FINANCE COMMITTTEE OF THE WHOLE
HELD ON JUNE 30, 2026
204 PULASKI ROAD, CALUMET CITY, ILLINOIS

CALL TO ORDER The Finance Committee of the Whole meeting was called to order at 5:38 p.m. on June 30, 2026, by Mayor Thaddeus Jones.

ROLL CALL

PRESENT 7 ALDERMEN: Harvey, Wilson, Tillman (5:45 p.m.), Williams, Gardner (6:03 p.m.), Nelson, Phillips.

ABSENT: 0 ALDERMEN: None

Also present were: City Clerk Dr. Figgs, City Treasurer Tarka, Deputy Treasurer Nicole Rudder, City Administrator Deanne Jaffrey, Fire Chief Bachert, Police Chief Kolosh, Finance Director Kasperek, Human Resource Director Deston Dorchak, Building and Zoning Director Sheryl Tillman and Deputy Clerk Coffee.

PUBLIC COMMENT None

Presentation By Deputy Treasurer Nicole Rudder

Deputy Treasurer Nicole Rudder gave a presentation showcasing the process of creating a balanced budget. Deputy Treasurer Nicole Rudder described the budget process as it pertains to the Department Heads, the Treasurers Department, the Finance Director, Mayor, and the Council. Deputy Treasurer Rudder explained how revenues are projected for the upcoming budget and how those revenues are an intricate part of creating a balanced budget that is sustainable. Deputy Treasurer Nicole Rudder stated it is important that expenses don't exceed revenues.

Budget Discussion Regarding Payments Issued

Alderman Nelson inquired about payments issued to vendors and requested back up documents such as contracts and expenditures and in a description of the work that was completed. Alderman Nelson requested the contract and the motion for $99,374.00, paid to Gregory Ramon Design for their work regarding Shopper's World. Alderman Nelson requested a contract for Shawn Howard, as well as Stay True and a description of the work that was completed. Alderman Nelson questioned the double payment monthly to Shawn Howard and requested an explanation of payment. Alderman Nelson also requested the redevelopment agreement and back up documents for Sunrize.

Deputy Treasurer Nicole Rudder stated she will email the council all of information that is available to her office.

<table>
<tr><td>Presentation of Benefit Plan Options for Calumet City Retirees</td><td>Finance Director Kasperek gave the council a brief overview of the current costs of the city's retiree insurance. Finance Director Kasperek suggested that reviewing different insurance options could be beneficial for the retirees as well as the city. Finance Director Kasperek stated that he is currently enrolled in a Medicare Supplemental Plan and stands behind the program.</td></tr>
<tr><td>Recess</td><td>The city council took a recess at 6:42 p.m.</td></tr>
<tr><td>Return to the Regular Order Of Business</td><td>The city council returned to the regular order of business at 6:52 p.m.<br><br>Mr. Christian Goodman representative from WTW gave a presentation on the many Medicare Supplemental Plans their company has to offer. Mr. Goodman stated currently the city does an 80/20 split for about 77 retirees and switching to a sustainable model will lower costs in the long run. Mr. Goodman went over several plans that would preserve benefits for the retirees while saving the city around $388.00 a month per retiree and also saving the retiree money on copays and out of pocket expenses.<br><br>(See Attached Presentation 2A)<br><br>Mayor Jones stated this matter will appear on the July 9th Regular City Council Meeting Agenda for the council to vote on.</td></tr>
<tr><td>ADJOURNMENT</td><td>Adjournment was at 8:01 p.m., on a motion by Alderman Gardner, seconded by Alderman Harvey.</td></tr>
</table>

**MOTION CARRIED**

X Nyota T. Figgs

Dr. Nyota T. Figgs, City Clerk

# Reviewing your strategy

Calumet City, IL

June 22, 2026

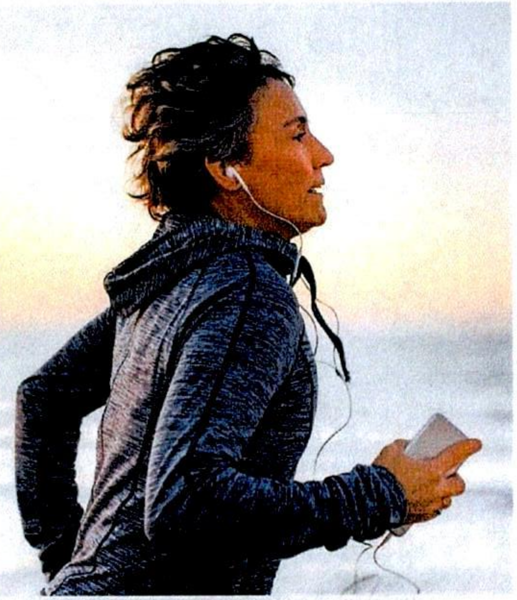


VIA BENEFITS | wtw

# Current state of retiree health benefits

# Calumet City retiree medical plans

Current state



### Retiree medical plan information

- Calumet City provides retiree health care benefits to approximately 260 retirees + 291 dependents and includes approximately 145 Medicare and 115 Pre-65 participants

- Medicare eligible participants are eligible for a group plan at a monthly cost of $388.70 per month.
  - The City pays 80% of the cost or $310.96 per month
  - Retirees pay 20% of the cost or $77.74 per month

# Consideration of Medicare exchange

### For retirees

- Better value: 100% of retirees would be better off with an estimated savings of up to $5,000 per year, depending on location, age and health status
- More choice: to better meet retirees and dependents health care needs (on average 69 plans)
- Personalized guidance: expert guidance to select a plan and ongoing support and advocacy

### For the City

- Meaningful benefits for retirees
- Sustainable delivery model / predictable costs
- Continued support and healthcare subsidy to retirees
- Reduce administration

### Individual Medicare marketplace facts

- Since Part D introduced in 2006, insurer participation in the individual market and baby boomers turning 65 have created a robust, competitive marketplace
  - 61 million on Medicare (65+), 54 million on individual plans
- Inflation Reduction Act of 2022 enhanced the Part D benefit → out of pocket max, limits on premium increases, other
- Using a retiree exchange has become a prevailing benefits strategy across most industries, increasing adoption in public sector and labor groups

# How the Medicare exchange works

Personalized retiree coverage with predictable plan sponsor costs

***Plan sponsor defines eligibility, subsidy, and eligible reimbursements***

**Plan sponsor subsidizes coverage**

- Tax-free reimbursements (HRA)
- Premium & out-of-pocket costs
- Predictable annual budget
- Unused allocations may roll over

**Exchange provides guidance**

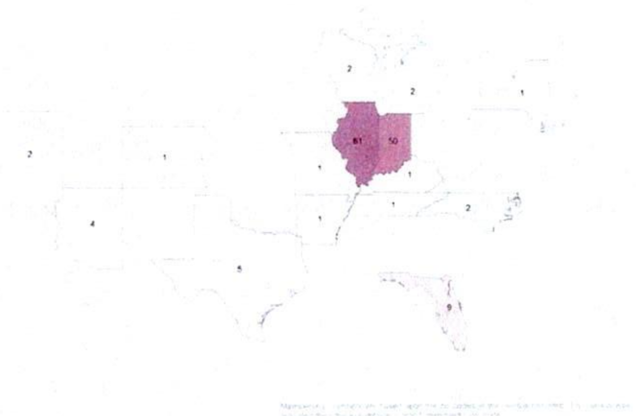
- Change management and communications
- 1:1 retiree support
- Enrollment assistance
- Lifetime advocacy

**Retiree chooses coverage**

- Medicare Advantage
- Prescription Drug Plans (Part D)
- Medicare Supplement (Medigap)
- Dental / Vision / Hearing

