

MEETING	DATE	<u>October 20, 2026</u>	Time	<u>5:00 p.m.</u>
PLANNING & ZONING MEETING	DATE	<u> </u>	Time	<u> </u>
WORKSHOP	DATE	<u> </u>	TIME	<u> </u>
PLACE OF MEETING	RIDGETOP CITY HALL			

Citizens may address the board in-person and citizen comments are limited to three (3) minutes in length. If the citizen speaker has any documents or papers, he/she desires to share with the Board, he/she must provide a copy to the City Recorder three business days prior to the meeting. Please see Resolution 23-12 for guidelines for citizen comments.

MEETING CALLED BY: MAYOR SHAW
ON THE AGENDA OF THE ABOVE DATE: See Attached Agenda.

City of Ridgetop Board of Mayor and Aldermen

Special Call Agenda for Meeting of October 20, 2026 5:00 p.m.

Item 1) Meeting called to order

Item 2) Invocation & Pledge

Item 3) Roll Call

Item 4) Citizen Comments

Item 5) New Business

- a) Discussion of Option Plans for Tennessee Consolidated Retirement System
- b) Discussion Ordinance 2026-105, An Ordinance Amending Ordinance 2025-105 An Ordinance Establishing Sewer Rates for the Collection and Treatment of Sewage for the City of Ridgetop Sewer System
- c) Discussion Charter Changes

Item 6) Close Meeting

City of Ridgetop Retirement Plan Study

Actuarial Valuation Report

A Study of the Costs and Benefits Anticipated through Participation
in the Tennessee Consolidated Retirement System (TCRS)

October 1, 2026

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Summary of Study

An actuarial valuation was performed as of October 1, 2026 to examine the cost of any benefits provided by the Tennessee Consolidated Retirement System (TCRS) as it would apply to the City of Ridgetop if the group joined TCRS on that date.

TCRS offers three different plan design options for political subdivisions, referred to throughout this report as Plan 1, Plan 2, and Plan 3. Each of the three plans has a unique set of benefits and corresponding costs. The description of the benefits can be found in the Plan Provisions section of this report. Further, within Plan 1 and Plan 2, each political subdivision can elect whether to include or exclude cost of living benefits in its retirement plan. Costs have been developed both “with” and “without” cost of living benefits for Plan 1 and Plan 2. Plan 3 is required to include cost of living benefits.

Each political subdivision joining TCRS also has the option of whether or not to include employees' past service (service earned prior to the date of joining TCRS) in the determination of benefits. If past service is included, the political subdivision may elect whether or not to limit the past service to a selected number of years. Further, the included years of past service may be fully purchased by the employer, or the employee can be made to be responsible for voluntarily purchasing the past service with the employer accepting its share of the liability for any years that the employee purchases.

As shown on the following page, the cost of providing benefits under each of the studied scenarios consists of two components:

1. Employer Past Service Contribution (One-time Contribution)

If past service is included, the political subdivision must contribute in a lump sum the total cost for the unfunded accrued liability at the time they join TCRS. This cost is a one-time contribution upon joining TCRS.

2. Annual Employer Contribution Rate (Ongoing Contribution)

To cover the cost of future service, the political subdivision must make ongoing annual contributions to TCRS, which are calculated as a percentage of payroll. Note, the ongoing contribution could increase or decrease (perhaps significantly) in future years based on the investment and liability gains and losses.

1. Employer Past Service Contribution (One-time Contribution)

	Plan 1		Plan 2		Plan 3
	Without COLA	With COLA	Without COLA	With COLA	With COLA
Past Service Scenarios					
1. All Past Service (Employer purchases all years)	\$492,194	\$595,032	\$404,329	\$483,098	\$347,462
2. 15 Years of Past Service (Employer purchases up to 15 years)	\$371,208	\$448,555	\$292,056	\$346,330	\$249,823
3. 10 Years of Past Service (Employer purchases up to 10 years)	\$315,586	\$380,977	\$250,243	\$296,636	\$214,341
4. 5 Years of Past Service (Employer purchases up to 5 years)	\$203,425	\$245,641	\$162,167	\$191,941	\$139,470

2. Annual Employer Contribution Rate (Ongoing Contribution)

	Plan 1		Plan 2		Plan 3
	Without COLA	With COLA	Without COLA	With COLA	With COLA
Past Service Scenarios					
1. All Past Service (Employer purchases all years)	4.75%	6.86%	2.47%	3.86%	1.51%
2. 15 Years of Past Service (Employer purchases up to 15 years)	5.21%	7.41%	2.85%	4.30%	1.83%
3. 10 Years of Past Service (Employer purchases up to 10 years)	5.26%	7.45%	2.98%	4.45%	1.94%
4. 5 Years of Past Service (Employer purchases up to 5 years)	5.47%	7.66%	3.26%	4.76%	2.17%

The above results assume that employees will contribute 5% of pay toward the future cost of their retirement benefit. Alternatively, the entity may elect to charge only 2.5% employee contributions or to require no employee contributions, in which case TCRS will increase the above rates by 2.5% or 5%, respectively.

Plan 1 Without COLA

	Past Service Scenarios*			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
(a) Present Value of Benefits	819,483	706,445	655,486	555,468
<u>Employer Past Service Contribution (One-time Contribution)</u>				
(b) Accrued Liability for Past Service	492,194	371,208	315,586	203,425
(c) Employee Past Service Contribution	0	0	0	0
(d) Employer Past Service Contribution (b) - (c)	492,194	371,208	315,586	203,425
<u>Annual Employer Contribution Rate (Ongoing Contribution)</u>				
(e) Normal Cost	17,249	18,975	19,167	19,925
(f) Normal Cost Contribution (e) x 1.03375	17,831	19,615	19,814	20,597
(g) Current Payroll	386,789	386,789	386,789	386,789
(h) Normal Cost Rate (f) / (g)	4.61%	5.07%	5.12%	5.33%
(i) Active Participant Count	7	7	7	7
(j) Administrative Expense (i) x \$76	532	532	532	532
(k) Administrative Expense Rate (j) / (g)	0.14%	0.14%	0.14%	0.14%
(l) Annual Employer Contribution (f) + (j)	18,363	20,147	20,346	21,129
(m) Annual Employer Contribution Rate (h) + (k)	4.75%	5.21%	5.26%	5.47%

