 2 – PURPOSE**

The LIBRARIES and the SCHOOL DISTRICT agree to work collaboratively as outlined in this MOA to issue a Library Card to all students in the SCHOOL DISTRICT during school year 2020/2021.

#### **SECTION 3 – LIBRARY LINK LIBRARY CARD**

**3.1** The Library Link Card will use a unique number identifier (randomly generated) as the Library Link Library account number.

**3.2** The Student Success Library Card will provide access to all materials and electronic resources offered by the LIBRARIES, including research and homework databases and downloadable e-books and e-audiobooks. Parents will have the opportunity to opt out of allowing their children access to the Internet both during the initial enrollment as well as at any time during the Library Link's Card term.

**3.3** The Library Link Library Card will offer the same borrowing privileges that a Joliet Public Library Card, a Shorewood-Troy Library District Card or a Three Rivers Library Card provides.

**3.4** Overdue fines or other fees will not be charged on any Joliet Library Card, Shorewood-Troy Library Card, or Three Rivers Library Card. Parents/guardians will continue to be responsible for lost or damaged items.

#### **SECTION 4 – OPERATING RESPONSIBILITIES**

All PARTIES agree that all registration and circulation records of the LIBRARIES pertaining to the Library Link Cards will remain confidential in accordance to the Library Records Confidentiality Act and any other applicable statutes and will not be disclosed except in accordance with the Illinois Freedom of Information Act. Both PARTIES agree to work together to ensure compliance with all applicable laws and statutes.

#### **SECTION 5 – LIBRARY OPERATING RESPONSIBILITIES**

**5.1** Design, create, and issue Library Link cards, including assuming all costs of printing and distribution of Library Link cards to SCHOOL DISTRICT students and their families.

**5.2** Work jointly with the SCHOOL DISTRICT to develop information that describes the Library Link Card program to parents or legal guardians.

**5.3** Work jointly with the SCHOOL DISTRICT to provide training and information to administrators, teachers, and librarians regarding the Library Link Library Card program.

**5.4** Provide sufficient time for LIBRARIES staff to visit Troy 30-C schools to build and strengthen local partnerships and provide information on the Library Link Library Card program.

**5.5** Replace lost, stolen, or damaged Library Link cards at any of the LIBRARY locations in Channahon, Joliet, Minooka, or Shorewood at no charge to the students or their parents/guardians.

#### **SECTION 6 – SCHOOL DISTRICT OPERATING RESPONSIBILITIES**

**6.1** Distribute pertinent information about the Library Link Library Card program to parents or legal guardians.

**6.2** Provide SCHOOL DISTRICT student data to the LIBRARIES' integrated library system via secure electronic delivery method at the initial enrollment and periodically as agreed upon, but no less than every six months for the purpose of updating Library records with current enrollment data.

**6.3** Work jointly with the LIBRARIES to develop and distribute handouts and website information to create awareness of the Library Link Library Card Program.

**6.4** Work jointly with the LIBRARIES to provide training and information to SCHOOL DISTRICT teachers and administrators regarding the Library Link Library Card Program.

**6.5** Provide evaluation and feedback to the LIBRARIES and assist with obtaining feedback from SCHOOL DISTRICT teachers, administrators, students, and their families or legal guardians.

**6.6** Ensure promotional materials include language that states "Troy 30-C in collaboration with the Joliet Public Library, the Shorewood-Troy Public Library District, and the Three Rivers Public Library District."

#### **SECTION 7 – NOTIFICATION TO PARTIES**

**7.1** The representation of the PARTIES who are authorized to administer this MOA and to who formal notices, demands, and written communications shall be given are as follows:



Joliet Public Library  
150 N. Ottawa St.  
Joliet, IL 60432  
Attention: Megan Millen, Director  
815-740-2660  
[mmillen@jolietlibrary.org](mailto:mmillen@jolietlibrary.org)

Shorewood-Troy Public Library District  
650 Deerwood Dr.  
Shorewood, IL 60404  
Attention: Jennifer Cisna Mills, Director  
815-725-1715  
[jmills@shorewoodtroylibrary.org](mailto:jmills@shorewoodtroylibrary.org)

Three Rivers Public Library District  
25207 W. Channon Dr.  
Channahon, IL 60410  
Attention: Lauren Offerman, Director  
815-467-6200  
[laureno@trpld.org](mailto:laureno@trpld.org)

Troy 30-C School District  
Address:  
Address:  
Attention:  
Phone:  
Email:

IN WITNESS WHEREOF, the PARTIES have caused this MOA to be executed by their duly authorized representatives as of the dates below:

Joliet Public Library  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Shorewood-Troy Library District  
By: Tom Nawrocki  
Name: Tom Nawrocki  
Title: Board President  
Date: 9/12/2020

Troy 30-C

~~Three Rivers Library District~~

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

~~\_\_\_\_\_~~  
Mona Gagliano

Program

10-21-20

Three Rivers Library District

~~Troy 30-C School District~~

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# **Standard Student Data Privacy Agreement**

**IL-NDPA v1.0a**

**School District or LEA**

**and**

**Provider**

# Shorewood - Troy Library

This Student Data Privacy Agreement ("DPA") is entered into on the date of full execution (the "Effective Date") and is entered into by and between:

↖ [Shorewood], located at [650 Deerwood Dr. Shorewood 60404] (the "Local Education Agency" or "LEA") and [ ] (the "Provider").

WHEREAS, the Provider is providing educational or digital services to LEA.

WHEREAS, the Provider and LEA recognize the need to protect personally identifiable student information and other regulated data exchanged between them as required by applicable laws and regulations, such as the Family Educational Rights and Privacy Act ("FERPA") at 20 U.S.C. § 1232g (34 CFR Part 99); the Children's Online Privacy Protection Act ("COPPA") at 15 U.S.C. § 6501-6506 (16 CFR Part 312), applicable state privacy laws and regulations and

WHEREAS, the Provider and LEA desire to enter into this DPA for the purpose of establishing their respective obligations and duties in order to comply with applicable laws and regulations.

NOW THEREFORE, for good and valuable consideration, LEA and Provider agree as follows:

1. A description of the Services to be provided, the categories of Student Data that may be provided by LEA to Provider, and other information specific to this DPA are contained in the Standard Clauses hereto.
2. **Special Provisions. Check if Required**
  - If checked, the Supplemental State Terms and attached hereto as Exhibit "G" are hereby incorporated by reference into this DPA in their entirety.
  - ~~If checked, LEA and Provider agree to the additional terms or modifications set forth in Exhibit "H" (Optional)~~
  - If Checked, the Provider, has signed Exhibit "E" to the Standard Clauses, otherwise known as General Offer of Privacy Terms
3. In the event of a conflict between the SDPC Standard Clauses, the State or Special Provisions will control. In the event there is conflict between the terms of the DPA and any other writing, including, but not limited to the Service Agreement and Provider Terms of Service or Privacy Policy the terms of this DPA shall control.
4. This DPA shall stay in effect for three years. Exhibit E will expire 3 years from the date the original DPA was signed.
5. The services to be provided by Provider to LEA pursuant to this DPA are detailed in Exhibit "A" (the "Services").
6. **Notices.** All notices or other communication required or permitted to be given hereunder may be given via e-mail transmission, or first-class mail, sent to the designated representatives below.

The designated representative for the LEA for this DPA is:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

The designated representative for the Provider for this DPA is:

Name: Jennifer Mills Title: Director

Address: 650 Deerwood Dr., Shorewood, IL 60404

Phone: 815-725-1715 Email: jmills@shorewoodtroylibrary.org

IN WITNESS WHEREOF, LEA and Provider execute this DPA as of the Effective Date.

LEA:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title/Position: \_\_\_\_\_

Provider:

By:  \_\_\_\_\_ Date: 7-12-21

Printed Name: Jennifer Mills Title/Position: Director

## **STANDARD CLAUSES**

Version 1.0

### **ARTICLE I: PURPOSE AND SCOPE**

- 1. Purpose of DPA.** The purpose of this DPA is to describe the duties and responsibilities to protect Student Data including compliance with all applicable federal, state, and local privacy laws, rules, and regulations, all as may be amended from time to time. In performing these services, the Provider shall be considered a School Official with a legitimate educational interest, and performing services otherwise provided by the LEA. Provider shall be under the direct control and supervision of the LEA, with respect to its use of Student Data
- 2. Student Data to Be Provided.** In order to perform the Services described above, LEA shall provide Student Data as identified in the Schedule of Data, attached hereto as **Exhibit "B"**.
- 3. DPA Definitions.** The definition of terms used in this DPA is found in **Exhibit "C"**. In the event of a conflict, definitions used in this DPA shall prevail over terms used in any other writing, including, but not limited to the Service Agreement, Terms of Service, Privacy Policies etc.

### **ARTICLE II: DATA OWNERSHIP AND AUTHORIZED ACCESS**

- 1. Student Data Property of LEA.** All Student Data transmitted to the Provider pursuant to the Service Agreement is and will continue to be the property of and under the control of the LEA. The Provider further acknowledges and agrees that all copies of such Student Data transmitted to the Provider, including any modifications or additions or any portion thereof from any source, are subject to the provisions of this DPA in the same manner as the original Student Data. The Parties agree that as between them, all rights, including all intellectual property rights in and to Student Data contemplated per the Service Agreement, shall remain the exclusive property of the LEA. For the purposes of FERPA, the Provider shall be considered a School Official, under the control and direction of the LEA as it pertains to the use of Student Data, notwithstanding the above.
- 2. Parent Access.** To the extent required by law the LEA shall establish reasonable procedures by which a parent, legal guardian, or eligible student may review Education Records and/or Student Data correct erroneous information, and procedures for the transfer of student-generated content to a personal account, consistent with the functionality of services. Provider shall respond in a reasonably timely manner (and no later than forty five (45) days from the date of the request or pursuant to the time frame required under state law for an LEA to respond to a parent or student, whichever is sooner) to the LEA's request for Student Data in a student's records held by the Provider to view or correct as necessary. In the event that a parent of a student or other individual contacts the Provider to review any of the Student Data accessed pursuant to the Services, the Provider shall refer the parent or individual to the LEA, who will follow the necessary and proper procedures regarding the requested information.
- 3. Separate Account.** If Student-Generated Content is stored or maintained by the Provider, Provider shall, at the request of the LEA, transfer, or provide a mechanism for the LEA to transfer, said Student-Generated Content to a separate account created by the student.

4. **Law Enforcement Requests.** Should law enforcement or other government entities ("Requesting Party(ies)") contact Provider with a request for Student Data held by the Provider pursuant to the Services, the Provider shall notify the LEA in advance of a compelled disclosure to the Requesting Party, unless lawfully directed by the Requesting Party not to inform the LEA of the request.
5. **Subprocessors.** Provider shall enter into written agreements with all Subprocessors performing functions for the Provider in order for the Provider to provide the Services pursuant to the Service Agreement, whereby the Subprocessors agree to protect Student Data in a manner no less stringent than the terms of this DPA.

### ARTICLE III: DUTIES OF LEA

1. **Provide Data in Compliance with Applicable Laws.** LEA shall provide Student Data for the purposes of obtaining the Services in compliance with all applicable federal, state, and local privacy laws, rules, and regulations, all as may be amended from time to time.
2. **Annual Notification of Rights.** If the LEA has a policy of disclosing Education Records and/or Student Data under FERPA (34 CFR § 99.31(a)(1)), LEA shall include a specification of criteria for determining who constitutes a school official and what constitutes a legitimate educational interest in its annual notification of rights.
3. **Reasonable Precautions.** LEA shall take reasonable precautions to secure usernames, passwords, and any other means of gaining access to the services and hosted Student Data.
4. **Unauthorized Access Notification.** LEA shall notify Provider promptly of any known unauthorized access. LEA will assist Provider in any efforts by Provider to investigate and respond to any unauthorized access.

### ARTICLE IV: DUTIES OF PROVIDER

1. **Privacy Compliance.** The Provider shall comply with all applicable federal, state, and local laws, rules, and regulations pertaining to Student Data privacy and security, all as may be amended from time to time.
2. **Authorized Use.** The Student Data shared pursuant to the Service Agreement, including persistent unique identifiers, shall be used for no purpose other than the Services outlined in Exhibit A or stated in the Service Agreement and/or otherwise authorized under the statutes referred to herein this DPA.
3. **Provider Employee Obligation.** Provider shall require all of Provider's employees and agents who have access to Student Data to comply with all applicable provisions of this DPA with respect to the Student Data shared under the Service Agreement. Provider agrees to require and maintain an appropriate confidentiality agreement from each employee or agent with access to Student Data pursuant to the Service Agreement.
4. **No Disclosure.** Provider acknowledges and agrees that it shall not make any re-disclosure of any Student Data or any portion thereof, including without limitation, user content or other non-public information and/or personally identifiable information contained in the Student Data other than as directed or



permitted by the LEA or this DPA. This prohibition against disclosure shall not apply to aggregate summaries of De-Identified information, Student Data disclosed pursuant to a lawfully issued subpoena or other legal process, or to subprocessors performing services on behalf of the Provider pursuant to this DPA. Provider will not Sell Student Data to any third party.

5. **De-Identified Data:** Provider agrees not to attempt to re-identify de-identified Student Data. De-Identified Data may be used by the Provider for those purposes allowed under FERPA and the following purposes: (1) assisting the LEA or other governmental agencies in conducting research and other studies; and (2) research and development of the Provider's educational sites, services, or applications, and to demonstrate the effectiveness of the Services; and (3) for adaptive learning purpose and for customized student learning. Provider's use of De-Identified Data shall survive termination of this DPA or any request by LEA to return or destroy Student Data. Except for Subprocessors, Provider agrees not to transfer de-identified Student Data to any party unless (a) that party agrees in writing not to attempt re-identification, and (b) prior written notice has been given to the LEA who has provided prior written consent for such transfer. Prior to publishing any document that names the LEA explicitly or indirectly, the Provider shall obtain the LEA's written approval of the manner in which de-identified data is presented.
6. **Disposition of Data.** Upon written request from the LEA, Provider shall dispose of or provide a mechanism for the LEA to transfer Student Data obtained under the Service Agreement, within sixty (60) days of the date of said request and according to a schedule and procedure as the Parties may reasonably agree. Upon termination of this DPA, if no written request from the LEA is received, Provider shall dispose of all Student Data after providing the LEA with reasonable prior notice. The duty to dispose of Student Data shall not extend to Student Data that had been De-Identified or placed in a separate student account pursuant to section II 3. The LEA may employ a "Directive for Disposition of Data" form, a copy of which is attached hereto as **Exhibit "D"**. If the LEA and Provider employ Exhibit "D," no further written request or notice is required on the part of either party prior to the disposition of Student Data described in Exhibit "D."
7. **Advertising Limitations.** Provider is prohibited from using, disclosing, or selling Student Data to (a) inform, influence, or enable Targeted Advertising; or (b) develop a profile of a student, family member/guardian or group, for any purpose other than providing the Service to LEA. This section does not prohibit Provider from using Student Data (i) for adaptive learning or customized student learning (including generating personalized learning recommendations); or (ii) to make product recommendations to teachers or LEA employees; or (iii) to notify account holders about new education product updates, features, or services or from otherwise using Student Data as permitted in this DPA and its accompanying exhibits

## **ARTICLE V: DATA PROVISIONS**

1. **Data Storage.** Where required by applicable law, Student Data shall be stored within the United States. Upon request of the LEA, Provider will provide a list of the locations where Student Data is stored.
2. **Audits.** No more than once a year, or following unauthorized access, upon receipt of a written request from the LEA with at least ten (10) business days' notice and upon the execution of an appropriate confidentiality agreement, the Provider will allow the LEA to audit the security and privacy measures that are in place to ensure protection of Student Data or any portion thereof as it pertains to the delivery of services to the LEA . The Provider will cooperate reasonably with the LEA and any local, state, or federal

agency with oversight authority or jurisdiction in connection with any audit or investigation of the Provider and/or delivery of Services to students and/or LEA, and shall provide reasonable access to the Provider's facilities, staff, agents and LEA's Student Data and all records pertaining to the Provider, LEA and delivery of Services to the LEA. Failure to reasonably cooperate shall be deemed a material breach of the DPA.

3. **Data Security.** The Provider agrees to utilize administrative, physical, and technical safeguards designed to protect Student Data from unauthorized access, disclosure, acquisition, destruction, use, or modification. The Provider shall adhere to any applicable law relating to data security. The provider shall implement an adequate Cybersecurity Framework based on one of the nationally recognized standards set forth set forth in Exhibit "F". Exclusions, variations, or exemptions to the identified Cybersecurity Framework must be detailed in an attachment to Exhibit "H". Additionally, Provider may choose to further detail its security programs and measures that augment or are in addition to the Cybersecurity Framework in Exhibit "F". Provider shall provide, in the Standard Schedule to the DPA, contact information of an employee who LEA may contact if there are any data security concerns or questions.

4. **Data Breach.** In the event of an unauthorized release, disclosure or acquisition of Student Data that compromises the security, confidentiality or integrity of the Student Data maintained by the Provider the Provider shall provide notification to LEA within seventy-two (72) hours of confirmation of the incident, unless notification within this time limit would disrupt investigation of the incident by law enforcement. In such an event, notification shall be made within a reasonable time after the incident. Provider shall follow the following process:

- (1) The security breach notification described above shall include, at a minimum, the following information to the extent known by the Provider and as it becomes available:
  - i. The name and contact information of the reporting LEA subject to this section.
  - ii. A list of the types of personal information that were or are reasonably believed to have been the subject of a breach.
  - iii. If the information is possible to determine at the time the notice is provided, then either (1) the date of the breach, (2) the estimated date of the breach, or (3) the date range within which the breach occurred. The notification shall also include the date of the notice.
  - iv. Whether the notification was delayed as a result of a law enforcement investigation, if that information is possible to determine at the time the notice is provided; and
  - v. A general description of the breach incident, if that information is possible to determine at the time the notice is provided.
- (2) Provider agrees to adhere to all federal and state requirements with respect to a data breach related to the Student Data, including, when appropriate or required, the required responsibilities and procedures for notification and mitigation of any such data breach.
- (3) Provider further acknowledges and agrees to have a written incident response plan that reflects best practices and is consistent with industry standards and federal and state law for responding to a data breach, breach of security, privacy incident or unauthorized acquisition or use of Student Data or any portion thereof, including personally identifiable information and agrees to provide LEA, upon request, with a summary of said written incident response plan.

- (4) LEA shall provide notice and facts surrounding the breach to the affected students, parents or guardians.
- (5) In the event of a breach originating from LEA's use of the Service, Provider shall cooperate with LEA to the extent necessary to expeditiously secure Student Data.

#### ARTICLE VI: GENERAL OFFER OF TERMS

Provider may, by signing the attached form of "General Offer of Privacy Terms" (General Offer, attached hereto as Exhibit "E"), be bound by the terms of Exhibit "E" to any other LEA who signs the acceptance on said Exhibit. The form is limited by the terms and conditions described therein.

#### ARTICLE VII: MISCELLANEOUS

1. **Termination.** In the event that either Party seeks to terminate this DPA, they may do so by mutual written consent so long as the Service Agreement has lapsed or has been terminated. Either party may terminate this DPA and any service agreement or contract if the other party breaches any terms of this DPA.
2. **Effect of Termination Survival.** If the Service Agreement is terminated, the Provider shall destroy all of LEA's Student Data pursuant to Article IV, section 6.
3. **Priority of Agreements.** This DPA shall govern the treatment of Student Data in order to comply with the privacy protections, including those found in FERPA and all applicable privacy statutes identified in this DPA. In the event there is conflict between the terms of the DPA and the Service Agreement, Terms of Service, Privacy Policies, or with any other bid/RFP, license agreement, or writing, the terms of this DPA shall apply and take precedence. In the event of a conflict between Exhibit H, the SDPC Standard Clauses, and/or the Supplemental State Terms, Exhibit H will control, followed by the Supplemental State Terms. Except as described in this paragraph herein, all other provisions of the Service Agreement shall remain in effect.
4. **Entire Agreement.** This DPA and the Service Agreement constitute the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior communications, representations, or agreements, oral or written, by the Parties relating thereto. This DPA may be amended and the observance of any provision of this DPA may be waived (either generally or in any particular instance and either retroactively or prospectively) only with the signed written consent of both Parties. Neither failure nor delay on the part of any Party in exercising any right, power, or privilege hereunder shall operate as a waiver of such right, nor shall any single or partial exercise of any such right, power, or privilege preclude any further exercise thereof or the exercise of any other right, power, or privilege.

5. **Severability.** Any provision of this DPA that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this DPA, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be prohibited or unenforceable in such jurisdiction while, at the same time, maintaining the intent of the Parties, it shall, as to such jurisdiction, be so narrowly drawn without invalidating the remaining provisions of this DPA or affecting the validity or enforceability of such provision in any other jurisdiction.
  
6. **Governing Law; Venue and Jurisdiction.** THIS DPA WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF THE LEA, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES. EACH PARTY CONSENTS AND SUBMITS TO THE SOLE AND EXCLUSIVE JURISDICTION TO THE STATE AND FEDERAL COURTS FOR THE COUNTY OF THE LEA FOR ANY DISPUTE ARISING OUT OF OR RELATING TO THIS DPA OR THE TRANSACTIONS CONTEMPLATED HEREBY.
  
7. **Successors Bound:** This DPA is and shall be binding upon the respective successors in interest to Provider in the event of a merger, acquisition, consolidation or other business reorganization or sale of all or substantially all of the assets of such business. In the event that the Provider sells, merges, or otherwise disposes of its business to a successor during the term of this DPA, the Provider shall provide written notice to the LEA no later than sixty (60) days after the closing date of sale, merger, or disposal. Such notice shall include a written, signed assurance that the successor will assume the obligations of the DPA and any obligations with respect to Student Data within the Service Agreement. The LEA has the authority to terminate the DPA if it disapproves of the successor to whom the Provider is selling, merging, or otherwise disposing of its business.
  
8. **Authority.** Each party represents that it is authorized to bind to the terms of this DPA, including confidentiality and destruction of Student Data and any portion thereof contained therein, all related or associated institutions, individuals, employees or contractors who may have access to the Student Data and/or any portion thereof.
  
9. **Waiver.** No delay or omission by either party to exercise any right hereunder shall be construed as a waiver of any such right and both parties reserve the right to exercise any such right from time to time, as often as may be deemed expedient.

**EXHIBIT "A"**

**DESCRIPTION OF SERVICES**

Providing public library cards to students in Troy 30-c, whose families reside within our library's (Shrewood-Troy Library District) boundaries.

**EXHIBIT "B"**  
**SCHEDULE OF DATA**

Application Technology Meta Data	IP Addresses of users, Use of cookies, etc.	<input type="checkbox"/>
	Other application technology meta data-Please specify:	<input type="checkbox"/>
Application Use Statistics	Meta data on user interaction with application	<input type="checkbox"/>
Assessment	Standardized test scores	<input type="checkbox"/>
	Observation data	<input type="checkbox"/>
	Other assessment data-Please specify:	<input type="checkbox"/>
Attendance	Student school (daily) attendance data	<input type="checkbox"/>
	Student class attendance data	<input type="checkbox"/>
Communications	Online communications captured (emails, blog entries)	<input type="checkbox"/>
Conduct	Conduct or behavioral data	<input type="checkbox"/>
Demographics	Date of Birth	<input checked="" type="checkbox"/>
	Place of Birth	<input checked="" type="checkbox"/>
	Gender	<input checked="" type="checkbox"/>
	Ethnicity or race	<input type="checkbox"/>
	Language information (native, or primary language spoken by student)	<input type="checkbox"/>
	Other demographic information-Please specify:	<input type="checkbox"/>
Enrollment	Student school enrollment	<input checked="" type="checkbox"/>
	Student grade level	<input checked="" type="checkbox"/>
	Homeroom	<input type="checkbox"/>
	Guidance counselor	<input type="checkbox"/>
	Specific curriculum programs	<input type="checkbox"/>
	Year of graduation	<input type="checkbox"/>
	Other enrollment information-Please specify:	<input type="checkbox"/>
Parent/Guardian Contact Information	Address	<input checked="" type="checkbox"/>
	Email	<input checked="" type="checkbox"/>

	Phone		<input type="checkbox"/>
Parent/Guardian ID	Parent ID number (created to link parents to students)		<input type="checkbox"/>
Parent/Guardian Name	First and/or Last		<input type="checkbox"/>
Schedule	Student scheduled courses		<input type="checkbox"/>
	Teacher names		<input type="checkbox"/>
Special Indicator	English language learner information		<input type="checkbox"/>
	Low income status		<input type="checkbox"/>
	Medical alerts/ health data		<input type="checkbox"/>
	Student disability information		<input type="checkbox"/>
	Specialized education services (IEP or 504)		<input type="checkbox"/>
	Living situations (homeless/foster care)		<input type="checkbox"/>
	Other indicator information-Please specify:		<input type="checkbox"/>
Student Contact Information	Address		<input checked="" type="checkbox"/>
	Email		<input checked="" type="checkbox"/>
	Phone		<input checked="" type="checkbox"/>
Student Identifiers	Local (School district) ID number		<input type="checkbox"/>
	State ID number		<input type="checkbox"/>
	Provider/App assigned student ID number		<input type="checkbox"/>
	Student app username		<input type="checkbox"/>
	Student app passwords		<input type="checkbox"/>
Student Name	First and/or Last		<input type="checkbox"/>
Student In App Performance	Program/application performance (typing program-student types 60 wpm, reading program-student reads below grade level)		<input type="checkbox"/>
Student Program Membership	Academic or extracurricular activities a student may belong to or participate in		<input type="checkbox"/>
Student Survey Responses	Student responses to surveys or questionnaires		<input type="checkbox"/>
Student work	Student generated content; writing, pictures, etc.		<input type="checkbox"/>
	Other student work data -Please specify:		<input type="checkbox"/>
Transcript	Student course grades		<input type="checkbox"/>
	Student course data		<input type="checkbox"/>

Category	Data Element	Parent Consent (Yes/No)
	Student course grades/ performance scores	<input type="checkbox"/>
	Other transcript data - Please specify:	<input type="checkbox"/>
Transportation	Student bus assignment	<input type="checkbox"/>
	Student pick up and/or drop off location	<input type="checkbox"/>
	Student bus card ID number	<input type="checkbox"/>
	Other transportation data – Please specify:	<input type="checkbox"/>
Other	Please list each additional data element used, stored, or collected by your application:	<input type="checkbox"/>
None	No Student Data collected at this time. Provider will immediately notify LEA if this designation is no longer applicable.	<input type="checkbox"/>



**EXHIBIT "C"**  
**DEFINITIONS**

**De-Identified Data and De-Identification:** Records and information are considered to be De-Identified when all personally identifiable information has been removed or obscured, such that the remaining information does not reasonably identify a specific individual, including, but not limited to, any information that, alone or in combination is linkable to a specific student and provided that the educational agency, or other party, has made a reasonable determination that a student's identity is not personally identifiable, taking into account reasonable available information.

