

**ORDINANCE NO. 17,963**

**AN ORDINANCE AMENDING CHAPTER 2 (ADMINISTRATION), ARTICLE V  
(OFFICERS AND EMPLOYEES), DIVISION 7 (PUBLIC SAFETY EMPLOYEE  
BENEFITS), SECTION 2-350 (PUBLIC SAFETY EMPLOYEE BENEFITS ACT) OF  
THE CODE OF THE CITY OF PEORIA**

**WHEREAS**, the City of Peoria (the “City”) is a home rule municipality in accordance with the Constitution of the State of Illinois of 1970; and

**WHEREAS**, pursuant to its Constitutional home rule powers, the City has authority to “perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals, and welfare” (IL Const art. 7 § 6) by adopting ordinances and promulgating rules and regulations that pertain to its government and affairs that protect the public health, safety, and welfare of its citizens; and

**WHEREAS**, the Public Safety Employee Benefits Act (“PSEBA” or “Act”) was enacted in 1997 to provide free lifetime employer-funded health insurance benefits when a “full-time law enforcement, correctional or correctional probation officer, or firefighter, who ... suffers a catastrophic injury or is killed in the line of duty” (820 ILCS 320/10(a)); and

**WHEREAS**, Illinois courts have noted that “although the legislature made [PSEBA benefits] contingent upon the existence of a ‘catastrophic injury,’ the Act nowhere defines ‘catastrophic injury’” (*Krohe v. City of Bloomington*, 204 Ill. 2d 392, 395 (2003)); and

**WHEREAS**, Illinois courts have determined that an award of an Occupational Disease disability Pension does not qualify the employee for PSEBA benefits since an Occupational Disease Disability Pension is awarded under 4-110.0.1 of the Pension Code and not under the “catastrophic injury” section in 10(a) of PSEBA” (*William Bremer v. City of Rockford*, 2016 IL 119889 (December 30, 2016)); and

**WHEREAS**, pursuant to *Pedersen*, the City has the right to establish an “administrative procedure for assessing claims without acting in a manner inconsistent with the requirements of the Act. *Pedersen v. Village of Hoffman Estates*, 2014 IL App (1st) 123402 (March 31, 2014). This includes the ability to use home rule authority to enact an ordinance that would determine, assess, and outline the administrative process for assessing eligibility under PSEBA; and

**WHEREAS**, the City, under its home rule authority and pursuant to *Pedersen* has “the authority to establish an administrative procedure for determining claims for benefits under the Act,” (*Id.* at ¶ 63); and

**WHEREAS**, the City, pursuant to its authority, adopted administrative procedures for determining claims for benefits under the Act via Ordinance No. 17462 on April 25, 2017; and

**WHEREAS**, on or about June 12, 2018 the City adopted Ordinance No. 17584 which defined terms left undefined in the PSEBA statute;

**WHEREAS**, on or about January 21, 2022 the Illinois Supreme Court determined that Illinois home rule municipalities do not have the authority to adopt such definitions; and

**WHEREAS**, the City desires to amend its Ordinance definitions to be consistent with the decision of the Illinois Supreme Court and to re-adopt all remaining procedures of the Ordinance.

**NOW, THEREFORE**, be it ordained by the corporate authorities of the City of Peoria as follows:

Section 1: Chapter 2, Article V, Division 7, Section 2-350 is hereby amended by adding the underlined words and deleting the stricken words and re-adopting any unchanged words:

**Sec. 2-350. Public Safety Employee Benefits Act.**

(a) *Purpose.* The purpose of this section is to provide a fair and efficient method of determining the eligibility of a full-time employee for the benefits enumerated under the Public Safety Employee Benefits Act (820 ILCS 320/1 et seq.) through the process of initial evaluation of eligibility by the city's human resources

department and administrative hearing when necessary. All benefits provided employees pursuant to the Public Safety Employee Benefits Act (Act) will be consistent with the Act.

(b) **Definitions.** For the purpose of this section, the following terms will have the following meanings:

**Basic group health insurance plan.** The city's high deductible health insurance plan is designated as the basic group health insurance plan.

**Catastrophic injury.** An injury, the direct and proximate consequences of which permanently prevent an individual from performing any gainful work.

**Gainful work.** Full or part time activity that actually is compensated or commonly is compensated.

**Injury.** A traumatic physical wound (or a traumatized physical condition of the body) directly and proximately caused by external force (such as bullets, explosives, sharp instruments, blunt objects, or physical blows), chemicals, electricity, climatic conditions, infectious disease, radiation, virus, or bacteria, but does not include:

(1) Any occupational disease; or

(2) Any condition of the body caused or occasioned by stress or strain.