*Past Service Scenarios: Scenario 1 = All Past Service (Employer purchases all years)
 Scenario 2 = 15 Years of Past Service (Employer purchases up to 15 years)
 Scenario 3 = 10 Years of Past Service (Employer purchases up to 10 years)
 Scenario 4 = 5 Years of Past Service (Employer purchases up to 5 years)

Plan 1 With COLA

	Past Service Scenarios*			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
(a) Present Value of Benefits	994,739	857,635	795,340	674,028
<u>Employer Past Service Contribution (One-time Contribution)</u>				
(b) Accrued Liability for Past Service	595,032	448,555	380,977	245,641
(c) Employee Past Service Contribution	0	0	0	0
(d) Employer Past Service Contribution (b) - (c)	595,032	448,555	380,977	245,641
<u>Annual Employer Contribution Rate (Ongoing Contribution)</u>				
(e) Normal Cost	25,151	27,185	27,351	28,145
(f) Normal Cost Contribution (e) x 1.03375	26,000	28,102	28,274	29,095
(g) Current Payroll	386,789	386,789	386,789	386,789
(h) Normal Cost Rate (f) / (g)	6.72%	7.27%	7.31%	7.52%
(i) Active Participant Count	7	7	7	7
(j) Administrative Expense (i) x \$76	532	532	532	532
(k) Administrative Expense Rate (j) / (g)	0.14%	0.14%	0.14%	0.14%
(l) Annual Employer Contribution (f) + (j)	26,532	28,634	28,806	29,627
(m) Annual Employer Contribution Rate (h) + (k)	6.86%	7.41%	7.45%	7.66%

*Past Service Scenarios: Scenario 1 = All Past Service (Employer purchases all years)
 Scenario 2 = 15 Years of Past Service (Employer purchases up to 15 years)
 Scenario 3 = 10 Years of Past Service (Employer purchases up to 10 years)
 Scenario 4 = 5 Years of Past Service (Employer purchases up to 5 years)

Plan 2 Without COLA

	Past Service Scenarios*			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
(a) Present Value of Benefits	677,378	580,380	541,866	467,866
<u>Employer Past Service Contribution (One-time Contribution)</u>				
(b) Accrued Liability for Past Service	404,329	292,056	250,243	162,167
(c) Employee Past Service Contribution	0	0	0	0
(d) Employer Past Service Contribution (b) - (c)	404,329	292,056	250,243	162,167
<u>Annual Employer Contribution Rate (Ongoing Contribution)</u>				
(e) Normal Cost	8,713	10,148	10,644	11,674
(f) Normal Cost Contribution (e) x 1.03375	9,007	10,490	11,003	12,068
(g) Current Payroll	386,789	386,789	386,789	386,789
(h) Normal Cost Rate (f) / (g)	2.33%	2.71%	2.84%	3.12%
(i) Active Participant Count	7	7	7	7
(j) Administrative Expense (i) x \$76	532	532	532	532
(k) Administrative Expense Rate (j) / (g)	0.14%	0.14%	0.14%	0.14%
(l) Annual Employer Contribution (f) + (j)	9,539	11,022	11,535	12,600
(m) Annual Employer Contribution Rate (h) + (k)	2.47%	2.85%	2.98%	3.26%

*Past Service Scenarios: Scenario 1 = All Past Service (Employer purchases all years)
 Scenario 2 = 15 Years of Past Service (Employer purchases up to 15 years)
 Scenario 3 = 10 Years of Past Service (Employer purchases up to 10 years)
 Scenario 4 = 5 Years of Past Service (Employer purchases up to 5 years)

Plan 2 With COLA

	Past Service Scenarios*			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
(a) Present Value of Benefits	807,191	688,392	642,482	553,897
<u>Employer Past Service Contribution (One-time Contribution)</u>				
(b) Accrued Liability for Past Service	483,098	346,330	296,636	191,941
(c) Employee Past Service Contribution	0	0	0	0
(d) Employer Past Service Contribution (b) - (c)	483,098	346,330	296,636	191,941
<u>Annual Employer Contribution Rate (Ongoing Contribution)</u>				
(e) Normal Cost	13,908	15,570	16,139	17,277
(f) Normal Cost Contribution (e) x 1.03375	14,377	16,095	16,684	17,860
(g) Current Payroll	386,789	386,789	386,789	386,789
(h) Normal Cost Rate (f) / (g)	3.72%	4.16%	4.31%	4.62%
(i) Active Participant Count	7	7	7	7
(j) Administrative Expense (i) x \$76	532	532	532	532
(k) Administrative Expense Rate (j) / (g)	0.14%	0.14%	0.14%	0.14%
(l) Annual Employer Contribution (f) + (j)	14,909	16,627	17,216	18,392
(m) Annual Employer Contribution Rate (h) + (k)	3.86%	4.30%	4.45%	4.76%

*Past Service Scenarios: Scenario 1 = All Past Service (Employer purchases all years)
Scenario 2 = 15 Years of Past Service (Employer purchases up to 15 years)
Scenario 3 = 10 Years of Past Service (Employer purchases up to 10 years)
Scenario 4 = 5 Years of Past Service (Employer purchases up to 5 years)

Plan 3 With COLA

	Past Service Scenarios*			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
(a) Present Value of Benefits	586,325	501,543	468,792	406,043
<u>Employer Past Service Contribution (One-time Contribution)</u>				
(b) Accrued Liability for Past Service	347,462	249,823	214,341	139,470
(c) Employee Past Service Contribution	0	0	0	0
(d) Employer Past Service Contribution (b) - (c)	347,462	249,823	214,341	139,470
<u>Annual Employer Contribution Rate (Ongoing Contribution)</u>				
(e) Normal Cost	5,123	6,314	6,724	7,596
(f) Normal Cost Contribution (e) x 1.03375	5,296	6,527	6,951	7,852
(g) Current Payroll	386,789	386,789	386,789	386,789
(h) Normal Cost Rate (f) / (g)	1.37%	1.69%	1.80%	2.03%
(i) Active Participant Count	7	7	7	7
(j) Administrative Expense (i) x \$76	532	532	532	532
(k) Administrative Expense Rate (j) / (g)	0.14%	0.14%	0.14%	0.14%
(l) Annual Employer Contribution (f) + (j)	5,828	7,059	7,483	8,384
(m) Annual Employer Contribution Rate (h) + (k)	1.51%	1.83%	1.94%	2.17%

