

**RESOLUTION 14-R-13** to provide other post-employment benefits for retirees for FY 2014-2015.

**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 2014-2015 in the form of allowing said retirees to participate in the City's Health Benefits Plan and Post 65 Retiree Plan on a cost shared basis under certain terms and conditions; and,

**WHEREAS**, for this OPEB purpose, the City includes the Water and Sewer Department, but not the Murfreesboro City School System, the Murfreesboro Electric Department or the Evergreen Cemetery; and,

**WHEREAS**, 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**, the City has heretofore chosen, and is choosing again for the upcoming fiscal year, not to set aside funds for the City's OPEB obligation; and,

**WHEREAS**, the OPEB obligation figure for GASB 45 has been projected by the City's actuary, BPS&M, LLC, A Wells Fargo Company, every two years and their projection of the estimated net OPEB obligation for all employees for all years was \$42,284,930 as of June 30, 2014 as projected July 1, 2013; 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 employees by continuing 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 2014-2015 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.** Retired 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 Post 65 Retiree Plan.

SECTION 3. The cost of a retired employee's participation in the City's Health Benefits Plan or in the Post 65 Retiree 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 2014-2015, the cost of participating in the Health Benefits Plan will be the same for retired employees as for non-retired employees.

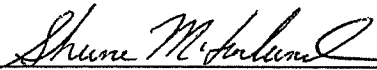
For FY 2014-2015, the retired employee's monthly cost to participate in the Post 65 Retiree Plan will be: \$100.20 for individual coverage; \$200.40 for individual plus child(ren) coverage; \$200.40 for individual plus spouse coverage; and, \$300.60 for family coverage.

The retired employee, or eligible spouse or eligible dependent, must pay the participant's cost of such Health Benefits Plan or Post 65 Retiree Plan coverage when and as directed by the Human Resources Department.

SECTION 4. Eligible 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.

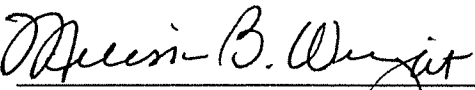
SECTION 5. This Resolution shall be effective immediately upon its passage and adoption, the public welfare and the welfare of the City requiring it.

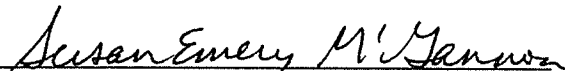
Passed: June 19, 2014

  
Shane McFarland, Mayor

ATTEST:

APPROVED AS TO FORM:

  
Melissa B. Wright  
City Recorder

  
Susan Emery McGannon  
City Attorney