



# Office of the City Clerk

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## Legislation Text

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### RESOLUTION

WHEREAS, Until the mid-1980s, the City of Chicago (the "City") paid the entire cost of retiree healthcare insurance plans before the state law was amended to require the City's pension funds to also pay a portion of the cost; and

WHEREAS, In 1987, the City and its pension funds were sued when they attempted to stop making the payments for these healthcare plans. Since 1993, the City and its pension funds have been a party to a settlement agreement under which the City is required to continue funding a portion of the retiree healthcare costs until June 30, 2013; and

WHEREAS, The settlement agreement also required the creation of the Retiree Healthcare Benefits Commission (the "Commission") which was tasked with making findings and recommendations regarding the state of retiree healthcare benefits, their related cost trends and issues affecting the offering of any healthcare benefits after June 30, 2013; and

WHEREAS, In its report, submitted earlier this month to Mayor Emanuel, the Commission concluded that the City's taxpayers can no longer afford to subsidize retiree healthcare at existing levels and recommended changes to cope with the imminent financial crisis; and

WHEREAS, The report outlined a series of factors that contribute to the escalating retiree healthcare burden, including an increasing number of retirees, longer life spans, a shrinking City payroll and a financial squeeze on the City's corporate fund; and

WHEREAS, The report does not recommend any specific plan, but does detail five options which would result in significant savings to the taxpayers; and

WHEREAS, The City Council of the City of Chicago is desirous of learning more about the effects of the escalating retiree healthcare costs on the City's financial health and the Commission's recommendations to stem those costs; now, therefore,

BE IT RESOLVED, That we, the Mayor and Members of the City Council of the City of Chicago, assembled this seventeenth day of January, 2013, do hereby request that the City Council-Committee on Workforce Development and Audit hold a hearing to examine the findings and recommendations relating to the retiree healthcare costs outlined in the Commission's report; and

>t \ Michele Smith

Ward