

RESOLUTION 2024-23

A RESOLUTION MAKING CERTAIN ADJUSTMENTS FOR RETIREES ELECTING COVERAGE IN OPTION II

WHEREAS, the City of Franklin (“City”) offers an Option II Health Care Plan (the “Plan”) for its retirees, of which 35 retirees are currently enrolled; and

WHEREAS, the City currently contributes 50% of the monthly premium for retirees enrolled in Option II, and the contribution percentage was last changed in 2023 from 40%; and

WHEREAS, the City Administrator, Human Resources Director, Assistant City Administrator/CFO and key staff have reviewed the existing terms of Option II and recommend adjustments to the Plan effective July 1, 2024; and

WHEREAS, the Employee Pension & Trust Committee met on March 25, 2024 and unanimously recommended approval of said changes by the Board of Mayor and Aldermen; and

WHEREAS, the Board of Mayor and Aldermen wish to acknowledge modifications to Plan as proposed and believe such modifications to be in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Franklin, Tennessee, the following changes to the Plan:

A: That the calculation of the monthly premium for Option II Retiree Health Care include a 55% City (employer) contribution, with the remaining 45% to be borne by the retiree; and

B: That the design for the retiree plan, including the PPO network, annual deductible and annual out of pocket maximum amounts, be the same as for active employees; and

C: For full time employees hired on or after January 1, 2017, and members of the Tennessee Consolidated Retirement System (“TCRS”) Legacy Defined Benefit Pension Plan, eligibility criteria for the Plan are:

- 1) 25 years of TCRS service, with a minimum of 10 years at the City
- 2) Minimum age of 55, and
- 3) Coverage ends at age 65.

D: Establishment of a Sick Leave Conversion Program as described below:

1) Upon retirement, should an employee have accrued sick leave hours above the maximum amount allowed for payment, the balance may be converted into the number of work days for their position.

2) For each 15 days of remaining sick leave, the employee may receive one month of retiree health insurance at the same monthly premium rate as active employees.

3) Maximum number of conversion months from sick leave reserve is 12.

E: Adjustments become effective with the fiscal year starting July 1, 2024.

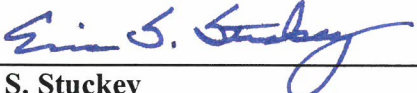
RESOLVED FURTHER, that the officers and agents of the Board are hereby directed to take all such steps as may be necessary to accomplish the foregoing; and


RESOLVED FURTHER, that the officers of the Municipality are hereby authorized and directed to take all such steps as may be necessary to accomplish the foregoing.

IT IS SO RESOLVED and approved this 14th day of May, 2024.

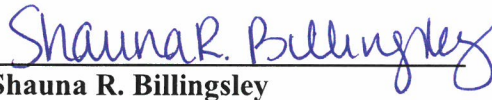
ATTEST:

CITY OF FRANKLIN, TENNESSEE:

By: 
Eric S. Stuckey
City Administrator

By: 
Dr. Ken Moore
Mayor

Approved as to form by:


Shauna R. Billingsley
City Attorney