*Past Service Scenarios: Scenario 1 = All Past Service (Employer purchases all years)
 Scenario 2 = 15 Years of Past Service (Employer purchases up to 15 years)
 Scenario 3 = 10 Years of Past Service (Employer purchases up to 10 years)
 Scenario 4 = 5 Years of Past Service (Employer purchases up to 5 years)

Distribution of Active Participants with Average Compensation

Attained Age	Years of Service										Total
	Under 1	1 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	Over 39	
Under 25											
25 – 29		1 \$51,653									1 \$51,653
30 – 34		1 \$33,392									1 \$33,392
35 – 39			1 \$67,267								1 \$67,267
40 – 44											
45 – 49		1 \$58,617									1 \$58,617
50 – 54											
55 – 59			2 \$51,753								2 \$51,753
60 – 64							1 \$72,353				1 \$72,353
65 – 69											
Over 69											
Total		3 \$47,888	3 \$56,925				1 \$72,353				7 \$55,256

Outline of Plan Provisions

(Plan provisions for Plan 1, Plan 2, and Plan 3 are the same except where indicated)

1. Eligibility

All employees included on the census form were considered to be eligible.

2. Credited Service

Credited Service means the period of a member's continuous service on or after the valuation date since his last date of employment with the employer, and may also include service prior thereto. Retirement credit for part-time service is granted on a pro-rata basis in direct proportion to the schedule of a full-time employee.

3. Normal Retirement

(a) Condition

The normal retirement date is the first day of the month coincident with or next following the earlier of:

Plan 1

The 60th birthday of the employee, or the date the employee completes 30 years of credited service, but in no case before the employee has completed 5 years of credited service.

Plan 2 and Plan 3

The 65th birthday of the employee, or the date the employee's age and years of credited service sum to 90, but in no case before the employee has completed 5 years of credited service.

(b) Benefit

The normal retirement benefit, 1/12th of which is paid monthly for life, is determined as follows:

Plan 1

1-1/2% of average earnings plus 1/4% of average earnings in excess of the social security integration level, all multiplied by the number of years of creditable service.

In no event shall the benefit exceed 90% of average earnings, or be less than \$8.00 per month per year of credited service.

“Average earnings” is the average annual earnings of a member for the five consecutive years of credited service which produce the highest average.

“Social security integration level” is an amount which in 2017 is \$75,000 but which will be adjusted upward in the future to reflect changes in the average salary covered by social security.

The benefit actually payable will be 105% of the benefit calculated according to the formula described above.

Plan 2

1-4/10% of average earnings multiplied by the number of years of creditable service.

In no event shall the benefit exceed the lessor of 90% of average earnings or \$80,000 (indexed annually), or be less than \$8.00 per month per year of credited service.

“Average earnings” is the average annual earnings of a member for the five consecutive years of credited service which produce the highest average.

Plan 3

1% of average earnings multiplied by the number of years of creditable service.

In no event shall the benefit exceed the lessor of 90% of average earnings or \$80,000 (indexed annually), or be less than \$8.00 per month per year of credited service.

“Average earnings” is the average annual earnings of a member for the five consecutive years of credited service which produce the highest average.

4. Early Retirement

A vested member may terminate employment and receive a reduced retirement benefit upon:

Plan 1

Attaining age 55, or completing 25 years of credited service.

Plan 2 and Plan 3

Attaining age 60, or the date the employee’s age and years of credited service sum to 80.

5. Delayed Retirement

(a) Condition

A member may postpone his retirement beyond his normal retirement date and continue to accrue retirement credit.

(b) Benefit

The benefit, commencing on the first day of the month following the member's actual date of retirement, is the benefit computed in the same manner as in 3(b) above for normal retirement, with the computation being made as of the member's actual retirement date.

6. Disability Retirement

(a) Condition

In the event a member becomes totally and permanently disabled after completion of 5 years of credited service, he may retire and receive a disability retirement benefit.

(b) Benefit

The disability retirement benefit, commencing on the first day of the month immediately following determination of disability and payable during the continuance of disability, is computed in the same manner as in 3(b) above for normal retirement, with the computation being made as of the member's date of termination of employment, except that the minimum period of credited service used shall be the lesser of 20 years or the total number of years the member would have completed at his normal retirement date, but not less than ten years of creditable service; however, the disability retirement benefit will be 90% of the benefit otherwise applicable. The disability retirement benefit changes to normal service benefit (including projected years of service) when the conditions for normal service retirement are met.

7. Death Before Retirement

(a) Condition

If the death of a member occurs before he is eligible for retirement, a death benefit will be paid to his designated beneficiary.

(b) Benefit

If the death of the member occurs after he has completed 5 years of credited service, the benefit is payable if a surviving spouse has been designated as beneficiary, and is equal to the amount that would have been payable at the member's normal retirement date if he had terminated employment on the date of his death and had elected a 100% joint and survivor optional retirement benefit, discounted for each month by which the member fell short of satisfying the requirements for normal retirement (using the respective plan's early retirement reduction factors).

8. Termination of Employment With Vested Benefit

If a member terminates his employment after completion of 5 years of credited service he may elect to leave his contribution (if any) in the plan until he meets the age eligibility requirements for benefits and makes application.

If such a former member becomes disabled before his benefits commence, he can elect to begin to receive the actuarial equivalent of his deferred vested benefit immediately. If such a former member with at least 10 years of credited service dies before his benefits commence, the death benefit described in item 7(b) above is payable, based on the amount of the former member's deferred vested benefit, discounted for election of the 50% joint and survivor option and for early receipt.

9. Other Termination of Employment

If employment is otherwise terminated before retirement, no benefits are provided under the plan, and the member will receive a refund of his contributions (if any) to the plan with interest.

10. Optional Methods of Benefit Payment

Subject to the applicable plan conditions, a member may select an optional method of benefit payment, in lieu of the prescribed straight life income, which is actuarially equivalent thereto. The purpose of the optional method is to provide a continued life income to a surviving beneficiary after the death of a member.

11. Minimum Benefit of Refund of Member Contribution for Retired Members

The total of the benefits paid from the plan to a member and his spouse or beneficiary will in no event be less than the member's contributions plus interest to his date of termination of employment.

12. Benefit Increase After Retirement

Each year the retirement benefits being paid are subject to an increase determined by applying a formula based on the increase in the Consumer Price Index. The maximum increase is 3% of the current benefit amount, provided the political subdivision elects to participate in the cost-of-living adjustments.

13. Member Contribution

Each general employee member contributes an amount equal to 5% of his compensation each year, unless the political subdivision authorizes a noncontributory retirement plan or requires employee contributions of 2.5% of compensation.

14. Employer Contribution

The Employer contributes actuarially determined amounts to finance the plan benefits not supported by member contributions.

15. Investment of Funds

The plan assets are invested in a trust fund with the trustees of the state retirement system. The investment earnings provide a source of funding toward the cost of the pension plan.

Summary of Actuarial Assumptions

Unless noted below, all assumptions are a combination of estimated future experience and estimates inherent in market data or plan experience.

Valuation Date

October 1, 2026

Interest Rate

6.75% per annum

Salary Increases

Age	Rate
20	8.88%
30	6.64%
40	5.25%
50	4.17%
60	3.69%
65	3.61%

Increase in Social Security Wage Base

2.90% per annum increase

Cost of Living Adjustment

2.25% per annum increase (where applicable)

Post-Retirement Mortality (Base Rates)

Male – 102% of Pub-2016 General Below Median Mortality Table for Healthy Retirees

Female – 116% of Pub-2016 General Below Median Mortality Table for Healthy Retirees

Post-Disability Mortality (Base Rates)

140% of Pub-2016 Mortality Table for Disabled Retirees

Pre-Retirement Mortality (Base Rates)

Pub-2016 General Below Median Mortality Table for Employees

Mortality Improvement

The mortality tables for service retirement include projected mortality improvement from 2016 to 2022 (the mid-year of the last TCRS experience study) using Scale MP-2021 and generational improvement after 2022 using MP-2021.

The mortality tables for disability retirement and for pre-retirement include generational improvement after 2016 using MP-2021.

Withdrawal and Disability Rates

Age	Withdrawal Rates			Disability Rates	
	First Year	Second Year	Later		
Male					
20	25.19%	19.60%	13.73%	0.03%	
30	20.96%	16.07%	7.36%	0.03%	
40	18.43%	14.27%	3.47%	0.08%	
50	16.31%	11.74%	2.78%	0.38%	
60	19.59%	13.40%	4.62%	0.00%	
65	24.23%	16.23%	0.00%	0.00%	
Female					
20	25.19%	19.60%	19.61%	0.03%	
30	20.96%	16.07%	11.07%	0.03%	
40	18.43%	14.27%	5.41%	0.08%	
50	16.31%	11.74%	3.79%	0.38%	
60	19.59%	13.40%	5.32%	0.00%	
65	24.23%	16.23%	0.00%	0.00%	

Rate of Normal Retirement

The following rates were developed from TCRS experience and are applied at each age at which a member is eligible for an unreduced service retirement benefit (which will result in different retirement patterns for each plan based on the applicable eligibility requirements):

Age	Male	Female
50	9.00%	8.00%
51	9.00%	8.00%
52	9.00%	8.00%
53	9.00%	8.00%
54	9.00%	8.00%
55	9.00%	8.00%
56	9.00%	9.00%
57	9.50%	9.50%
58	9.50%	10.00%
59	10.00%	11.00%
60	10.50%	11.00%
61	15.00%	13.00%
62	20.00%	18.00%
63	17.50%	16.00%
64	17.50%	16.00%
65	24.00%	22.00%
66	18.50%	19.00%
67	16.00%	19.00%
68	16.00%	19.00%
69	16.50%	19.00%
70	18.00%	19.00%
71	18.00%	19.00%
72	18.00%	19.00%
73	18.00%	19.00%
74	18.00%	19.00%
75	100.00%	100.00%

Additional increments for retirees in the year in which they are first eligible for unreduced retirement prior to age 60:

6.50%	6.50%
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Additional increments for retirees who have fifteen or more years of service at retirement on or after age 60:

3.00%	3.00%
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Commencement Dates and Forms of Payment

Retiring participants are assumed to elect the normal form of payment commencing immediately.

Terminating participants and inactive participants who are entitled to future benefits are assumed to elect the normal form of payment commencing at the age at which a member is eligible for an unreduced service retirement benefit.

Actuarial Cost Method

Entry Age Normal

Assumptions, Methods and Procedures

The actuarial calculations contained in the report are built on deterministic actuarial modeling, making a single determination of liabilities and costs. Further, these actuarial calculations are based on a combination of demographic and asset data, as well as assumptions concerning future changes in these data. As such, the actuarial calculations contained herein are an estimate of projected future occurrences.

The actuarial liabilities shown in this report are determined using software purchased from an outside vendor which was developed for this purpose. Certain information is entered into this model in order to generate the liabilities. These inputs include economic and non-economic assumptions, plan provisions, and census information. We rely on the coding within the software to value the liabilities using the actuarial methods and assumptions selected. Both the input to and the output from the model is checked for accuracy and reviewed for reasonableness.

Risk Discussion – Actuarial Standards of Practice No. 51

Actuarial funding valuation reports are required to include a discussion of the risk associated with measuring pension obligations and determining pension plan contributions. The risks that may reasonably be anticipated to significantly affect the plan's future financial condition are discussed below. It is recommended that the plan sponsor continues to monitor these risks. Further analysis can be provided as requested separate from this report.

Investment Risk

The investment risk is expected to be the single most important factor in determining the future cost of the plan. Due to the plan's significant equity exposure and low correlation between fixed income assets and liabilities, there is risk that the funded status (and required cash contributions) of the plan could be very volatile.

Interest Rate Risk

Related to the investment risk section above, the assumed future returns implied in the interest rate used to value the liabilities is a significant factor in determining the plan's funded status. A decrease in the assumed interest rate would increase the liability (and required contributions).

Inflation Risk

Since benefit amounts are pay-related, pay increases in excess of the valuation assumption will result in an increase in the liabilities (and required cash contributions) of the plan. An increase in inflation is one factor that could lead to higher pay increases. Further, an increase in inflation will also result in a higher COLA to retirees (if applicable), which will increase the liabilities of the plan. However, the inflation risk is dampened due to inflation being a component of the interest rate used to value the liabilities. An increase in inflation would likely result in an increase in the interest rate, which could mitigate the pay and COLA increases.

Mortality Risk

Since the primary benefits of the plan are paid as annuities, the plan is sensitive to changes in the longevity of the population. As a result, the liabilities (and required cash contributions) of the plan will increase if the participants live longer than expected and decrease if they live shorter than expected. The current mortality assumption projects future longevity improvements, which generally dampens the mortality risk.

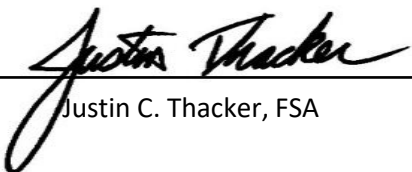
Purpose and Use

This report has been prepared exclusively for the subject entity to determine the initial funding contribution and annual contribution rate for joining TCRS as of the valuation date, and may not be appropriate for other purposes. USI Consulting Group is not responsible for consequences resulting from the use of any part of this report without prior authorization or approval. This report provides actuarial advice and does not constitute legal, accounting, tax or investment advice. Determinations for other purposes, such as bond ratings, financial reporting, or judging benefit security, may be significantly different from the results shown in this report.

Actuarial findings in this report are based on actuarial assumptions which reflect expected plan experience. Although the deviation of the actual future plan experience and the expected experience inherently creates some uncertainty with the results, in our opinion the actuarial assumptions reasonably reflect the expected future experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of such future measurements.

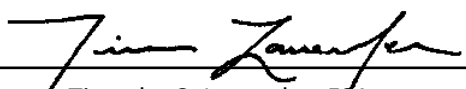
Professional Qualifications

This report has been prepared under the supervision of Justin C. Thacker, a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and a consulting actuary with USI Consulting Group, who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein. To the best of our knowledge this report has been prepared in accordance with generally accepted actuarial standards, including the overall appropriateness of the analysis, assumptions, and results and conforms to appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for the actuarial report. We are not aware of any direct or material indirect financial interest or relationship, including investment management or other services that could create, or appear to create, a conflict of interest that would impair the objectivity of our work.


Justin C. Thacker, FSA

September 14, 2026

Date


Timothy C. Lavender, FSA

September 14, 2026

Date



Tennessee Consolidated Retirement System

Actuarial Study for Participation Results

City of Ridgetop



TCRS Statistics and Standings

- Provides retirement, survivor and disability benefits to more than 239,000 active members and over 164,000 retired members
- \$74.9 billion held in trust (as of 6/30/2025)
- One of the top three best funded state pension plans
- More than 92% of the \$2.6 billion in annual benefits paid by TCRS remain in Tennessee
- For every \$100 paid out to retirees, \$67 comes from investment earnings



TCRS Members

- State Employees
- K-12 Public School Teachers
- Local Governments/Political Subdivisions
 - Cities
 - Counties
 - Special Districts
 - Utility Districts
 - E911 Districts
 - Development Districts
 - Housing Authorities
 - Special School Districts



TCRS Sources of Funding

- Employee Contributions*
 - Employees are required to contribute 5% of their monthly salary.
- Employer Contributions
 - Employers are required to pay an actuarially determined contribution percentage. This percentage is calculated every year by an independent actuarial firm.
- Investment Return
 - TCRS expects a 6.75% return on investments.

*Employers may assume the employee contribution rate for their staff in addition to the employer contribution rate.



Unfunded Accrued Liability

- **Unfunded Accrued Liability (aka Unfunded Liability)** is the amount of money, based on the prior service scenarios, that is needed to make the City of Ridgetop TCRS plan fully funded from an actuarial standpoint.
- Unfunded Liability amounts differ based on which TCRS plan involving prior service is chosen and which options are chosen (e.g. providing Cost Of Living Adjustments or not).
- Employers joining TCRS who are purchasing prior service are required to pay in a lump sum the total cost for the Unfunded Liability at the time they join TCRS.
- The express permission of the Treasurer is required for any exceptions.
- Contribution rates assume the payoff of all unfunded liability



Requested Actuarial Data

City of Ridgetop requested an actuarial study to calculate the cost to participate in the TCRS.

The following prior service options for employees were included:

- **Employer purchases ALL prior service credit on behalf of the employee**
- **Employer Purchases 15 years of prior service and no additional prior service will be established.**
- **Employer Purchases 10 years of prior service and no additional prior service will be established.**
- **Employer Purchases 5 years of prior service and no additional prior service will be established.**



Local Government Plan Options

- Plan 1: Original Defined Benefit Plan
- Plan 2: Alternate Defined Benefit Plan
 - Change in Retirement Requirements
 - Lower Benefit Multiplier in Calculation
- Plan 3: Local Government Hybrid Plan
 - Change in Retirement Requirements
 - Lower Benefit Multiplier in Calculation
 - Two Retirement Plan Components
 - Defined Benefit Component
 - Defined Contribution Component



What Components Are Used To Determine A TCRS Retirement Benefit?

- Average Final Compensation (AFC): the average of your highest sixty consecutive months of salary throughout salary history.
- Years of Service: total number of years and months of creditable service
- Age at Retirement: determines early retirement reduction factors and benefits paid under survivor benefit payment plans



Original Defined Benefit Plan (Plan 1)

Retirement Requirements:

- **Service Retirement:** Member is age 60 and vested or has 30 years of service regardless of age. No penalty.
- **Early Retirement:** Member is age 55 and vested. Penalty assessed.
- **25 Year Early Retirement:** Member is under the age of 55 and has no less than 25, but no more than 30, years of service. Penalties assessed.