**Educational Records:** Educational Records are records, files, documents, and other materials directly related to a student and maintained by the school or local education agency, or by a person acting for such school or local education agency, including but not limited to, records encompassing all the material kept in the student's cumulative folder, such as general identifying data, records of attendance and of academic work completed, records of achievement, and results of evaluative tests, health data, disciplinary status, test protocols and individualized education programs.

**Metadata:** means information that provides meaning and context to other data being collected; including, but not limited to: date and time records and purpose of creation Metadata that have been stripped of all direct and indirect identifiers are not considered Personally Identifiable Information.

**Operator:** means the operator of an internet website, online service, online application, or mobile application with actual knowledge that the site, service, or application is used for K-12 school purposes. Any entity that operates an internet website, online service, online application, or mobile application that has entered into a signed, written agreement with an LEA to provide a service to that LEA shall be considered an "operator" for the purposes of this section.

**Originating LEA:** An LEA who originally executes the DPA in its entirety with the Provider.

**Provider:** For purposes of the DPA, the term "Provider" means provider of digital educational software or services, including cloud-based services, for the digital storage, management, and retrieval of Student Data. Within the DPA the term "Provider" includes the term "Third Party" and the term "Operator" as used in applicable state statutes.

**Student Generated Content:** The term "Student-Generated Content" means materials or content created by a student in the services including, but not limited to, essays, research reports, portfolios, creative writing, music or other audio files, photographs, videos, and account information that enables ongoing ownership of student content.

**School Official:** For the purposes of this DPA and pursuant to 34 CFR § 99.31(b), a School Official is a contractor that: (1) Performs an institutional service or function for which the agency or institution would otherwise use employees; (2) Is under the direct control of the agency or institution with respect to the use and maintenance of Student Data including Education Records; and (3) Is subject to 34 CFR § 99.33(a) governing the use and disclosure of Personally Identifiable Information from Education Records.

**Service Agreement:** Refers to the Contract, Purchase Order or Terms of Service or Terms of Use.

**Student Data:** Student Data includes any data, whether gathered by Provider or provided by LEA or its users, students, or students' parents/guardians, that is descriptive of the student including, but not limited to,

information in the student's educational record or email, first and last name, birthdate, home or other physical address, telephone number, email address, or other information allowing physical or online contact, discipline records, videos, test results, special education data, juvenile dependency records, grades, evaluations, criminal records, medical records, health records, social security numbers, biometric information, disabilities, socioeconomic information, individual purchasing behavior or preferences, food purchases, political affiliations, religious information, text messages, documents, student identifiers, search activity, photos, voice recordings, geolocation information, parents' names, or any other information or identification number that would provide information about a specific student. Student Data includes Meta Data. Student Data further includes "Personally Identifiable Information (PII)," as defined in 34 C.F.R. § 99.3 and as defined under any applicable state law. Student Data shall constitute Education Records for the purposes of this DPA, and for the purposes of federal, state, and local laws and regulations. Student Data as specified in Exhibit "B" is confirmed to be collected or processed by the Provider pursuant to the Services. Student Data shall not constitute that information that has been anonymized or De-Identified, or anonymous usage data regarding a student's use of Provider's services.

**Subprocessor:** For the purposes of this DPA, the term "Subprocessor" (sometimes referred to as the "Subcontractor") means a party other than LEA or Provider, who Provider uses for data collection, analytics, storage, or other service to operate and/or improve its service, and who has access to Student Data.

**Subscribing LEA:** An LEA that was not party to the original Service Agreement and who accepts the Provider's General Offer of Privacy Terms.

**Targeted Advertising:** means presenting an advertisement to a student where the selection of the advertisement is based on Student Data or inferred over time from the usage of the operator's Internet web site, online service or mobile application by such student or the retention of such student's online activities or requests over time for the purpose of targeting subsequent advertisements. "Targeted Advertising" does not include any advertising to a student on an Internet web site based on the content of the web page or in response to a student's response or request for information or feedback.

**Third Party:** The term "Third Party" means a provider of digital educational software or services, including cloud-based services, for the digital storage, management, and retrieval of Education Records and/or Student Data, as that term is used in some state statutes. However, for the purpose of this DPA, the term "Third Party" when used to indicate the provider of digital educational software or services is replaced by the term "Provider."

**EXHIBIT "D"**  
**DIRECTIVE FOR DISPOSITION OF DATA**

Provider to dispose of data obtained by Provider pursuant to the terms of the Service Agreement between LEA and Provider. The terms of the Disposition are set forth below:

**1. Extent of Disposition**

Disposition is partial. The categories of data to be disposed of are set forth below or are found in an attachment to this Directive:

[ ]

Disposition is Complete. Disposition extends to all categories of data.

**2. Nature of Disposition**

Disposition shall be by destruction or deletion of data.

Disposition shall be by a transfer of data. The data shall be transferred to the following site as follows:

[ ]

**3. Schedule of Disposition**

Data shall be disposed of by the following date:

As soon as commercially practicable.


By [ ] *at Expiration of Library Cards Term*

**4. Signature**

\_\_\_\_\_  
Authorized Representative of LEA

\_\_\_\_\_  
Date

**5. Verification of Disposition of Data**

  
\_\_\_\_\_  
Authorized Representative of Company

*7-12-21*  
\_\_\_\_\_  
Date

**EXHIBIT "E"**  
**GENERAL OFFER OF PRIVACY TERMS**

**1. Offer of Terms**

Provider offers the same privacy protections found in this DPA between it and ("Originating LEA") which is dated \_\_\_\_\_, to any other LEA ("Subscribing LEA") who accepts this General Offer of Privacy Terms ("General Offer") through its signature below. This General Offer shall extend only to privacy protections, and Provider's signature shall not necessarily bind Provider to other terms, such as price, term, or schedule of services, or to any other provision not addressed in this DPA. The Provider and the Subscribing LEA may also agree to change the data provided by Subscribing LEA to the Provider to suit the unique needs of the Subscribing LEA. The Provider may withdraw the General Offer in the event of: (1) a material change in the applicable privacy statutes; (2) a material change in the services and products listed in the originating Service Agreement; or three (3) years after the date of Provider's signature to this Form. Subscribing LEAs should send the signed Exhibit "E" to Provider at the following email address: jmillis@shorewoodtroylibrary.org.

**PROVIDER:**

BY: Shorewood-Troy Public Library Date: 07/12/2021

Printed Name: Jennifer Mills Title/Position: Director

**2. Subscribing LEA**

A Subscribing LEA, by signing a separate Service Agreement with Provider, and by its signature below, accepts the General Offer of Privacy Terms. The Subscribing LEA and the Provider shall therefore be bound by the same terms of this DPA for the term of the DPA between the and

**\*\*PRIOR TO ITS EFFECTIVENESS, SUBSCRIBING LEA MUST DELIVER NOTICE OF ACCEPTANCE TO PROVIDER PURSUANT TO ARTICLE VII, SECTION 5. \*\***

**Subscribing LEA:**

BY: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title/Position: \_\_\_\_\_

SCHOOL DISTRICT NAME: \_\_\_\_\_

**DESIGNATED REPRESENTATIVE OF LEA:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**EXHIBIT "F"**  
**DATA SECURITY REQUIREMENTS**

**Adequate Cybersecurity Frameworks**  
**2/24/2020**

The Education Security and Privacy Exchange ("Edspex") works in partnership with the Student Data Privacy Consortium and industry leaders to maintain a list of known and credible cybersecurity frameworks which can protect digital learning ecosystems chosen based on a set of guiding cybersecurity principles\* ("Cybersecurity Frameworks") that may be utilized by Provider .

**Cybersecurity Frameworks**

	<b>MAINTAINING ORGANIZATION/GROUP</b>	<b>FRAMEWORK(S)</b>
<input type="checkbox"/>	National Institute of Standards and Technology	NIST Cybersecurity Framework Version 1.1
<input type="checkbox"/>	National Institute of Standards and Technology	NIST SP 800-53, Cybersecurity Framework for Improving Critical Infrastructure Cybersecurity (CSF), Special Publication 800-171
<input checked="" type="checkbox"/>	International Standards Organization	Information technology — Security techniques — Information security management systems (ISO 27000 series)
<input type="checkbox"/>	Secure Controls Framework Council, LLC	Security Controls Framework (SCF)
<input type="checkbox"/>	Center for Internet Security	CIS Critical Security Controls (CSC, CIS Top 20)
<input type="checkbox"/>	Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S))	Cybersecurity Maturity Model Certification (CMMC, ~FAR/DFAR)

Please visit <http://www.edspex.org> for further details about the noted frameworks.

\*Cybersecurity Principles used to choose the Cybersecurity Frameworks are located here

**EXHIBIT "G" - Supplemental SDPC (Student Data Privacy Consortium) State Terms for Illinois**

Version IL-NDPAv1.0a (Revised March 15, 2021)

This Exhibit G, Supplemental SDPC State Terms for Illinois ("Supplemental State Terms"), effective simultaneously with the attached Student Data Privacy Agreement ("DPA") by and between

(the "Local Education Agency" or "LEA") and Shorewood - Troy Public Library (the "Provider"), is incorporated in the attached DPA and amends the DPA (and all supplemental terms and conditions and policies applicable to the DPA) as follows:

1. **Compliance with Illinois Privacy Laws.** In performing its obligations under the Agreement, the Provider shall comply with all Illinois laws and regulations pertaining to student data privacy, confidentiality, and maintenance, including but not limited to the Illinois School Student Records Act ("ISSRA"), 105 ILCS 10/, Mental Health and Developmental Disabilities Confidentiality Act ("MHDDCA"), 740 ILCS 110/, Student Online Personal Protection Act ("SOPPA"), 105 ILCS 85/, Identity Protection Act ("IPA"), 5 ILCS 179/, and Personal Information Protection Act ("PIPA"), 815 ILCS 530/, and Local Records Act ("LRA"), 50 ILCS 205/.
2. **Definition of "Student Data."** In addition to the definition set forth in Exhibit C, Student Data includes any and all information concerning a student by which a student may be individually identified under applicable Illinois law and regulations, including but not limited to (a) "covered information," as defined in Section 5 of SOPPA (105 ILCS 85/5), (b) "school student records" as that term is defined in Section 2 of ISSRA (105 ILCS 10/2(d)) (c) "records" as that term is defined under Section 110/2 of the MHDDCA (740 ILCS 110/2), and (d) "personal information" as defined in Section 530/5 of PIPA.
3. **School Official Designation.** Pursuant to Article I, Paragraph 1 of the DPA Standard Clauses, and in accordance with FERPA, ISSRA and SOPPA, in performing its obligations under the DPA, the Provider is acting as a school official with legitimate educational interest; is performing an institutional service or function for which the LEA would otherwise use its own employees; is under the direct control of the LEA with respect to the use and maintenance of Student Data; and is using Student Data only for an authorized purpose and in furtherance of such legitimate educational interest.
4. **Limitations on Re-Disclosure.** The Provider shall not re-disclose Student Data to any other party or affiliate without the express written permission of the LEA or pursuant to court order, unless such disclosure is otherwise permitted under SOPPA, ISSRA, FERPA, and MHDDCA. Provider will not sell or rent Student Data. In the event another party, including law enforcement or a government entity, contacts the Provider with a request or subpoena for Student Data in the possession of the Provider, the Provider shall redirect the other party to seek the data directly from the LEA. In the event the Provider is compelled to produce Student Data to another party in compliance with a court order, Provider shall notify the LEA at least five (5) school days in advance of the court ordered disclosure and, upon request, provide the LEA with a copy of the court order requiring such disclosure.
5. **Notices.** Any notice delivered pursuant to the DPA shall be deemed effective, as applicable, upon receipt as evidenced by the date of transmission indicated on the transmission material, if by e-mail; or four (4) days after mailing, if by first-class mail, postage prepaid.
6. **Parent Right to Access and Challenge Student Data.** The LEA shall establish reasonable procedures pursuant to which a parent, as that term is defined in 105 ILCS 10/2(g), may inspect and/or

copy Student Data and/or challenge the accuracy, relevance or propriety of Student Data, pursuant to Sections 5 and 7 of ISSRA (105 ILCS 10/5; 105 ILCS 10/7) and Section 33 of SOPPA (105 ILCS 85/33). The Provider shall respond to any request by the LEA for Student Data in the possession of the Provider when Provider cooperation is required to afford a parent an opportunity to inspect and/or copy the Student Data, no later than 5 business days from the date of the request. In the event that a parent contacts the Provider directly to inspect and/or copy Student Data, the Provider shall refer the parent to the LEA, which shall follow the necessary and proper procedures regarding the requested Student Data.

**7. Corrections to Factual Inaccuracies.** In the event that the LEA determines that the Provider is maintaining Student Data that contains a factual inaccuracy, and Provider cooperation is required in order to make a correction, the LEA shall notify the Provider of the factual inaccuracy and the correction to be made. No later than 90 calendar days after receiving the notice of the factual inaccuracy, the Provider shall correct the factual inaccuracy and shall provide written confirmation of the correction to the LEA.

**8. Security Standards.** The Provider shall implement and maintain commercially reasonable security procedures and practices that otherwise meet or exceed industry standards designed to protect Student Data from unauthorized access, destruction, use, modification, or disclosure, including but not limited to the unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of the Student Data (a "Security Breach"). For purposes of the DPA and this Exhibit G, "Security Breach" does not include the good faith acquisition of Student Data by an employee or agent of the Provider or LEA for a legitimate educational or administrative purpose of the Provider or LEA, so long as the Student Data is used solely for purposes permitted by SOPPA and other applicable law, and so long as the Student Data is restricted from further unauthorized disclosure.

**9. Security Breach Notification.** In addition to the information enumerated in Article V, Section 4(1) of the DPA Standard Clauses, any Security Breach notification provided by the Provider to the LEA shall include:

- a. A list of the students whose Student Data was involved in or is reasonably believed to have been involved in the breach, if known; and
- b. The name and contact information for an employee of the Provider whom parents may contact to inquire about the breach.

**10. Reimbursement of Expenses Associated with Security Breach.** In the event of a Security Breach that is attributable to the Provider, the Provider shall reimburse and indemnify the LEA for any and all costs and expenses that the LEA incurs in investigating and remediating the Security Breach, without regard to any limitation of liability provision otherwise agreed to between Provider and LEA, including but not limited to costs and expenses associated with:

- a. Providing notification to the parents of those students whose Student Data was compromised and regulatory agencies or other entities as required by law or contract;
- b. Providing credit monitoring to those students whose Student Data was exposed in a manner during the Security Breach that a reasonable person would believe may impact the student's credit or financial security;
- c. Legal fees, audit costs, fines, and any other fees or damages imposed against the LEA

as a result of the security breach; and

- d. Providing any other notifications or fulfilling any other requirements adopted by the Illinois State Board of Education or under other State or federal laws.

**11. Transfer or Deletion of Student Data.** The Provider shall review, on an annual basis, whether the Student Data it has received pursuant to the DPA continues to be needed for the purpose(s) of the Service Agreement and this DPA. If any of the Student Data is no longer needed for purposes of the Service Agreement and this DPA, the Provider will provide written notice to the LEA as to what Student Data is no longer needed. The Provider will delete or transfer Student Data in readable form to the LEA, as directed by the LEA (which may be effectuated through Exhibit D of the DPA), within 30 calendar days if the LEA requests deletion or transfer of the Student Data and shall provide written confirmation to the LEA of such deletion or transfer. Upon termination of the Service Agreement between the Provider and LEA, Provider shall conduct a final review of Student Data within 60 calendar days.

If the LEA receives a request from a parent, as that term is defined in 105 ILCS 10/2(g), that Student Data being held by the Provider be deleted, the LEA shall determine whether the requested deletion would violate State and/or federal records laws. In the event such deletion would not violate State or federal records laws, the LEA shall forward the request for deletion to the Provider. The Provider shall comply with the request and delete the Student Data within a reasonable time period after receiving the request.

Any provision of Student Data to the LEA from the Provider shall be transmitted in a format readable by the LEA.

**12. Public Posting of DPA.** Pursuant to SOPPA, the LEA shall publish on its website a copy of the DPA between the Provider and the LEA, including this Exhibit G.

**13. Subcontractors.** By no later than (5) business days after the date of execution of the DPA, the Provider shall provide the LEA with a list of any subcontractors to whom Student Data may be disclosed or a link to a page on the Provider's website that clearly lists any and all subcontractors to whom Student Data may be disclosed. This list shall, at a minimum, be updated and provided to the LEA by the beginning of each fiscal year (July 1) and at the beginning of each calendar year (January 1).

**14. DPA Term.**

- a. **Original DPA.** Paragraph 4 on page 2 of the DPA setting a three-year term for the DPA shall be deleted, and the following shall be inserted in lieu thereof: "This DPA shall be effective upon the date of signature by Provider and LEA, and shall remain in effect as between Provider and LEA 1) for so long as the Services are being provided to the LEA or 2) until the DPA is terminated pursuant to Section 15 of this Exhibit G, whichever comes first. The Exhibit E General Offer will expire three (3) years from the date the original DPA was signed."
- b. **General Offer DPA.** The following shall be inserted as a new second sentence in Paragraph 1 of Exhibit E: "The provisions of the original DPA offered by Provider and accepted by Subscribing LEA pursuant to this Exhibit E shall remain in effect as between Provider and Subscribing LEA 1) for so long as the Services are being provided to Subscribing LEA, or 2) until the DPA is terminated pursuant to Section 15 of this Exhibit G, whichever comes first."



15. **Termination.** Paragraph 1 of Article VII shall be deleted, and the following shall be inserted in lieu thereof: "In the event either Party seeks to terminate this DPA, they may do so by mutual written consent so long as the Service Agreement has lapsed or been terminated. One party may terminate this DPA upon a material breach of this DPA by the other party. Upon termination of the DPA, the Service Agreement shall terminate."
16. **Privacy Policy.** The Provider must publicly disclose material information about its collection, use, and disclosure of Student Data, including, but not limited to, publishing a terms of service agreement, privacy policy, or similar document.
17. **Minimum Data Necessary Shared.** The Provider attests that the Student Data request by the Provider from the LEA in order for the LEA to access the Provider's products and/or services is limited to the Student Data that is adequate, relevant, and limited to what is necessary in relation to the K-12 school purposes for which it is processed.
18. **Student and Parent Access.** Access by students or parents/guardians to the Provider's programs or services governed by the DPA or to any Student Data stored by Provider shall not be conditioned upon agreement by the parents/guardians to waive any of the student data confidentiality restrictions or a lessening of any of the confidentiality or privacy requirements contained in this DPA.
19. **Data Storage.** Provider shall store all Student Data shared under the DPA within the United States.
20. **Exhibits A and B.** The Services described in Exhibit A and the Schedule of Data in Exhibit B to the DPA satisfy the requirements in SOPPA to include a statement of the product or service being provided to the school by the Provider and a listing of the categories or types of covered information to be provided to the Provider, respectively.

**EXHIBIT "H"**  
**Additional Terms or Modifications**  
Version \_\_\_\_\_

LEA and Provider agree to the following additional terms and modifications:

This is a free text field that the parties can use to add or modify terms in or to the DPA. If there are no additional or modified terms, this field should read "None."

None

**INTERGOVERNMENTAL AGREEMENT PROVIDING FOR RISK  
MANAGEMENT AND AUTHORIZING MEMBERSHIP IN  
THE LIBRARY INSURANCE MANAGEMENT AND RISK  
CONTROL COMBINATION (LIMRiCC)  
AMENDED EFFECTIVE DECEMBER 1, 2015**

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**INTERGOVERNMENTAL AGREEMENT PROVIDING FOR RISK  
MANAGEMENT AND AUTHORIZING MEMBERSHIP IN THE LIBRARY  
INSURANCE MANAGEMENT AND RISK CONTROL (LIMRiCC)**

In consideration of the agreements hereinafter provided, the Board of Trustees of the Shorewood-Troy Public Library District, hereinafter referred to as "Library" or "Member" and the Library Insurance Management and Risk Control Combination, hereinafter referred to as "LIMRiCC" (an intergovernmental entity voluntarily established by contracting Library Systems, Boards of Library Trustees, Library Districts and Intergovernmental Entities that provide services to Public Libraries, Library Districts and Library Systems), agree as follows:

The Shorewood-Troy Public Library District agrees to participate in the following Programs (the Programs) with LIMRiCC:



The Unemployment Compensation Claim Program (UCGA);



Employee Benefit Insurance Program

**ARTICLE I. THE UNEMPLOYMENT COMPENSATION CLAIM PROGRAM.**

**A. Findings and Authority.**

1. Unemployment claims against Library Districts, Boards of Library Trustees, Library Systems, and Intergovernmental Entities that provide services to Public Libraries, Library Districts and Library Systems can be handled more economically and efficiently if claims are processed on a volume basis.
2. The centralization of administration of these claims is consistent with the goals of the Intergovernmental Cooperation Clause of the Constitution of the State of Illinois (Article VII, Section 10) and the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.) and is further authorized by 820 ILCS 405/1405.

3. The members and LIMRiCC, therefore, agree to the Provisions hereinafter set forth for the centralized management of unemployment compensation claims.

**B. Definitions – (Article D).**

Unless otherwise indicated, terms used herein are defined as provided in “An Act in Relation to Unemployment insurance” approved June 30, 1937, as amended

“Claims” – The Unemployment Compensation Claims made against the Members.

“Final Rate” is defined as fifteen percent of the Rate. In other words, “Final Rate” =  $\text{Rate}/(1-.15)$ .

“Investment Dividend” is defined as Investment Income, if greater than zero.

“Investment Income” is defined as the Total Dividend minus the Underwriting Dividend.

Where the term “LIMRiCC” is used, it shall include LIMRiCC and any private or public corporation it shall retain to assist in the administration and payment of claims unless the context indicates otherwise.

When the term “Member” is used, it shall refer to any entity participating in the Unemployment Compensation Program.

“Member employee” shall include each employee of the Member covered by the Unemployment Compensation Act.

“Member Experience” is defined as the sum of three years of claims divided by the sum of three years of taxable payroll for each Member. In other words, “Member Experience” =  $\text{Sum}(\text{“3 years of claims”}) / \text{Sum}(\text{“3 years of taxable payroll”})$ .

“Member Investment Dividend” is defined as the Investment Dividend multiplied by the Premium divided by the total premium. In other words, “Member Dividend” =  $\text{Investment Dividend} * \text{Premium}/\text{Total Premium}$ .

“Member Profit” is defined as premium minus claims, where premiums exceed claims.

“Pooled Account” – All assets of LIMRiCC devoted to the Unemployment Compensation Program.



“Pool Experience” is defined as the total of three years of claims divided by the total of three years of taxable payroll for the pool. In other words, “Pool Experience” = Total 3 years of claims / Total 3 years of taxable payroll.

“Pool Profit” is defined as the sum of “Member Profit.”

“The Previous Agreement: - The Unemployment Compensation Agreement between the Member and Metropolitan Library System(formerly Suburban Library System).

“Profitable Members” – means those Members whose premiums exceed claims made.

“Program” – The Unemployment Compensation Program pursuant to this Agreement.

“Rate” is defined as fifty percent of the Member Experience plus fifty percent of the Pool Experience. In other words, “Rate” =  $\frac{1}{2}$  x Member Experience +  $\frac{1}{2}$  x Pool Experience.

“Reserve Account” – An account to be maintained at \$1,000,000 subject to temporary reductions for payment of mandated claims, and not available for refunding except on the termination of the Unemployment Compensation Program.

“Underwriting Dividend” is defined as the Underwriting Income, if greater than zero.

“Underwriting Income” is defined as the total premiums subtracting the total claims.

**C. Agreements of Members.**

1. To designate LIMRiCC to process the claims of the Member.
2. That LIMRiCC may contract with private or public corporations for assistance in the processing of claims and the member will share in the cost of administering and paying the claims as provided in this contract.
3. That each year this Agreement is in effect, each Member shall pay to LIMRiCC:
  - (a) The Rate multiplied by the wage base set by the State of Illinois; and
  - (b) The Final Rate, as defined herein.

The Member shall make these payments in equal quarterly installments due on the 15<sup>th</sup> day of April, July, October and January of each year.

4. At such time as merit rating is established for the Member, as hereinafter provided, the above payments shall be adjusted accordingly.
5. To elect to be a reimbursing employer during the term of this Agreement.
6. That appropriate personnel of the Member will attend meetings conducted by LIMRiCC regarding procedures to reduce claims and that the Member will utilize these procedures.
7. To cooperate in all respects with LIMRiCC so that it can exercise the rights, duties and obligations of the Member as an employer concerning claims.
8. To provide LIMRiCC with information regarding the facts and circumstances of the termination of any of the Member employees within one working day from termination.
9. To furnish LIMRiCC with copies of all reports of Member employees required by the State pursuant to the Unemployment Compensation Act.
10. To permit inspection and audit of Member payroll records by LIMRiCC at such times as the inspection or audit does not interfere with the conduct of business. The Member will provide LIMRiCC with a copy of the quarterly report of Member employees.
11. To comply with such other reasonable rules and regulations as may be established by LIMRiCC for the administration of the Agreement.
12. To permit LIMRiCC to elect not to protest or object to claims or file appeals for allowed claims, provided that the Member shall have the option to defend the claims itself if LIMRiCC elects not to defend. The Member must notify LIMRiCC within two (2) working days of the receipt of the claims, but not later than the due date of any protests, objections or appeals to such claims, if the Member wishes to exercise its option to defend the claims. If the Member has timely notified LIMRiCC of the Member's exercise of this option, LIMRiCC will advise the Member within two (2) working days of the receipt of the claim by LIMRiCC, but not later than the due date

of protests, objections, or appeals to such claims, if LIMRiCC elects not to defend.

13. To furnish LIMRiCC, or its designee, notice of claims within two working days of the receipt of the claims by the Member, but not later than the due date of any protests, objections or appeals to such claims. In addition, the Member will furnish LIMRiCC such information regarding the claims as LIMRiCC may require.
14. To furnish a power of attorney or similar authority to the agent processing claims on behalf of LIMRiCC.

**D. Powers and Duties of LIMRiCC.**

The powers and duties of LIMRiCC are as follows:

1. To act as the designated agent of the Member in the processing and defending of claims subject to the right of LIMRiCC to delegate these responsibilities as provided herein, and to deposit all payments received pursuant to this Agreement in a separate and distinct bank account to be held, administered and paid over as herein provided. Where funds are available for investment they will be deposited in interest bearing accounts or otherwise lawfully invested.
2. To pay allowed claims against Member employers.
3. To file in the name of and in behalf of Member, protests, objections or appeals to claims that, in the judgment of LIMRiCC, are filed by claimants who are not eligible or who are disqualified pursuant to the Unemployment Compensation Act. LIMRiCC, in its determination, shall exercise that judgment usually exercised by responsible private employers under similar circumstances.
4. To cause an evaluation to be conducted for appropriate Member personnel.
5. To cause training programs concerning the Unemployment Compensation Act to be conducted for appropriate Member personnel.
6. To prepare and file claims for refund where appropriate.
7. To maintain a separate record of the contributions made and the claims paid attributable to each Member, that shall be deducted from the credit balance.
8. To pay the reasonable charges attributable to the services rendered pursuant to this Program from first, the interest earned, and if this is insufficient, from the principal of the fund. These charges shall include, but not be limited to, contract payments for the services for audit expenses, attorneys fees,

equipment, supplies, reimbursement to LIMRiCC for its services and use of its facilities as provided in the BY-Laws of LIMRiCC.