# Footprint of retirees by location

Calumet City Post-65 Member Count by State as of 5/8/2026



Member Count

| State | Members |
| --- | --- |
| [illegible] | 61 |
| IN | 50 |
| [illegible] | 9 |
| TX | 5 |
| [illegible] | 4 |
| [illegible] | 2 |
| [illegible] | 2 |
| [illegible] | 2 |
| [illegible] | 2 |
| AR | 1 |
| [illegible] | 1 |
| [illegible] | 1 |
| [illegible] | 1 |
| [illegible] | 1 |
| [illegible] | 1 |
| Grand Total | 143 |

## Calumet City: retiree health insurance

Analysis summary - moving to the individual Medicare market

**100%**

of retirees can realize financial gains by purchasing the best choice individual Medicare plan

**$3,666**

is the average annual savings in premiums and out of pocket costs for those who would realize financial gains

**$190,407**

is the projected year 1 employer cash savings for Calumet City

Results by cohort:

| Cohort Name | Members (n=143) | Annual Premium[1] | Average Employer Subsidy | Average Unadjusted HRA | Subsidy Reduction | Percentage with Financial Gains | Average Retiree Savings |
|---|---|---|---|---|---|---|---|
| BCBS | 143 | $4,664 | $3,732 | $2,400 | 36% | 100% | $3,666 |

[1] Net of EGWP Savings (if applicable)

# How the individual Medicare market delivers higher value than group plans

# Sources of value in the individual Medicare market

| Feature | Medicare Market | Group Plan |
|---|---|---|
| **Retiree Choice** | · Wide range of choices: MA, MS, Part D<br>· Retiree and spouse can elect separate plans<br>· Retiree can elect optimal coverage for individual health risk and preferences | · Limited to the plan(s) offered by the City<br>· Retiree and spouse elections are linked |
| **Insurance Risk Pool** | · Strengthening with 68m members on Medicare; huge number of baby boomers turning age 65 | · Stable or eroding if employer plan enrollment is shrinking |
| **Federal Subsidies** | · Substantial subsidies for MA and Part D that generally rise with inflation | · Available for group MA and Part D EGWPs; typically used to offset employer subsidy |
| **Employer Subsidies** | · Can complement federal subsidies when delivered through HRA; can be used for any plan selected by retiree or spouse | · Linked to plan elected by retiree; retirees waiving coverage forego subsidies |
| **Administration** | · Market and insurers | · The City and their staff |

# Medicare Retiree Impact — BCBS

BCBS

# Current plan design/cost/contributions, population demographics

## Medicare Plan Design

| | |
|---|---|
| Total headcount | 143 |
| Average age | 75 |

| | |
|---|---|
| Total group plan premium | $4,684 |
| Average contribution $ | $933 |
| Average contribution % | 20% |

| Top 5 most populous zip codes | | | |
|---|---|---|---|
| Rank | Zip | State | Headcount |
| 1 | 60409 | IL | 26 |
| 2 | 46373 | IN | 11 |
| 3 | 60401 | IL | 7 |
| 4 | 46311 | IN | 7 |
| 5 | 46375 | IN | 4 |

| Medical benefits ($ or % paid by the retiree) | | |
|---|---|---|
| Deductible | | $750 |
| Out-of-pocket maximum (medical only) | | $3,500 |
| Out-of-pocket maximum (medical/Rx combined) | | N/A |
| Inpatient hospital | copay per day | $300 |
| Skilled nursing facility | copay per day (10+) | $0 |
| Outpatient surgery | retiree copay | $0 |
| Outpatient non-surgery | retiree copay | $0 |
| Physician office visit (primary) | retiree copay | $15 |
| Physician office visit (specialist) | retiree copay | $35 |
| Emergency room | retiree copay | $140 |
| X-ray/Labs | retiree copay | $0 |
| Outpatient rehab/physical medicine | retiree copay | $0 |
| Durable medical equipment | retiree copay | $0 |
| Ambulance | retiree copay | $150 |
| Vision | retiree copay | $0 |

| Rx Benefits | | | |
|---|---|---|---|
| Deductible | $615 | Out-of-Pocket Maximum | $2,100 |
| **Retail** | | | |
| Generic | | 25% retiree coinsurance ($0 min; no max) | |
| Brand Formulary | | 25% retiree coinsurance ($0 min; no max) | |
| Brand Non-Formulary | | 25% retiree coinsurance ($0 min; no max) | |
| **Mail Order** | | | |
| Generic | | 25% retiree coinsurance ($0 min; no max) | |
| Brand Formulary | | 25% retiree coinsurance ($0 min; no max) | |
| Brand Non-Formulary | | 25% retiree coinsurance ($0 min; no max) | |

# Plan design details — Medicare sample plan comparison

Calumet City, IL , ZIP code 60409

| Plan Information | Current Calumet City BlueCross Group Medicare Advantage Open Access (PPO) | Lowest Cost Medigap Plan N & WellCare Value Rx | Lowest Cost Medigap Plan G & WellCare Value Rx | Medicare Advantage with Prescription Drug Aetna Medicare Signature Extra - PPO** |
|---|---|---|---|---|
| **Monthly Premium** | $388.70 | $143 + $0 = $143 | $209 + $0 = $209 | $0 |
| Deductible (medical) | $750 | $283 | $283 | $0 |
| Out-of-Pocket Max (medical / Rx) | $3,500 / $2,100 | NA / $2,100 | NA / $2,100 | $5,200 |
| Network Type | PPO | None | None | PPO |
| Primary Care Visit | $15 copay | $20 copay | $0 copay | $0 |
| Specialist Visit | $35 copay | $20 copay | $0 copay | $40 |
| Inpatient Hospital | $300 copay | $20 - $50 copay | $0 copay | $360 per days 1-7, $0 per day, days 8-90 |
| Outpatient Procedure (Facility) | NA | $20 copay | $0 copay | $0 - $310 copay |
| Emergency Room | $140 | $50 copay | $0 copay | $130 copay |
| Prescription Drug coverage by Tier | $615 deductible<br>25% / 25% / 25% / 25% / 25% | $0 Tier 1 and 2<br>$615 Tier 3-5<br>$0 / $20 / 25% / 40% / 25% | $0 Tier 1 and 2<br>$615 Tier 3-5<br>$0 / $3 / 25% / 40% / 25% | $0 Tier 1 and 2<br>$100 Tier 3-5<br>$0 / $0 / 24% / 25% / 25% |
| Additional Benefits | NA | Dental, vision and hearing available through separate enrollment | Dental, vision and hearing available through separate enrollment | Dental, Vision, Hearing |

Prescription Drug tiers: 1. Generic preferred, 2. Generic non-preferred, 3. Brand preferred, 4. Brand non-preferred, and 5. Specialty

* Age 70 Male, Non-Smoker

** Out-of-pocket costs assume in-network providers

BCBS

# Retiree savings analysis – median utilizer

## Illustrative enrollee, first year

**50th Percentile**

50% of individuals will have lower claims/premiums/ contributions than the illustration shown here

**Medicare Retiree Benefits**

Comparison of **SAMPLE** Financials between Current Group Plan and Future Individual Market Options

| | | Select Individual Market Options | | | | | |
|---|---|---|---|---|---|---|---|
| | Current Plan | Medicare Supplement Plan L + PDP | Medicare Supplement Plan G + PDP | Medicare Supplement Plan N + PDP | MAPD 1 | MAPD 6 | Optimal Choice MAPD 6 |
| **Sample Retiree Financials** | | | | | | | |
| Fixed Cost (e.g., premiums) | | | | | | | |
| Premium at 50th percentile | $4,664 | $2,116 | $2,297 | $1,703 | $0 | $0 | $0 |
| Calumet City Subsidy / HRA[1] | ($3,732) | ($2,400) | ($2,400) | ($2,400) | ($2,400) | ($2,400) | ($2,400) |
| Total | $933 | ($284) | ($103) | ($697) | ($2,400) | ($2,400) | ($2,400) |
| Variable Cost (e.g., copays) | | | | | | | |
| Medical at 50th percentile | $1,325 | $619 | $283 | $344 | $1,318 | $816 | $816 |
| Rx at 50th percentile | $1,002 | $765 | $765 | $765 | $765 | $765 | $765 |
| Total | $2,328 | $1,383 | $1,048 | $1,109 | $2,083 | $1,580 | $1,580 |
| Total Retiree Cost | $3,261 | $1,099 | $945 | $411 | ($317) | ($820) | ($820) |
| Total Retiree Savings | — | $2,162 | $2,316 | $2,849 | $3,578 | $4,080 | $4,080 |
| **Calumet City Financials** | | | | | | | |
| Subsidy/HRA | $3,732 | $2,400 | $2,400 | $2,400 | $2,400 | $2,400 | $2,400 |
| Total Calumet City Savings | — | $1,332 | $1,332 | $1,332 | $1,332 | $1,332 | $1,332 |

