

## **RESOLUTION NO. 2018-03**

### **A RESOLUTION REGARDING RETIREMENT HEALTH INSURANCE BENEFITS AND AMENDING RESOLUTIONS 94-5, 87-1 AND 86-5 RELATED TO RETIREE HEALTHCARE**

**WHEREAS**, the Addison Fire Protection District No., DuPage County, Illinois (the "District") is an Illinois unit of local government (Constitution, Art. VII, Section 1) and fire protection district duly organized and existing pursuant to Illinois law including the Fire Protection District Act (70 ILCS 705/1 *et seq.*); and

**WHEREAS**, the District's Board of Trustees (the "Board") exercises all of the powers and controls all the affairs and property of the District (70 ILCS 705/6(a)); and

**WHEREAS**, the Board has full power to pass all necessary ordinances, and rules and regulations for the proper management and conduct of the business of the Board and the District (70 ILCS 705/6(i)); and

**WHEREAS**, the Board passed Resolution 86-5 on December 10, 1986, which authorized the District to pay for 50% of the premium of health and hospital insurance for employees who in the future retire after achieving 20 years of creditable service with the District until such employees become eligible for Medicare; and

**WHEREAS**, the Board passed Resolution 87-1 on April 8, 1987, which authorized the District to pay for 50% of the premium of health and hospital insurance for all past District employees who had retired after 20 years of creditable service; and

**WHEREAS**, Section 2 of both Resolutions 86-5 and 87-1 provide that the Board of Trustees may in its discretion, from time to time elect to change, increase, decrease, or eliminate life, health, and hospital insurance benefits to all regular employees of the district, the benefits extended under this Resolution shall change, increase, decrease, or be eliminated, according to the proportions set forth herein; and

**WHEREAS**, Section 3 of both Resolutions 86-5 and 87-1 provide that the District has the right to amend, modify, or fully repeal this Resolution at any time in accordance with the regular procedures of the Board of Trustees; and

**WHEREAS**, the Board passed Resolution 94-5 on September 7, 1994, to clarify Resolutions 86-5 and 87-1 respectively to clarify that the District would continue to pay

50% of the premium for health and hospital insurance until the eligible employee and the employees' surviving spouse, if any, qualify for Medicare; and

**WHEREAS**, Resolution 94-5 further provides that except for the clarifications provided under the Resolution, the terms set forth in Resolutions 86-5 and 87-1 shall remain in full force and effect; and

**WHEREAS**, Resolutions 86-5, 87-1 and 94-5 are attached to this Resolution as Exhibit A; and

**WHEREAS**, the District has determined that it is necessary and appropriate to clarify the spirit, meaning and intent of the health insurance benefits provided under Resolution 86-5, 87-1 and 94-5; and

**WHEREAS**, due to rising health insurance premiums and other health care costs for which the District is responsible, the Board has determined that it is necessary to amend, modify, reduce and/or eliminate the health and hospital insurance premium benefits provided in Resolutions 86-5, 87-1 and 94-5; and

**WHEREAS**, in order to meet its financial obligations to current and future retirees of the District, the Board has determined that it is in the best interest of the District to amend the retiree health insurance benefits currently being provided under Resolutions 86-5, 87-1, and 94-5.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Addison Fire Protection District No. 1, DuPage County, Illinois, as follows:

**SECTION ONE:** For each full-time employee of the District employed as of December 31, 2018, who complete 20 years of full-time employment and/or 20 years of creditable service with the District and is eligible for retirement and elects continuation of his or her health insurance on the District's existing group health insurance plan and is eligible for such continuation under federal or State of Illinois continuation privilege law ("Eligible Employee"), the District shall provide and/or pay for 50% of the cost of such Eligible Employee's health insurance premium (hereinafter referred to as "Retirement Health Insurance Premium Benefit") upon retirement and up until the age of Medicare

eligibility. Such Eligible Employee shall be entitled to continue at the same level of health insurance coverage (i.e.: Employee/Employee + Spouse/Employee + Children and/or Family Coverage) that existed on the last day of employment with the District immediately preceding his or her effective retirement date. In no event shall any Eligible Employee be entitled to add any additional dependent and/or spouse to his or her health insurance policy while continuing on the District's group health insurance plan during retirement. To the extent federal and/or State law requires that an Eligible Employee be allowed to add a spouse and/or dependent to his or her health insurance policy during retirement, the Eligible Employee shall be solely responsible for the full cost of the insurance premium increase associated with any such added spouse and/or dependent without contribution from the District.

