

RESOLUTION 20-R-12 to provide other post-employment benefits for retirees for FY 2020-2021.

WHEREAS, the City of Murfreesboro has chosen to provide post-employment benefits other than a pension to its retirees in previous fiscal years; and,

WHEREAS, the City of Murfreesboro wishes to provide other post-employment benefits ("OPEB") to its retirees for Fiscal Year 2020-2021 in the form of allowing said retirees to participate in the City's Health Benefits Plan on a cost shared basis under certain terms and conditions; and,

WHEREAS, for this OPEB purpose, the term "City" includes the Water and Sewer Department, but not the Murfreesboro City School System, the Murfreesboro Electric Department ("MED"), or the Evergreen Cemetery, provided, however, that should the City sell MED's assets to Middle Tennessee Electric Membership Corporation on or before June 30, 2021, the term "City" shall also include MED; and,

WHEREAS, the City has heretofore chosen, and is choosing again for the upcoming fiscal year to pay the cost of providing the City portion of the insurance benefit with current revenue and not to set aside funds for the City's OPEB obligation; and,

WHEREAS, although funded from current revenues, providing such other post-employment benefits means that the City is required to estimate the future cost of continuing to provide the benefits and to include said cost estimate in its comprehensive annual financial report as an accrued liability (although it is under no legal obligation to continue to maintain the benefits) under current GASB (General Accounting Standards Board) standards; and,

WHEREAS, to comply with GASB standards, the total OPEB obligation is projected every two years by the City's actuary, BPS&M, LLC, a Wells Fargo Company, and their projection of the estimated net OPEB obligation for all employees for all years for purposes of GASB 45 was \$138,045,475 as of June 30, 2019 as projected July 1, 2018; a new evaluation as of July 1, 2020 will begin after June 30, 2020; and,

WHEREAS, in light of all of the foregoing, the City Council is choosing to recognize the service provided to the City and its taxpayers by its retired employees by continuing the option for retirees to obtain OPEB benefits for the upcoming fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. A City employee may continue to participate in the City's Health Benefits Plan after retirement for FY 2020-2021 if either:

a) the employee has attained age 55, has completed 15 years of continuous service with the City, has had 5 years of continuous coverage in the City's Health Benefits Plan in the 5 years preceding the employee's retirement, and the City

employee has retired under the City's pension plan;

OR,

b) the employee has completed 30 years of continuous service with the City, has had 5 years of continuous coverage in the City's Health Benefits Plan immediately preceding retirement, and the City employee has retired under the City's pension plan.

SECTION 2. In the event the City sells MED's assets to Middle Tennessee Electric Membership Corporation on or before June 30, 2021, a retired MED employee, who retired from MED on or before the date such sale is closed, shall be deemed to be a retired City employee for OPEB purposes and may elect to participate in the City's Health Benefits Plan for FY 2020-2021, if the retired employee was participating in or would have been eligible to participate in MED's Health Benefits Plan as of the date of such sale. Notwithstanding the foregoing, no retired MED employee shall be eligible to participate in the City's Health Benefits Plan for FY 2020-2021 unless and until the sale of MED's assets to Middle Tennessee Electric Membership Corporation closes or such other time as facilitates the orderly, cost-efficient transition of eligible MED retirees to the City's Health Benefits Plan for FY 2020-2021.

SECTION 3. Retired City employees meeting the eligibility requirement in Section 1 may participate in the City's Health Benefits Plan until the retired employee attains age 65. If the employee is age 65 or greater at retirement or if the retired employee attains age 65, the employee is no longer eligible to participate in the City's Health Benefits Plan but is eligible to participate in the City's Medicare Supplement Plan.

SECTION 4. The cost of a retired City employee's participation in the City's Health Benefits Plan or in the Medicare Supplement Plan will be shared between the retired employee and the City with the retired employee paying approximately 20% of the cost and the City paying approximately 80% of the cost.

For FY 2020-2021, the cost of participating in the Health Benefits Plan will be the slightly lower for retired employees than for non-retired employees.

For FY 2020-2021, the retired City employee's monthly cost to participate in the Medicare Supplement Plan will be: \$100.20 for individual coverage; \$200.40 for individual plus child(ren) coverage; \$200.40 for individual plus spouse coverage; and, \$300.60 for family coverage.

The retired City employee, or eligible spouse or eligible dependent, must pay the participant's cost of such Health Benefits Plan or Medicare Supplement Plan coverage when and as directed by the Human Resources Department.

SECTION 5. Eligible City retired employees and/or their spouses may participate in the City's Health Reimbursement Arrangement (HRA) - Medicare Plan without any cost to them. Participants will receive \$180.00 (or \$360.00 for family

coverage) per month to use for qualified medical expenses.


SECTION 6. This Resolution shall be effective immediately upon its passage and adoption, the public welfare and the welfare of the City requiring it.

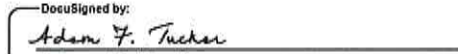
Passed: June 4, 2020


Shane McFarland, Mayor

ATTEST:

APPROVED AS TO FORM:


Melissa B. Wright
City Recorder

DocuSigned by:

~~Adam F. Tucker~~
Adam F. Tucker
City Attorney