LIMRiCC staff shall manage or contract for services for this Program, provided the annual compensation for these services shall not exceed the Final Rate without the consent of fifty percent (50%) of the Members.

9. To set the Rate for each Member as based on the experience of the Pool ("Pool Experience") and the experience of the individual Member ("Member Experience"). The Rate is calculated by adding  $\frac{1}{2}$  multiplied by the Member Experience to  $\frac{1}{2}$  multiplied by the Pool Experience. For new members, defined as those with less than three years experience in the Program, the Rate is calculated using the Pool Experience only.
10. To set forth as in the same manner as in Paragraph 9, if the evaluation establishes that the Member has a deficit balance, a merit rating may be established in excess of 2% but no more than 5%.
11. To authorize LIMRiCC at its option purchase insurance from the Pooled Account to cover claims.
12. To pay for Members who have participated in the Unemployment Compensation Program for ten (10) or more years [including the Program of Metropolitan Library system (formerly Suburban Library System)], LIMRiCC shall make refunds of funds on hand in the Pooled Account in excess of \$1,000,000 as follows:
  - a. Underwriting Dividends and Member Investment Dividends shall be calculated based on audited, fiscal year-end figures.
  - b. Annually by the end of the second quarter of the fiscal year, Underwriting Dividends shall be paid to those Profitable Members based on the amount of underwriting profit generated by Profitable Members as long as the Pooled Account has funds in excess of \$1,000,000. Underwriting Dividends shall be calculated based on the Underwriting Income for Profitable Members. Each Profitable Member's underwriting is calculated by multiplying the Underwriting Dividend by the Member Profit divided by the Pool Profit. This dividend will count towards the Member's account balance.
  - c. Annually by the end of the second quarter of the fiscal year, Member Investment Dividends shall be paid to all Members as long as the Pooled Account has funds in excess of \$1,000,000. Each Member's Investment Dividend shall be calculated by multiplying the Investment Dividend by the premium divided by total premium. This dividend will not count towards the Member's account balance.

**E. Period of Coverage, Withdrawal and Termination.**

1. The initial coverage provided by LIMRiCC shall include all claims by members for persons whose employment is terminated by such Member during the period from July 1, 1993, through December 31, 1993. Coverage shall be continued from year to year thereafter, on a calendar year basis, unless terminated as provided herein. In the event of termination by a Member, assets remaining in the Member's account and reserve account shall not be refunded. Members terminating with a deficit balance shall reimburse LIMRiCC for the deficit. Either party may terminate its participation in the Pooled Account pursuant to this Agreement by giving written notice at least ninety (90) days prior to December 31 of any year this Agreement is in effect and the withdrawal will then be effective as of December 31 of the year of withdrawal.
2. LIMRiCC shall continue to cover all claims of the Member's employees whose employment was terminated by the Member during the period this Agreement is in effect, provided the member is not in default; and provided further the Member shall pay any deficit in its account in the Pooled Account. A default in payment by the Member shall be deemed termination by the Member and LIMRiCC shall not cover claims made after the default.

**F. Prior Coverage – The Previous Agreement.**

Members account balances and merit ratings in the previous agreement with Metropolitan Library System (formerly Suburban Library System), shall be transferred to LIMRiCC and credited to the member's account balance in this LIMRiCC program. There will be no interruption of coverage in the transition from the Previous Agreement.

The coverage for Members with account balances and merit ratings pursuant to the previous Agreement with Metropolitan (formerly Suburban Library System) shall include all claims of such Members for persons whose employment with such Member or with any other employer is terminated prior to June 1, 1993.

**ARTICLE II. THE SELF-INSURANCE PROGRAM.**

**A. Purpose.**

It is the purpose of this Self-Insurance Program to create an intergovernmental joint self-insurance program (the "Program") with LIMRiCC, Library Districts, Boards of Library Trustees, Library Systems and Intergovernmental Entities that provide services to Public Libraries, Library Districts and Library Systems (the "Members") under the terms

and conditions hereinafter set forth, with LIMRiCC as the administrative entity to operate the Program. It is the purpose of the Member to contract with LIMRiCC and to assume joint liability under a joint self-insurance program as a Member.

**B. Authority.**

The agreements between LIMRiCC, and the Members are authorized by the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution Act; 5 ILCS 220/1; and by the provisions of the Local Governmental and Governmental Employees Tort Immunity Act. (745 ILCS 10/1-101 et seq.)

**C. Definitions (Article II).**

1. "Member" shall mean any Library District, Board of Library Trustees, Library System or Intergovernmental Entity that provides services to Public Libraries, Library Districts and Library Systems which has executed an agreement which is accepted by LIMRiCC for joint self-Insurance on substantially the same terms as this Agreement.
2. "Insured" shall mean a Member and all persons who were, now are, or shall be elected or appointed officials of such Member. The term "Insured" shall include the personnel of any commissions, boards or other units operating by and under the jurisdiction of such Member. The term "Insured" shall not include independent contractors.
3. The term "insured" shall also include the estates, heirs, legal representatives or assigns of deceased persons who are already defined as an Insured.
4. "Wrongful Act" shall mean any actual or alleged error or misstatement, or misleading statement, or act or omission or neglect or breach of duty, including misfeasance, malfeasance and nonfeasance, by an Insured, as a public official, employee or volunteer of the Member.
5. "Loss" shall mean any amount which an Insured is legally obligated to pay or which the Member shall be required by law to pay as indemnity for any claim or claims made against an Insured for Wrongful Act and shall include but not be limited to damages, judgments, settlements, costs of investigation and defense of legal actions (excluding from such costs the salaries of officials or employees of the Member of any governmental body), claims or proceedings and appeals therefrom, costs of attachment or similar bonds; provided always, however, such amount of Loss shall not include fines or penalties imposed by law or the cost of investigation or defense in connection therewith or matters which may be deemed

uninsurable under the law pursuant to which this Agreement shall be construed.

Subject to Article II, E, punitive damages, to the extent permitted by law, shall be insured as a Loss.

6. The "Term of the Agreement" shall mean the term of coverage provided in the Prior Self-Insurance Agreement. If there is no Prior Self-Insurance Agreement, then the Term of Agreement shall be the period of one (1) year following effective date of this Agreement. The Term of the Agreement shall be extended for additional 12 month periods unless terminated by 60 days notice prior to the expiration date by either party provided payment has been made by the member prior to the commencement of the extended term.
7. The "Prior Self-Insurance Agreement" shall mean the previous self insurance agreement with the Metropolitan Library System (formerly Suburban Library System) and the Pool. There shall be no interruption of coverage in the transition from the Prior Self-Insurance Agreement.

**D. Insuring Agreement.**

1. LIMRiCC will pay (solely from the proceeds of payments from the members) on behalf of the Member all Loss which the Insured shall be legally obligated to pay for any civil claim or claims first made against the Insured because of a Wrongful Act, provided that the claim is first made during the Term of the Agreement and written notice of said claim is received by LIMRiCC during the Term of the Agreement or within thirty (30) days thereafter.
2. LIMRiCC (solely from the proceeds of payments from the Members) will pay the Insured's defense costs arising out of claims, demands or actions seeking relief or redress from Wrongful Acts in any form other than money damages. The maximum amount of recovery under this extension is One Hundred Thousand Dollars (\$100,000.00) for any such claim, less the One Thousand Dollar deductible, provided that the claim is first made during the Term of the Agreement and written notice of said claim is received by LIMRiCC during the Term of the Agreement or within thirty (30) days thereafter.
3. Extensions. This Agreement shall cover Loss arising from any civil claim or claims made against the estates, heirs, legal representatives or assigns of deceased persons who were Insured at the time of the Wrongful Act upon which such civil claim or claims are based.

**E. Exclusions.**

**Subject to Article II-H.5.**

LIMRiCC shall not make payment for Loss in connection with any claims made against the Insured allegedly based upon or arising out of one or more of the following:

1. Gaining any personal profit or advantage to which the Insured was not legally entitled;
2. The return by an Insured of any remuneration in fact paid to the Insured if payment of such remuneration shall be held by the court to be in violation of law;
3. Brought about or contributed to by the dishonest acts of the Insured, which were committed by the Insured with actual dishonest purpose and intent and were material to the cause of action.
4. (a) any damages, whether direct, indirect or consequential, arising from, or caused by bodily injury, sickness, disease or death;  
(b) loss or criminal abstraction of, damage to or destruction of any tangible property or the loss of use of such property by reason of the foregoing;
5. (a) false arrest, assault, battery, detention or imprisonment, or malicious prosecution;  
(b) defamation, including, but not limited to, libel or slander;  
(c) a publication or utterance in the course of or related to advertising, broadcasting or telecasting activities by or on behalf of the Member;  
(d) wrongful entry or eviction or other invasion of the right of private occupancy.
6. "Willful and wanton conduct," meaning a course of action which shows an actual or deliberate intention to cause harm or that, if not intentional, shows an utter indifference to or conscious disregard for the rights of others;
7. The discharge, dispersal, release or escape or saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases,



waste materials, asbestos or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, or any object, whether sudden or not;

8. (a) asbestos or any asbestos-related injury or damage; or
  - (b) any alleged act, error, omission or duty involving asbestos, its use, exposure, presence, existence, detection, removal, elimination or avoidance; or
  - (c) the use, exposure, presence, existence, detection, removal, elimination or avoidance of asbestos in any environment, building or structure.
9. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving actual, alleged or threatened nuclear reaction, radiation, contamination, materials or waste, regardless of the cause;
  10. Prior to pending litigation as of the effective date of this Agreement and excluding as well, all future claims or suits based upon, arising out of or attributable to said prior or pending litigation;
  11. A violation of the Americans with Disabilities Act of 1990 as amended from time to time.

The Wrongful Act of any Insured shall not be imputed to any other insured for the purpose of determining the applicability of the foregoing exclusions.

**F. Payments by Members – Assessments.**

Each Member shall pay LIMRiCC One Thousand Two Hundred Dollars (\$1,200) for the first year of coverage and One Thousand Dollars (\$1,000) for each year of coverage thereafter. Payments are made prior to the term of coverage. Each Member shall receive credit for payments made and coverage pursuant to the Prior Self-Insurance Agreement.

If funds of the Program are insufficient in the judgment of LIMRiCC, then LIMRiCC may assess the Members for additional payments. Each Member shall be assessed an equal amount.

If a 12-month discovery period is elected by the Member pursuant to paragraph H-2, such Member shall pay LIMRiCC Eight Hundred Dollars (\$800.00).

The Members shall pay the first One Thousand Dollars (\$1,000.00) of each Loss.

**G. Powers and Duties of LIMRiCC.**

LIMRiCC shall have the following powers and duties in the administration of the Program:

- (1) To employ agents, employees and independent contractors including legal counsel;
- (2) To purchase or lease equipment, machinery, or personal property necessary for the carrying out of the purpose of the Program;
- (3) To carry out educational and other programs relating to risk reductions;
- (4) To collect the funds and administer the Program;
- (5) To provide risk management services;
- (6) To carry out such other activities as are necessarily implied or required to carry out the purposes of the Program; and
- (7) To work with LIMRiCC staff or to contract for service to manage the Program as provided in the By-laws, provided the annual compensation for these services shall not exceed TWELVE THOUSAND DOLLARS (\$12,000.00)

**H. Conditions.**

**1. Warranty Clause.**

It is represented and warranted that the particulars and statements contained in application of the Member included in the prior Self-Insurance Agreement, a copy of which is attached hereto, is reaffirmed as of the inception date of this Agreement and is the basis of this Agreement and is considered as incorporated in and constituting part of this Agreement.

A new application shall be made in the form attached hereto and is subject to review and approval by LIMRiCC.

**2. Discovery Period.**

If LIMRiCC shall cancel or refuse to renew this Agreement, the Member shall have the right to an automatic extended discovery period upon payment of the additional premium set forth in paragraph F in respect of any claim or claims which may be made against the Insured during the period of twelve (12) months after the date of such cancellation or non-renewal, but only in respect of any Wrongful Act committed during the Term of the Agreement and before the date of such cancellation or non-renewal, provided, however, that written application to LIMRiCC for such extension and payment of the premium therefore must be made within thirty (30) days following such cancellation or non-renewal.

**3. Limits of Payment for Losses.**

Payment for Losses under Article II, D.1 shall be limited to One Million Dollars (\$1,000,000.00) per occurrence. Pursuant to Article II, F, the One Thousand Dollars (\$1,000.00) to be paid by the Member shall be deducted by LIMRiCC for each loss occurring from separate claim.

**4. Loss Provision.**

If during the Term of the Agreement or extended discovery period:

- (a) the Member or the Insured shall receive written or oral notice from any person that it is the intention of such person to hold the Insured responsible for the results of any specified Wrongful Act done or alleged to have been done by the Insured while acting in the capacity aforementioned; or
- (b) the Member or the Insured shall become aware of any occurrence which may subsequently give rise to a claim being made against the Insured in respect of any such alleged Wrongful Act;

then Member or the Insured shall, as soon as practicable, give written notice to LIMRiCC of the receipt of such written or oral notice under Clause 4(a) or of such occurrence under Clause 4(b). Upon LIMRiCC's receipt of such notice, any claim which may subsequently be made against the Insured arising out of such alleged Wrongful Act shall, for the purposes of this Agreement, be treated as a claim made during the Term of the Agreement in which such notice was given, or if given during the extended discovery period as a claim made during such discovery period.

The Member or the Insured shall, as further condition precedent to the Insured's right to be indemnified under this Agreement, give LIMRiCC any information and all such cooperation as LIMRiCC may reasonably require and as shall be in the Insured's power.

**5. Defense, Settlement and Selection of Counsel.**

In the event of a claim, the Insured shall take reasonable measure to protect their interests and shall promptly advise LIMRiCC in the event of a claim. If defense of a suit shall be required, LIMRiCC shall consult with the Insured regarding the appointment of counsel. If there is no agreement on the selection, then LIMRiCC shall appoint counsel.

In the event a claim shall be made that is insured under this Agreement and the claim is combined with another claim arising out of the same occurrence that is excluded under Article II-E, then the insured may select independent counsel for the insured's defense for the excluded claim and LIMRiCC will reimburse the insured for the reasonable expenses of independent counsel.

Subject to the foregoing, no cost of expenses shall be incurred on behalf of LIMRiCC under any circumstances without its consent. In the event the Insured and LIMRiCC cannot agree on the allocation or apportionment of counsel's fees and expenses, then under such circumstances the Insured's right of indemnity for such expenses and fees shall not mature until the claim giving rise thereto has been finally and completely adjudicated and-or settled.

LIMRiCC shall not commit the Member to any settlement without the Member's consent. However, if the Insured shall refuse to consent to any settlement recommended by LIMRiCC and shall elect to contest the claim or continue any legal proceedings in connection with such claim, then subject to the provisions of connection with such claim, then subject to the provisions of Article II, H.3, LIMRiCC's liability for the claim shall not exceed the amount for which the claim could have been settled including costs, charges and expenses incurred with its consent up to date of such refusal.

#### **6. Action Against LIMRiCC.**

No action shall lie against LIMRiCC unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Agreement, and until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and LIMRiCC.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Agreement to the extent of the insurance afforded by this Agreement. No person or organization shall have any right under this Agreement to join LIMRiCC as a party to any action against the Insured, to determine the Insured's liability, nor shall the Pool be impleaded by the Insured or the legal representative of the Insured.

The bankruptcy or insolvency of the Insured or the Insured's estate shall not relieve LIMRiCC of any of its obligations hereunder.

The liability of LIMRiCC shall be limited to the proceeds of payments and assessments of the Members made pursuant to this Article II – Self Insurance pursuant to prior self-insurance Agreement.

7. **Subrogation.**

In the event of any payment under the Agreement, LIMRiCC shall be subrogated to all the Insured's rights of recovery therefore against any person or organization, and the Insured shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after Loss to prejudice such rights.

8. **Changes.**

The terms of this Agreement shall not be waived or changed except by written endorsement issued to for a part of this Agreement.

9. **Assignment.**

There shall be no assignment of interest under this Agreement.

10. **Authorization Clause and Notices.**

By acceptance of this Agreement, all Insured agree that the Member shall act on behalf of all Insured, officers and employees of the Member with respect to the giving and receiving of notice of claim or cancellation or non-renewal, the payment of premiums and the receiving of any return premiums that may become due under this Agreement. Notice to that individual named in the Application at the address of the member shall also constitute notice to all Insured.

All notices of claims or any other notice required to be given to LIMRiCC under this Agreement shall be in writing and shall be addressed to:

LIMRiCC  
P.O. Box 1016  
Orland Park, Illinois 60462

11. **Acceptance.**

By acceptance of this Agreement, the Member and the Insured agree that this Agreement embodies all agreements existing between themselves and LIMRiCC relating to joint self-insurance.

12. **Other Insurance.**

If the Member or any Insured has other valid and collectible insurance insuring against a Loss covered by this Agreement, the insurance provided by this Agreement shall be secondary to and shall apply in excess of such other insurance.

**I. Cancellation.**

This Agreement may be canceled by the Member for itself and its Insured by mailing to LIMRiCC written notice stating when thereafter the cancellation shall be effective.

Subject to Article II, H.2, LIMRiCC may cancel this Agreement and shall thereupon mail to the Member notice stating when not less than sixty (60) days thereafter such cancellation shall be effective. Prior to the effective date of such cancellation, the member shall be given an opportunity to be heard by LIMRiCC. After the hearing, LIMRiCC shall determine whether to affirm or rescind the cancellation. Notwithstanding the foregoing, this Agreement may also be canceled by LIMRiCC upon not less than ten (10) days notice when the cancellation is being effected by reason of the Member's non-payment of premium.

The mailing of notice as aforesaid shall be sufficient proof of notice.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Agreement period.

Cancellation shall be subject to the liability of the Member for assessments pursuant to paragraph F, where the assessment results from a claim made prior to the effective date of cancellation. Cancellation by LIMRiCC shall be subject to LIMRiCC's liability, if any, for claims made prior to the effective date of cancellation.

**J. Non-Renewal.**

If LIMRiCC refuses to renew the Agreement for any additional one-year period, it shall so notify the Member at least sixty (60) days prior to the termination date of the current Agreement. In the absence of such notice, the Member may renew the Agreement each year for an additional one-year period by paying the annual premium prior to the termination date of the current Agreement.

**K. Participation In Unexpended Funds.**

**1. Cancellation.**

In the event LIMRiCC cancels the Agreement with a Member, the Member shall receive a pro-rata refund of the amount it has paid for coverage for the period of time that it does not receive coverage. The Member shall also participate in the first five-year

distribution after its cancellation of coverage under the Agreement, to the extent of ten percent (10%) of a five-year Member's distribution for each full year of coverage.

**2. Membership for Five or More Years.**

Members who have participated for five (5) years shall receive a distribution of unexpended funds within four (4) months after the end of the fifth (5<sup>th</sup>) year as follows:

<u>Member's Payment to the Fund</u>	X	Unexpended	X	40%
Total Payments to the fund (Less Refunds)		Balance		

After each additional five years of membership, Members who have participated for additional five years of Membership shall receive a distribution of unexpended funds within four (4) months after the end of each fifth year period as follows:

<u>Member's payment to the Fund</u>	X	Unexpended Balance in	X	40%
Total payments to the fund (Less Refunds)		excess of \$2,000,000		

The Member shall be credited for the time of its participation in the Prior Self-Insurance Agreement.

**3. On Termination of the Program.**

On termination of the Program, all Members participating at that time shall receive a distribution of unexpended funds based on the following formula:

<u>Payments to the Fund (Less Refunds)</u>	X	Unexpended
Payments to all participating Members (at that time) (less refunds)		Funds

Provided, however, distribution will be deferred until all contingent liabilities have been resolved by LIMRiCC.

LIMRiCC reserves the right to establish reserves necessary in its judgment for specific outstanding claims. These reserves shall be deducted from unexpended funds prior to any distribution thereof pursuant to this Paragraph K.

**L. Disputes.**

Any dispute not resolved by the efforts of the parties shall be adjudicated by filing of a declaratory judgment action in the Circuit Court of Cook County, Illinois. All parties hereto agree that, should such a need arise, every effort will be made to proceed as expeditiously as possible and, further, all parties hereto will submit to jurisdiction and venue in said forum.

**M. Prior Coverage.**

There shall be no interruption of coverage as a result of the transition from the Prior Self-Insurance Agreement.

The Member's share of unexpended funds in the prior self-insurance agreement as of May 31, 1993, will be transferred by Metropolitan Library System (formerly Suburban Library System) to the Member's share under this LIMRiCC agreement.

The period of time of the member's participation in the prior Self-Insurance Agreement shall be credited to the Member under this LIMRiCC agreement. (Article II-k.2)

**ARTICLE III. EMPLOYEE BENEFIT INSURANCE PROGRAM.**

**A. Purpose.**

It is the purpose of this agreement to create a program of LIMRiCC, namely, the Employee Benefit Insurance Program ("Program"). The Program shall consist of two (2) components: (1) the Purchase of Health Insurance Plan ("PHIP") and (2) the Self-Insured Health Insurance Plan ("SHIP").

The creation of the various funds and accounts established as part of this Program are not intended by the Members or LIMRiCC to constitute the transaction of an insurance business within the State of Illinois. The intent of the parties is to separately establish a benefits program and to utilize LIMRiCC to achieve reduced costs of administration and insurance purchases by providing similar services to all Members and to require the Members to pay for and share the costs of such benefits.

**1. Purchase of Health Insurance Plan ("PHIP").**

Through PHIP, LIMRiCC shall provide for the purchase, on behalf of its Members, of certain insurance coverage for employees, spouses and dependents ("Insured Participants") of Members, under the terms and conditions set forth herein and in the By-Laws of LIMRiCC as in effect from time to time. Through PHIP, LIMRiCC will arrange for the purchase on behalf of Members of various insurance products, including, but not limited to, the following:

Life Insurance Benefits;  
Accidental Death and Dismemberment Benefits;  
Employee Assistance Program;  
Dental Insurance; and  
Vision Insurance.



By arranging for the purchase of these insurance products on behalf of all Members, LIMRiCC can achieve savings in premiums.

**2. Self-Insured Health Insurance Plan ("SHIP").**

Through SHIP, LIMRiCC shall provide a self-insured health insurance plan that provides health insurance coverage, including prescription drug coverage, for Insured Participants of Members, under the terms and conditions set forth herein and in the By-Laws of LIMRiCC as in effect from time to time.

By operating a self-insured health insurance plan on behalf of all Members, LIMRiCC can achieve savings in premiums.

**B. Authority.**

This agreement is authorized by the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution of the State of Illinois; by 5 ILCS 220/6 et seq.; and by the provisions of the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.)

**C. Member Contributions.**

Members shall be responsible for paying three (3) separate fees to LIMRiCC: (a) the Administration Fee, (2) the PHIP Benefit Fee, and (3) the SHIP Benefit Fee ("Member Contributions"). LIMRiCC will invoice each Member for the amount of Member Contributions due on a monthly basis based on the coverage elected by the Member's Insured Participants. Each Member shall remit its payment of its Member Contributions to LIMRiCC by the due date shown on LIMRiCC's invoice.

**D. Administration Fee.**

As part of its Member Contribution, each Member shall pay LIMRiCC an administration fee ("Administration Fee"). The purpose of the Administration Fee is to cover the costs and expenses LIMRiCC incurs as the organization that sponsors the Program, such as employee salaries, independent contractor fees, office space, and other institutional costs. The Administration Fee shall not cover the SHIP third-party administrator fees, broker fees, or other fees specific to either PHIP or SHIP, including, but not limited to actuarial fees, legal fees, audit fees, etc. Members shall pay the Administration Fee regardless of whether they have Insured Participants enrolled in PHIP, SHIP, or both.

The Administration Fee shall be comprised of two (2) separate fees: (1) the Base Administration Fee and (2) the Participant Administration Fee.

1. **Base Administration Fee.**

The Base Administration Fee shall be a set fee per month, regardless of the number of Insured Participants the Member has enrolled in the Program or the number of benefits an Insured Participant receives.

2. **Participant Administration Fee.**

The Participant Administration Fee shall be \$5.50 per month for each Insured Participant the Member has enrolled in the Program, regardless of the number of benefits an Insured Participant receives.

3. **Changes to the Base Administration Fee or Participant Administration Fee.**

The Board of Directors has the authority to change any component of the Administrative Fee at any regular meeting of the Board of Directors, provided that all of the Members with Insured Participants of the Program have been provided with thirty (30) days notice of said meeting and of the proposed change to the Base Administration Fee and/or the Participant Administration Fee, which proposed change must be included on the meeting agenda.

E. **PHIP Benefit Fee.**

The PHIP benefit fee shall consist of the premium cost for each of the PHIP insurance products plus any additional amounts necessary, as determined by the Board of Directors, for expenses and costs associated specifically with each respective insurance product ("PHIP Benefit Fee"). A Member's total PHIP Benefit Fee shall be calculated, for each available PHIP insurance product, by multiplying the number of Insured Participants enrolled in a particular insurance product by the PHIP Benefit Fee for that particular insurance product. The Members shall only pay the PHIP Benefit Fee associated with the insurance products for which its Insured Participants are enrolled.

F. **SHIP Benefit Fee.**

Members with Insured Participants enrolled in SHIP shall be responsible for paying, as part of its Member Contributions, the premium cost of SHIP Coverage plus any additional amounts necessary for expenses and costs associated with operating SHIP ("SHIP Benefit Fee").

For the initial SHIP plan year, which is calendar year 2016, the SHIP Benefit Fee shall be determined by a majority vote of the Members at the Fall 2015 Meeting.

For all subsequent SHIP plan years, the SHIP Benefit Fee shall be determined by the Board of Directors. To determine the SHIP premium cost, the Board of Directors shall consult with the SHIP third party administrator to obtain a suggested premium amount. To determine all other expenses and costs associated with SHIP, the Board of Directors shall

consult with the Executive Director to determine the appropriate other expenses and costs. The Board of Directors may adjust the suggested premium amount and any other fees or costs, in its discretion, to determine the final SHIP Benefit Fee.

