

MINUTES

STUDY AND FORMULATING COMMITTEE

August 28, 2026

The Study & Formulating Committee met on Friday, August 28, 2026 at 9:00am in the Sonny West Conference Room at 700 President Ronald Reagan Way Nashville, Tennessee

Committee Members present: Chair: Glenn Farner; Vice Chair: Margaret O. Darby; Members: Lesley Farmer and Gary Moore.

Member John Tishler was unable to be present.

Other(s) present: Christina Hickey, Metro Human Resources; and Nicki Eke and Abby Greer, Metro Legal Department

Committee Chair Glenn Farner called the meeting to order and noted that copies of the minutes from the August 10, 2026 meeting had been emailed to members in advance. One correction was noted on page two, item five, reflecting Nicki Eke's statement, recommending the use of an effective date. With that amendment, Gary Moore moved for approval of the minutes as amended. Margaret O. Darby seconded, and the Committee approved the minutes as amended without objection.

STUDY & FORMULATING COMMITTEE ITEMS

The Human Resources staff submitted the following for the Committee's consideration and appropriate action:

Items pending before the Committee are as follows:

1. Public Comment Period

A maximum of ten (10) persons who write their names on the sign-up sheet provided at the meeting will be allowed to comment on matters that are germane to items on the Agenda. Comments are limited to a maximum of two (2) minutes per person. To provide comment, you must sign up prior to the beginning of the meeting.

Jessica Stewart, President, SEIU Local 205, addressed the Committee regarding SEIU's opposition to proposed changes to the out-of-pocket maximum language in the Metro Code.

Joel Cottrill, President, Fraternal Order of Police ("FOP"), echoed SEIU's opposition to changing the out-of-pocket maximum.

Addis Kendall, Local 140, National Firefighters, stated his support for the positions expressed by the presidents of SEIU and FOP.

2. PPO Out-of-Pocket Maximum — Metro Code 3.08.110

Kelly Lewis and Angela Watts, Deloitte, presented follow-up information requested at the Committee's prior meeting regarding possible modifications to the Metro Code language governing the PPO out-of-pocket maximum. Ms. Lewis reviewed four code-language options previously provided by Metro Legal:

Option 1

Delete the existing two sentences establishing the out-of-pocket maximums outright, with no replacement guardrail.

Option 2

Delete the current language (which sets the maximum at \$1,000 for single coverage and \$2,000 for family coverage) and replace it with a stated ceiling.

Option 3

Authorize the Employee Benefit Board to set annual out-of-pocket maximums for PPO and non-PPO coverage, effective upon approval of the Metropolitan Council by resolution. The consultants noted this would align the process with the one already used for the HRA Plan since its implementation in 2007.

Option 4

Similar to Option 2 but adding language allowing the out-of-pocket maximum to exceed the stated amount upon approval by resolution of the Metropolitan Council.

There was discussion regarding how the original late 1980s-era maximums were set.

Ms. Eke confirmed that any change to the out-of-pocket maximum must originate as a recommendation from the Study and Formulating Committee before it can proceed to the Employee Benefit Board and Metropolitan Council, consistent with the Metro Charter, and that the Council may modify or decline a recommendation but cannot independently initiate the change.

There were discussions regarding the effect of any change to the Code on premiums and other possible plan design levers (e.g., copay tiers, deductibles).

Questions were raised regarding Metro Legal Opinion 2005-01 (dated February 22, 2005) and whether Options 3 and 4 — which would delegate future authority to set the maximum to the Employee Benefit Board or allow the Council to exceed a stated cap by resolution — would improperly cede the Committee's origination authority. Ms. Eke responded that any such option would still constitute a recommendation originating from the Committee, with the Council retaining authority to adopt, modify, or reject it, and that this remains consistent with the Charter.

