

Appendices for the Report to the Mayor's Office on the State of Retiree  
Healthcare by the Retiree Healthcare Benefits Commission

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**Exhibit A-5:**  
RHBC Indemnification Ordinance

## ORDINANCE

**WHEREAS**, As a home rule unit of government, the City of Chicago (the "City") may exercise any power and perform any function pertaining to its government and its affairs; and

**WHEREAS**, In 1987, the case of *City of Chicago v. Korshak* was filed in the Circuit Court of Cook County to resolve the issue of whether the City had any obligation to provide health care benefits to retired City employees ("Annuitants"); and

**WHEREAS**, In 2003, the City entered into a settlement agreement in the matter (the "Korshak Agreement") in which the City agreed to provide various levels of health care coverage to certain Annuitants through June 30, 2013 (the "Settlement Healthcare Plans"); and

**WHEREAS**, the Korshak Agreement also provided for the creation of the Retiree Health Benefits Commission (the "RHBC"), an independent commission composed of volunteer unpaid members who serve at the request of the City. The RHBC is tasked with the responsibility to make decisions based upon recommendations from the City concerning any modifications to existing Settlement Healthcare Plans and to make recommendations to the City concerning any continued health care benefits provided to Annuitants after the expiration of the Korshak Agreement on June 30, 2013; and

**WHEREAS**, the City and the RHBC seek to resolve issues concerning potential liability for decisions and recommendations made by the RHBC members regarding changes or modifications to the Settlement Healthcare Plans or any continued health care benefits after June 30, 2013; now, therefore,

### **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** All of the recitals above are expressly adopted as legislative findings of the City and are incorporated herein and are made hereby a part of this Ordinance.

**SECTION 2.** The City will indemnify and keep harmless the members of the RHBC, with the exception of any member of the RHBC serving as the representative of the Pension Funds, against all liabilities, judgments, costs, and expenses, with the exception of exemplary or punitive damages, which may in any way accrue against them for any act or omission occurring within the scope of their duties as members of the RHBC.

**SECTION 3.** This ordinance shall be in full force and effect following passage and approval.



Patrick J. O'Connor  
Alderman, 40th Ward