Benefit Formula

Years of Service x AFC x 1.5% + 5% = Annual Benefit



Employer Cost for Original Defined Benefit Plan (Plan 1)

Employer purchases ALL prior service credit on behalf of the employee

- Without Cost of Living Adjustment: 4.75%
 - Initial Annual Cost: \$18,363
 - **Assuming payoff of Unfunded Accrued Liability: \$492,194**
- With Cost of Living Adjustment: 6.86%
 - Initial Annual Cost: \$26,532
 - **Assuming payoff of Unfunded Accrued Liability: \$595,032**

Employer Purchases 15 years of prior service and no additional prior service will be established

- Without Cost of Living Adjustment: 5.21%
 - Initial Annual Cost: \$20,147
 - **Assuming payoff of Unfunded Accrued Liability: \$371,208**
- With Cost of Living Adjustment: 7.41%
 - Initial Annual Cost: \$28,634
 - **Assuming payoff of Unfunded Accrued Liability: \$448,555**



Employer Cost for Original Defined Benefit Plan (Plan 1)

Employer Purchases 10 years of prior service and no additional prior service will be established

- Without Cost of Living Adjustment: 5.26%
 - Initial Annual Cost: \$20,346
 - **Assuming payoff of Unfunded Accrued Liability: \$315,586**
- With Cost of Living Adjustment: 7.45%
 - Initial Annual Cost: \$28,806
 - **Assuming payoff of Unfunded Accrued Liability: \$380,977**

Employer Purchases 5 years of prior service and no additional prior service will be established

- Without Cost of Living Adjustment: 5.47%
 - Initial Annual Cost: \$21,129
 - **Assuming payoff of Unfunded Accrued Liability: \$203,425**
- With Cost of Living Adjustment: 7.66%
 - Initial Annual Cost: \$29,627
 - **Assuming payoff of Unfunded Accrued Liability: \$245,641**



Alternate Defined Benefit Plan (Plan 2)

Retirement Requirements:

- **Service Retirement:** Member is age 65 and vested or meets the Rule of 90 (age and service together equal 90 or more.) No penalty.
- **Early Retirement:** Member is age 60 and vested or meets the Rule of 80 (age and service together equal 80 or more.) Penalty assessed.

Benefit Formula

Years of Service x AFC x 1.4% = Annual Benefit



Employer Cost for Alternate Defined Benefit Plan (Plan 2)

Employer purchases ALL prior service credit on behalf of the employee

- Without Cost of Living Adjustment: 2.47%
 - Initial Annual Cost: \$9,539
 - **Assuming payoff of Unfunded Accrued Liability: \$404,329**
- With Cost of Living Adjustment: 3.86%
 - Initial Annual Cost: \$14,909
 - **Assuming payoff of Unfunded Accrued Liability: \$483,098**

Employer Purchases 15 years of prior service and no additional prior service will be established.

- Without Cost of Living Adjustment: 2.85%
 - Initial Annual Cost: \$11,022
 - **Assuming payoff of Unfunded Accrued Liability: \$292,056**
- With Cost of Living Adjustment: 4.30%
 - Initial Annual Cost: \$16,627
 - **Assuming payoff of Unfunded Accrued Liability: \$346,330**



Employer Cost for Alternate Defined Benefit Plan (Plan 2)

Employer Purchases 10 years of prior service and no additional prior service will be established

- Without Cost of Living Adjustment: 2.98%
 - Initial Annual Cost: \$11,535
 - **Assuming payoff of Unfunded Accrued Liability: \$250,243**
- With Cost of Living Adjustment: 4.45%
 - Initial Annual Cost: \$17,216
 - **Assuming payoff of Unfunded Accrued Liability: \$296,636**

Employer Purchases 5 years of prior service and no additional prior service will be established.

- Without Cost of Living Adjustment: 3.26%
 - Initial Annual Cost: \$12,600
 - **Assuming payoff of Unfunded Accrued Liability: \$162,167**
- With Cost of Living Adjustment: 4.76%
 - Initial Annual Cost: \$18,392
 - **Assuming payoff of Unfunded Accrued Liability: \$191,941**



Local Government Hybrid Plan (Plan 3)

Retirement Requirements:

- **Service Retirement:** Member is age 65 and vested or meets the Rule of 90 (age and service together equal 90 or more.) No penalty.
- **Early Retirement:** Member is age 60 and vested or meets the Rule of 80 (age and service together equal 80 or more.) Penalty assessed.

Benefit Formula

Years of Service x AFC x 1.0% = Annual Benefit



Employer Cost for Local Government Hybrid Plan (Plan 3)

Employer purchases ALL prior service credit on behalf of the employee

- With Cost of Living Adjustment: 1.51%
 - Initial Annual Cost: \$5,828
 - **Assuming payoff of Unfunded Accrued Liability: \$347,462**

Employer Purchases 15 years of prior service and no additional prior service will be established

- With Cost of Living Adjustment: 1.83%
 - Initial Annual Cost: \$7,059
 - **Assuming payoff of Unfunded Accrued Liability: \$249,823**

Employer Purchases 10 years of prior service and no additional prior service will be established

- With Cost of Living Adjustment: 1.94%
 - Initial Annual Cost: \$7,483
 - **Assuming payoff of Unfunded Accrued Liability: \$214,341**

Employer Purchases 5 years of prior service and no additional prior service will be established

- With Cost of Living Adjustment: 2.17%
 - Initial Annual Cost: \$8,384
 - **Assuming payoff of Unfunded Accrued Liability: \$139,470**



Employer Cost for Local Government Hybrid Plan (Plan 3)

Additional requirements:

- Employers must provide the Cost of Living Adjustment Benefit if participating in the Local Government Hybrid Plan.
- Employers must provide a defined contribution (DC) plan. The employer is not required to contribute to the DC plan but if the employer does contribute, employer contributions to the DC plan are limited to a maximum of 7%.



