

RESOLUTION No. 37-2024

TO AUTHORIZE A JOINT VENTURE PARTICIPATION IN THE TCRS (Tennessee Consolidated Retirement System) IN ACCORDANCE WITH TCA, TITLE 8, CHAPTERS 34 -37.

WHEREAS, Tennessee Code Annotated, Section 8-35-201 provides that any governing body of a joint venture between one or more political subdivisions of this State may by resolution authorize the employees of the joint venture to participate in the Tennessee Consolidated Retirement System (“TCRS”) subject to the approval of the TCRS Board of Trustees; provided that each political subdivision of the State which is represented in the joint venture passes a resolution guaranteeing the payment of its prorated share of any outstanding liability so incurred by the participation; and

WHEREAS, the governing body of the Duck River Utility Commission (“Joint Venture”) has passed a resolution (Name of Joint Venture)

authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Joint Venture adopts the following type plan:

- (1) Regular Defined Benefit Plan.
- (2) Alternate Defined Benefit Plan.
- (3) Local Government Hybrid Plan (If this Plan is chosen, the Joint Venture MUST also maintain a defined contribution plan on behalf of its employees and pass the attached resolution that describes the type of defined contribution plan the Joint Venture will adopt. The defined contribution plan could provide for employer contributions of 0% to up to 7% of its employees' salaries).
- (4) State Employee and Teacher Hybrid Plan (If this Plan is chosen, the Joint Venture MUST also maintain a defined contribution plan on behalf of its employees whereby the Joint Venture makes a mandatory employer contribution on behalf of each of its employees participating in the Hybrid Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability controls of the Hybrid Plan. The Joint Venture must also pass the attached resolution that describes the type of defined contribution plan the Joint Venture will adopt).

B. EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, NO EMPLOYEE CONTRIBUTIONS MAY BE ASSUMED AND BOX 1 MUST BE CHECKED). The Employees shall contribute:

- (1) 5% of the employees' earnable compensation.
- (2) 2.5% of the employees' earnable compensation.
- (3) 0% of the employees' earnable compensation.

C. COST-OF-LIVING INCREASES FOR RETIREES. (CHECK BOX 1 OR BOX 2 - IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS AND BOX 2 MUST BE CHECKED). The Joint Venture shall:

- (1) NOT provide cost-of-living increases for its retirees.
- (2) PROVIDE cost-of-living increases for its retirees.

D. ELIGIBILITY OF PART-TIME EMPLOYEES. (CHECK BOX 1 OR BOX 2). The Joint Venture shall:

- (1) NOT allow its part-time employees to participate in TCRS.
- (2) ALLOW its part-time employees to participate in TCRS.

E. PRIOR SERVICE. (CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5 - CAUTION: IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE AND IF BOX 3 BELOW IS NOT CHOSEN, THE EMPLOYER CONTRIBUTION COULD EXCEED 4% THEREBY CAUSING THE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS TO AUTOMATICALLY APPLY. ACCORDINGLY, PRIOR SERVICE IS NOT RECOMMENDED). For each employee employed with the Joint Venture on the effective date of the Joint Venture's participation in TCRS, the Joint Venture shall:

- (1) Purchase ALL years of prior service credit on behalf of its employees.
- (2) Purchase NO years of prior service credit on behalf of its employees, but shall accept the unfunded liability should its employees establish ALL years of prior service.
- (3) NOT allow its employees to establish any prior service credit with the Joint Venture.
- (4) Purchase years of prior service credit on behalf of its employees and accept the unfunded liability should its employees establish an additional years of prior service credit.
- (5) Purchase years of prior service credit on behalf of its employees and no additional prior service credit may be established; and

F. MAXIMUM UNFUNDED LIABILITY. (COMPLETE THIS ITEM F ONLY IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE). For purposes of the cost control provisions of Tennessee Code Annotated, Section 8-36-922(d), the Joint Venture defines “maximum unfunded liability” to mean an unfunded liability of no greater than N/A % of the Joint Venture's total pension liability; provided, that the maximum unfunded liability *SHALL NOT* exceed 20% of the Joint Venture's total pension liability; and

WHEREAS, the effective date of participation shall be on January 1, 2025 or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 9.0 %, which is based on the estimated lump sum accrued liability of \$-0-. If there is an estimated accrued liability, the amount shall be paid by (CHECK BOX 1 OR BOX 2 OR BOX 3):

- (1) Paying the amount in a lump sum within 30 days of the passage of this Resolution; or
 - (2) Paying the amount through an increase in the Joint Venture's initial employer contribution rate for the next July 1 - June 30. If this box is selected, the Joint Venture's employer contribution rate would increase by %, for a total revised employer contribution rate of % for the next July 1 - June 30; or
 - (3) Amortizing the amount over a period of years from the effective date of participation.
- Note:** This is subject to the approval of TCRS and the number of years cannot exceed 20 years.

WHEREAS, the City of Manchester is represented in such Joint Venture and desires
(Name of Political Subdivision)
to allow all the employees of the Joint Venture to participate in TCRS under the above terms and conditions, or under such other terms and conditions the governing body of the Joint Venture may adopt pursuant to the laws governing TCRS; provided, however, this governing body must approve by resolution any such action that would increase the liabilities of either the Joint Venture or the Political Subdivision; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Joint Venture and all public entities responsible for the direct funding of the Joint Venture and not the State of Tennessee; and


WHEREAS, the Joint Venture has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto.

NOW, THEREFORE, BE IT RESOLVED That the Board of Mayor and Aldermen of the
(Name of Governing Body)

City of Manchester hereby authorizes all the employees of the Joint Venture
(Name of Political Subdivision)

to become eligible to participate in TCRS in accordance with the above terms and conditions subject to the approval of the TCRS Board of Trustees, and hereby guarantees the payment of its prorated share of any outstanding liability so incurred by the above-referenced action of the Joint Venture. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 neither the Joint Venture nor the Political Subdivision shall make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Joint Venture for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Joint Venture, the Joint Venture or the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

Resolved this 5 day of November, 2024



Joey Hobbs, Mayor of Manchester
Mark Messick, Vice Mayor of Manchester

STATE OF TENNESSEE
COUNTY OF COFFEE

I, Anthony Burrows, Recorder of the Board of Mayor

and Aldermen of the City of Manchester, Tennessee do hereby certify that this is a true and exact copy
(Name of Political Subdivision)

of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 5 day of

November, 2024, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the City of Manchester
(Name of Political Subdivision)



Finance Director/Recorder Anthony Burrows

As Clerk of the Board, as aforesaid

Seal