**SECTION TWO:** For each former full-time employee of the District who are currently retired as of the date of the passage of this Resolution and completed 20 years of full-time employment and/or 20 years of creditable service with the District and are currently enrolled on the District's group health insurance plan and elects to continuation of his or her health insurance on the District's existing group health insurance plan and is eligible for continuation under federal or State of Illinois continuation privilege law ("Eligible Retiree"), the District shall provide and/or pay for 50% of the cost of such Eligible Retiree's health insurance premium (hereinafter also referred to "Health Insurance Premium Benefit") during such retirement period up until the age of Medicare eligibility. In no event shall any Eligible Retiree be entitled to add any additional dependent and/or spouse to his or her health insurance policy while continuing on the District's group health insurance plan during retirement. To the extent federal and/or State law requires that an Eligible Retiree be allowed to add a spouse and/or dependent to his or her health insurance policy during retirement, the Eligible Employee shall be solely responsible for the full cost of the insurance premium increase associated with any such added spouse and/or dependent

without contribution from the District. In no event shall the Eligible Employee be entitled to add any additional dependent and/or spouse to his or her health insurance plan during such retirement period. To the extent federal and/or State law allows for any expanded coverage, the Eligible Employee shall be responsible for the full-cost of such additional persons covered.

**SECTION THREE:** Any District employee who begins his or her employment with the District on after January 1, 2019, shall not be entitled to and/or be eligible to receive any Retirement Health Insurance Premium Benefit from the District upon his or her retirement from employment with the District (hereinafter referred to as "Non-Eligible Employee"). Any such Non-Eligible Employee who remains on and/or continues on the District's group health insurance plan upon retirement pursuant to any federal or State of Illinois continuation privilege law, such employee shall be responsible for the payment of 100% of his or her health insurance premium with no contribution from the District.

**SECTION FOUR:** Any Retirement Health Insurance Benefit being provided to any Eligible Employee and/or Eligible Retiree as set forth in Sections One and Two above shall terminate once the Eligible Employee and/or Eligible Retiree and/or spouse reach the age of Medicare eligibility, which is further defined as the first day of the month the Eligible Employee and/or Eligible Retiree and/or his or her spouse reaches the age of 65.

**SECTION FIVE:** The coverage outlined in Sections One and Two are the highest level of health insurance coverage any Eligible Employee and/or Eligible Retiree can obtain during retirement period. And as any dependent and/or spouse of an Eligible Employee and/or Eligible Retiree is dropped from coverage and/or no longer covered under the District's group health insurance policy (either voluntary or involuntary), the Eligible Employee and/or Eligible Retiree must drop to the next lowest level of coverage (i.e.: Family Coverage to Employee + Spouse). Once an Eligible Employee and/or Eligible Retiree and his or her dependent and/or spouse terminates participation in the District's group health

insurance plan, such individual shall have no right to resume coverage under the District's group health insurance plan. Except as otherwise required under federal or State of Illinois law, upon termination of coverage on the District's group health insurance by an Eligible Employee and/or Eligible Retiree prior to his or her death and/or or reaching the age of Medicare eligibility, the health insurance coverage for any spouse and/or dependent of the terminating Eligible Employee and/or Eligible Retiree shall also terminate at the same time. To the extent federal and/or State law requires that any spouse and/or dependent be allowed to remain on the District's group health insurance plan after termination of coverage as provided herein, any such remaining participating spouse and/or dependent shall be responsible for the payment of the full amount of the health insurance premium payment thereafter without any contribution from the District.

**SECTION SIX:** Each Eligible Employee and Eligible Retiree shall be prohibited from adding any additional spouse(s) and/or dependent(s) to any District group health insurance plan during retirement beyond the spouse and/or dependent(s) that were initially covered under the District's group health insurance plan on the last day of employment with the District immediately preceding his or her effective retirement date.

**SECTION SEVEN:** The District retains the sole discretion to select the District's group health insurance plan and the various benefits to be provided in such plan on an annual basis and/or other such shorter periods as deemed appropriate. As of the adoption of this Resolution, the District's group health insurance plan currently includes health insurance as well as dental and vision coverage. The District reserves the right to select and/or change, at its sole discretion, the types of benefits, the deductible amounts, and amounts of coverage to be provided under the District's group health insurance plan. Any failure of an Eligible Employee and/or Eligible Retiree to pay his or her 50% share of the group health insurance premium at any time shall result in the termination of the Eligible Employee and/or Eligible Retiree's health insurance coverage under the District's group

health insurance plan, including coverage for the respective spouse and/or dependent(s).

**SECTION EIGHT:** Payment for insurance coverage outlined in Section One and Section Two above can only be made monthly via a deduction from the Eligible Employee and/or Eligible Retiree's pension check (i.e.: either Addison Firefighter Pension or IMRF) paid in the rears or from another governmental agency in which the District can enter in an intergovernmental agreement with to receive the full amount of the Eligible Employee and/or Eligible Retiree's 50% health insurance premium contribution on a monthly basis paid directly to the District. By choosing to receive these benefits, the Eligible Employee and/or Eligible Retiree shall be considered to have authorized the District to make the appropriate monthly deductions from their respective monthly pension checks.