The Board of Directors may adjust the suggested premium amount from the SHIP third party administrator based on prior, current, or anticipated changes to claims, cash flow, and LIMRiCC membership, and any other factor in its discretion. Similarly, the Board of Directors may adjust the suggested expenses and costs based on its discretion. Unless decided otherwise in the Board of Directors' discretion, when determining whether to adjust the suggested premium amount, or any other expenses or costs of SHIP, the Board of Directors shall attempt to maintain a balance in the SHIP Account that is sufficient to pay approximately six (6) months of regular and ordinary claims without receipt of further SHIP Benefit Fees.

In the event that the Board of Directors should fail to approve the amount of the SHIP Benefit Fee for any given plan year, the SHIP Benefit Fee shall be equal to 115% of the total expected cost as provided by the third-party administrator for the SHIP Benefit Fee.

**G. Program Fund.**

LIMRiCC shall maintain one (1) fund for the Program (the "Program Fund"). The Program Fund shall have separate accounts for PHIP and SHIP (the "PHIP Account" and "SHIP Account" respectively).

**1. Withdrawal of Administration Fees.**

All Administrative Fees shall be deposited to the Program Fund, and LIMRiCC shall withdraw the Administrative Fees thereafter to pay all appropriate costs and expenses.

**2. Initial SHIP Account Balance.**

In order to start SHIP, a balance will be required in the SHIP Account to pay claims. As such, LIMRiCC will deposit the current balance of the Purchase of Health Insurance Program, which is approximately \$1.2 million dollars, into the SHIP Account as an initial contribution. During the initial SHIP plan year, the Board of Directors may also require, in its discretion, Members to pay SHIP Benefit Fees for the first two months of the calendar year in advance in order to ensure the SHIP Account maintains a sufficient balance, provided that all of the Members with Insured Participants enrolled in SHIP have been provided with notice of the requirement of the advance payment, which notice shall be provided at the Fall Renewal Meeting. In addition, the Board of Directors will vote on said advance payment at its meeting in December. The meeting agenda will include the advance payment as a motion to be acted on by the Board of Directors.

**H. SHIP Supplemental Benefit Fee.**

If (a) the SHIP Account is in jeopardy of not being able to pay claims or (b) the SHIP Account balance is not sufficient to pay approximately six (6) months of regular and ordinary claims without further SHIP Benefit Fees, the Board of Directors may increase the SHIP Benefit Fee during a SHIP plan year, provided that all of the Members with Insured Participants enrolled in SHIP have been provided with fourteen (14) days notice of the reason for the increase in the SHIP benefit fee and of the meeting at which the Board of Directors will vote on such increase.

**I. Employee Qualification.**

Only Qualified Employees may become Insured Participants under the Program. To be a Qualified Employee for PHIP, an individual must be a full-time employee of a Member or be a part-time employee of a Member who works a minimum of twenty (20) hours per week and has one year of service with the Member. To be a Qualified Employee for SHIP, an individual must (a) be a full-time employee of a Member and (b) work a minimum of thirty (30) or more hours per week beginning on January 1, 2016, provided, however, that employees who work less than thirty (30) hours per week may continue to be Qualified Employees if they have been continuously enrolled in health insurance coverage with LIMRiCC prior to the establishment of SHIP. If such an employee terminates participation in SHIP, the employee cannot reenroll unless he/she becomes a full-time employee and works a minimum of thirty (30) or more hours per week at the time of reenrollment.

Members may set stricter requirements for their employees to be eligible for the Program, except that Members are required to provide and pay for life insurance for all full-time employees unless a full-time employee specifically opts out of the life insurance benefit. Members must provide LIMRiCC with documentation of its requirements for eligibility either in the form of a written policy or resolution authorized by the Member's Board and documentation that substantiates that each of its Insured Participants is a bona fide Qualified Employee by January 15 of each year. In addition, each Member is required to provide LIMRiCC with a monthly listing of any new employees, newly eligible employees, terminated employees or any other qualifying event by the tenth of the month.

Members must certify to LIMRiCC that all of its Insured Participants are bona fide Qualified Employees. Each Member agrees to indemnify and defend LIMRiCC for any claims, damages, liabilities, losses, judgments, settlements, taxes, or fines resulting from an employee of the Member being enrolled in the Program without satisfying the requirements to be a Qualified Employee.

**J. Claims.**

Any claim for benefits under a PHIP insurance policy shall be made to the insurance company; and if this claim is denied, any appeal therefrom shall follow the insurance company's claims review policy.

Any claims for benefits under SHIP shall be administered by the third-party administrator and any appeal therefrom shall follow the third-party administrator's policy. All claims decisions made by the third party administrator shall be respected by LIMRiCC and final. Each Member agrees to indemnify and defend LIMRiCC for any claims, damages, liabilities, losses, judgments, settlements, taxes, or fines resulting from any claims dispute regarding SHIP benefits or any claims made against LIMRiCC.

**K. Mandatory Member Meetings.**

LIMRiCC shall hold two (2) mandatory member meetings every year: (1) the Spring Renewal Meeting and (2) the Fall Renewal Meeting. LIMRiCC shall provide fourteen (14) days notice to Members of the agenda and of all matters to be addressed at each mandatory member meeting.

The Spring Renewal Meeting shall be held on or before May 31st of each year to evaluate the operation of the Program and (a) discuss the PHIP insurance products that will be purchased by LIMRiCC on behalf of the Members for the next policy period and corresponding PHIP Benefit Fees and (b) discuss the SHIP benefits for the next policy period, plan changes, if any, and corresponding SHIP Benefit Fees, as well as the status of the SHIP Account and its ability to pay claims.

The Fall Renewal Meeting shall be held on or before October 15th of each year to finalize and vote on (a) the Membership Contributions and (b) the benefits provided by PHIP and SHIP for the following year. A final decision regarding Membership Contributions, PHIP benefits and fees, and SHIP benefits and fees shall be made by a majority vote of the Board of Directors at its September meeting.

Each Member must have at least one (1) representative (Library Director/Administrator, other administrators, or his/her designee) in attendance, either in person or via electronic attendance, both Renewal Meetings. Beginning with plan year 2017, Members will be subject to a \$150 fee for failing to have at least one (1) representative present at a Renewal Meeting, with said fee doubling for each additional Renewal Meeting where at least one (1) representative is not present. If a Member fails to attend all renewal meetings for a period of two (2) years, the Board will terminate the Member from the Program.

The Executive Director or his/her designee shall attend the Renewal Meetings. Each Member may have more than one representative attend.

**L. Powers and Duties of LIMRiCC.**

The powers of LIMRiCC to perform and accomplish the purposes set forth in this Agreement shall be the following and shall be exercised through the Board of Directors:

1. To purchase PHIP insurance products on behalf of the Members;
2. To organize and operate SHIP, including the hiring of a third party administer;
3. To determine all necessary fees for the operation of PHIP and SHIP, including any increase or supplemental SHIP fees;
4. To terminate any Member for failure to perform obligations and duties as required by this Agreement or as otherwise permitted;
5. To retain brokers, actuaries, consultants or other professionals, who shall provide faithful performance of their respective duties and responsibilities and shall provide acceptable insurance coverage for errors and omissions;
6. To purchase stop loss or other additional insurance plans to limit the potential liability of LIMRiCC and to include any fees or expenses associated with said additional insurance in the SHIP Benefit fee;
7. To employ agents, employees and independent contractors, including legal counsel;
8. To collect the Membership Contributions from the Members;
9. To recommend to Members programs and educational materials relating to claim management and reduction and to carry out educational and other programs relating to claim management and reduction;
10. To enter into written contracts to procure necessary services, supplies, insurance and/or property necessary to accomplish the purposes of the Program;
11. LIMRiCC shall not be responsible for the validity of any insurance policy issued hereunder, nor for the failure of the insurance company to make the payments provided for under any insurance policy, or for the action of any person which may delay, or render null and void or unenforceable, in whole or in part, any insurance policy issued under this Program; and
12. To carry out such other activities as are necessarily implied or required to carry out the purposes of the Program.

**M. Powers and Duties of Members.**

It is the responsibility of the Member to select suitable insurance coverages for its employees and their respective spouses and dependents from the coverages available under the Program. The rights and conditions with respect to coverage and benefits under such insurance and the self-insured plan shall be determined by the respective insurance policies

and plan, which policies and self-insured plan documents shall be incorporated herein by reference; and LIMRiCC shall have no liability for insurance benefits under PHIP.

In the event of a conflict between the terms of this Program and (a) the terms of a PHIP insurance policy which is then being used in conjunction with this Program or (b) the terms of the SHIP plan document, the terms of said insurance policy and/or the SHIP plan document shall control as to those Members whose employees, and their respective spouses and dependents are receiving insurance coverage and benefits. For this purpose, the insurance policy and SHIP plan document shall control in defining:

1. The persons eligible for insurance coverage;
2. The dates of their eligibility;
3. The conditions which must be satisfied to become insured, if any;
4. The benefits to be provided; and
5. The circumstances under which such insurance terminates.

**N. Late Payments.**

If a Member is more than ten (10) days late in paying any Membership Contribution, said Member will be responsible for paying a late fee equal to five percent (5%) of said Membership Contribution. All late fees shall be deposited into the PHIP Account or SHIP Account according to the ratio of PHIP Benefit Fees to SHIP Benefits Fees paid by the Member. If a Member fails to make Membership Contributions for a period of three (3) months, the Board may vote to terminate the Member in accordance with Section O, Term of the Program.

**O. Term of the Program.**

LIMRiCC has been operating a purchase of health insurance program since on or about March 1, 1994 for the purchase of health insurance and other insurance products. This revised Article III and Program amends LIMRiCC's purchase of health insurance program and shall become effective on the 1st day of December, 2015, provided that by such date there are no less than twenty (20) Members of LIMRiCC who have elected in writing to participate in the Program, and shall continue in effect thereafter until terminated.

**1. Termination of Membership by Member.**

Members shall have the right to cancel participation in the Program by providing 120 days written notice to the Board of Directors, in care of the Executive Director.

**2. Termination of Membership by LIMRiCC.**

If a Member has a Membership Contribution that is three (3) months past due, the Board may vote to terminate the Member from the Program, provided however that LIMRiCC has provided a thirty (30), sixty (60), and seventy-five (75) days notice to the Member stating (a) the amount due, (b) the due date, and (c) the termination date. A Member may also be terminated for failure to attend the mandatory meetings, as set forth in Section K. In addition, the Board may terminate a Member for failure to perform any other required duty or obligation, after giving at least thirty (30) days notice and an opportunity to cure the alleged failure.

Regardless of the reason for termination, LIMRiCC shall be responsible for any claims incurred before the termination date, provided that the terminated Member does not have any past due Member Contributions. If the Member has past due Member Contributions, all unpaid claims of the Member's Insured Participants shall be the responsibility of the Member.

**3. Termination of Program.**

The Program shall be terminated if the Board of Directors determines, in its sole discretion, that the termination of the Program is necessary or in the best interests of the Members. In addition, the Program shall also terminate upon the enactment of any State or Federal law and/or a final determination by a court of competent jurisdiction, after all appeals have been exhausted or time for appeal has expired, that the Program is invalid or otherwise contrary to law.

In the event the Program is terminated, the Board of Directors shall:

1. Set an effective date for termination and provide notice of termination to Members at least ninety (90) days prior to the effective date;
2. Collect all Member Contributions;
3. Cause to be paid all claims incurred prior to the effective date of termination provided that such claims are submitted for payment within one year of the date on which they are incurred provided that all Member Contributions have been made by the Member. If assets are not sufficient to pay all such claims, claim payments may be reduced and paid pro rata until all assets are exhausted.
4. Pay all administrative expenses and other liabilities of LIMRiCC in connection with the Program.
5. If the assets of LIMRiCC are not sufficient to satisfy LIMRiCC's liabilities with respect to the Program, the Board of Directors may charge each current Member and each former participating Member who was a participating Member at any time during the twelve (12) month period prior to the effective date of



termination a supplemental Member Contribution in an amount that is equal to the amount of such shortfall multiplied by a fraction, the numerator of which is the amount of Member Contributions required of the former participating Member or the Member during the twelve (12) months prior to the effective date of termination and the denominator of which is the amount of total Member Contributions from all former participating Members and Members during the twelve (12) months prior to the effective date of termination. The Board of Directors shall not be obligated to make claim payment unless and until the shortfall is paid as provided herein.

6. Prior to termination, the Board of Directors shall make adequate provision for the maintenance of the records of the Program, which shall be retained for ten (10) years after the effective date of termination.

**4. Refund of SHIP Benefit Fee upon SHIP Termination.**

Upon the termination of SHIP for any reason, each Member with Insured Participants enrolled in SHIP at the time of SHIP's termination shall receive a refund of its SHIP Benefit Fees (the "SHIP Refund") from the fund balance, if any. The SHIP Refund shall be calculated for each Member as follows:

- A. LIMRiCC shall remove any Administration Fees from the SHIP Account;
- B. The remaining SHIP Account Balance shall be multiplied by the Member Fraction;
- C. The Member Fraction shall be a fraction where the numerator is equal to the SHIP Benefit Fees paid by the Member in the last twelve (12) months and the denominator is equal to the total SHIP Benefit Fees paid by all Members with Insured Participants enrolled in SHIP in the last twelve (12) months; and
- D. The resulting amount shall constitute the Member's SHIP Refund.

The SHIP Refund shall be paid within a reasonable time of the termination of SHIP, as determined in the discretion of the Board of Directors. Any amounts owed by a Member to LIMRiCC at the time of SHIP's termination shall be deducted from said Member's SHIP Refund and retained by LIMRiCC.

**5. Obligations of Terminated Members.**

The obligation of LIMRiCC to administer claims incurred under the Plan prior to the effective date of termination or voluntary withdrawal for a terminated Member shall continue for claims that are filed within 90 days after such effective date. Members who have either been terminated or have voluntarily withdrawn are required to make all Member Contributions and supplemental payments during such 90-day period.

**P. Rights and Obligations of Members.**

The rights of each Member of LIMRiCC shall include the following:

1. To enforce the obligations of LIMRiCC as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by LIMRiCC itself or by any of its Members. The consideration for the obligations imposed herewith shall be based upon the mutual promises and agreements of the Members set forth herein.

2. No member agrees or contracts herein to be held responsible for any claims in tort or contract or otherwise made against any other Member. Members intend in the creation of LIMRiCC to establish an organization for the purchase of health insurance and other insurance products as stated herein within the scope herein set forth, and have not created as between Members any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.

The obligations of each Member of LIMRiCC shall include the following:

1. To make all payments of Membership Contributions and any other payments to LIMRiCC as established in its By-Laws and this Agreement, including but not limited to late fees and supplemental benefit fees.

2. To hold an open enrollment meeting annually to provide education to the Member's Qualified Employees regarding the Program's benefits.

3. To allow LIMRiCC reasonable access to all facilities of the Member and all records relating to benefits, claims, and the financial obligations of the Member to LIMRiCC.

4. To report to LIMRiCC as promptly as possible all claims made to it within its benefit program as administered by LIMRiCC.

5. To furnish full cooperation with LIMRiCC's attorneys, Executive Director and any agent, employee, officer or independent contractor of LIMRiCC relating to the purposes and powers of LIMRiCC.

6. To act promptly and within a reasonable period of time on all matters requiring approval or action by Members and to not withhold such approval unreasonably or arbitrarily.

7. To follow in the operations of the Member all procedures established by LIMRiCC within its purposes and powers, including, but not limited to, the use of release forms, posting of notices, participation in educational and record-keeping programs, limitations on activities offered, and the use of loss prevention techniques and devices.

8. In the event that LIMRiCC shall be required to expend funds for administrative, legal or other operating costs, or to take other actions required under this Agreement or its By-Laws, the Member shall pay its share of the amounts so expended as provided in the By-Laws.

9. To appropriate or budget annually its liabilities under the LIMRiCC Program or Programs in which the Member participates.

10. To review all notices sent by LIMRiCC.

11. To attend all mandatory member meetings as set forth in Section K hereof.

12. During its participation in SHIP, a Member shall only exclusively provide to its employees, except independent contractors, or those in union-sponsored programs, the health benefits provided through SHIP.

13. In the event LIMRiCC 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 LIMRiCC for the amounts improperly paid.

14. In the event that a Member should sue LIMRiCC or any of its Directors, Officers, or employees, or agents regarding any issue related to this Article III and should not be the prevailing party in that suit, said Member shall, as part of its contractual obligation to LIMRiCC, pay the reasonable attorneys' fees and other costs and expenses expended by LIMRiCC in defending against that suit.

15. This Agreement and LIMRiCC's Bylaws are not intended to create or provide any rights in third-parties, including, but not limited to, any Qualifying Employees or Insured Participants.

**Q. Liability of LIMRiCC, Its Officers and Directors.**

The members of the Board of Directors and the officers and employees of LIMRiCC shall use ordinary care and reasonable diligence in the exercise of their powers 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; nor for any loss incurred through investment of LIMRiCC funds or failure to invest. They may participate in indemnification and self insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer. Board members, officers and employees of LIMRiCC shall be indemnified and held harmless by LIMRiCC for claims by third parties arising out of the good faith discharge of duties related to the Program.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members. The funds of each insurance program, i.e. those established under

Articles I, II and III are kept separate and accounted for separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the scope of his or her duties, LIMRiCC shall at the request of them:

1. Appear and defend against the claim or action; and
2. Pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
3. Pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term "Director, officer or employee" shall include former Directors, officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the Board of Directors will be determined after an investigation of the facts.

**R. By-laws.**

The Program is subject to the current By-Laws of LIMRiCC. A copy of the current By-Laws of LIMRiCC is posted on LIMRiCC's website.

**S. Notices.**

All notices of claims or any other notice required to be given pursuant to the Program, shall be sent by certified mail and/or electronic mail. To notify LIMRiCC, members shall use the following mailing address:

LIMRiCC  
PO Box 1016  
Orland Park, IL 60462

and the following email address:

limricc.april@comcast.net

Each Member shall designate an individual to receive notices from LIMRiCC regarding the Program and provide LIMRiCC with current contact information for said individual,

including mailing address and email address. If such addresses change, any party hereto may designate in writing to the other parties pursuant to the provisions of this Section the new contact information and address.

**ARTICLE IV. RIGHTS AND OBLIGATIONS OF MEMBERS.**

- A. The obligations of each Member of LIMRiCC shall include the following:
1. To allow LIMRiCC reasonable access to all facilities of the Member and all records relating to claims and the financial obligations of the Member to LIMRiCC.
  2. To furnish full cooperation with LIMRiCC's attorneys, claims administrator with any agent, employee, officer or independent contractor LIMRiCC relating to the purposes and powers of LIMRiCC.
  3. To follow in the operations of the Member all loss reduction and prevention procedures established by LIMRiCC within its purposes and powers, including, but not limited to, the use of release forms, posting of notices, participation in educational and record-keeping programs, limitations on activities offered, and the use of loss prevention techniques and devices.
  4. In the event that LIMRiCC shall be required to expend funds for administrative, legal or other operating costs, or to take other actions required under this Agreement or its BY-Laws, the Member shall pay its share of the amounts so expended as provided in the By-Laws.
  5. To make other payments to LIMRiCC as established in the By-Laws.
  6. To appropriate or budget annually its liabilities under the LIMRiCC Programs.

**B. Rights of Members.**

Rights of each Member of LIMRiCC shall include the following:

1. To enforce the obligations of LIMRiCC as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by LIMRiCC itself or by any of its Members. The consideration for the obligations imposed herewith shall be based upon the mutual promises and agreements of the members set forth herein.

2. Except as provided in Article II-F, no Member agrees or contracts herein to be held responsible for any claims in tort or contract or otherwise made against any other Member. Members intend in the creation of LIMRiCC to establish an organization for joint risk management only within the scope herein set forth and have not created as between Members any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.
3. Where rights of Members to participate in benefits are dependent on the length of time of participation, the Member shall be credited for its participation in the predecessor programs of the Metropolitan Library System (formerly Suburban Library System).

#### **ARTICLE V. LIABILITY OF LIMRiCC, ITS OFFICERS AND DIRECTORS.**

The members of the Board of Directors and the officers and employees of LIMRiCC shall use ordinary care and reasonable diligence in the exercise of their powers 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; nor for any loss incurred through investment of LIMRiCC funds or failure to invest. They may participate in indemnification and self-insurance programs. No Director, officer or employee shall be liable for any action taken or omitted by any other Director or officer.

The liability of LIMRiCC, its officers and Directors is limited solely to the proceeds of payments of Members and proceeds of any insurance provided by LIMRiCC. The funds of each insurance program, i.e. those established under Articles I, II, and III are to be kept separate and accounted for separately. Claims in each such separate insurance program are limited to the funds of that separate program.

If any claim or action not covered by insurance is instituted against a Director, officer or employee of LIMRiCC allegedly arising out of an act or omission occurring within the scope of his or her duties, LIMRiCC shall at the request of the Director, officer or employee:

- (a) appear and defend against the claim or action; and
- (b) Pay or indemnify the Director, officer or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
- (c) pay or indemnify the Director, officer or employee for a compromise or settlement of such claim or action providing the settlement is approved by the Board of Directors of LIMRiCC.

The term Director, officer or employee shall include former Directors, officers and employees. This indemnification resolution shall not apply if the Board of Directors finds that the claim or action is based on malicious, willful or criminal misconduct. In such case, the action to be taken by the Board of Directors will be determined after an investigation of the facts.

**ARTICLE VI.**      **BY-LAWS.**

A certified copy of the By-Laws of LIMRiCC has been furnished to the Member.

**ARTICLE VII.**      **NOTICES.**

All notices of claims or any other notice required to be given pursuant to this agreement, shall be sent by certified mail and shall be addressed to:

LIMRiCC  
P.O. Box 1016  
Orland Park, Illinois 60462

And to:

**ARTICLE VIII.**      **FORMER PARTICIPATION OF METROPOLITAN LIBRARY SYSTEM (FORMERLY SUBURBAN LIBRARY SYSTEM).**

LIMRiCC is the successor in interest to Metropolitan Library System (formerly Suburban Library System) as the contracting party under the Unemployment Compensation Program and the Joint Self-Insurance Program. Rights and liabilities of Metropolitan Library System (formerly Suburban Library System) is not a contractual participant under the programs.

**ARTICLE IX.**      **AMENDMENTS.**

The Board of Directors may, in the following manner, amend the "By-Laws of the Library Insurance Management And Risk Control Combination (LIMRiCC)" at any time and from time to time to add a new provision or change or remove an existing provision:

- (a) The Board of Directors shall adopt a Resolution setting forth the proposed amendment and the date on which the amendment is to become effective, and directing that the proposed amendment be submitted to each LIMRiCC Member that will be affected by the proposed amendment.
- (b) LIMRiCC shall give to each LIMRiCC Member that will be affected by the proposed amendment written notice of the proposed amendment, including the text of the proposed amendment and the date on which the amendment is to become effective,

together with a ballot for voting to approve or disapprove the proposed amendment. Such notice shall be given not less than 60 days and not more than 90 days before the proposed effective date of the amendment, either via electronic mail or U.S. mail. If mailed, such notice shall be deemed to have been delivered on the second day after the day on which it is deposited in the United States mail, addressed to the Member at its address on the records of LIMRiCC, with postage prepaid.

(c) Each LIMRiCC Member must return its ballot to LIMRiCC on or before 5:00 PM on the proposed effective date of the amendment.

(d) The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds of the LIMRiCC Members entitled to vote on such amendment.

(e) Any number of amendments may be submitted to the LIMRiCC Members and voted upon by them at one time.

(f) A LIMRiCC Member that has timely voted against the adoption of a proposed amendment may, within 60 days after the effective date of the proposed amendment, elect to withdraw from the LIMRiCC Program(s) affected by the new amendment, but only if the amendment materially and adversely affects the Member.

(g) Any LIMRiCC Member that is entitled to elect to withdraw from the LIMRiCC Program(s) in question is precluded from challenging the new amendment that creates the right of withdrawal, unless the adoption of the amendment is fraudulent with respect to the Member or with respect to LIMRiCC, or constitutes a breach of a fiduciary duty owed to the Member.

(h) A LIMRiCC Member that is entitled to elect to withdraw may do so only if the Member deliver its written election to LIMRiCC within the said 60-day period.

(i) Notwithstanding anything to the contrary in this Article, the withdrawal of a Member shall not affect any existing claim(s) in favor of LIMRiCC against the withdrawing Member, or in favor of the withdrawing Member and against LIMRiCC.

#### **ARTICLE X. POWERS OF BOARD OF DIRECTORS.**

The Board of Directors may approve additional contracted services to be performed by LIMRiCC staff for other libraries, intergovernmental entities and governmental entities and the revenue from such services will be used to keep overall administrative costs lower for all LIMRiCC members.



together with a ballot for voting to approve or disapprove the proposed amendment. Such notice shall be given not less than 60 days and not more than 90 days before the proposed effective date of the amendment, either via electronic mail or U.S. mail. If mailed, such notice shall be deemed to have been delivered on the second day after the day on which it is deposited in the United States mail, addressed to the Member at its address on the records of LIMRiCC, with postage prepaid.

(c) Each LIMRiCC Member must return its ballot to LIMRiCC on or before 5:00 PM on the proposed effective date of the amendment.

(d) The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds of the LIMRiCC Members entitled to vote on such amendment.

(e) Any number of amendments may be submitted to the LIMRiCC Members and voted upon by them at one time.

(f) A LIMRiCC Member that has timely voted against the adoption of a proposed amendment may, within 60 days after the effective date of the proposed amendment, elect to withdraw from the LIMRiCC Program(s) affected by the new amendment, but only if the amendment materially and adversely affects the Member.

(g) Any LIMRiCC Member that is entitled to elect to withdraw from the LIMRiCC Program(s) in question is precluded from challenging the new amendment that creates the right of withdrawal, unless the adoption of the amendment is fraudulent with respect to the Member or with respect to LIMRiCC, or constitutes a breach of a fiduciary duty owed to the Member.

(h) A LIMRiCC Member that is entitled to elect to withdraw may do so only if the Member deliver its written election to LIMRiCC within the said 60-day period.

(i) Notwithstanding anything to the contrary in this Article, the withdrawal of a Member shall not affect any existing claim(s) in favor of LIMRiCC against the withdrawing Member, or in favor of the withdrawing Member and against LIMRiCC.

#### **ARTICLE X. POWERS OF BOARD OF DIRECTORS.**

The Board of Directors may approve additional contracted services to be performed by LIMRiCC staff for other libraries, intergovernmental entities and governmental entities and the revenue from such services will be used to keep overall administrative costs lower for all LIMRiCC members.