Following extended discussion, Gary Moore made a motion to leave the out-of-pocket maximum as currently codified and to make no recommendation for change at this time. The motion was seconded by the Chair Glenn Farner. After further discussion, the Committee's vote on the motion resulted in tie, with members Farner and Moore voting for the motion and Farner and Darby against. Because the motion did not receive majority approval, it failed, and no recommendation regarding the PPO out-of-pocket maximum was adopted at this meeting.

3. Lower-Cost Medical Plan Option

The Chair noted this item, previously discussed as a potential lower-cost/lower-benefit plan option, would be addressed. The consultant team stated that during a meeting with Nicki Eke, it was determined that consideration of a lower-cost plan option that changes current contribution rates, would require modifying the contribution rates codified in the Metro Code for employees and retirees,

and that Metro Legal will need additional time to develop Code language for that change. The consultants requested that this item be tabled to a September meeting.

Chair Farner asked the consultants to include, in a future presentation, a visual comparison of plan cost and claims experience, as well as an analysis of the potential impact if younger, healthier employees migrated to a new lower-cost plan. The consultants confirmed that any new plan would be priced based on the relative value of its design (a set differential) rather than adjusted based on the risk profile of who enrolls, so no adverse risk shift between plans would be expected.

Margaret O. Darby made a motion and Lesley Farmer seconded to table the lower-cost medical plan option to a September Committee meeting. The Committee approved the motion without objection.

4. Application for Membership — Code Language Amendment

This item, first presented at the Committee's prior meeting, returned for further discussion of code language provided by Metro Legal. Dylan Lynch, Metro Human Resources, addressed the Committee, clarifying that while the Application for Membership form is currently required by Code, signing the form does not itself confer membership in the retirement system — membership eligibility is governed by other sections of the Metro Code. He stated the form serves no substantive administrative purpose and that eliminating the requirement would improve operational efficiency for the department.

In response to member questions, Mr. Lynch confirmed that new employees are notified electronically of their benefit enrollment options (insurance, dental, etc.) separately from the Application for Membership form, and that employees who do not respond to enrollment communications are defaulted into a specific plan as provided elsewhere in the Code. Mr. Lynch confirmed the recommendation would eliminate the membership application form itself, not the separate benefits enrollment process. Justin Stack and Ginger Hall, Metro Human Resources, also addressed the Committee and answered questions.

Margaret O. Darby made a motion to approve the staff recommendation to adopt the code language proposed by Metro Legal, removing the Application for Membership requirement. The motion was seconded by Lesley Farmer. There being no further discussion, the Committee approved the motion unanimously.

5. Cost-of-Living Adjustment (COLA) — Division A and Division B Pension Plans

Kevin Sullivan, actuarial consultant with USi, presented background and follow-up information requested at the Committee's prior meeting regarding potential changes to the cost-of-living adjustment (COLA) provisions for the Metropolitan Employees Benefit System's Division A and Division B pension plans.

The consultant presented several illustrative scenarios for modifying the Division B COLA (currently a lesser formula than Division A), including CPI-based formulas at 60%, 80%, and CPI-minus-1% levels, comparing the impact of simple versus compound COLA structures on the plan's funded ratio and required employer contribution rate.

The consultant noted that most public pension plans are funded below 80%, and that Metro's system has maintained funding above 90% for more than a decade, including through recent market volatility.

Gary Moore stated a preference for a cautious, conservative approach given the strength of the current plan, and requested additional time to review the information before any recommendation is made. A motion was made by Margaret O. Darby to table the COLA discussion until at least the next Committee meeting, with a request that the consultant add the 80%-of-CPI-in-excess-of-1% (1% minimum/4% maximum) scenario to the written materials for that presentation. The motion was seconded by Gary Moore. The Committee approved the motion to table without objection.

With no further business before the Committee, the meeting adjourned at approximately 11:15 a.m.

ATTEST:

APPROVED:

***Shannon Hall, Director
Human Resources***

***Glenn Farner, Chair
Study & Formulating Committee***