(b) **Application procedure.** As noted by the court in *Pedersen*, "the Act, however, does not provide any guidance on the proper procedure for seeking [PSEBA] benefits." ¶ 37. This section and the application procedure of this section establishes guidance on the proper procedure for public safety officers seeking PSEBA benefits in the city.

(1) Public safety officers, or family member(s) of an injured or deceased public safety officer, ("applicant") must file a full and complete PSEBA application in writing on a form provided by the human resources department, within 30 days of receipt of the pension board's written decision granting a line-of-duty disability pension or within 30 days of the date of the adoption of this section in the event that an applicant has filed for a PSEBA claim prior to the date of adoption of this section, whichever is later, if the applicant is seeking benefits under PSEBA. The city shall notify applicant if the PSEBA application is incomplete and applicant shall have ten (10) business days to remedy their application. Failure to timely file the full and complete application shall result in a forfeiture of the benefits under PSEBA by failure to properly submit a complete application.

(2) A complete PSEBA application includes the following:

- a. The name of the applicant, date of hire, detailed information regarding the incident, including information relating to how the injury was sustained in the line of duty (date, time, place, nature of injury, and other factual circumstances surrounding the incident giving rise to said claim);
- b. The applicant's firsthand knowledge explaining, to the city's satisfaction, how the injury/death resulted from:
  1. Response to fresh pursuit; or
  2. Response to what is reasonably believed to be an emergency; or
  3. Response to an unlawful act perpetrated by another; or
  4. Participation during the investigation of a criminal act;
- c. A signed PSEBA medical authorization release which authorizes the collection of information related to the incident including, but not limited to, disability pension proceedings, worker's compensation records, and medical records and specifies the name and address for pertinent health care provider(s);
- d. A signed PSEBA general information release specifying the name and signature of the applicant or her/his authorized representative along with legal proof of said representation and name and signature of witness authorizing the collection of information pertinent to the incident review process;

- e. The name(s) of witnesses to the incident;
- f. The name(s) of witnesses the applicant intends to call at the PSEBA hearing;
- g. Information and supporting pension documentation filed with the appropriate pension board;
- h. Any other information supporting PSEBA eligibility requirements; and
- i. All sources of health insurance benefits currently enrolled in or received by the applicant and/or family members if the applicant is deceased.

- (3) The PSEBA application must be submitted to the human resources department in its entirety.
- (4) The PSEBA application must be sworn and notarized to certify the truthfulness of the content of the information. A review of the application shall not occur until the application is complete.
- (5) On the date that the completed PSEBA application is submitted to the city, a copy of the same shall be date stamped and provided to the applicant.
- (6) Upon receipt of a complete application for PSEBA benefits, the city shall set the matter for an administrative hearing before a hearing officer to make a determination on whether to grant the applicant PSEBA benefits based on the result of the administrative hearing.
- (7) The applicant will be given written notice of the date for the scheduled administrative hearing to be served not less than ten business days prior to the commencement of the hearing. If the applicant, upon receiving written notice of the administrative hearing, cannot attend said date, the applicant must contact the hearing officer in writing within seven days after being served. The hearing officer shall establish an alternative hearing date which is within 30 days of the original hearing date. Failure to appear at the administrative hearing shall result in denial of PSEBA benefits.

(c) *Administrative composition.* The administrative hearing shall be scheduled and conducted by a hearing officer in compliance with the Illinois Administrative Procedure Act, 5 ILCS 100 *et. seq.*, whose authority and limitations are as follows:

- (1) *Authority of the hearing officer.* The hearing officer shall have all of the authorities granted to her/him under common law relative to the conduct of an administrative hearing, including the authority to:
  - a. Conduct a hearing in a formal setting;
  - b. Preside over city hearings involving PSEBA;
  - c. Administer oaths;
  - d. Hear testimony and accept evidence that is relevant to the issue of eligibility under PSEBA;
  - e. Issue subpoenas to secure attendance of witnesses and the production of relevant papers or documents upon the request of the parties or their representatives;
  - f. Rule upon objections in the admissibility of evidence;
  - g. Preserve and authenticate the record of the hearing and all exhibits in evidence introduced at the hearing; and
  - h. Issue a determination based on the evidence presented at the hearing, the determination of which shall be in writing and shall include a written finding of fact, decision and order.
- (2) *Hearing officer.* The corporation counsel, with the advice and consent of the city council, is hereby authorized to appoint a person to hold the position of hearing officer for each hearing on PSEBA benefits that shall come before this city. In making said selection, the following information should be considered, at a minimum:

- a. The individual's ability to comply with the job description as set forth herein; and
- b. The individual must be an attorney licensed to practice law in the State of Illinois and have knowledge of and experience in employment and labor law, general civil procedure, the rules of evidence, and administrative practice.