*Sample Illustration Statistics: 50th Percentile Claims | 50th Percentile Geography | 50th Percentile Retiree Contribution*

[1] HRA reflects no adjustment in differences in geography-based costs and no adjustment for current group plan retiree contributions

BCBS

# Retiree savings analysis – low utilizer

## Illustrative enrollee, first year

**10th Percentile**

10% of individuals will have lower Claims than the illustration shown here

**Medicare Retiree Benefits**

Comparison of **SAMPLE** Financials between Current Group Plan and Future Individual Market Options

| | | Select Individual Market Options | | | | | |
|---|---|---|---|---|---|---|---|
| | Current Plan | Medicare Supplement Plan L + PDP | Medicare Supplement Plan G + PDP | Medicare Supplement Plan N + PDP | MAPD 1 | MAPD 6 | Optimal Choice MAPD 5 |
| **Sample Retiree Financials** | | | | | | | |
| Fixed Cost (e.g., premiums) | | | | | | | |
| Premium at 50th percentile | $4,664 | $2,116 | $2,297 | $1,703 | $0 | $0 | $0 |
| Calumet City Subsidy / HRA[1] | ($3,732) | ($2,400) | ($2,400) | ($2,400) | ($2,400) | ($2,400) | ($2,400) |
| Total | $933 | ($284) | ($103) | ($697) | ($2,400) | ($2,400) | ($2,400) |
| Variable Cost (e.g., copays) | | | | | | | |
| Medical at 10th percentile | $327 | $295 | $283 | $289 | $169 | $47 | $46 |
| Rx at 10th percentile | $528 | $35 | $35 | $35 | $35 | $35 | $35 |
| Total | $856 | $330 | $318 | $324 | $204 | $82 | $81 |
| Total Retiree Cost | $1,789 | $45 | $215 | ($374) | ($2,196) | ($2,318) | ($2,319) |
| Total Retiree Savings | — | $1,743 | $1,574 | $2,162 | $3,985 | $4,107 | $4,108 |
| **Calumet City Financials** | | | | | | | |
| Subsidy/HRA | $3,732 | $2,400 | $2,400 | $2,400 | $2,400 | $2,400 | $2,400 |
| Total Calumet City Savings | — | $1,332 | $1,332 | $1,332 | $1,332 | $1,332 | $1,332 |

*Sample Illustration Statistics: 10th Percentile Claims | 50th Percentile Geography | 50th Percentile Retiree Contribution*

[1]HRA reflects no adjustment in differences in geography-based costs and no adjustment for current group plan retiree contributions

# Retiree savings analysis – high utilizer

## Illustrative enrollee, first year

**90th Percentile**

90% of individuals will have lower Claims than the illustration shown here

**Medicare Retiree Benefits**

Comparison of **SAMPLE** Financials between Current Group Plan and Future Individual Market Options