Actuarial Study Summary

	AC: Annual Cost UL: Unfunded Liability	Original Defined Benefit Plan (Plan 1)		Alternate Defined Benefit Plan (Plan 2)		Local Government Hybrid Plan (Plan 3)
Prior Service Options		Without COLA	With COLA	Without COLA	With COLA	With COLA
ER purchases ALL years	Rate: AC: UL:	4.75% \$18,363 \$492,194	6.86% \$26,532 \$595,032	2.47% \$9,539 \$404,329	3.86% \$14,909 \$483,098	1.51% \$5,828 \$347,462
Employer purchases 15 years	Rate: AC: UL:	5.21% \$20,147 \$371,208	7.41% \$28,634 \$448,555	2.85% \$11,022 \$292,056	4.30% \$16,627 \$346,330	1.83% \$7,059 \$249,823
Employer purchases 10 years	Rate: AC: UL:	5.26% \$20,346 \$315,586	7.45% \$28,806 \$380,977	2.98% \$11,535 \$250,243	4.45% \$17,216 \$296,636	1.94% \$7,483 \$214,341
Employer purchases 5 years	Rate: AC: UL:	5.47% \$21,129 \$203,425	7.66% \$29,627 \$245,641	3.26% \$12,600 \$162,167	4.76% \$18,392 \$191,941	2.17% \$8,384 \$139,470



Example of Employee Benefit Comparisons for All Plans

Age: 60 Years Old

AFC: 30,000

Years of Service: 30 years

Original Defined Benefit Plan: $\$30,000 \times 30 \times 1.5\% + 5\% =$
 $\$14,175/12 = \$1,181$ per month
(47.25% of AFC)

Alternate Defined Benefit Plan: $\$30,000 \times 30 \times 1.4\% =$
 $\$12,600/12 = \$1,050$ per month
(42.00% of AFC)

Local Government Hybrid Plan (TCRS DB Component):
 $\$30,000 \times 30 \times 1.0\% =$
 $\$9,000/12 = \$750$ per month
(30.00% of AFC)



Additional Participation Information

- Available date of participation is 1/1/2027. Study results will expire 1/2/2027.
- If City of Ridgetop participates, current employees will have the option to participate in TCRS.
 - In order to establish any prior service, current employees must join TCRS when City of Ridgetop begins participating.
- Employees hired after the date of participation must participate in TCRS as a condition of employment.
- Employees are required to contribute 5% of their monthly salary, unless employee contribution is assumed by City of Ridgetop.
- **All rates assume upfront payoff of Accrued Liability.**



Steps to Proceed

- The governing board of City of Ridgetop must pass a resolution to participate in the TCRS.
- After the above document is received, reviewed, and approved, Employer Services staff will present a recommendation for participation on behalf of the City of Ridgetop to the TCRS Board of Trustees.
- Any Unfunded Liability must be fully paid by the Date of Participation.



Questions?



ORDINANCE NO 2026-105

**AN ORDINANCE AMENDING ORDINANCE 2025-105
AN ORDINANCE ESTABLISHING SEWER RATES FOR THE COLLECTION AND
TREATMENT OF SEWAGE FOR THE CITY OF RIDGETOP SEWER SYSTEM**

WHEREAS, the Board of Mayor and Aldermen of the City of Ridgetop finds it necessary to amend Ordinance No. 2025-105 by establishing new rates for residential and commercial sewer collection and treatment within the City of Ridgetop, Tennessee, and further finds it necessary to adopt rates regarding tap fees, capacity fees, initial operating fees, minimum monthly bills for connected and not connected customers, and treatment costs, and further finds it appropriate to categorize rates by residential, small commercial, large commercial (greater than 2,500 gallons per day) to include public schools.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF RIDGETOP that the attached rates, fees, minimum monthly charges, and costs, for the established rate categories are hereby adopted as the official rates of the City of Ridgetop for the Ridgetop Sewer System effective from and after the date of passage.

First Reading September 15, 2026

Second Reading October 20, 2026

TIM SHAW, MAYOR

KELLY RIDER, CITY RECORDER

Ordinance No. 2026-105

Residential and Commercial Sewer Connection Fees and Usage Fees

	<u>**** Associated with City Funded Construction Projects</u>	<u>All connections not associated with City Funded Construction Projects</u>
<u>Residential</u>		
Tap Fee	\$ 1,000.00	All costs to be assumed by sewer applicant*
Initial Operating Fee	\$ 100.00	\$ 100.00
Minimum Bill	\$ 52.45	\$ 54.45
Treatment Cost	\$ 8.52**	\$ 8.52**
Capacity Fee	\$ 1000.00***	\$ 1000.00***
<u>Small Commercial</u>		
Tap Fee	\$ 3,000.00	All costs to be assumed by sewer applicant*
Initial Operating Fee	\$ 200.00	\$ 200.00
Minimum Bill	\$ 262.45	\$ 262.45
Treatment Cost	\$ 8.52**	\$ 8.52**
Capacity Fee	\$ 1000.00***	\$ 1000.00***
<u>Large Commercial and Public Schools</u>		
Tap Fee	\$ 9,000.00	All costs to be assumed by sewer applicant*
Initial Operating Fee	\$ 700.00	\$ 700.00
Minimum Bill	\$ 612.39	\$ 612.39
Treatment Cost	\$ 8.52**	\$ 8.52**
Capacity Fee	\$ 1000.00***	\$ 1000.00***
<u>Minimum Bill for Customers Not Connecting</u>		
Residential	\$ 30.43	
Small Commercial	\$ 76.07	
Large Commercial and Public Schools	\$ 380.36	

Ordinance No. 2026-105

Deposits for Service

Residential	\$ 0.00 Owner Occupied	Residential Renter	\$ 250.00
Small Commercial	\$ 50.00	Commercial Renter	\$ 300.00
Large Commercial	\$ 250.00		

*City to provide detailed list of required products to be used for installation. There will be no exceptions to this list. The city will require a 1500-gallon tank to be used. The city will inspect all hook-ups before sewer use is allowed. The customer is responsible for notifying the city when ready for inspection.

**treatment cost per 1000 gallons of effluent. This cost is subject to change as required.

***This fee is per 350 gallons per day of effluent.

****Must be committed to connecting to a sewer project to be funded by the City at a date set by the Mayor and Board of Aldermen

Summer Sewer Rates (June, July, August)

The formula for billing will be as follows: September thru May collection and treatment fees prior to the summer rate billing period will be added after first subtracting the highest and lowest monthly treatment and collection fee and the sum then divided by 7 to establish the fee for June – August. This sewer-rate service will be available for residential and all commercial customers.

Fee for Covering of a Sewer Stub Out:

The Ridgetop Sewer Department shall charge a fee of two hundred and fifty dollars (\$250.00) to the landowner or contractor, if known who covers a Sewer line Stub Out with earth or by any other material which requires the Sewer Department to locate the underground Sewer Line Stub Out.