(d) *Administrative hearing.* The system of administrative hearings for the determination of eligibility for benefits under PSEBA shall be initiated either by the city or by the applicant after the submission of a full and complete PSEBA application. An administrative hearing shall be held to adjudicate and determine whether the applicant is eligible for benefits under PSEBA. If the applicant is found eligible, the benefits shall be consistent with the Act.

- (1) *Time and date.* Pursuant to subsection (c)(7), the applicant will be given written notice of the date for the scheduled administrative hearing to be served not less than ten days prior to the commencement of the hearing. If the applicant, upon receiving written notice of the administrative hearing, cannot attend said date, the applicant must contact the hearing officer in writing within seven days after being served. The hearing officer shall establish an alternative hearing date which is within 30 days of the original hearing date. Failure to appear at the administrative hearing shall result in denial of PSEBA benefits.
- (2) *Record.* The city shall ensure that all hearings are attended by a certified court reporter and a transcript of all proceedings shall be made by said certified court reporter. The city shall pay the costs associated with the court reporter.
- (3) *Procedures.* The city and the applicant shall be entitled to representation by counsel at said administrative hearing with each party bearing his/her own cost of counsel, and may present witnesses, testimony and documents, may cross-examine opposing witnesses, and may request the issuance of subpoenas to compel the appearance of relevant witnesses or the production of relevant documents.
- (4) *Evidence.* The Illinois Rules of Evidence shall apply to the extent practicable unless, by such application, the hearing officer determines that application of the rule would be an injustice or preclude the introduction of evidence of the type commonly relied upon by a reasonably prudent person in the conduct of her or his affairs. Such determination shall be in the sole discretion of the hearing officer. The hearing officer must state on the record her or his reason for that determination.
- (5) *Final determination.* A written determination by the hearing officer of whether the petitioning applicant is eligible for the benefits under PSEBA shall constitute a final administrative determination for the purpose of judicial review.
- (6) *Burden of proof.* At any administrative hearing, the applicant shall have the obligation and burden of proof to establish that the applicant is eligible and qualified to receive PSEBA benefits. The standard of proof in all hearings conducted under this section shall be by the preponderance of the evidence.
- (7) *Administrative records.* All records pertaining to the administrative process shall be held in a separate file under the applicant's name with the city.

(e) *Health insurance benefits.*

- (1) Unless otherwise negotiated pursuant to 820 ILCS 320/3 if the administrative hearing officer awards PSEBA benefits, the basic group health insurance plan, designated as the city's high-deductible health insurance plan, will be offered. The city's basic group health insurance plan may change from time to time. If the applicant chooses to enroll in a plan available in the city other than the basic group health insurance plan, then the applicant must pay any difference in insurance premiums between the city's basic group health insurance plan and that of another plan on a monthly basis, due by the 15th of each month in which coverage is effective. Failure to pay said premium by the 15th of the month in which coverage is effective, may result in cancellation of the health insurance plan.

(2) Individuals receiving benefits under PSEBA will only be able to change from one plan to another during the city's open enrollment period.

(f) *Other health insurance benefits.*

- (1) Pursuant to 820 ILCS 320/10, health insurance benefits payable from any other sources will reduce the benefits payable from the city. Each applicant will be required to sign an affidavit attesting to the fact that he/she is not eligible for insurance benefits from any other sources.
- (2) It is the responsibility of the benefit recipient to notify the city within 30 days of any changes to other sources of health insurance benefits. Receipt of benefits in violation of this provision will require reimbursement to the city of any benefits received. The city reserves the right on an annual basis to have the benefit recipient provide another affidavit affirming whether other health insurance is available or payable to the applicant, his/her spouse and/or his/her qualifying dependent children.
- (3) The applicant is also required to notify the city when the applicant becomes Medicare eligible so the city can assist with the transition to Medicare cover and/or adjust health insurance benefits accordingly.

## Section 2. Severability.

If any provision of this Ordinance or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

## Section 3. Effective Date.

That this Ordinance shall be in full force and effect upon its passage.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS this 22<sup>nd</sup> day of March, 2022 pursuant to a roll call vote as follows:

Ayes: 11 – Allen, Cyr, Grayeb, Jackson, Jensen, Kelly, Oyler, Riggenbach, Ruckriegel,

Velpula, Mayor Ali

Nays: None

Absent: None

APPROVED:

Rita Ali  
Mayor

ATTEST:

Stepanie Tarr

City Clerk

EXAMINED AND APPROVED:

Christine L. Kapuscinski

Corporation Counsel