**SECTION NINE:** Each Eligible Employee and Eligible Retiree shall be solely responsible for any and all required financial reporting (if any) related to his or her receipts of the Health Insurance Premium Benefit provided under this Resolution. Furthermore, each Eligible Employee and/or Eligible Retiree shall hold the District harmless for any and all errors and omissions related to administration of the health insurance premium benefits provided herein.

**SECTION TEN:** This resolution shall supersede any resolutions, ordinances, and/or policies and procedures, or parts of resolutions, ordinances, policies and/or procedures, in conflict with any part herein, and any such resolutions, ordinances, and/or policies and/or procedures or parts thereof, are hereby repealed.

**SECTION ELEVEN:** This Resolution shall be in full force and effect upon its passage and approval as required by law.

ADOPTED this 6<sup>th</sup> day of June, 2018, by the following roll call vote:

AYES: 3

NAYS: Ø

ABSENT: Ø

Michael J. Super

Michael J. Super, President, Board Trustees  
Addison Fire Protection District No. 1

ATTEST:

Charles Baxa, Jr.

Charles Baxa, Jr., Secretary, Board of Trustees  
Addison Fire Protection District No. 1



STATE OF ILLINOIS        )  
                                      )       SS  
COUNTY OF DUPAGE        )

**SECRETARY'S CERTIFICATE**

I, CHARLES BAXA, JR., the duly qualified and acting Secretary of the Board of Trustees of the Addison Fire Protection District No. 1, DuPage County, Illinois, do hereby certify that I am the keeper of its books and records and that the attached hereto is a true and correct copy of a Resolution entitled:

**RESOLUTION NO. 2018-03**

**A RESOLUTION REGARDING RETIREMENT HEALTH  
INSURANCE BENEFITS AND AMENDING RESOLUTIONS  
94-5, 87-1 AND 86-5 RELATED TO RETIREE HEALTHCARE**

which Resolution was duly adopted by said Board of Trustees at a regular meeting held on the 6<sup>th</sup> day of June, 2018.

I do further certify that a quorum of said Board of Trustees was present at said meeting and that the Board complied with all requirements of the Illinois Open Meetings Act.

IN WITNESS WHEREOF, I have hereunto set my hand this 6<sup>th</sup> day of June, 2018.




  
Charles Baxa, Jr., Secretary, Board of Trustees Addison  
Fire Protection District No. 1



Exhibit A - Resolution 2018-03

RESOLUTION NO. 94-5

RESOLUTION CLARIFYING RESOLUTIONS  
NUMBERED 86-5 and 87-1 RESPECTIVELY

WHEREAS, THE BOARD OF TRUSTEES OF THE ADDISON FIRE PROTECTION DISTRICT NUMBER 1 DID ON DECEMBER 10, 1986 PASS RESOLUTION NUMBER 86-5 PROVIDING FOR ALL EMPLOYEES WHO IN THE FUTURE RETIRE AFTER 20 YEARS OF CREDITABLE SERVICE, 50 PER CENT OF THE PREMIUM OF HEALTH AND HOSPITAL INSURANCE UNTIL SAID EMPLOYEES BECOME ELIGIBLE FOR MEDICARE; AND

WHEREAS, THE BOARD OF TRUSTEES OF THE ADDISON FIRE PROTECTION DISTRICT NUMBER 1 DID ON APRIL 8, 1987 PASS RESOLUTION NUMBER 87-1 EXTENDING THE COVERAGE OF RESOLUTION NUMBER 86-5 TO PAST EMPLOYEES OF THE DISTRICT WHO HAD ALREADY RETIRED AFTER 20 YEARS OF CREDITABLE SERVICE; AND

WHEREAS, BOTH OF SAID RESOLUTIONS EXPRESSLY PROVIDED THAT THE BOARD OF TRUSTEES MAY, IN ITS DISCRETION, FROM TIME TO TIME ELECT TO CHANGE, INCREASE, DECREASE, OR ELIMINATE BENEFITS EXTENDED UNDER SAID RESOLUTIONS; AND

WHEREAS, THE BOARD OF TRUSTEES HEREBY DEEMS IT NECESSARY AND APPROPRIATE TO CLARIFY THE SPIRIT, MEANING AND INTENT OF SAID RESOLUTIONS TO AVOID ANY CONFUSION OR MISUNDERSTANDING AS TO THE TIME PERIOD DURING WHICH THE DISTRICT WILL CONTINUE TO PAY 50 PER CENT OF THE PREMIUM OF HEALTH AND HOSPITAL INSURANCE;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ADDISON FIRE PROTECTION DISTRICT NO. 1 THAT THE DISTRICT WILL CONTINUE TO PAY 50% OF THE PREMIUM FOR HEALTH AND HOSPITAL INSURANCE UNTIL BOTH THE ELIGIBLE EMPLOYEE AND THE EMPLOYEES' SURVIVING SPOUSE, IF ANY, QUALIFY FOR MEDICARE.