| | | Select Individual Market Options | | | | | |
|---|---|---|---|---|---|---|---|
| | Current Plan | Medicare Supplement Plan L + PDP | Medicare Supplement Plan G + PDP | Medicare Supplement Plan N + PDP | MAPD 1 | MAPD 6 | Optimal Choice N |
| **Sample Retiree Financials** | | | | | | | |
| Fixed Cost (e.g., premiums) | | | | | | | |
| Premium at 50th percentile | $4,664 | $2,116 | $2,297 | $1,703 | $0 | $0 | $1,703 |
| Calumet City Subsidy / HRA[1] | ($3,732) | ($2,400) | ($2,400) | ($2,400) | ($2,400) | ($2,400) | ($2,400) |
| Total | $933 | ($284) | ($103) | ($697) | ($2,400) | ($2,400) | ($697) |
| Variable Cost (e.g., copays) | | | | | | | |
| Medical at 90th percentile | $3,500 | $2,650 | $283 | $465 | $7,550 | $3,500 | $465 |
| Rx at 90th percentile | $756 | $2,100 | $2,100 | $2,100 | $2,100 | $2,100 | $2,100 |
| Total | $4,256 | $4,750 | $2,383 | $2,565 | $9,650 | $5,600 | $2,565 |
| **Total Retiree Cost** | $5,189 | $4,465 | $2,280 | $1,867 | $7,250 | $3,200 | $1,867 |
| **Total Retiree Savings** | — | $724 | $2,909 | $3,322 | ($2,061) | $1,989 | $3,322 |
| **Calumet City Financials** | | | | | | | |
| Subsidy/HRA | $3,732 | $2,400 | $2,400 | $2,400 | $2,400 | $2,400 | $2,400 |
| **Total Calumet City Savings** | — | $1,332 | $1,332 | $1,332 | $1,332 | $1,332 | $1,332 |

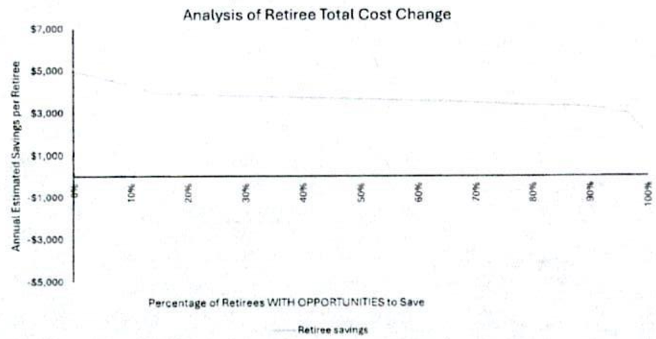
*Sample Illustration Statistics: 90th Percentile Claims | 50th Percentile Geography | 50th Percentile Retiree Contribution*

[1]HRA reflects no adjustment in differences in geography-based costs and no adjustment for current group plan retiree contributions

BCBS

# Retiree savings analysis

All utilizers moving to the individual Medicare market, first year



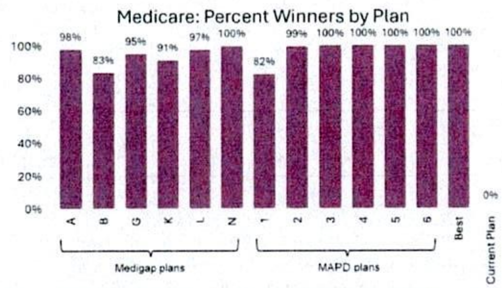

| KEY STATS: Medicare Ret/Dep $2,400/$2,400 Annual HRA | |
|---|---|
| Retiree Savings | |
| Average Loss | $0 |
| Average Win | 3,666 |
| % Loss | 0.0% |
| % Win | 100.0% |

**Key Takeaway:** Up to 100% of retirees can "win" financially if they select the "best choice" individual market plan, compared to the current group plan

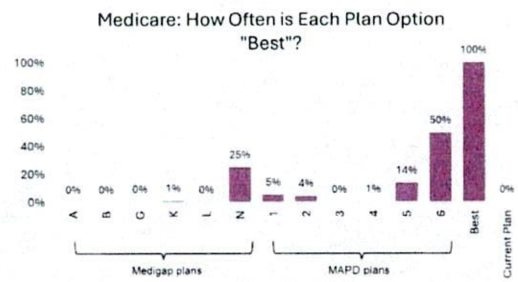
BCBS

# Retiree savings analysis

All utilizers, first year – base HRA of $2,400




**The % of winners that would be generated by each plan individually**




**The % of winners produced by each plan based on optimal outcomes**

# Retiree experience and support

# Supporting retirees throughout their journey

Guide retirees through the change with personalized support

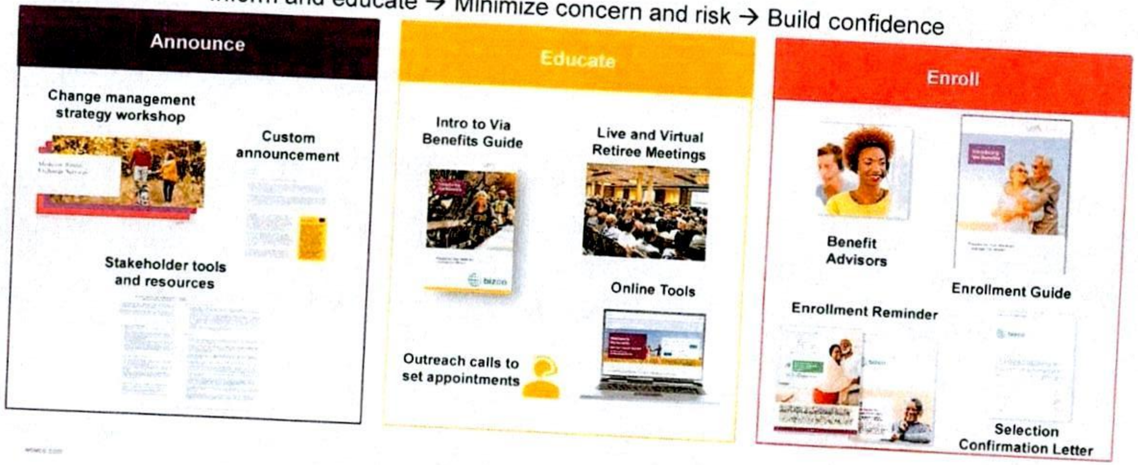
Help retirees select and enroll in the right plan(s) for their situation

Health Reimbursement Arrangement (HRA) support

Support for newly eligible and ongoing advocacy services

# Transition communications and change management

Inform and educate → Minimize concern and risk → Build confidence



# In-person retiree meetings

**A critical component in introducing your retirees to the transition experience**

Educational presentation:

- Background of change
- Elements of Medicare
- Mechanics of the HRA
- Review information required and enrollment process
- **Encourages action and eases anxiety**

Experienced presenters:

- Subject matter experts will provide education and guidance on process and timeline
- **Address retiree questions/concerns with confidence**

## Individual Medicare plans

Common questions and answers

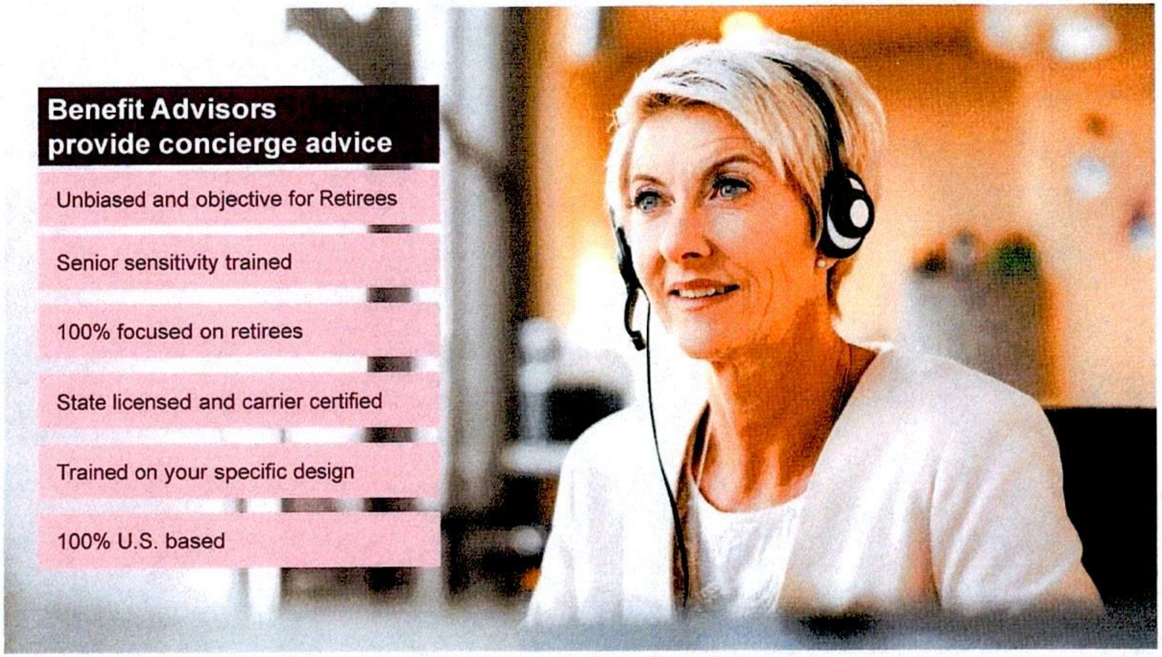
**Q** Will I have to change doctors, hospitals and pharmacies?

**Q** I have a pre-existing condition — can I be turned down or restricted?

**Q** Isn't group insurance always less expensive than individual insurance?

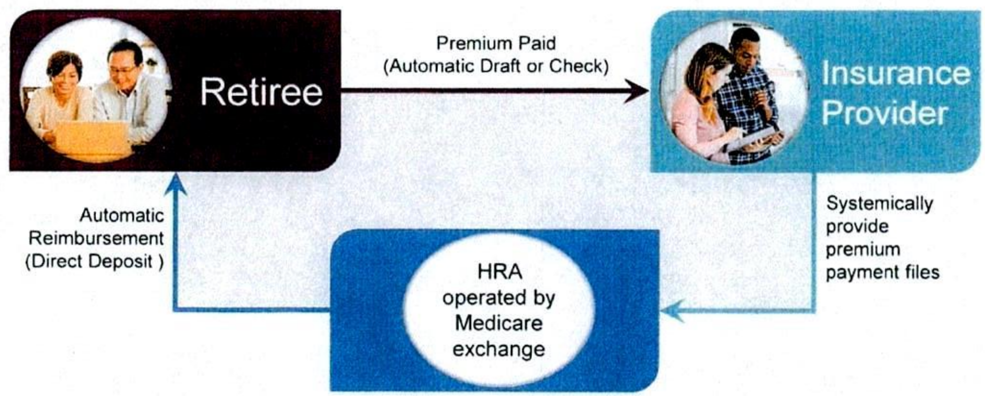
**Q** Don't my spouse and I need to be on the same plan?

**Answer: No**


Benefit Advisors
provide concierge advice
Unbiased and objective for Retirees
Senior sensitivity trained
100% focused on retirees
State licensed and carrier certified
Trained on your specific design
100% U.S. based

# After enrollment, simplified access to the HRA

The automatic reimbursement process eliminates the need for retirees to file claims



# Illustrative implementation plan for January 1, 2027

| June 2026 | June – July 2026 | August - Sept 2026 | Oct - Dec 2026 | Q1 2027 |
|---|---|---|---|---|
| • Evaluate Medicare exchange and validate future strategy<br>– Review financial analysis<br>– Review retiree experience<br>– Determine recommended approach | • Medicare exchange implementation<br>– Program design / requirements<br>– Subsidy design<br>– Communications and change management strategy<br>– Eligibility design and data<br>– Contracting | • Change communications and education<br>– Announcement letter<br>– Retiree meetings and Webinars<br>– Pre-season consultations | • Enrollment period<br>– Plan enrollment appointments<br>– Detailed status reporting<br>– No Retiree Left Behind<br>– New plans live 1/1/27 | • Ongoing support to enrolled members<br>– Insurance<br>– HRA<br>– General questions<br>• Guidance to newly eligible retirees (retirees turning 65 and new, post-65 retirees) |