



**SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF SULLIVAN,
ILLINOIS, THURSDAY, NOVEMBER 9, 2017**

1. The City Council of the City of Sullivan, Illinois, met in a special session on Thursday, November 9, 2017, at 5:00 p.m. at the Sullivan City Building, 2 W Harrison St, Sullivan. The meeting was called to order by Mayor Short. A roll call was taken.

| | |
|---------------------------|-----------|
| Commissioner Mike Mossman | - present |
| Commissioner Mike Kirk | - present |
| Commissioner Grant Wade | - present |
| Commissioner Jerry Risley | - present |
| Mayor Ann Short | - present |

2. Mayor Short explained that the meeting was being held to consider options for the Medicare supplement renewal plan for the retirees on Medicare. She introduced Rick Rhodes to explain the details of the renewal.

Mr. Rhodes explained that retirees on Medicare currently have Plan F paid for by the City. With this supplemental plan Medicare is the primary claims payer, medical bills go to Medicare, and Medicare then tells the insurance company what amount to pay. Plan F also allows retirees to go to any medical provider they want as long as the provider takes Medicare. It was also noted that the cost of Plan F to the City is based on the age of the participant.

HMO plans would use the Health Alliance network, and retirees would need to use a network provider. This plan is the most restrictive, and the insurance claim would go to the insurance carrier to make a payment. The POS plan works much like the HMO plan but there are in network and out of network benefits. A major concern with the POS and HMO plans is that Sarah Bush has announced that they will soon no longer be in the Health Alliance network. Retirees would also incur out of pocket expenses that they currently don't have with Plan F.

Details of the renewal were discussed. There are currently 17 retirees with 11 spouses on the Medicare supplement Plan F. To renew for next year, the cost to the City would become \$131,148, which is an increase of \$3,624. By switching to the HMO 1 plan the City would save \$49,464; the HMO 2 plan would save \$55,944; the POS 1 plan would save \$43,308; and the POS 3 plan would save 42,159.

City Administrator Dan Flannell explained that changes to the plan are being considered because the Council must determine if the City can afford to keep paying insurance year after year with the ever rising costs. Commissioner Mossman stated that the goal is not to try to take something away from the retirees but to help control costs for the City and its taxpayers. Commissioner Mossman suggested that it would be more beneficial and cheaper for the retirees to stay on Plan F but have them contribute a portion of their dependent's costs. Treasurer Golden stated that if the City were to have spouses contribute 30% of the cost of the premiums, the range of costs for the spouses would be between \$90 and \$156 each month depending on their age.

After being awarded the opportunity to speak, Mr. Joe Thompson reiterated his stance that the Illinois Constitution requires the City to give the retirees the same

coverage they had on their first day of employment. Mr. Flannell argued the point that the Constitution covers membership in one of the State's public pension systems. He stated that the IMRF has nothing to do with health insurance, and that membership in IMRF does not tie to the City's health insurance benefits.

Mayor Short allowed discussion from members of the audience, and the Council fielded questions and concerns from the retirees. Commissioner Mossman restated the fact that Plan F is the best benefit to the retirees, and nobody in the audience or on the Council disputed the opinion.

A motion was made by Commissioner Mossman and seconded by Commissioner Wade to renew Plan F for Medicare retirees with a 15% contribution for the spouses of retirees. Upon roll call being taken, the results were as follows:

| | |
|---------------------------|-----------|
| Commissioner Mike Mossman | - yea |
| Commissioner Mike Kirk | - yea |
| Commissioner Grant Wade | - yea |
| Commissioner Jerry Risley | - yea |
| Mayor Ann Short | - abstain |

and the motion was declared carried.

3. Mayor Short asked if there were any further comments from the public in attendance, and the Council allowed more discussion to ensue.

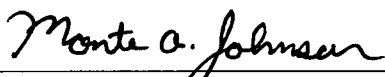
4. A motion was made by Commissioner Kirk and seconded by Commissioner Mossman that the meeting be adjourned. Upon roll call being taken, the results were as follows:

| | |
|---------------------------|-------|
| Commissioner Mike Mossman | - yea |
| Commissioner Mike Kirk | - yea |
| Commissioner Grant Wade | - yea |
| Commissioner Jerry Risley | - yea |
| Mayor Ann Short | - yea |

and the motion was declared carried and the meeting was adjourned at 6:08 p.m.



Mayor Ann Short

Attest 

Monte Johnson, City Clerk