EXCEPT AS CLARIFIED HEREBY, RESOLUTIONS 86-5 and 87-1 INCLUDING EACH AND EVERY TERM AND PROVISION THEREOF SHALL REMAIN IN FULL FORCE AND EFFECT.

Exhibit A - Resolution 2018-03

PASSED THIS 7<sup>th</sup> DAY OF September, 1994.

Arthur E. Hurley Jr.  
PRESIDENT

Anthony J. LaRosa  
SECRETARY

AYES 3

NAYS 0

ABSENT 0

R E S O L U T I O N

NO. 87-1

WHEREAS, THE BOARD OF TRUSTEES OF THE ADDISON FIRE PROTECTION DISTRICT NO. 1 DID ON DECEMBER 10, 1986 PURSUANT TO THE ILLINOIS REVISED STATUTES, CHAPTER 127 1/2, PARAGRAPH 26, PASS A CERTAIN RESOLUTION PROVIDING FOR ALL EMPLOYEES WHO IN THE FUTURE RETIRE AFTER 20 YEARS OF CREDITABLE SERVICE, 50 PERCENT OF THE PREMIUM OF HEALTH AND HOSPITAL INSURANCE UNTIL SAID EMPLOYEES BECOME ELIGIBLE FOR MEDICARE AND;

WHEREAS, THE BOARD OF TRUSTEES OF THE ADDISON FIRE PROTECTION DISTRICT NO. 1 DEEMS IT NECESSARY AND APPROPRIATE TO EXTEND THE COVERAGE OF SAID RESOLUTION TO PAST EMPLOYEES OF THE DISTRICT WHO HAVE ALREADY RETIRED AFTER 20 YEARS OF CREDITABLE SERVICE LIKE COVERAGE;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Addison Fire Protection District No. 1, as follows:

1. The District will provide for all past employees who hve retired afer 20 years of creditable service, 50% of the premium of health and hospital insurance until said retired employees become eligible for Medicare.

2. As the Board of Trustees may, in its discretion, from time to time elect to change, increase, decrease or eliminate life, health, and hospital insurance benefits to all regular employees of the district, the benefits extended under this Resolution shall change, increase, decrease, or be eliminated, according to the proportions set forth herein.

3. The District has the right to amend, modify, or fully repeal this Resolution at any time in accordance with the regular procedures of the Board of Trustees.

4. The Fire Chief is directed to advise all retired employees with 20 years of creditable service, in writing, of the benefits extended under this Resolution which benefits shall be retroactive to and including December 10, 1986 and to incorporate the provisions hereof in the Rules and Regulations of the District.

APPROVED THIS 8th DAY OF April, 1987.

Arthur E. Hurley  
PRESIDENT

Robert Anderson  
SECRETARY

ATTEST: Thomas J. Biggs

Exhibit A - Resolution 2018-03

R E S O L U T I O N

No. 86-5

WHEREAS Illinois Revised Statutes Chapter 127 $\frac{1}{2}$  Paragraph 26 provides that "the trustees have express power to provide for the benefit of its employees, volunteer firemen and paid firemen, group life, health, accident, hospital and medical insurance, or any combination thereof; and to pay for all or any portion of the premiums on such insurance"; and

WHEREAS it is in the interest of the district to provide for employees who will retire in the future after twenty years of creditable service; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Addison Fire Protection District No. 1, as follows:

1. The District will provide for all employees who in the future retire after 20 years of creditable service, 50% of the premium of health and hospital insurance until said employees become eligible for Medicare.
2. As the Board of Trustees may, in its discretion, from time to time elect to change, increase, decrease, or eliminate life, health, and hospital insurance benefits to all regular employees of the district, the benefits extended under this Resolution shall change, increase, decrease, or be eliminated, according to the proportions set forth herein.
3. The district has the right to amend, modify, or fully repeal this Resolution at any time in accordance with the regular procedures of the Board of Trustees:
4. The Fire Chief is directed to advise all employees in writing of the benefits extended under this Resolution and to incorporate the provisions hereof in the Rules and Regulations of the District.

APPROVED THIS 10th day of December, 1986.

  
PRESIDENT

  
SECRETARY

ATTEST: