SPECIAL CALLED MEETING
GOODLETTSVILLE CITY COMMISSION

Date: December 12, 2005 Time: 7:30 AM Place: City Hall

Present: Bobby Jones, Jerry Garrett, Gary Manning, Jeff Cordell, and John Finch
Absent: None
Also Present: Jim Thomas, Bill Barton, Claudia Davis

The meeting was called to order by Mayor Jones.

Consider issues regarding insurance benefits and coverage for Medicare eligible retirees pertaining to changes in Medicare. Thomas informed the Commissioners that the current retirees enrolled in Blue Cross 65 Plan J cannot be moved to Plan I, as was decided at the special called meeting on December 8, 2005.

Garrett proposed that the City stay with Plan J and strip out the drug benefits and follow the same procedure regarding premiums agreed on at the December 8th meeting, with each of the retirees choosing and paying their own Part D. Manning noted that there would be one exception for the retiree on Plan I. Garrett agreed to restate his proposal "subject to one employee who would remain on Plan I".

Thomas questioned Barton to clarify that effective January 1, Blue Cross 65 Plans H, I and J are no longer available, and so an employee retiring January 1, 2006 cannot access Plans H, I or J. Barton confirmed that statement is correct. Thomas also inquired what the richest benefit plan will be for retirees after January 1st. Barton indicated that would be Plan F because there is no deductible. Thomas noted that the Commission will also need to make a decision about plans for future retirees. There was no definitive decision made at the special called meeting on December 8th for future retirees after January 1. Garrett noted he was under the impression that when the motion was passed on December 8th that the percentage of premium that the City will pay will be uniform for present and future retirees. Thomas stated and the Commission agreed that they are adopting Blue Cross 65 for future retirees also. He asked if the Commission should identify which plan that the City will fund.

Thomas reviewed Garrett's proposal that the City will adopt Blue Cross 65 Medicare Plan J for current retirees with the exception of Mrs. Allen, who is currently on Plan I, and that the prescription coverage be carved out of that plan and that the retirees will be free to choose at their expense which Part D supplement they would like to add to their Medicare coverage. Garrett added that we will keep the same formula that was agreed to on December 8th, that the City will pay 100% of the premium for any employee who retires with 20 years or more of service, the City will pay the entire premium with the prescription benefit carved out. Retirees with less than 20 years of service will pay a percentage according to the current formula which is, retirees with less than 10 years shall pay 50% of the monthly premium and retirees with 10 to 20 years of service shall pay 25% of the monthly premium. Garrett made his proposal as reviewed in the form of a motion. The motion was seconded by Finch.

Finch asked for confirmation that by carving out the Part D, the new plan will be so much more economical, that in the majority of cases, the retiree will have savings to offset the cost of Part D. Garrett confirmed that that is true in most cases and added this will save the City a substantial amount of money by carving the prescription drug benefit out of Plan J. Thomas indicated this should amount to approximately $20,000 in savings. Garrett added that this Commission or another Commission in the future can change this benefit at their discretion. Finch inquired how many retirees will have a negative reaction because they perceive that they have a worse deal than they currently have. Thomas expressed that the savings is not the same for all 25 retires because the portion of the premium paid by the retiree is based on the years of service. Jones noted that he is in favor of rewarding years of service.

Cordell inquired about a retiree with 7 years of service. Thomas explained he is still on the active employee plan and will continue to pay the same he is paying now. At age 65, he will go to the Medicare supplement plan that the Commission agrees to and he will pay 50% of that premium. Manning agreed with the plan going forward to reward employees with long time service to the City and is in favor of passing this motion as a Resolution to amend the personnel policy.

Barton inquired about the effective date. After discussion, it was determined that the retirees should be given a period of time to become informed and be sure they have the Part D plan that they want. The Commission agreed to fund the current plans unchanged until February 1, 2006. Garrett amended his motion to include the statement that effective January 31, 2006, drug benefits will be stripped from retirees Plan J.

Thomas questioned Barton, if each individual retiree who has Blue Cross 65 has a separate contract between Blue Cross and that retiree, not a group plan. Barton confirmed that that is correct and that the City is merely stating that the City will pay the premium for Part J with the prescription coverage stripped.

Thomas clarified that the Resolution will only change the formula for funding retiree medical insurance and removes the prescription drug benefit from Plan J effective January 31, 2006. Garrett further clarified that Plan J is offered by different companies. It is a generic plan and the Resolution will not involve naming Blue Cross 65.

Thomas summarized the motion and amendments. The motion has been made and seconded to leave current retirees on Medicare Supplement Plan J with drug coverage carved out of that plan and that retirees are now free at their expense to secure prescription coverage under Part D, and that the City policy concerning length of service and how much they will pay for retiree medical insurance is changed to state that any retiree with 20 years of service or greater, the City will pay 100% of their medical insurance benefit.

Manning inquired about future retirees. Thomas suggested that he would like to be able to shop the market for retiree medical benefits going forward. Garrett suggested that future retiree insurance be studied and reviewed in the first of 2006.

The motion passed unanimously 5-0.

Garrett made a motion to adjourn. The motion was seconded by Manning and passed unanimously 5-0. The meeting was adjourned at 8:10 a.m.

Claudia Davis

Claudia Davis, City Recorder

Bobby Jones

Bobby Jones, Mayor