Dated this 8 day of October, 20 15

By: Thomas Namm

President

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(to be signed by the LIMRiCC Board President)

LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION  
(LIMRiCC)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

By: \_\_\_\_\_

President

**RESOLUTION PROVIDING FOR THE EXECUTION OF AN  
INTERGOVERNMENTAL AGREEMENT WITH THE LIBRARY INSURANCE  
MANAGEMENT AND RISK CONTROL COMBINATION ("LIMRICC")**

BE IT RESOLVED by the Board of  Shorewood-Troy Public Library  
District \_\_\_\_\_ (hereinafter referred to as the "Library") as follows:

**1. AUTHORITY:** This Resolution is adopted pursuant to the Intergovernmental Cooperation clause of the Constitution of the State of Illinois, the Intergovernmental Cooperation Act, the Library Systems Act, and the Illinois Public Library District Act (or the Illinois Local Library Act where applicable).

**2. FINDINGS:**

A. The Library Insurance Management and Risk Control combination (LIMRiCC) has heretofore been established by Intergovernmental Agreement among existing public libraries and library systems to provide the following programs:

- 1. The unemployment compensation program;
- 2. The employee benefits insurance program;

A copy of the Intergovernmental Agreement providing for these programs is attached hereto as Exhibit A.

B. It is in the best interests of the Library to participate in such of the above programs as are indicated by a checkmark in the appropriate box.

**3. AUTHORIZATION:** That the President and Secretary of this Library are, therefore, authorized and directed to execute an Intergovernmental Agreement providing for risk management and authorizing Membership in LIMRiCC for the programs hereinabove indicated, the Intergovernmental Agreement to conform

substantially to the Intergovernmental Agreement attached hereto as Exhibit A and effective on December 1, 2015.

Adopted this 8th day of October, 20 15.

pursuant to a roll call vote as follows:

AYES: 7  
NAYS: 0  
ABSENT: 0

**Shorewood-Troy Public Library District**

(Enter Name of Library)

Thomas Nornell

Its President

Attest:

Aileen Olanekins

Its Secretary

**ILLINOIS LIBRARIES PRESENT:  
INTERGOVERNMENTAL AGREEMENT FOR JOINT PURCHASING  
OF LIBRARY PROGRAMMING, EVENTS AND SERVICES**

This Intergovernmental Agreement ("Agreement") also known as "Illinois Libraries Present" is entered into this November 18, 2021, by and between the Northbrook Public Library an Illinois public library, ("Northbrook Library"), and Shorewood-Troy Library LIBRARY an Illinois public Library or Library District (the "Library"), and the Reaching Across Illinois Library System ("RAILS"), for the purpose of facilitating the joint purchasing of programming, events and services for the parties' use.

**WHEREAS**, Article VII, Section 10 of the Illinois Constitution of 1970 authorizes units of local government to contract to exercise, combine or transfer any power or function not prohibited to them by law or ordinance;

**WHEREAS**, the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) authorizes units of local government to exercise jointly with any public agency of the State, including other units of local government, any power, privilege or authority which may be exercised by a unit of local government individually, and to enter into contracts for the performance of governmental services, activities or undertakings;

**WHEREAS**, the Government Joint Purchasing Act (30 ILCS 525/1, *et seq.*) authorizes governmental units to purchase personal property, supplies and services jointly with one or more other governmental units, all of which are parties to a joint purchasing agreement;

**WHEREAS**, the Northbrook Library desires to contract with other Illinois public libraries and library districts in order to purchase and procure library programing, events and services;

**WHEREAS**, the Northbrook Library and the LIBRARY desire to exercise their intergovernmental cooperation and joint purchasing authority by engaging in this Agreement whereby Northbrook Library and the LIBRARY may receive the programming, events and services and benefits therefrom and achieve economies of scale resulting from Northbrook Library's and the LIBRARY'S jointly negotiating and contracting for programming

**NOW, THEREFORE, IN CONSIDERATION** for the mutual covenants herein contained, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Northbrook Library and LIBRARY agree as follows:

Section 1. Authority. The parties agree that the foregoing recitals describe the power and authority by which they intend to engage in the joint purchasing and intergovernmental cooperation described in this Agreement. In the event of the termination, failure or amendment of either of the powers described herein so that this agreement would otherwise become invalid, it is the parties' intent for this agreement to rest on the other power which they are lawfully exercising.

## Section 2. Shared Services.

A. The Northbrook Library agrees to: (i) competitively bid the procurement of the materials, programming, events and services described in Exhibit A for the use and benefit of Northbrook Library and LIBRARY, and (ii) negotiate contract(s) with the lowest responsible and responsive bidder(s) (each, a "CONTRACTING PROVIDER OF THE PROGRAM") so that CONTRACTING PROVIDER OF THE PROGRAM shall allocate sufficient manpower and resources to provide its materials, programming, events and services (the "Services") to satisfy the demands of both the Northbrook Library and the LIBRARY. However, by law, some contracts will not be subject to competitive bidding where the ability or fitness of the individual plays an important part. The contract with the CONTRACTING PROVIDER OF THE PROGRAM shall include requirements for CONTRACTING PROVIDER OF THE PROGRAM to (i) extend all contractual obligations to the LIBRARY to the same extent performed for the Northbrook Library, and (ii) designate personnel who will have direct contact to fulfill the provisions of this Agreement.

B. The scope of the Services required by and for the Northbrook Library and LIBRARY are more specifically described in Exhibit A, attached hereto and incorporated as though fully set forth herein.

C. The Northbrook Library hereby assigns to the LIBRARY all of its rights, privilege and authority to enforce the terms of the CONTRACTING PROVIDER OF THE PROGRAM Contract and obtain any available remedies allowed thereunder, but only with respect to the Services performed for the LIBRARY, and provided that the LIBRARY shall not have the power to terminate the CONTRACTING PROVIDER OF THE PROGRAM's Contract, except as to services for the LIBRARY, without Northbrook Library's express, written consent. The Northbrook Library shall cooperate with the LIBRARY, at the LIBRARY's sole expense, to the extent it is necessary for the LIBRARY to obtain any remedy described in this paragraph.

## Section 3. Cost Allocation.

A. The Northbrook Library and Library parties agree to share the cost of Services as outlined in the attached scope of service according to the equitable formula for sharing costs agreed by the parties to this Agreement and outlined in Exhibit B, attached to this Agreement and incorporated as though fully set forth herein. Initial costs of \$10,225.00 in the aggregate will be paid by the 12 [twelve] member libraries of the IGA Steering and Programming Committees listed in Exhibit. Additionally, initial costs for services will also be drawn from the LIBRARY's payment for services, mentioned in this Section 3.

B. Annually, RAILS shall send an invoice to the LIBRARY with a written calculation describing the share of such invoice for which the LIBRARY shall pay RAILS on behalf of Illinois Libraries Present. RAILS has the option to renegotiate its invoice obligations under this IGA in the last quarter, 2022. The LIBRARY shall also reimburse RAILS for its share of each invoice in accordance with the IL Prompt Payment Act. At the request of either party, CONTRACTING PROVIDER OF THE PROGRAM may provide additional resources and project work, outside the scope of Attachment A, to the Northbrook Library or LIBRARY. The party requesting the work shall be responsible for 100% of the cost.

B. The LIBRARY covenants to appropriate, budget and, when necessary, levy sufficient amounts in each fiscal year for the estimated fees for which it will be liable for the Services it receives.

Section 4. Termination. Either Party to this Agreement may terminate its participation in this Agreement upon ninety (90) days written notice to the other party (provided that if the CONTRACTING PROVIDER OF THE PROGRAM shall require greater advance notice, the CONTRACTING PROVIDER OF THE PROGRAM Contract shall control). Each Party shall remain liable for all costs accrued during the term prior to the effective date of the termination of this Agreement. The Library agrees that if it terminates its participation in this Agreement, that all pre-payments or deposits it has made for future programs are forfeited to Illinois Libraries Present.

Section 5. Records. Neither Party to this Agreement claims any proprietary interest of any nature whatsoever in any of the records of the other Party to this Agreement, provided that each Party shall cooperate with the other to the extent either Party receives a public records request related to the subject matter of this Agreement. Nothing herein shall be construed to require either Party to waive any available exemptions from disclosure described under applicable law.

Section 6. Miscellaneous.

A. Each party agrees that it will be responsible for its own acts and the result thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. Except as otherwise provided herein, no Party may, by its own actions, obligate the other Party to this Agreement. This division of liability is solely intended to be between the Parties to this Agreement and should not be construed as a waiver of any defenses and immunities each Party may have against third party claims.

B. The Parties to this Agreement agree to abide by all of the general rules and regulations applicable to them.

C. Severability. The Parties intend for this Agreement to remain in full force and effect to the greatest extent permitted by law, and for all applications allowed by law, notwithstanding whether any particular provision or application hereof is found to be unenforceable. Any invalid provision and any unenforceable application shall be deemed severable from the remainder of the Agreement.

D. Term. This Agreement shall continue until terminated in accordance with Section 4.

E. Notice. All notices hereunder shall be in writing, and shall be deemed given when delivered by email, in person, or by United States certified mail, with return receipt requested, and if mailed, with postage prepaid. All notices shall be addressed as follows:

If to the Northbrook Public Library:

Executive Library Director  
Northbrook Public Library  
1201 Cedar Lane  
Northbrook, Illinois 60062

If to the Shorewood-Troy Public Library

650 Deerwood Dr., Shorewood, IL 60404

If to RAILS:

Reaching Across Illinois Library System  
Re: Illinois Libraries Present  
125 Tower Dr  
Burr Ridge, IL 60527

F. Interpretation. This Agreement constitutes the entire agreement between the Parties and supersedes any and all prior agreements and negotiations between the parties, whether written or oral, relating to the subject matter of this Agreement. No amendment or modification to this Agreement shall be effective until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with applicable law.

G. Additional Parties. This Agreement may be amended to add additional libraries. Each new library must adopt a resolution agreeing to be bound to the terms of this Agreement and the Northbrook Library must approve the addition of the new party.

H. Substitute Administrative Party. From time to time a library other than Northbrook Library may serve as the administrative party for the purpose of performing competitive bidding and contracting with CONTRACTING PROVIDER OF THE PROGRAMS. In those cases, the library serving as the administrative party shall have all the rights and responsibilities otherwise assigned to Northbrook Library in this Agreement and all other terms and conditions shall apply respectively.

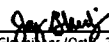
I. Counterparts. This Agreement may be executed by facsimile, portable document format (.pdf) or other electronic means, and in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

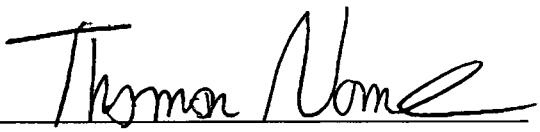


SO AGREED.

NORTHBROOK PUBLIC LIBRARY

LIBRARY

  
\_\_\_\_\_  
Jay Glaubinger (Oct 9, 2021 16:02 CDT)  
By: Jay Glaubinger, Board President

  
\_\_\_\_\_  
By:

Date: September 23, 2021

Date: 11/18/21

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

\_\_\_\_\_  
By:

\_\_\_\_\_  
Date:

# **EXHIBIT A**

## **SCOPE OF SERVICES AND CONTRACT CONTRACTING PROVIDER OF THE PROGRAM**

Illinois Libraries Present will provide one virtual program a month for all member libraries for a total of 6 programs during the January-June 2022 pilot period. Illinois Libraries Present aims to offer virtual programs featuring bestselling fiction and nonfiction authors, well-known presenters who speak on equity, diversity, and inclusion, and diverse speakers on topics of broad interest for a range of ages.

Member libraries may choose which programs they market to their patrons. Patrons may sign up to watch themselves or libraries may elect to broadcast the presentation for their patrons. Illinois Libraries Present will provide technical assistance, marketing collateral, and post program data analysis for member libraries.

Member libraries may elect to have staff participate in one of the Illinois Libraries Present committees and assist in the planning and execution of the events:

- Steering Committee
- Programming Committee
- Event Production Committee
- Marketing Committee
- Data Analysis Committee

The committees will be responsible for carrying out the work of Illinois Libraries Present and contract with vendors with approval from Northbrook Library.

Following the pilot program, Illinois Libraries Present intends to offer one program a month. Libraries shall sign up for an annual membership and receive access to all programs offered during the membership year of January 1 -December 31.

# SAMPLE CONTRACT

Service Contract  
Northbrook Public Library  
c/o Illinois Libraries Present  
1201 Cedar Lane  
Northbrook, Illinois 60062  
(847) 272-6224

Date:

This is a contract between the Board of Library Trustees of the Village of Northbrook (Library) and \_\_\_\_\_ (Contractor).

Address:

City, State, Zip:

Telephone number:

Arrangements will be made through \_\_\_\_\_, (Library representative).

Date and Time of Program:

Virtual Performance Platform: Zoom

Title of program:

Payment Terms:

The Library will pay the Contractor, as compensation for services rendered, \$ \_\_\_\_\_ .  
Payment is due within 30 days of the program date and payable to \_\_\_\_\_ .

Technical requirements:

Please attach a sheet with any specific requirements for virtual performance requirements for the program. The Contractor agrees to arrive \_\_\_\_\_ before the performance is scheduled.

In accordance with the Americans with Disabilities Act, some programs may be live captioned by a certified captioner. Performers are required to provide in a timely manner, upon request, information including but not limited to: outlines, powerpoints, lists of unique words or phrases, and/or a list of names used for programs that will be live captioned. All certified captioners are bound by the National Association of Court Reporters and Captioners Code of Ethics. Any information supplied will be destroyed after the event.

Any performer that wishes to record their performance must request so in writing at least one week prior to the performance. The library reserves the right, in its sole discretion, to deny the recording of any program. The Library reserves the right, in its sole discretion, to deny the Contractor the right to record any virtual performance.

**Force Majeure:**

If either party is prevented from performing the obligations created because of illness, acts of God, strikes, etc. beyond the control of either of the parties, neither party shall be liable to the other.

**Governing Law:**

This Contract shall be governed by and construed in accordance with the laws of the State of Illinois, and venue for any dispute arising from this Contract will be in the courts of Cook County, Illinois.

**Waiver:**

Waiver by any party of any breach of any term, covenant or condition contained in this Contract shall not be deemed to be a waiver of such term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition contained in this Contract.

**Termination:**

The Library may terminate this Contract at any time, with or without cause. This Contract also may be terminated at any time upon the mutual agreement of the Library and Contractor. In the event this Contract is terminated for any reason, Contractor will not be entitled to any compensation or remuneration.

**Library Recordings:**

The Library reserves the right to audio or video record any live program, including virtual performances unless otherwise indicated. The Library may retain the record in its files, may make it available on the Internet, or make it available otherwise for educational or promotional purposes. The Library shall provide a copy of the recording to the Contractor, upon the Contractor's request.

- Contractor hereby authorizes the Library to capture and use images and/or video of Contractor's program for educational and promotional purposes, including any virtual performances.
- Contractor does not authorize the Library to capture and use images and/or video of Contractor's program for educational and promotional purposes, including any virtual performances.

If the Contractor is providing the Library with a recording of the Program, the Library will make the recording of the Contractor's program available to Library patrons who register for the Program until \_\_\_\_\_(insert date that program will be available). After that date, the Library will no longer make the recording of the Contractor's Program available to Library patrons. The Contractor will retain all intellectual property rights to the Contractor's Program.

Indemnification/Assumption of Risk:

I, the undersigned, agree that I \_\_\_\_\_will indemnify and hold harmless the Northbrook Public Library, the Board of Library Trustees of the Village of Northbrook, its officers, agents and employees from and against any and all losses, liabilities, claims, demands, penalties, causes of action, damages, and costs and expenses (including reasonable attorneys' fees and court costs) arising out of or related to the acts and/or omissions of Contractor or in any way connected with the performance of this Contract.

Intellectual Property:

Contractor, and any of its performers or presenters, are solely responsible for complying with any and all applicable licensing, trademark, copyright, and other intellectual property laws and regulations relating to the Contractor's programs, performances, and merchandise sales.

Entire Agreement:

This Contract sets forth all the promises, inducements, agreements, conditions and understandings between the parties hereto relative to the subject matter thereof, and there are no promises, agreements, conditions or understandings, either oral or written, express or implied, between them, other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties hereto unless authorized in accordance with law and reduced in writing and signed by both parties. The duties and obligations of this Contract may not be assigned by Contractor without the express written approval of the Library

By signing this Contract, the parties stipulate that they have read and understand this Contract in its entirety. Each person signing the Contract represents that they have the authority to sign the Contract on behalf of their respective party.

LIBRARY: \_\_\_\_\_DATE: \_\_\_\_\_

CONTRACTOR: \_\_\_\_\_DATE: \_\_\_\_\_

## EXHIBIT B

### PRICE FORMULA AND LIBRARY'S AGREED CONTRIBUTION

Pricing shall be based upon the library's operating budget as recorded in the Illinois Public Library Annual Report 8.17 TOTAL receipts (8.1 + 8.7 + 8.12 + 8.15) [PLSC 304]. Prices shall be equitably set based on budgets within six membership tiers. Overall costs will be determined by the total number of participating libraries and estimated expenses for the coming year.

\$0-\$249,999
\$250,000-\$749,999
\$750,000-\$1,499,999
\$1,500,000-\$2,999,999
\$3,000,000-\$4,999,999
\$5,000,000+

The initial cost for the program will be for the 6-month pilot and cover all expenses including zoom licensing, presenter fees, marketing, legal, and other administrative costs.

Library's Operating Budget	Total Pilot Cost
\$0-\$249,999	\$40.00
\$250,000-\$749,999	\$75.00
\$750,000-\$1,499,999	\$200.00
\$1,500,000-\$2,999,999	\$375.00
\$3,000,000-\$4,999,999	\$750.00
\$5,000,000+	\$1,150.00

Annual costs will be billed based on the same model and updated annually based on cost projections for the coming year. Illinois Libraries Present will aim to operate on a cost recovery basis and keep enough funds in the fund balance to provide for 6 months of expenses.

Steering and Programming Committee Library Members:

Algonquin  
Arlington Heights  
Downers Grove

Effingham  
Evanston  
Fairview Heights  
Fox River Valley  
Niles  
Northbrook  
Oak Park  
Schaumburg  
Shorewood-Troy

# ILP IGA

Final Audit Report

2021-10-07

Created:	2021-10-07
By:	Administration Assistant (adminasst@northbrook.info)
Status:	Signed
Transaction ID:	CBJCHBCAABAAXccMj7LC6rfkfxlWGGQ-q07zjFQzOnGnx

## "ILP IGA" History

-  Document created by Administration Assistant (adminasst@northbrook.info)  
2021-10-07 - 7:09:22 PM GMT
-  Document emailed to Jay Glaubinger (jayglaubinger@gmail.com) for signature  
2021-10-07 - 7:09:46 PM GMT
-  Email viewed by Jay Glaubinger (jayglaubinger@gmail.com)  
2021-10-07 - 9:01:41 PM GMT
-  Document e-signed by Jay Glaubinger (jayglaubinger@gmail.com)  
Signature Date: 2021-10-07 - 9:02:58 PM GMT - Time Source: server
-  Agreement completed.  
2021-10-07 - 9:02:58 PM GMT



# ADULT/TEEN OUTREACH

## ALDEN ESTATES OF SHOREWOOD

Bi-Weekly Visits (2-3/month)  
Alternating between book delivery  
and a craft that promotes motion  
and creativity for ages 65+

## KIWANIS OF SHOREWOOD, ILLINOIS

Monthly  
Attending regular meetings and  
events to assist in community wide  
efforts to improve the lives of  
children.

## SHOREWOOD HORIZON SENIOR LIVING

Bi-Weekly Visits (2-3/month)  
Library item deliveries and  
assistance in selecting movies for a  
monthly movie night for ages 65+

## PSACC REFERRAL GROUP

Monthly  
Attend regular meetings and  
events to assist local businesses, by  
creating partnerships and  
promoting one another.

## JOLIET TRANSITION CENTER

Weekly (during school year)  
Students with disabilities ranging  
in ages 18-22 visit the library and  
learn skills for working in library  
related fields.

## SENIOR SERVICES OF WILL COUNTY

Monthly  
Partnering with Joliet Public  
Library, provide monthly  
technology assistance to ages 60+

## SHOREWOOD GLEN

Monthly  
Item delivery services are provided,  
along with an alternating schedule  
of a technology assistance  
program and a crafting program.



**REGULAR HOME DELIVERY SERVICE IS  
ALSO AVAILABLE TO HOMEBOUND  
PATRONS**

## THE TIMBERS OF SHOREWOOD

Monthly  
Library item deliveries and book  
club meetings are regularly  
scheduled once per month. In  
addition, other program  
opportunities have occurred, such  
as technology assistance  
programs, a pen pal program with  
library patrons, and craft programs.  
All activities with this local are for  
ages 62+.

.....

# ADDITIONAL LOCATION VISITS

JOLIET JOB CORPS

JOLIET TOWNSHIP  
HIGH SCHOOL  
DISTRICT 204

MINOOKA  
COMMUNITY HIGH  
SCHOOL

MINOOKA JUNIOR  
HIGH SCHOOL

The following listed locations have infrequent visits or large scale events that we attend/partner with. Please note that school visits were regular prior to COVID-19, however due to health and safety concerns, regular visits are still on hold.

SPANISH COMMUNITY  
CENTER

TROY MIDDLE  
SCHOOL

VILLAGE OF  
SHOREWOOD,  
ILLINOIS

## STPL Children's Outreach

- A. Community Events with Village
  - 1. Party in the Park (movie nights)
  - 2. Permanent Story Walk (May-October) updated 1x per month/6 months of the year
  - 3. Crossroads Fest
  - 4. Safety Fair
  - 5. Other events as requested
- B. Troy 30-C & Minooka 201
  - 1. Family Reading Nights
  - 2. Back to School Nights
  - 3. In-school programs
  - 4. Coordination with School Librarians
  - 5. Homework packs for teachers
  - 6. Library Link Cards
- a. Promote summer reading tour
- b. Book Tastings/promo upcoming programs for older kids
- c. Read-alouds
  - 7. Holy Family - same as 30C
- C. Local Daycares
  - 1. Early Learning Center - storytimes w/ stickers/outreach materials for parents/1KB4K/Summer and winter reading programs
  - 2. Chesterbrook - same as ELC
  - 3. Goddard - same as ELC

**STATEMENT OF INCOME AND EXPENSE**

	<b>FY23</b>	<b>10-month cumulative Proposed FY24</b>	
<b>INCOME</b>			
401 Per Capita Grant	\$32,000.00	\$32,125.50	\$ 32,000.00
402A LSTA Grant	\$0.00	\$4,687.95	-
402B Other Grants	\$385,000.00	\$113,728.00	\$ 310,000.00
410 Sale of Library Materials	\$500.00	\$100.50	\$ 500.00
430 Photocopy Receipts	\$4,000.00	\$3,497.30	\$ 4,000.00
435 Fines & Lost Books	\$4,000.00	\$2,732.75	\$ 4,000.00
445 Interest Income	\$1,000.00	\$11,310.55	\$ 15,000.00
450 Misc, Notary Fees, etc	\$2,500.00	\$7,441.89	\$ 8,000.00
455 Passport Revenue	\$21,000.00	\$30,551.80	\$ 40,000.00
468 Room Rental	\$500.00	\$155.00	\$ 500.00
470 General Property Tax	\$1,250,000.00	\$562,005.25	\$ 1,350,000.00
471 Per. Prop. Replacement	\$45,000.00	\$64,483.27	\$ 60,000.00
473 LIMRiCC	\$0.00	\$0.00	-
474 Youth Services	\$500.00	\$0.00	\$ 500.00
475 Donations	\$3,000.00	\$2,331.08	\$ 3,000.00
476 Impact fees	\$25,000.00	\$24,556.57	\$ 30,000.00
477 Fax Services	\$1,500.00	\$921.00	\$ 1,000.00
480 Pin Reimbursement	\$144,000.00	\$117,943.63	\$ 150,000.00
476b Transfer From Developer'	\$235,000.00	\$0.00	-
License Plate fees	\$1,800.00	\$1,459.00	\$1,800.00
<b>Total Income</b>	<b>\$ 2,156,300.00</b>	<b>\$980,031.04</b>	<b>\$2,010,300.00</b>

EXPENSE	FY23	10- month cumulative	Proposed FY24
501 Professional Salary	\$467,000.00	\$307,888.74	\$ 462,000.00
502 Paraprofessional Salary	\$307,000.00	\$333,594.59	\$ 362,000.00
504 IMRF - Emplr's portion	\$41,000.00	\$30,948.42	\$ 43,000.00
506 FICA - Emplr's portion	\$60,000.00	\$48,363.31	\$ 65,000.00
508 Health Insurance-Emplr'	\$40,000.00	\$29,221.97	\$ 55,000.00
509 Unemp Comp/Wrk Comp	\$7,500.00	\$5,501.00	\$ 6,000.00
Staff Recognition			\$ 1,000.00
<b>TOTAL PAYROLL RELATED EXPEN</b>	<b>\$922,500.00</b>	<b>\$755,518.03</b>	<b>\$994,000.00</b>
510A Books-Adult	\$50,000.00	\$39,653.47	\$ 50,000.00
510B Books-Children	\$50,000.00	\$37,451.41	\$ 50,000.00
510C Books-YA	\$5,000.00	\$2,842.30	\$ 5,000.00
510D Reference	\$1,000.00	\$0.00	\$ 500.00
510E Electronic books	\$20,000.00	\$25,000.00	\$ 20,000.00
510F LSTA Grant	\$0.00	\$4,129.23	\$ -
511 Periodicals	\$2,000.00	\$1,411.70	\$ 2,500.00
515 Newspapers	\$1,500.00	\$2,242.49	\$ 3,000.00
520A Audiobooks (Adult)	\$4,000.00	\$2,433.99	\$ 4,000.00
520B Audiobooks (Children)	\$1,000.00	\$1,000.00	\$ 1,000.00
522A Music-Adult	\$1,000.00	\$688.38	\$ 1,000.00
522B Music-Children	\$0.00	\$0.00	\$ -
527A Videos-Adult	\$7,000.00	\$4,143.71	\$ 6,000.00
527B Videos-Children	\$2,500.00	\$877.13	\$ 1,500.00
527C Games-YA	\$3,000.00	\$1,055.76	\$ 2,000.00
527D Games-Children	\$1,000.00	\$882.94	\$ 1,000.00
<b>TOTAL LIBRARY MATERIAL</b>	<b>\$149,000.00</b>	<b>\$123,812.51</b>	<b>\$147,500.00</b>
531 Website Maintenance	\$2,500.00	\$760.41	\$ 10,000.00
532 Management Services	\$5,000.00	\$655.33	\$ 20,000.00
533 Pinnacle Services	\$75,000.00	\$74,704.98	\$ 80,000.00
535 Maintenance of Equipmer	\$30,000.00	\$22,961.31	\$ 25,000.00
536 Computer Supplies/softwæ	\$22,000.00	\$14,666.85	\$ 26,000.00
537 Photocoper Supp & Equip	\$10,000.00	\$7,686.39	\$ 10,000.00
538 Databases	\$48,000.00	\$49,112.35	\$ 53,000.00
<b>TOTAL CONTRACTUAL SERVICES</b>	<b>\$192,500.00</b>	<b>\$170,547.62</b>	<b>\$ 224,000.00</b>
541A Tech services supplies	\$8,000.00	\$5,195.22	\$ 7,000.00
542 Office Supplies	\$5,000.00	\$3,492.16	\$ 5,000.00
542A Management Supplies	\$4,000.00	\$6,127.93	\$ 4,000.00
542C Display supplies	\$500.00	\$320.27	\$ 500
543 Assets Not Capitalized	\$3,000.00	\$3,490.24	\$ 4,000.00
544 Telephone Services	\$8,000.00	\$6,245.29	\$ 8,000.00
545 Computer Line	\$10,000.00	\$8,578.41	\$ 10,000.00
546 Adult Services Program	\$9,000.00	\$9,179.25	\$ 11,000.00
547a Postage	\$6,000.00	\$7,347.10	\$ 9,000.00
547b Passport postage	\$3,000.00	\$2,642.55	\$ 4,000.00
548 Circulation Services	\$3,000.00	\$1,406.79	\$ 3,000.00
549 Youth Serv Programs	\$9,000.00	\$6,831.87	\$ 11,000.00

	<b>FY23</b>	<b>9-month Cumulative</b>	<b>Proposed FY24</b>
549A Teen programming	\$2,000.00	\$1,745.61	\$ 2,500.00
549B Outreach Services	\$3,000.00	\$1,067.78	\$ 3,000.00
549C Family Programs	<u>\$2,000.00</u>	<u>\$2,039.99</u>	<u>\$ 3,000.00</u>
<b>TOTAL SUPPLIES &amp; SERVICES</b>	<b>\$75,500.00</b>	<b>\$65,710.46</b>	<b>\$ 85,000.00</b>
551 Adv & Publishing	\$19,000.00	\$20,043.66	\$ 22,000.00
552 Mileage/Meetings, etc.	\$2,000.00	\$1,943.23	\$ 3,000.00
553 Professional Dev	\$5,000.00	\$4,864.03	\$ 7,000.00
554 Professional Dues	\$1,000.00	\$570.17	\$ 1,000.00
555 Library Promotion & Dev	<u>\$4,000.00</u>	<u>\$2,075.84</u>	<u>\$ 4,000.00</u>
<b>TOTAL MISC EXPENSE</b>	<b>\$31,000.00</b>	<b>\$29,496.93</b>	<b>\$37,000.00</b>
560 Electricity	\$9,000.00	\$6,907.77	\$ 9,000.00
561 Gas	\$4,000.00	\$3,586.69	\$ 4,000.00
562 Mnt & Sfy of Grounds	\$10,000.00	\$9,940.43	\$ 12,000.00
563 Water	\$2,000.00	\$1,639.56	\$ 2,000.00
564 Util & Jan Supplies	\$2,953.00	\$1,735.24	\$ 3,000.00
565 Routine Maint Building	\$25,000.00	\$31,289.41	\$ 40,000.00
568 Janitorial Service Building	\$17,000.00	\$16,924.95	\$ 18,000.00
569 Ins Building, Cont, & Liab	<u>\$15,000.00</u>	<u>\$12,948.77</u>	<u>\$ 15,000.00</u>
<b>Total Util &amp; Building Expense</b>	<b>\$84,953.00</b>	<b>\$84,972.82</b>	<b>\$103,000.00</b>
580 Fixed Assets Cap	\$0.00	\$0.00	\$ -
582 Capital Improv Building	\$645,847.00	\$32,465.14	\$ 350,000.00
583 Land Purchase/Mortgage	\$0.00	\$0.00	\$ -
584 New Building Expenses	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$ -</u>
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$645,847.00</b>	<b>\$32,465.14</b>	<b>\$350,000.00</b>
590 Legal Services	\$5,000.00	\$5,047.25	\$ 10,000.00
591 Audit & Accounting	\$12,000.00	\$10,340.00	\$ 14,000.00
594 Administrative Expense	\$6,000.00	\$8,323.15	\$ 9,000.00
595 Special Reserve Fund	\$25,000.00	\$0.00	\$ 30,000.00
596 Interest & Prin Short term	\$0.00	\$0.00	\$ -
598 Err & Omiss/Treas Bond	\$2,000.00	\$3,175.00	\$ 3,300.00
599 Contingencies	<u>\$3,500.00</u>	<u>\$2,471.54</u>	<u>\$ 3,500.00</u>
<b>TOTAL OVERHEAD &amp; DEBT SERVI</b>	<b>\$53,500.00</b>	<b>\$29,356.94</b>	<b>\$69,800.00</b>
<b>TOTAL EXPENSES</b>	<b><u>\$2,154,800.00</u></b>	<b><u>\$1,291,880.45</u></b>	<b><u>\$2,010,300.00</u></b>
<b><u>TOTAL REVENUE IN EXCESS OF EXPENSES</u></b>			<b>\$0.00</b>



# Local Government Efficiency and Size in Illinois: *Counting Tax Revenues, Not Governments*

Prepared for the  
Township Officials of Illinois  
By Wendell Cox

# Local Government Efficiency and Size in Illinois: Counting Tax Revenues, Not Governments

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## **EXECUTIVE SUMMARY**

### **1. The Illinois Financial Crisis**

There is considerable concern about the fiscal situation in the state of Illinois. The Illinois financial crisis is, broadly speaking, the result of taxes, spending and debt that is too high. There is general agreement that strong steps need to be taken to improve financial performance.

The financial crisis has generated a number of policy proposals. One of these is to reduce the number of local governments through consolidation or abolishment. A fundamental assumption of proponents is that the high levels of taxation in Illinois are significantly driven by the states large number of local governments, the highest figure in the nation. This view assumes that larger governments tax and spend less per capita, a “bigger is better” perspective. Moreover, township governments have been a regular subject for proposed consolidations and abolishment.

This report examines the extent to which size of government is associated with lower taxation and spending (and borrowing) per capita. Illinois State Comptroller data is used to evaluate these factors by size of municipal government. Further, township financial performance is compared to that of other governments in the state. Finally, the Illinois situation is compared to that of other states.

The report provides a review of the potential for local government consolidations and abolishments to play a material role in solving the Illinois financial crisis.

### **2. Illinois Government Fiscal Performance by Size**

The analysis indicates that, in 2014, there was a strong relationship between the size (population) of local governments and their fiscal performance. Overwhelmingly, greater financial resources were required as the size of local government increased. Larger governments required more overall total tax support per capita (including local taxation and state taxation used by local governments), taxed more per capita, and spent more per capita. Larger units of government also tended to borrow more per capita than smaller units of government. These relationships are the opposite of what is expected by the “bigger is better” perspective.

To provide value for taxpayers, it is necessary for governments to pay no more than necessary for the goods and services they purchase, including labor. Labor indicators were examined because labor generally represents the largest expenditure item of local government. It was found generally that smaller governments tend to rely on less expensive, part-time labor to a substantially greater degree than larger governments. Further, salaries tended to be substantially lower in smaller units of government, rather than larger units of government.

The results from all of the indicators reviewed are counter to the “bigger is better” assumption. This is further illustrated by an analysis showing that smaller municipal governments tend to collect local taxes that are considerably lower than their percentage of the population.

### **3. Township Financial Performance**

Township financial performance cannot be directly compared to that of cities, villages and towns on a per capita basis because the two types of governments have substantially differing functions. Nonetheless, township performance can be compared at the overall level.

Townships have had a smaller increase in taxation than any other type of government in the state (state, county, municipality, school district and special district) over the past 20 years. Further, township wages and salaries were less than those of other types of Illinois governments. These are indications that township government may be less costly than other local governments.

#### **4. Illinois Compared to Other States**

While Illinois has more governments than the other states, when adjusted for population, Illinois ranks 15<sup>th</sup>. A review of population adjusted governments and taxation per capita among the 50 states in the case of virtually no relationship between the two variables. This may be best illustrated by Hawaii and Maryland, which have fewer population adjusted governments than any other states. Yet in these two states both rank in the top 10 in taxation per capita (and higher than Illinois).

#### **5. Academic Research**

Theoretical assertions and feasibility studies often suggest that consolidations and abolishments save money. However, the literature on consolidation and abolishment rarely shows, little or no savings after consolidations and abolishments have been implemented.

#### **6. Underlying Factors**

Perhaps the most important reason that consolidations and abolishment result in higher costs is that it is typical for labor costs to be leveled up to the rates of the more expensive government. For example, should functions be transferred from townships, with their generally lower cost structure, the costs of the transferred services could increase.

#### **7. Counting Tax Revenues, Not Governments**

Property taxes are assessed in dollars and have no relationship to the number of governments in an area. The preponderance of the evidence in Illinois shows that smaller municipal governments tend to tax less, spend less, and borrow less than larger municipal governments. Transferring services from the lower cost townships to other levels of government could increase costs. Forcing consolidations and abolitions of local governments could increase taxes and spending.

## 1. THE ILLINOIS FINANCIAL CRISIS

There is considerable concern about the fiscal situation in the state of Illinois. The Illinois financial crisis is, broadly speaking, the result of taxes, spending and debt that is too high. There is general agreement that strong steps need to be taken to improve financial performance.

As proposals are considered to address the Illinois financial crisis, one strategy is often cited --- consolidation or abolishment<sup>1</sup> of some local government units. This is often predicated on the fact that Illinois has the largest number of local governments in the United States, and an assumption that this leads to higher costs for taxpayers. It is, for example, not untypical for proponents of consolidation and abolishment to refer to the number of lines (taxing entities) on a listed on property tax bill, and to characterize that that as evidence of higher taxes and spending. Proponents of consolidation and abolition have also contended that there is duplication of services between governments, such as between cities, villages and towns and townships. Local governments have defined geographical areas of services and only one government provides the same service within a particular service area.

At the same time, townships have received an extraordinary amount of attention as candidates for abolishment. Consolidation and abolishment advocates assume that the public services performed by townships can be readily assumed by other units of government, with savings for taxpayers. This is not likely to be the case, principally because of the lower cost structure of townships.

These claims, based upon an assumption that larger units of government are less costly per capita than smaller units of government are often supported by anecdotal evidence, but rarely (if ever) by systematic or comprehensive analysis of actual financial performance. In the absence of such evidence, consolidations and abolishments have little or no potential for reducing and present virtually no potential for improving the financial situation of Illinois.

A few years ago, the Township Officials of Illinois retained Wendell Cox Consultancy to review these questions. The resulting policy report *Townships and Local Democracy in Illinois: A Report to the People* found that larger local government units in Illinois tended to be more costly per capita than smaller ones. The report further found that the available indicators of financial performance between townships and other local units of government were generally positive.<sup>2</sup>

This report, also commissioned by the Township Officials of Illinois provides an updated review of the potential for local government consolidations and abolishments to play a material role in solving the Illinois financial crisis.

This report examines taxing, expenditures and borrowing by Illinois cities, villages and towns to identify patterns with respect to size (size being defined as population). The analysis also includes measures of employment and labor costs. There is also a comparison, from available resources, of township financial performance and other types of government in Illinois.

These issues are analyzed using the latest data (2014) from the state of Illinois Comptroller's office, with additional data from the US Bureau of the Census and other sources.

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<sup>1</sup> For the purposes of this report, consolidation and abolishment are considered to be the same. In either case, there is a reduction in the number of governments.

<sup>2</sup> Wendell Cox, *Local Democracy and the Townships of Illinois: A Report to the People*, Township Officials of Illinois, 2011. <http://www.demographia.com/IL-CoxReport2011.pdf>

## **2: ILLINOIS GOVERNMENT FISCAL PERFORMANCE BY SIZE**

This section analyses financial and labor data by size (population) of cities, villages and towns (municipalities) in the state. The latest State Comptroller of Illinois government database was used, which includes reports from 1,281 reporting cities, villages and towns.

The analyses were divided into two further groups, the 6-county Chicago area (“Chicagoland”) and Downstate, comprising the rest of the state. The purpose of this division was to assess the extent to which any findings are a reflection of geographical location within the two great functional areas of the state.

Jurisdiction medians are used, which reflect the numeric value for the municipality in the middle of the distribution.

### **2.1 Overall Financial Performance**

Annual comparisons are provided for state and local tax support, local taxation, expenditures and debt per person (per capita or per citizen), based on jurisdiction population categories.

#### **State and Local Tax Support per Capita**

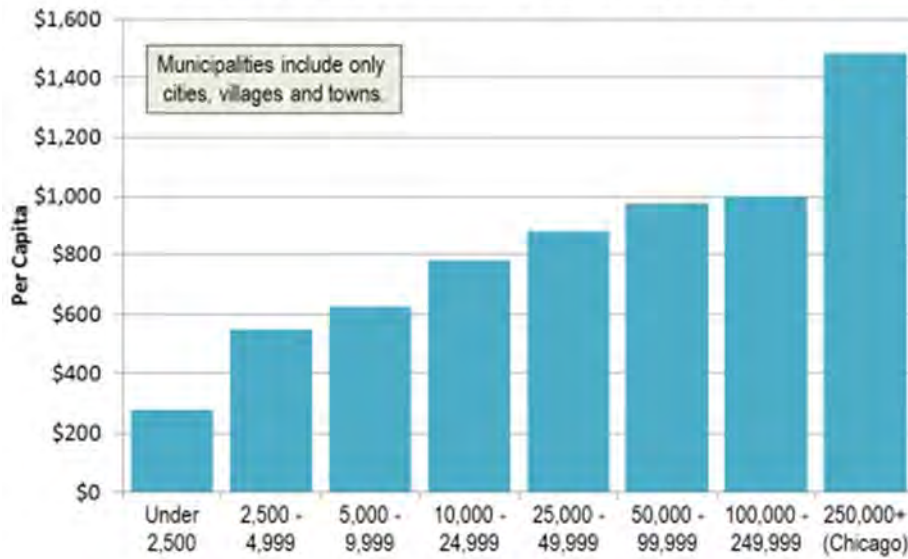
The data indicates that state and local tax support per capita tends to rise strongly as jurisdiction population increases, in a “stair step” relationship. This is contrary to the “bigger is better” perception.

State and local support includes both local tax revenues and state tax revenues used by cities, villages and towns (state income tax, state sales tax, state motor vehicle tax and state replacement tax). The lowest median jurisdictional state and local tax support is in the smallest population category (under 2,500 residents), at \$280. This rises to \$550 in the second smallest category (2,500 to 4,999 residents). Median state and local tax support rises in each higher population category, reaching \$1,000 in the second largest (100,000 to 249,999) and \$1,480 in the largest (250,000 and over). This largest population category includes only the city of Chicago (Figure 1).

Perhaps the best comparison for policy purposes is between the population categories that exclude the smallest population category and the largest (Chicago), which generally have substantially more positive and less positive financial results. Excluding these categories, median state and local tax support nearly twice as high in the second largest category (100,000 to 249,999) as in the second lowest category (2,500 to 4,999).

The same general relationship, indicating higher median state and local tax support in larger, rather than smaller cities, villages and towns is evident both in the 6-state Chicago area and Downstate (Figure 2).

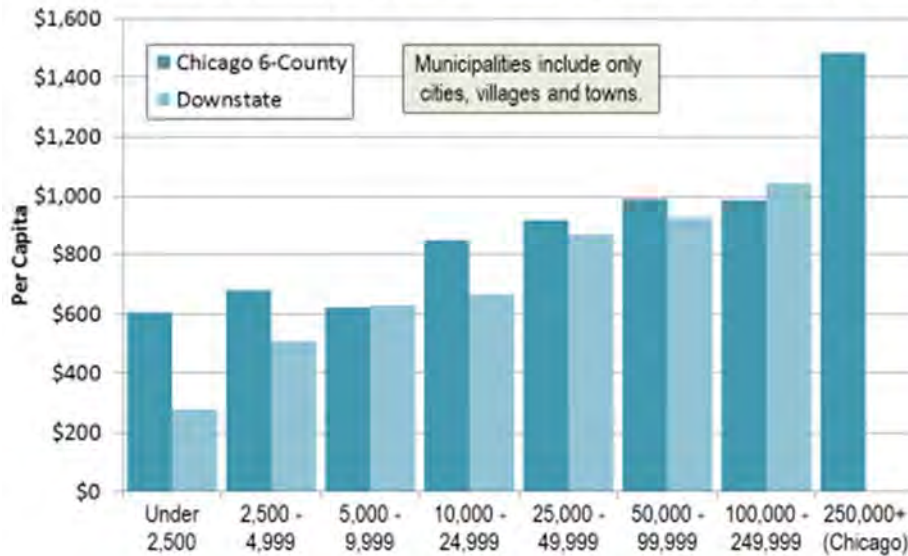
## Median Local & State Tax Support per Capita ILLINOIS MUNICIPALITIES: 2014 BY POPULATION



From: Illinois Comptroller data.

**Figure 1**

## Median Local & State Tax Support per Capita CHICAGO & DOWNSTATE MUNICIPALITIES BY POP.



From: Illinois Comptroller data.

**Figure 2**

## Local Taxation per Capita

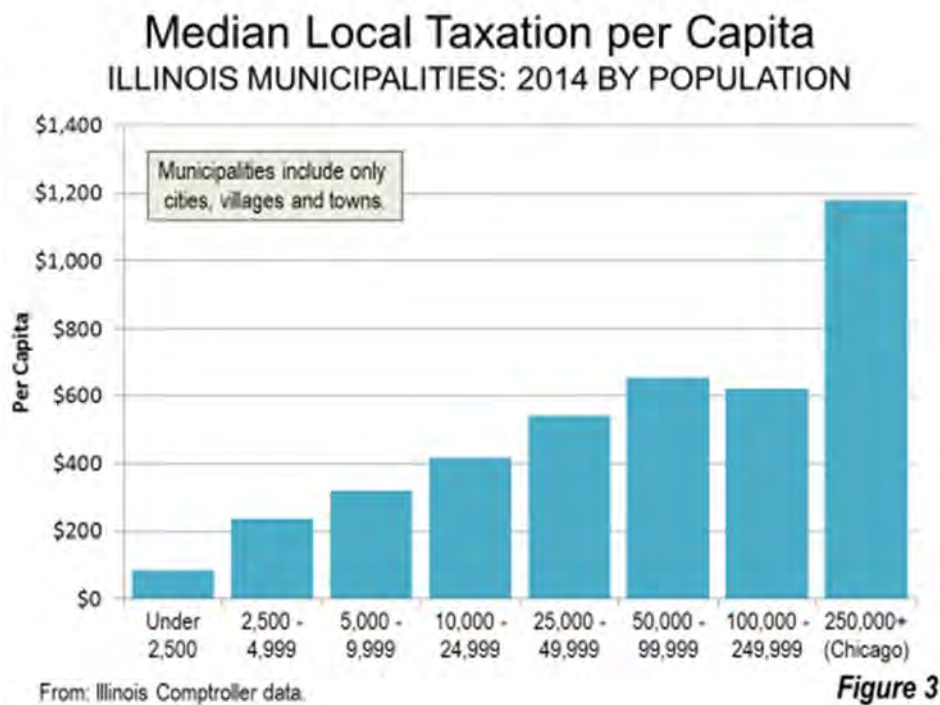
Much of the concern raised about the costs of multiple governments has been related to high local taxes.

The data indicates that median local taxation per capita tends to rise strongly in a “stair step” relationship, as jurisdiction population increases. This is contrary to the “bigger is better” local government perception.

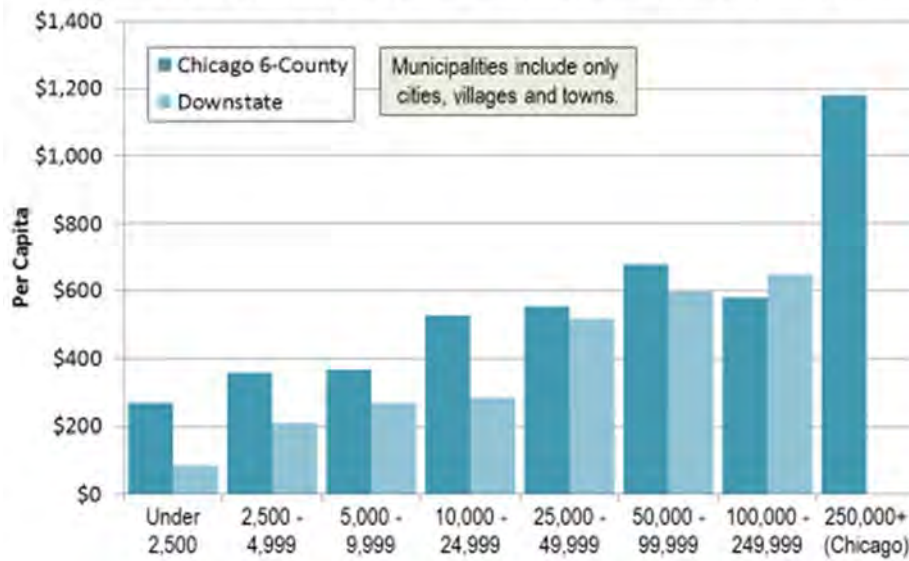
Statewide, the smallest municipal governments (under 2500 residents) had the lowest median local tax revenues per capita, at approximately \$90 annually. The next larger category (2500 to 4999 residents) had the second lowest median tax revenues per capita at approximately \$240 annually. Per capita local taxation generally rose through the population categories to approximately \$620 annually in the second-largest category (100,000 to 249,099 population). The largest category, with just the city of Chicago, had median per capita local tax revenues of approximately \$1180 annually (Figure 3).

Excluding the largest and smallest categories (cities, villages and towns under 2,500 population and Chicago) median state and local tax support was approximately 2.5 times as high in the second largest category (100,000 to 249,999) as in the second lowest category (2,500 to 4,999).

Similar trends, indicating an association between higher median local taxes per capita and larger units of government is indicated both in the 6-county Chicago area and Downstate (Figure 4).



## Median Local Taxation per Capita CHICAGO & DOWNSTATE MUNICIPALITIES BY POP.



From: Illinois Comptroller data.

**Figure 4**

### Expenditures

Expenditures per capita (excluding government enterprises such as municipally owned utilities) were reviewed for reporting cities, villages and towns. Expenditures per capita, like taxation, tend to be higher in larger jurisdictions, indicating “stair step” relationship. This is also contrary to the “bigger is better” conception of local government finance.

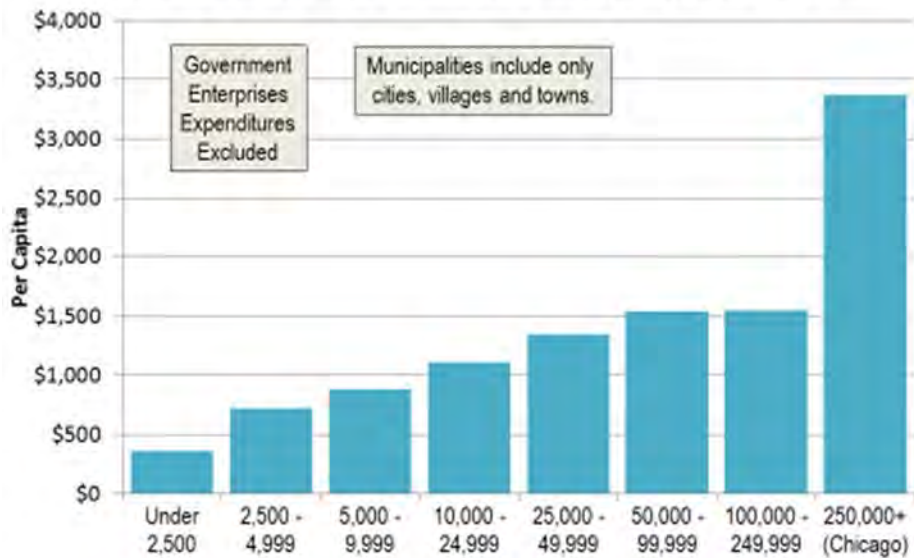
Median expenditures per capita were lowest in the smallest population category (under 2500 residents), at approximately \$360 annually. In the second smallest population category (2500 to 4999 residents), median expenditures per capita were \$720 annually. This generally rose through the larger population categories to \$1540 annually in the second largest category (100,000 to 249,999 residents). The largest population category, which includes only Chicago had median expenditures per capita of approximately \$3370 annually (Figure 5).

Excluding the largest and smallest categories (cities, villages and towns under 2,500 population and Chicago) expenditures per capita were more than twice as high in the second largest category (100,000 to 249,999) as in the second lowest category (2,500 to 4,999).

As with the measures of taxation, there was a strong association between higher median expenditures per capita and larger units of government in both the 6-county Chicago area and Downstate (Figure 6).



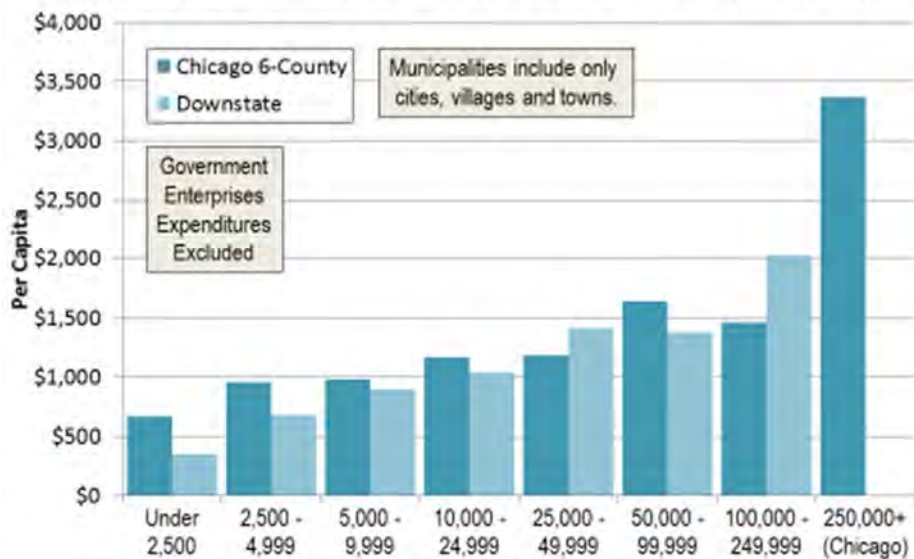
## Median Expenditures per Capita ILLINOIS MUNICIPALITIES: 2014 BY POPULATION



From: Illinois Comptroller data.

**Figure 5**

## Median Expenditures per Capita CHICAGO & DOWNSTATE MUNICIPALITIES: 2014 BY POP.



From: Illinois Comptroller data.

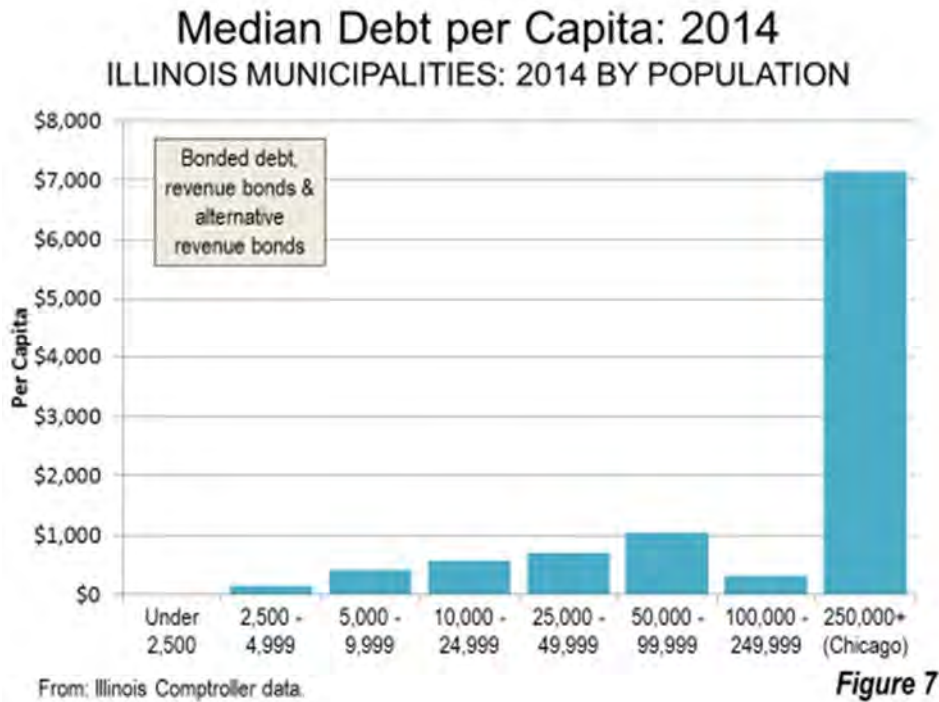
**Figure 6**



## Debt

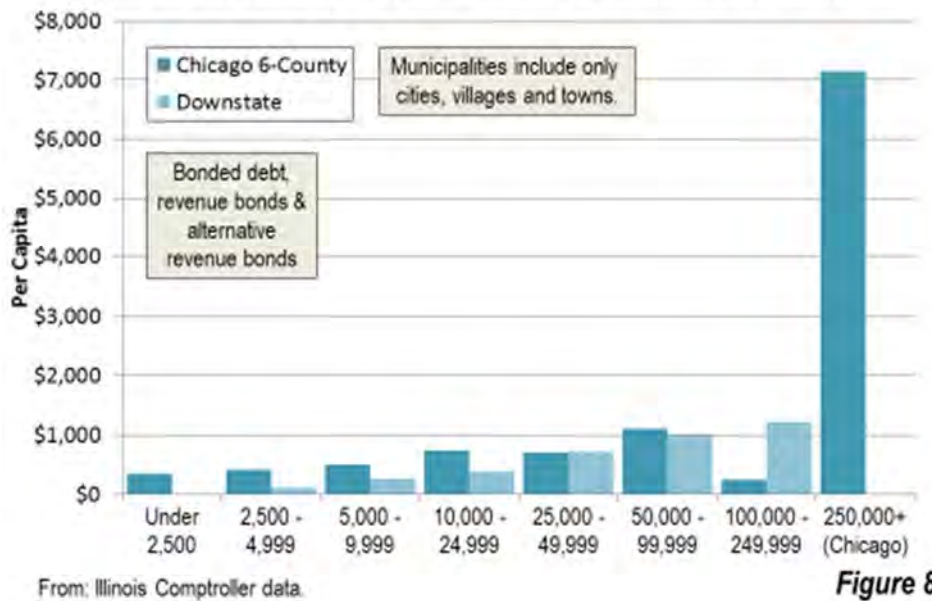
Compared to taxes and expenditures, there is less of a “stair step” relationship between per capita levels of debt<sup>3</sup> and government size. However the overall relationship indicates that larger governments tend to have greater debt per capita. This does not, however, apply to all categories. For example, the second highest population category (100,000 to 249,999) has median debt per capita less than all categories except those with under 5000 population. With this exception, however, the “stair step” relationship remains apparent (Figure 7)

There was a strong association between higher median debt per capita and larger units of government in both the 6-county Chicago area and Downstate, with the exception of the 100,000 to 249,999 population category in the Chicago area (Figure 8).



<sup>3</sup> The analysis uses debt at the beginning of fiscal year 2013-2014.

## Median Debt per Capita: 2014 CHICAGO & DOWNSTATE MUNICIPALITIES BY POP.



**Figure 8**

### 2.2 Labor Indicators

Minimizing taxes requires spending that reflects the purchase of goods and services, including labor, at costs that are no more than necessary (that is, consistent with “market” prices). Labor is generally the largest expenditure item in local governments.

#### Full-Time and Part-Time Employment

Some Illinois cities, villages and towns make extensive use of part-time labor.

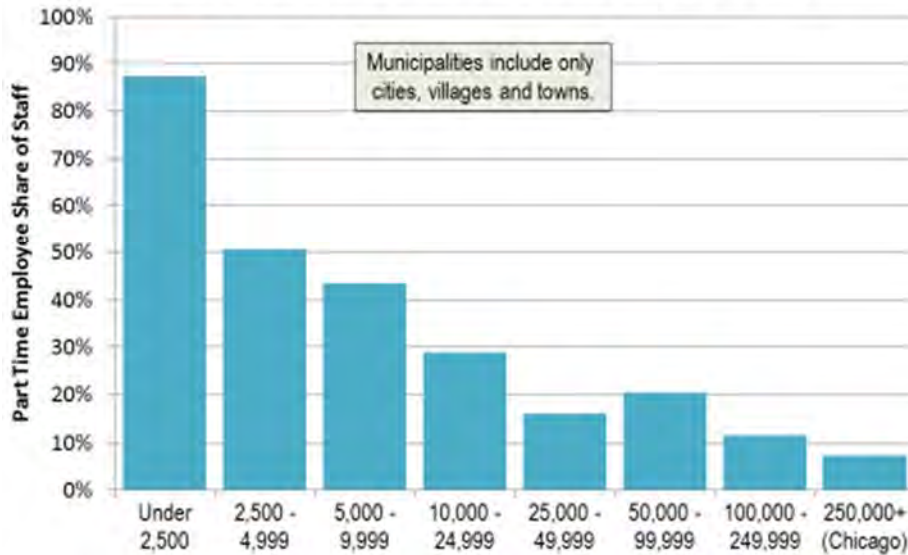
Generally, part-time labor is used to a greater degree in the smaller cities, villages and towns. Because part-time labor tends to be less expensive, this also undermines the “bigger is better” perception.

Among the smallest cities, villages and towns (under 2500 residents), 88 percent of employees are part-time. In the next higher population category, (2500 to 4999 residents), the part-time employment share is approximately 50 percent. The lowest part-time employment share is in the largest population category (250,000 and over), which is the city of Chicago, at 7 percent (Figure 9).

Excluding the largest and smallest categories (cities, villages and towns under 2,500 population and Chicago) part time employment was more that hour times as high in in the second smallest population category (2,500 to 4,999 residents) as in the second largest population category (100,000 to 249,999).

Higher part-employment shares are associated with smaller governments, both in the 6-county Chicago area and Downstate (Figure 10).

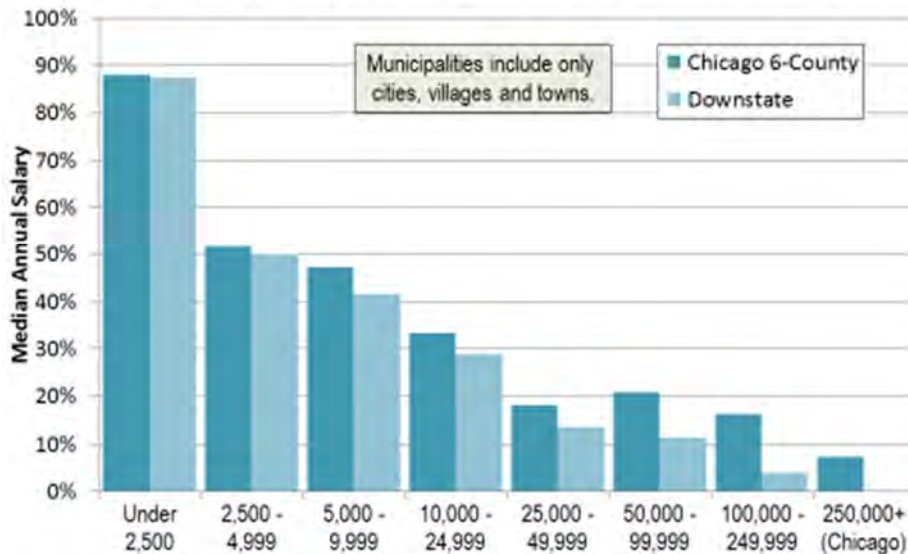
## Part Time Employment ILLINOIS MUNICIPALITIES: 2014 BY POPULATION



From: Illinois Comptroller data.

**Figure 9**

## Part Time Employment CHICAGO & DOWNSTATE MUNICIPALITIES BY POP.



From: Illinois Comptroller data.

**Figure 10**

## Salaries

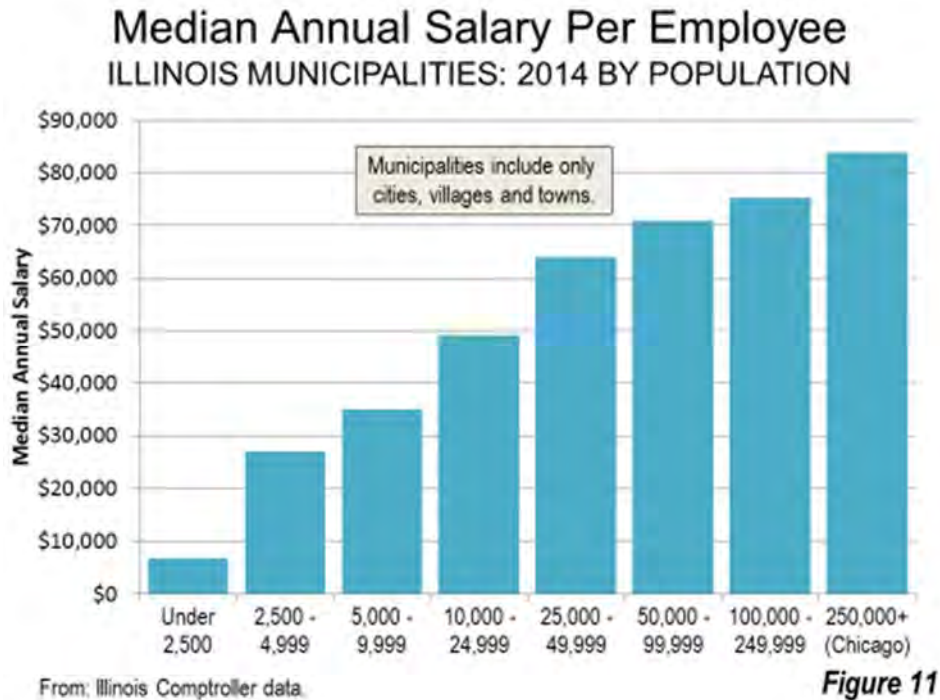
Median employee salaries also rise with population.

The lowest median salaries were in the smallest population category (under 2500 residents), at approximately \$7000 annually.<sup>4</sup> In the second smallest category (2500 to 4999 residents), the annual median salary was \$27,000. In the second largest population category (100,000 to 249,999 residents) the median annual salary was \$75,000. In Chicago, the median annual salary was \$84,000 (Figure 11).

The median annual salary in the second largest population category (100,000 to 249,999 residents) was nearly 3 times as high as in the second smallest population category (2500 to 4999 residents).

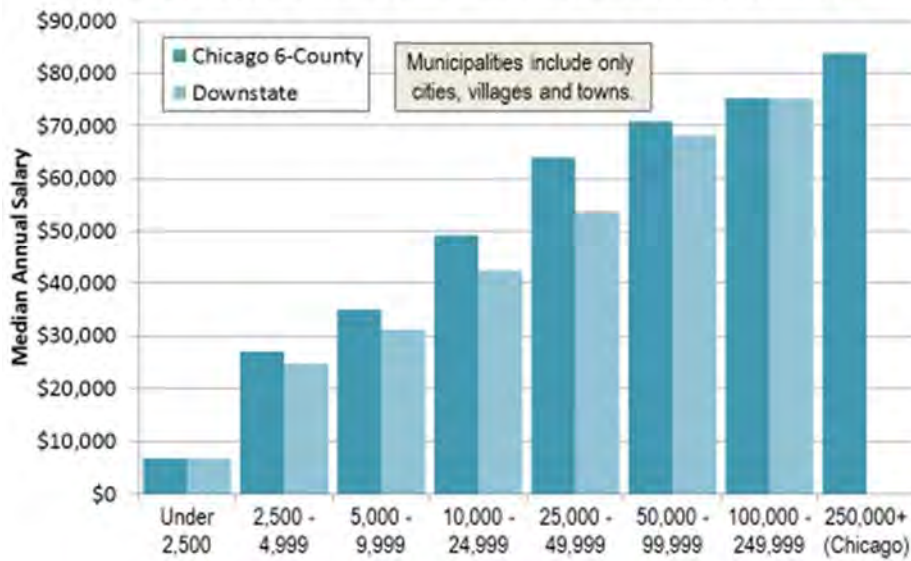
Both in the 6-county Chicago area and Downstate, median salaries tend to be higher in the larger cities, villages and towns (Figure 12).

This data, however is limited, because it does not indicate the extent of full-time and part-time employment (in hours worked). More complete data from the US Census Bureau is provided by type of government level in Section 3.2.



<sup>4</sup> Rounded to the nearest \$1000.

## Median Annual Salary Per Employee CHICAGO & DOWNSTATE MUNICIPALITIES BY POP.



From: Illinois Comptroller data.

**Figure 12**

### 2.3: Summary of Performance

As is noted above, there is a strong relationship between the size of cities, villages and towns in Illinois and their financial performance. In all three general financial indicators reviewed, the data shows that smaller governments, rather than larger governments, tax less per capita, spend less per capita and borrow less per capita. This is the opposite of the “bigger is better” assumption. To some degree, these differences indicate variations in services provided and service levels and differing cost structures are also an important issue. However, in a state deeply concerned about the level of taxes and spending, choices about services, service levels and cost structures are an important contributor to the financial distress.

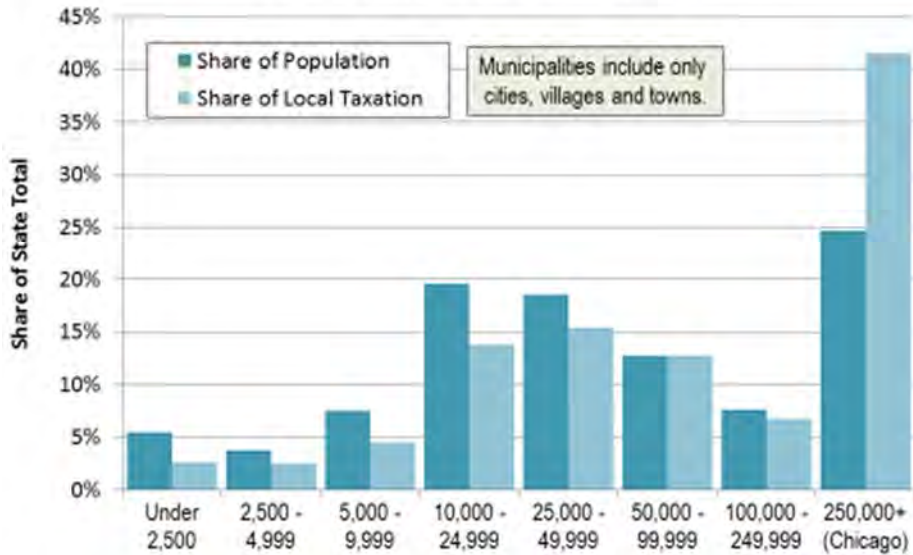
Another way to look at financial performance is to compare the share of taxing, spending and borrowing in the population categories to their population shares. Local Taxation is used as an example.

Generally, the share (percentage) of the local taxation statewide is less in the smaller population categories and rises in the larger categories (though the largest category is the only one in which the local taxation share exceeds the population share (Figure 13).

The relationship is clearer, if Chicago is excluded from the analysis. Even without Chicago, larger cities, villages and towns tend to tax at a rate more than proportionate to their population (Figure 14).



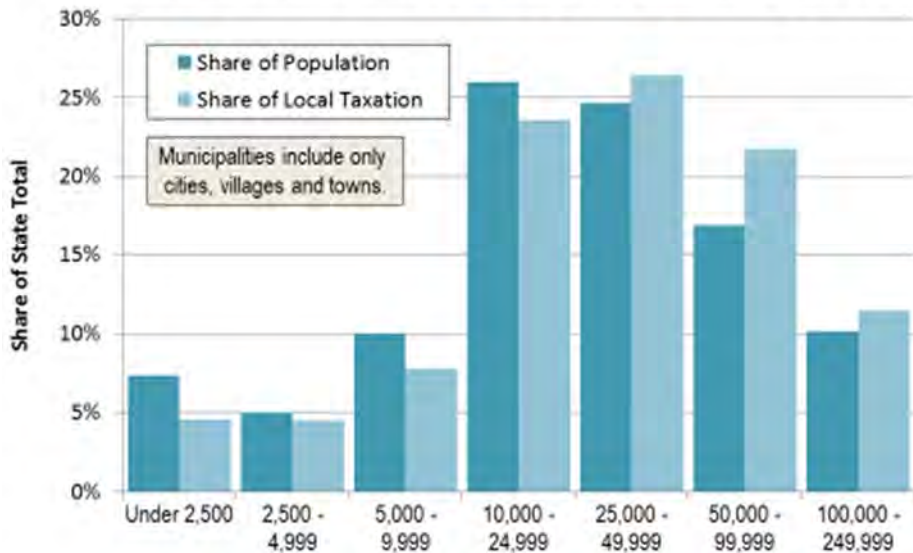
## Share of Local Taxes Compared to Population ILLINOIS MUNICIPALITIES: 2014



From: Illinois Comptroller data.

**Figure 13**

## Share of Local Taxes Compared to Population ILLINOIS MUNICIPALITIES (EXCLUDING CHICAGO): 2014



From: Illinois Comptroller data.

**Figure 14**

### 3. TOWNSHIP FINANCIAL PERFORMANCE

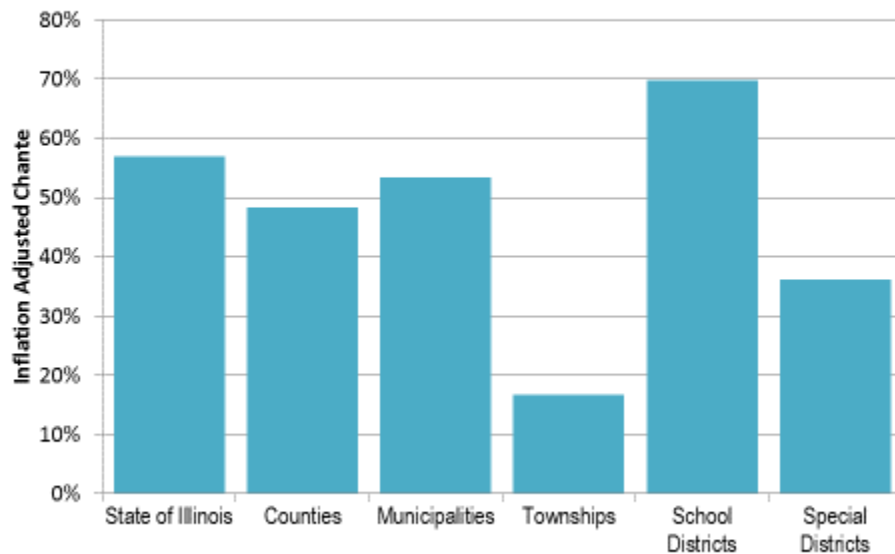
Township financial performance cannot be directly compared to that of cities, villages and towns on a per capita basis because the two types of governments have different functions. This refutes the claim that there is duplication of services between cities, villages and towns and townships. With respect to each public service, townships and cities, villages and towns have exclusive, non— overlapping service areas.<sup>5</sup>

Township services mandated by state law include general assistance, property tax assessment and roads and bridges.

#### Spending Trend

The favorable fiscal performance of townships is illustrated by their expenditure increase compared to other types of governments in the state. Township government expenditures have risen much less than those of the state and other locals government (counties, cities, villages and towns, school districts and special districts<sup>6</sup>). According to Census Bureau financial data, township expenditures rose 17 percent (adjusted for inflation) between 1992 and 2012 (Figure 15). By contrast, the expenditures of other local government types rose from more than double to more than quadruple that rate (36 percent to 70 percent). State government expenditures rose nearly four times the rate of township expenditures, at 64 percent.

**Expenditure Increase by Type of Government**  
ILLINOIS: 1992 TO 2012: INFLATION ADJUSTED



From: Census Bureau Financial Data.

**Figure 15**

<sup>5</sup> An apparent exception is where a jurisdiction contracts a function, such as roads, to another jurisdiction. However, the administration of the particular service remains under the control of the contracting government, which is likely to have entered into the arrangement to improve service. In such an arrangement, there is no duplication of service, since one governmental unit provides the service in any particular geographic area.

<sup>6</sup> Special districts can be very large. In the Illinois Comptroller databased used in this report, four of the seven largest local governments were special districts, including the Chicago Transit Authority, the Regional Transit Authority, the Metropolitan Water Reclamation District of Greater Chicago and the Chicago Park District.

## **Wage and Salary Comparison**

As noted above (Section 2.2) , the Illinois Controller government finance survey does not provide full-time equivalent data, which makes it difficult to compare employee salaries between types of governments.

However, the US Census Bureau surveys governments on an annual basis to obtain salary data, as well as full-time, part-time employee data and part-time hours worked.

An analysis was performed to estimate the average salary in 2013 for full-time employees by types of government in Illinois (the state, counties, cities, villages and towns, townships, school districts and special districts).<sup>7</sup> The highest full-time average salaries were in the special districts, at \$76,600 annually and the cities, villages and towns, at \$76,300 annually. Both of these figures were more than 55 percent higher than the lowest average salary, which is in the townships (\$49,100). Average county salaries were approximately 20 percent higher than townships, at \$59,700. School district salaries were approximately 30 percent higher than those of townships, at \$63,400. States salaries were approximately 40 percent higher than townships salaries, at \$68,400 (Figure 16).

Townships also had the lowest average wage per hour for part time employees. Cities, villages and towns were at approximately the same rate, only 1 percent higher. Counties and special districts had average part-time wages that were 5 percent higher than townships, while the state and school districts had hourly wages 20 percent and 24 percent respectively higher than townships (Figure 17).

Further, township governments employ part time labor to a much larger extent than other types of Illinois government (Figure 18). This not only saves on wages and salaries. It also makes the cost of benefits lower.

## **Township Cost Structures**

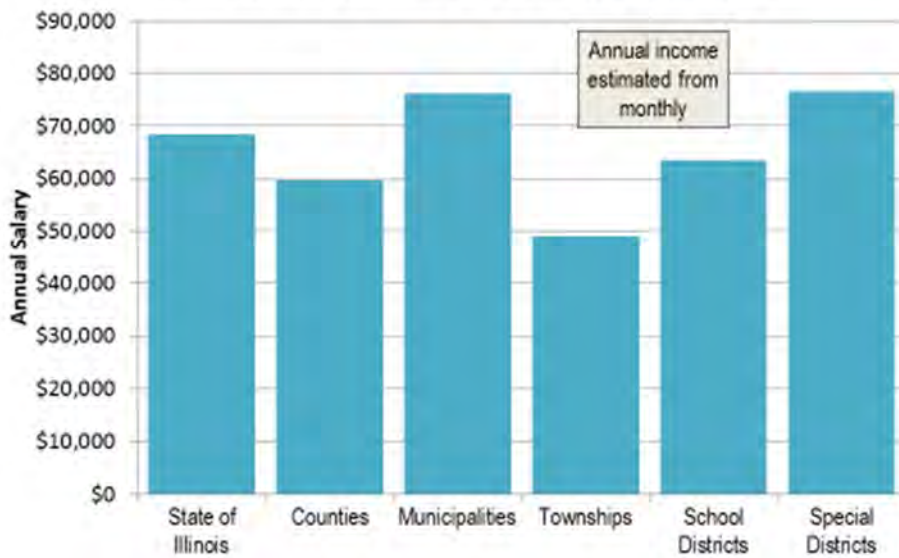
These data provide evidence of generally better financial performance by the townships of Illinois. Their increase in tax revenues has been less than that of any other government type over the past two decades. The high part time labor component and generally lower salaries and hourly wages suggest a lower cost labor structure, which is important because of the high labor share of expenditures.

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<sup>7</sup> Special districts can be very large. Among the governments in the State Comptroller's database, four of the seven largest in annual expenditures are special districts (Chicago Transit Authority, Regional Transit Authority, Metropolitan Water Reclamation District of Greater Chicago and the Chicago Park District. The three largest governments were the city of Chicago, Cook County and DuPage County. School districts are not included in the State Comptroller's database.



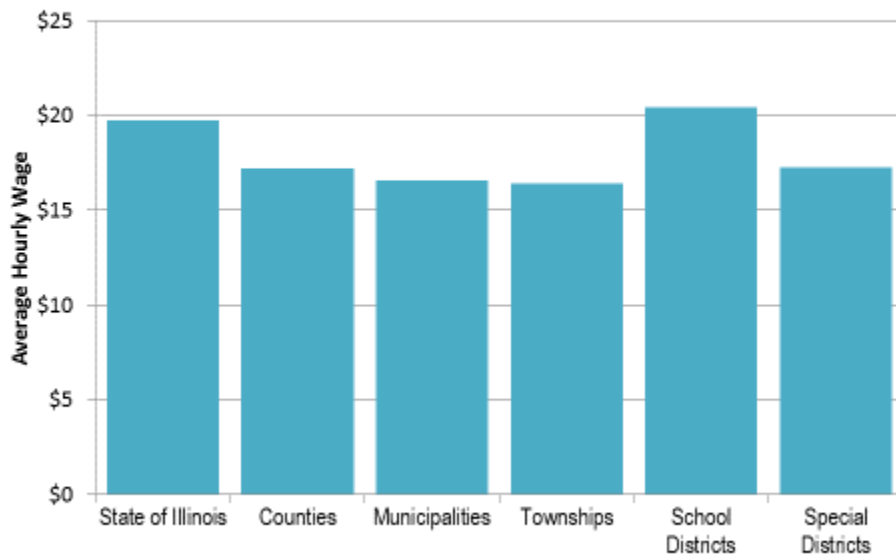
## Average Salary by Type of Government ILLINOIS: FULL TIME EMPLOYEES: 2013



From: Census Bureau Financial Data.

**Figure 16**

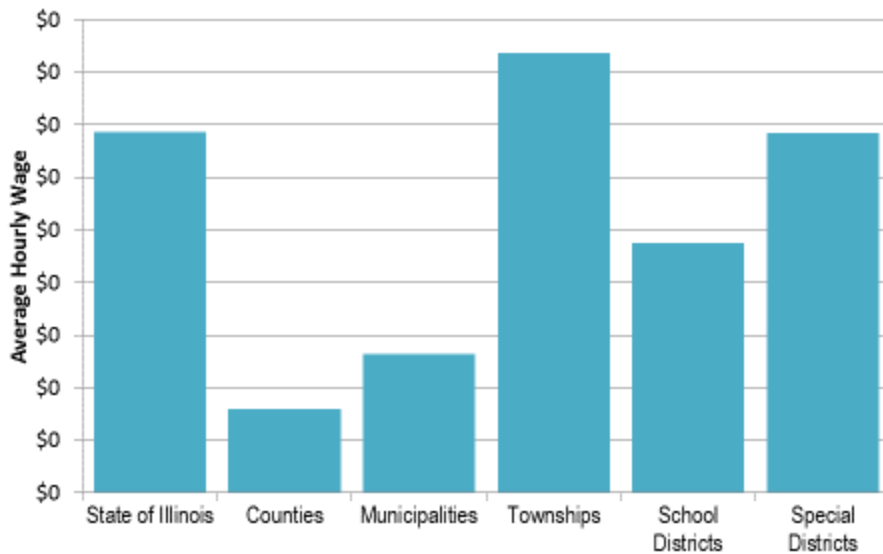
## Average Wage by Type of Government ILLINOIS: PART TIME EMPLOYEES: 2013



From: Census Bureau Financial Data.

**Figure 17**

## Part Time Employee % BY TYPE OF GOVERNMENT: MARCH 2013



From: Census Bureau Financial Data.

**Figure 18**

#### 4. ILLINOIS COMPARED TO OTHER STATES

The assumption that a smaller number of governments will be less costly may seem temptingly obvious; however, as in Illinois, it is not borne out by data in other states.

The claim that Illinois has the most governments can be misleading. Illinois ranks at the 5<sup>th</sup> largest state in population and would be expected to have more governments than average, all things being equal. When adjusted for population, Illinois ranks 15<sup>th</sup> in the number of governments out of the 50 states. On a population adjusted basis, North Dakota has seven times as many local governments as Illinois.<sup>8</sup>

There is no general relationship between the amount of taxation in a state and the number of local governments (Box). This is indicated by an examination of the 10 states with the highest per capita taxation (Table). Three of the states are among the top 10 in their population adjusted number of local governments, North Dakota, Wyoming and Minnesota. As is indicated above, Illinois is not in this top 10. The average ranking of the 10 highest taxing states in population adjusted governments is 29, slightly higher than the midpoint (26) among the 50 states. Fewer governments does not translate into lower government expenditures or taxes.

The top ten in per capita ranking also includes the two states with the *least* number of population adjusted governments, Maryland and Hawaii, indicating that they have the least number of governments adjusted for population.

Hawaii has the most consolidated form of local governments in the nation. The state includes just three counties and one municipality (Honolulu). There are no school districts, since all schools are under the

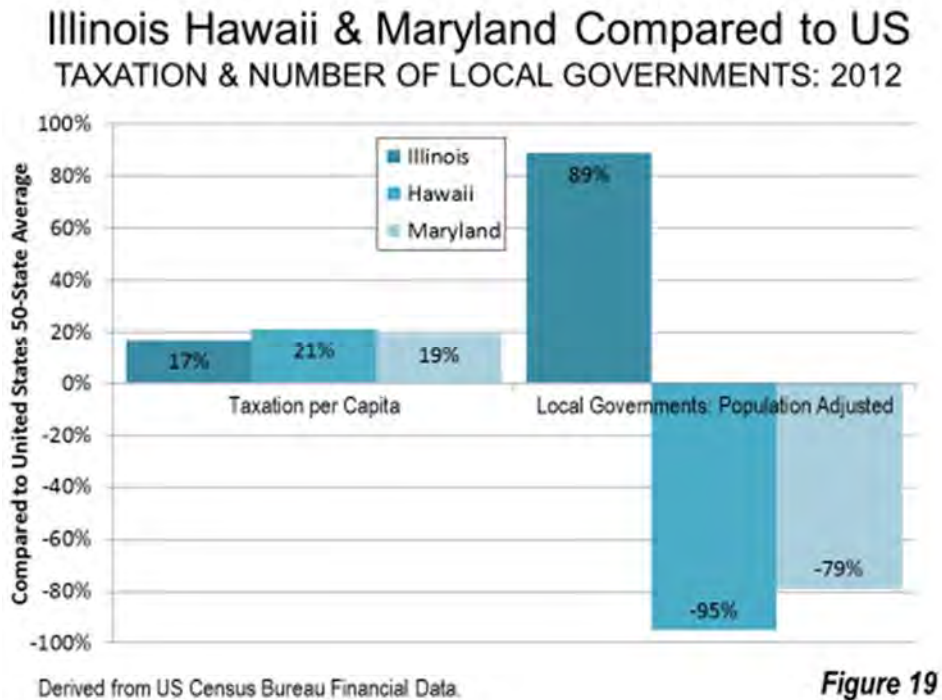
<sup>8</sup> In 2012, Illinois had 541 local governments per million population. By comparison, North Dakota had by largest number of governments per million population, with approximately 3,800.

direct jurisdiction of the state. There are also 17 soil conservation districts. Hawaii has a total of only 21 local governments, or 15 local governments per million population.

Per capita taxation is lower in Illinois than in either Hawaii or Maryland, despite their far smaller population-adjusted number of governments (Figure 18).

Rank:	State	Taxation per Capita	Governments per Million Population	Rank
1	Alaska	\$ 11,871	242	31
2	New York	\$ 7,739	176	35
3	North Dakota	\$ 7,321	3,826	1
4	Connecticut	\$ 6,945	179	34
5	Wyoming	\$ 6,307	1,395	3
6	New Jersey	\$ 6,072	151	36
7	Massachusetts	\$ 5,569	129	40
8	Hawaii	\$ 5,346	15	50
9	Maryland	\$ 5,280	59	49
10	Minnesota	\$ 5,225	682	9

Calculated from US Census Governments Data



Data in other states indicates a similar relationship. In Pennsylvania, New York and Ohio it was found that government expenditures, taxation and debt per capita tend to be higher in larger municipal jurisdictions.<sup>9</sup> This research also documented a similar relationship among US cities, villages and towns.<sup>10</sup>

In two of those states, Pennsylvania<sup>11</sup> and Ohio,<sup>12</sup> state programs have been established to identify and assist cities, villages and towns and other governments that become financially distressed. In both states, the incidence of financial distress (measured relative to the number of governments in population categories) is the lowest among smaller governments and rises to the highest among larger governments. In contrast, both of these states have seen their largest municipalities in financial distress, nearing or entering bankruptcy (Philadelphia, Cleveland and Pittsburgh).

### **Box**

#### **Comparing Local Taxes and Spending Between States: Caveats**

Often, interstate fiscal analyses make comparisons between states of property taxes and local taxation. These comparisons often fail to note that there are great policy differences between the fiscal and governance policies of the states. For example:

**Local Taxes:** On average, 39 percent of state and local tax revenue is from local property taxes in the United States, while 61 percent is from state taxation. Local tax revenues range from only 14 percent of total state and local taxation in Vermont to 58 percent in New Hampshire. In Illinois, 45 percent of state and local tax revenue is from local taxes.

**Local Property Taxes:** On average, 29 percent of state and local tax revenue is from local property taxes in the United States, while 71 percent is from other taxes. Local property taxation ranges from only 9 percent of total state and local taxation in Arkansas to 58 percent in New Hampshire. In Illinois, 38 percent of state and local tax revenue is from local property taxes.

As a result, unadjusted local government or local taxation comparisons can be misleading. This report compares taxation at the state level, which is the most comparable level because of these policy differences.

## **5: ACADEMIC RESEARCH**

There have been numerous studies finding that local government consolidations are likely to save money. However, from a public policy perspective, the issue is not “expectations,” rather it is results. The effects of local government consolidations and abolishments can only be known after the fact.

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<sup>9</sup> Wendell Cox, *Growth, Economic Development and Local Government Structure in Pennsylvania*, Pennsylvania Association of Township Supervisors, 2005. <http://demographia.com/localgovtPA.pdf>, Wendell Cox, *Government Efficiency: The Case for Local Control*, Association of Towns of the State of New York, <http://www.nyassessor.com/Portals/3/documents/caseforlocalgovernment.pdf>, 2008, Wendell Cox, *Local Democracy in Ohio: A Review of City, Village and Township Performance by Size*, Ohio Township Association, 2012.

<sup>10</sup> Cox, 2011.

<sup>11</sup> Demographia, *Policy Analysis: The Pennsylvania Distressed Municipalities Program (Act 47)*, <http://www.demographia.com/db-distress.pdf>, 2011.

<sup>12</sup> Cox, 2012.

In a review of the academic literature for the Michigan Senate, economist Eric Scorsone noted the tendency for actual results to fall short of pre-consolidation and abolition expectations:

*... the implementation of a local government consolidation or intergovernmental cooperative effort is often very different than the proposed changes. Feasibility studies must be challenged to assess the likeliness that their actual proposals and plans will be carried out and maintained by administrators and elected officials over time.*<sup>13</sup>

The 1990s Toronto municipal consolidation (the largest in North American history except for the 1898 New York City consolidation) illustrates how projections of savings can turn into higher costs. According to the Toronto Business Alliance, a central city business association:<sup>14</sup>

*The amalgamation of the City of Toronto has not produced the overall cost savings that were projected. Although there have been savings from staff reductions, the harmonization of wages and service levels has resulted in higher costs for the new City. We will all continue to feel these higher costs in the future.*<sup>15</sup>

### **“After-the-Fact” Literature Reviews**

“After the fact” evaluations have shown similar results.

A review of consolidation literature prepared by Mark Holzer at Rutgers University for the State of New Jersey Local Unit Alignment, Reorganization and Consolidation Commission indicates that "cost savings are not assured," and that "most consolidations fail."<sup>16</sup>

Scorsone (above) found that: *... there is no clear relationship between spending per person and total number of local governments or number of persons per local government* at the national level. He made a similar conclusion with respect to Midwestern states. Scorsone found that: *the evidence seems to point to the fact that a policy of local government consolidation may not be effective in reducing or slowing the growth rate of governmental costs.*<sup>17</sup>

A US National Research Council study indicated: *There is general agreement that consolidation has not reduced costs (as indicated by some reform advocates) and, in fact, may have even increased total local expenditures.*<sup>18</sup>

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<sup>13</sup> Eric Scorsone, "Local Government Consolidation: Assessing the Evidence for Cost Savings and Economic Improvement," *State Notes: Topics of Legislative Interest*, Michigan State Senate, Senate Fiscal Agency, <http://www.senate.michigan.gov/sfa/Publications/Notes/2010Notes/NotesSum10es>, 2010.

<sup>14</sup> The Toronto local government consolidation was perhaps the largest in North America, after the 1898 merger that produce the present city New York by combining a number of municipalities into its present 5 borough structure.

<sup>15</sup> Toronto City Summit Alliance, *Enough Talk: An Action Plan for the Toronto Region*, April 2003; [http://www.torontoalliance.ca/docs/TCSA\\_report.pdf](http://www.torontoalliance.ca/docs/TCSA_report.pdf), accessed April 14, 2007.

<sup>16</sup> Marc Holzer, *Literature Review and Analysis Related to Municipal Government Consolidation*, State of New Jersey, Local Unit Alignment, Reorganization, and Consolidation Commission, 2009. [nj.gov/dca/affiliates/luarcc/pdf/final\\_consolidation\\_report.pdf](http://nj.gov/dca/affiliates/luarcc/pdf/final_consolidation_report.pdf).

<sup>17</sup> Scorsone, 2010.

<sup>18</sup> Alan Altshuler and William Morrill and the Committee on Improving the Future of U.S. Cities Through Improved Metropolitan Area Governance, *Governance and Opportunity in Metropolitan America*, National Research Council.

A review for the Marion County (Indianapolis) Consolidation Study Commission and the Indiana General Assembly found the academic literature on consolidation to be generally weak, noting that the available reports indicated that “significant gains in efficiency are unlikely.”<sup>19</sup>

George A. Boyne of Glamorgan University (United Kingdom) indicated in research on governance that "the empirical evidence from the USA suggests that fragmentation is associated with lower spending and concentration is associated with higher spending."<sup>20</sup>

Local governance experts have offered similar “after-the-fact” observations.

Economist Elinor Ostrom criticized this focus in her lecture accepting the Nobel Prize in Economics for her work in economic governance (2009):<sup>21</sup>

- *Scholars criticized the number of government agencies rather than trying to understand why created and how they performed.*
- *Maps showing many governments in a metropolitan area were used as evidence for the need to consolidate.*

She went on to indicate that researchers had developed "the concept of polycentric systems to analyze performance rather than criticize messy maps." Polycentric systems involve smaller, rather than larger government jurisdictions.

Governance expert Robert Bish, at the University of Victoria (Canada) noted:

*The ultimate measure of local government efficiency is not a count of jurisdictions or taxing districts, but rather their relative expenditures per capita for quality public services.*<sup>22</sup>

He adds:

*Enumerations of local government units ... provide only census-type information about the number of units, population and area served. No data are provided about the costs of public services, the output of public services nor the relative efficiency with which public services are produced.*<sup>23</sup>

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<sup>19</sup> Samuel R. Staley, Dagny Faulk, Suzanne M. Leland and D. Eric Shansberg, *The Effects of City-County Consolidation: A Review of the Recent Academic Literature*, 2005.

<http://www.state.in.us/legislative/interim/committee/2005/committees/prelim/MCCC02.pdf>.

<sup>20</sup> George A. Boyne, "Local Government Structure and Performance: Lessons from America,"

[http://www.drexel.edu/greatworks/Theme/Fall/~media/Files/greatworks/pdf\\_FL10/WK3\\_2\\_Boyne\\_1992.ashx](http://www.drexel.edu/greatworks/Theme/Fall/~media/Files/greatworks/pdf_FL10/WK3_2_Boyne_1992.ashx)

<sup>21</sup> Elinor Ostrom, *Beyond Markets and States: Polycentric Governance of Complex Economic Systems*, Nobel Prize Lecture (slides), Stockholm, Sweden, December 8, 2009.

[http://www.nobelprize.org/nobel\\_prizes/economics/laureates/2009/ostrom-lecture-slides.pdf](http://www.nobelprize.org/nobel_prizes/economics/laureates/2009/ostrom-lecture-slides.pdf).

<sup>22</sup> Robert L Bish, "Local Government Amalgamations, Discredited Nineteenth-Century Ideals Alive in the Twenty-First", The Urban Paper, C.D. Howe Institute Commentary, No. 150, Toronto, March 2001.

<http://www.cdhowe.org/pdf/bish.pdf>

<sup>23</sup> Robert L. Bish and Vincent Ostrom, *Understanding Urban Government: Metropolitan Reform Reconsidered*, Washington: American Enterprise Institute, 1973, p. 74.

## 6. UNDERLYING FACTORS

There are at least two reasons that consolidations and abolitions tend not to reduce taxes and spending.<sup>24</sup>

### “Leveling Up” Labor Costs

As noted above, government consolidations tend to produce higher costs because of the necessary "leveling up" of labor costs to the cost structure of the most expensive consolidating government.

Labor compensation is the largest item of local government expenditure. Government consolidations are made more costly by merging payrolls and ensuring that employees with the same classifications and duties are paid the same. It will generally not be possible to compensate comparable employees at differing pay scales, even if their employment began in a lower cost jurisdiction. Fringe benefit and paid time off can also be expected to reflect the practices of the higher cost jurisdiction.

There are inevitably differences in such matters as compensation levels, benefit packages and paid time off. These differences must be reconciled, or "harmonized." Labor arrangements are routinely "leveled up" to the highest level, reflecting the most lucrative (expensive) pre-consolidation packages, both in wages and benefits.<sup>25</sup>

In their Marion County (Indianapolis) Consolidation Study Commission and the Indiana General Assembly research, Staley, et al noted:<sup>26</sup>

*In general, it is uncommon (although not impossible) for operating costs to decrease—due primarily to the “leveling up” of salaries and benefits. As local governments with differing compensation structures are consolidated, salaries and benefits are often standardized at the higher level.*

In Illinois, townships have a generally lower labor cost structure, with lower pay scales, but also greater use of part-time employees. These factors make it probable that the costs of township services transferred to other governments could rise.

### Access for Residents

At the same time, smaller local governments tend to be more efficient because they are more under the control of their local electorate. Their greater accessibility to taxpayers necessarily dilutes their accessibility to special interests, which seek higher levels of spending. Officials in smaller local governments are able to more directly oversee financial performance and public service delivery and are less reliant on professional staff that is not directly accountable to the voters.

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<sup>24</sup> This summary is partially adapted from our report entitled *Local Democracy and Townships in the Chicagoland Area* (<http://demographia.com/IL-CoxChicagolandReport.pdf>), prepared for the Township Officials of Illinois *Local Democracy in Ohio: Review of City, Village and Township Financial Performance by Size* (<http://www.ohiotownships.org/sites/default/files/Report.pdf> prepared for the Ohio Township Association), prepared for the Ohio Township Association.

<sup>25</sup> Holzer, 2009.

<sup>26</sup> Samuel R. Staley, Dagny Faulk, Suzanne M. Leland and D. Eric Shansberg, 2005. <http://www.state.in.us/legislative/interim/committee/2005/committees/prelim/MCCC02.pdf>



## Potential for Savings

The practicalities of labor relations and governance, as described above, make it unlikely that mandated consolidation and abolishment of local government units would result in savings. Moreover, because of the comparatively low cost structures of townships, it is unlikely that transferring services to other local governments would result in savings.

## 7: COUNTING TAX REVENUES, NOT GOVERNMENTS

From the above analysis, it is concluded:

- (1) In Illinois larger governments tend to tax more, spend more, and borrow more. This is an indication that consolidation and abolishment, which would lead to larger local government units, is unlikely to lead to reduce costs and taxes and could lead to higher costs and taxes.
- (2) The available comparative indicators show that township governments have costs that are rising more slowly and labor cost structures that are less costly than other local governments. This is an indication that consolidation and abolishment of townships is unlikely to lead lower costs and taxes and could lead to higher costs and taxes.
- (3) A review of U.S. state data indicates that there is no material association between the number of local government units in a state and its level of taxation. This is an indication that reduction in the number of Illinois units of local government is unlikely to result in lower taxes and spending.
- (4) Leveling up of labor costs and less direct oversight by elected officials in larger jurisdictions make it unlikely that consolidation and abolition would lead to lower local government costs. Similarly, transferring services from the generally lower cost townships could result in higher costs.

The level of property taxation cannot be determined by the “number of lines” on the a property tax bill. Taxes are assessed in dollars, not in counts of governments. In Illinois (and other states) smaller local governments are associated with lower taxes, lower expenditures and lower debt levels.

The evidence indicates that local government consolidation and abolishments have virtually no potential to materially contribute to solving the Illinois financial crisis. This is because such strategies are generally associated with *higher* taxes per capita, *higher* spending per capital and greater *debt* per capita.

Cover photo from  
[https://upload.wikimedia.org/wikipedia/commons/f/f8/Downtown\\_Springfield.JPG](https://upload.wikimedia.org/wikipedia/commons/f/f8/Downtown_Springfield.JPG)



June 8, 2023

TO: Local Government Efficiency Act Decennial Meeting Committee

FROM: Jennie Mills, Director, Shorewood-Troy Library

RE: Format of the Form & Proposed Meeting Schedule

In your packet, I have enclosed a draft of the Decennial Committee form. This format was suggested by the attorney for the Reaching Across Illinois Library System Cooperative (RAILS). RAILS often provides support to local libraries on legal issues, and the attorney is a well-respected one in the area of Library law.

I have done some initial work of filling out some of the basic fields for the committee.

Suggested dates for the Committee to meet.

The Committee is required to meet at least three times within 18 months. However, the work of the Committee does not require that it take 18 months. The final report must be submitted to Will County.

Suggested Dates:

**Thursday, August 10<sup>th</sup>**

**Thursday, October 12<sup>th</sup>**

This will avoid the two public hearings that the Library Board is required to hold (in September and November).

**REPORT FOR COMPLIANCE WITH DECENNIAL COMMITTEES ON LOCAL GOVERNMENT EFFICIENCY ACT**

**I. Unit of government submitting this report:**

Name of Library: Shorewood-Troy Public Library\_\_\_\_\_

Address of Main Library Office: 650 Deerwood Dr., Shorewood, IL 60404\_\_\_\_\_

**II. Information about our Library**

- A. We are located in **Will** County. There are **22 public** libraries in our County.
- B. The population of the territory in which our Library is located is **21,780** (as of 2020 census).
- C. We have **21** employees of the Library (not including board members).
- D. Our annual budget for FY2024\_\_\_\_ is: \$\_\_\_\_\_.
- E. Our Library's equalized assessed valuation (EAV) for 2023 is **\$828,096,801**.

**III. Information about Our Committee**

A. Committee Members:

Board President      **Thomas Novinski**\_\_\_\_\_

Trustee              **Tracy Caswell**\_\_\_\_\_

Trustee              **Krysten McGee**\_\_\_\_\_

Trustee              **Arthetta Reeder**\_\_\_\_\_

Trustee              **Vito Schultz**\_\_\_\_\_

Trustee              **Robert J. Stahl**\_\_\_\_\_

Trustee              **Karen Voitik**\_\_\_\_\_

Executive Director **Jennifer Mills**\_\_\_\_\_

Library Resident: **Erin Gilmartin**

Library Resident: **Helen Valantinas**

Note: Per 50 ILCS 70/10(b), the committee membership must include all the elected or appointed members of the library board of trustees (President and Trustees), the Executive Director or other official of the Library, and two residents appointed by the Board President. The President may appoint more than two residents if deemed appropriate.

B. Dates that our Committee Met (50 ILCS 70/20)

First Meeting: **June 8<sup>th</sup>, 2023**

Second Meeting: \_\_\_\_\_

Third Meeting: \_\_\_\_\_

Additional Meetings (List All, if any): \_\_\_\_\_

**IV. Core Programs or Services Offered by our Library**

A. Our Library offers the following core services and programs:

Circulation of physical books and media to patrons, circulation of digital media to patrons, access to computers and internet in-house and home access for patrons, programming for patrons for all ages (including storytimes, book discussions and technology classes), outreach to senior communities, schools and daycares (including homebound deliveries, storytimes, etc.), notary service, passport application acceptance service

B. Other core services/programs we could possibly provide:

\_\_\_\_\_

**V. Awards and Recognitions**

Our Library has received the following awards, distinctions and recognitions:

Reader's Service Advisory Award – Illinois Library Association (2022)

**VI. Intergovernmental Agreements**

We partner with or have Intergovernmental Agreements with the following other governments:

Entity:

Troy School District 30-  
C/JTHS 204/Minooka 201  
  
Illinois Libraries Present

Services Offered:

Library Cards to all students in STPL Boundaries  
  
Large-event author programming

Our Library's efficiency has increased through intergovernmental cooperation in the following ways:

- Participation in RAILS (Delivery of items between libraries & cooperative purchases)
- Pinnacle Library Cooperative (Resource sharing among 6 libraries)
- Participation in LIMRiCC & LIRA (Insurance cooperatives for libraries)

**VII. Community Partnerships**

We partner with the following organizations (*list as many as you have*):

Organization:

Services Offered:

**VIII. Review of Laws, Policies, Rules and Procedures, Training Materials and other Documents**

We have reviewed the following, non-exhaustive list of laws, policies, training materials, and other documents applicable to the Library in order to evaluate our compliance and to determine if any of the foregoing should be amended.

- \_\_\_\_\_ State laws applicable to Libraries
- \_\_\_\_\_ Illinois Open Meetings Act (5 ILCS 120/1 *et seq.*)
- \_\_\_\_\_ Policy on public comment
- \_\_\_\_\_ Designation of OMA officer (5 ILCS 120/1.05(a))
- \_\_\_\_\_ All Board Members have completed OMA Training (5 ILCS 120/1.05(b))
- \_\_\_\_\_ Schedule of Regular Meetings of the Library Board (5 ILCS 120/2.03)
- \_\_\_\_\_ Illinois Freedom of Information Act (5 ILCS 140/1 *et seq.*)
- \_\_\_\_\_ Designation of FOIA Officer (5 ILCS 140/3.5(a))
- \_\_\_\_\_ FOIA Officer Training (5 ILCS 140/3.5(b))
- \_\_\_\_\_ Posting Other Required FOIA Information (5 ILCS 140/4(a); 5 ILCS 140/4(b))
- \_\_\_\_\_ List of Types or Categories of FOIA Records under Library Control (5 ILCS 140/5)
- \_\_\_\_\_ Periodic Meetings to Review Closed Meeting Minutes (5 ILCS 120/2.06(d))
- \_\_\_\_\_ IMRF Total Compensation Postings (5 ILCS 120/7.3)
- \_\_\_\_\_ Designation of Whistleblower Auditing Official (50 ILCS 105/4.1 *et seq.*)
- \_\_\_\_\_ All applicable officials have filed statement of economic interests (5 ILCS 420/4A-101; 5 ILCS 420/4A-101.5 *et seq.*)
- \_\_\_\_\_ Sexual harassment prevention training (775 ILCS 5/2-109(C))
- \_\_\_\_\_ Our Intergovernmental Agreements
- \_\_\_\_\_ Our budget and financial documents
- \_\_\_\_\_ State Ethics Laws, including, but not limited to the State Officials and Employees Ethics Act (5 ILCS 430/1-1 *et seq.*)

\_\_\_\_\_ Reports on government efficiency, including “Local Government Efficiency and Size in Illinois: Counting Tax Revenues, Not Governments” by Wendell Cox (2016);

\_\_\_\_\_ Others (*List Below or Attach*):

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**IX. What Have We Done Well?**

**X. What Inefficiencies Did We Identify/What Are our Next Steps?**

**XI. What Can We Do Better or More Efficiently?**

**XII. Studies on Governmental Efficiencies**

In preparing this report, we reviewed several studies on local government efficiency. These studies show that the average local government in Illinois serves 1800 residents compare to the national median of 2850 individuals.

**XIII. Our Committee's Recommendations Regarding Increased Accountability and Efficiency:**

Note: This Report must be filed with the county (or counties) no later than 18 months after the first committee meeting.

Submitted by: \_\_\_\_\_  
Chairman, Decennial Efficiency Committee

Date of Committee Approval of Report: \_\_\_\_\_