Fee for Abuse to Sewer System:

The Ridgetop Sewer Department shall charge a fee of two hundred and fifty dollars (\$250.00) to the landowner who knowing or willfully connects downspouts, sump pumps, deliberately disposes rainwater into the sewer system or otherwise is not in compliance with the effluent collection system manual or disobeys the “don’ts” of the effluent collection system manual.

Commercial Customers (Small and Large Commercial):

It is the responsibility of the property owner for the cost of maintaining the sewer tank to include the cost of pumping the tank. The contractor performing any maintenance, installation, or repair and/or pumping the tank must be on the approved list provided by the City Sewer Department. If the Commercial Customer fails to use an approved contractor or fails to pump the tank or make necessary repairs and installations the City may at its option perform the necessary, work and

maintenance and the property owner shall be liable to the City for the cost and shall be billed for reimbursement to the City. All costs of maintenance including repair of the tank and/or its component parts shall be the sole responsibility of the landowner.

DRAFT

SECTION 3. BE IT FURTHER ENACTED, That the government of the said city shall be vested in a mayor and four (4) aldermen to be chosen for terms as provided herein; all of whom shall serve until their successors are elected and qualified as hereinafter provided. The compensation for the mayor and aldermen shall be established by a two-thirds (2/3) vote of the mayor and aldermen in regular session; however, the salary of the mayor shall not exceed ~~three hundred dollars~~ (\$300.00) per month and the salary of each alderman shall not exceed one hundred fifty dollars (\$150.00) per month. The salary of the mayor or of any alderman shall not be increased or decreased during the term for which such officer was selected. [As replaced by Priv. Acts 1973, ch. 96, § 1 and Priv. Acts 1979, ch. 48, § 2, and amended by Priv. Acts 1993, ch. 98, § 2]

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SECTION 4. (a) BE IT FURTHER ENACTED, That beginning with the calendar year 1986, the board of mayor and aldermen of the city of Ridgetop shall order and cause to be held municipal elections, under the supervision of the county election commission, on the days and for the officials indicated below. The person receiving the highest number of votes for mayor in each mayor's election shall be mayor, and the two (2) persons receiving the highest number of votes for aldermen in each aldermanic election shall be aldermen.

The term of the mayor elected at the municipal election on the first Thursday of August 1984 is hereby extended to the regular November election to be held in 1988 and until his successor is elected and qualified. At the regular November election in 1988, there shall be elected a mayor to serve for a term of four (4) years and until his successor is elected and qualified.

The term of each alderman elected at the municipal election on the first Thursday of August 1982, is hereby extended to the regular November election held in 1986, and until his successor is elected and qualified. At the regular November election in 1986, there shall be elected two (2) aldermen, each to serve for a term of four (4) years and until his successor is elected and qualified.

The term of each alderman elected at the municipal election on the first Thursday of August 1984, is hereby extended to the regular November election to be held in 1988, and until his successor is elected and qualified. At the regular November election in 1988, there shall be elected two (2) aldermen, each to serve for a term of four (4) years and until his successor is elected and qualified.

Beginning in 1986, the biennial municipal elections shall be held at the regular November election. The mayor and/or aldermen elected at each respective biennial election shall serve for terms of four (4) years each and until their successors are elected and qualified, it being the intent of this section to establish a four (4) year term for mayor and four (4) year staggered terms for aldermen. Those

elected shall take office during the next regular meeting of the board of mayor and aldermen.

(b) BE IT FURTHER ENACTED, That no person shall be qualified to run for and hold the office of mayor or alderman in the city of Ridgetop, Tennessee, unless he or she shall have been domiciled in Ridgetop for as much as one (1) year prior to the date of such election, shall have reached the age of twenty-five (25) years prior to the date of the said election, and unless he or she meets other requirements provided by law as qualifications for running for representative in the general assembly. Furthermore, no one domiciled of Ridgetop shall be eligible to run for or hold the office of mayor or alderman if at the time of qualification for such election said candidate owes the city of Ridgetop real estate taxes more than one (1) year in arrears.

(c) BE IT FURTHER ENACTED, That all persons residing within the corporate limits and otherwise qualified as voters under the laws of the state shall be entitled to vote in said election.

(d) Quorum, attendance, and recess. A majority of the entire membership to which the board is entitled shall constitute a quorum, but a smaller number may recess from day to day and may compel the attendance of the absentees in such manner and under such penalties as the board of mayor and aldermen may provide. No adjournment shall be taken to a date beyond the next regular meeting and any adjourned meeting shall continue as a regular meeting throughout such adjournment.

(e) Tie-vote. All resolutions, ordinances, and motions are considered to be passed when a majority of those present and voting vote to approve the resolution, ordinance, or motion. In cases where there is a tie-vote, the resolution, ordinances, and motions are considered to have failed.

(f) Mayor responsibilities. As chief executive officer of the municipality and presiding officer of the board of mayor and aldermen, the mayor shall be a member of the board, and may vote, but shall have no veto on all matters coming before the board. Further, the mayor shall be able to make motions and introduce ordinances and resolutions before the board. [As replaced ~~replaced~~ by Priv. Acts 1979, ch. 48, § 3,1 amended by Priv. Acts 1986, ch. 184, § 1, and Priv. Acts 1993, ch. 98, §§ 2 and 3]

SECTION 5. BE IT FURTHER ENACTED, That the chief of police shall be appointed by the board of mayor and aldermen, to serve at their pleasure. The board of mayor and aldermen shall fix his or her compensation and he or she shall be the chief law enforcement officer of the city. It shall be the duty of the chief of police and subordinate police officers to ~~arrest-enforce~~ all ~~violators~~ of the ordinances

and laws of the city and State of Tennessee, committed in their presence or upon a warrant issued for any violation, and bring them before the city judge-proper tribunal for trial. The chief of police shall also be charged with the execution of process, civil or criminal, and shall perform such other duties of said city as may be provided by ordinance. The criminal and civil jurisdiction and authority of the chief of police and subordinate police officers shall extend one (1) mile beyond the corporate limits. [As amended by Priv. Acts 1961, ch. 13, § 1(a) and Priv. Acts 1965, ch. 77, § 1, replaced by Priv. Acts 1979, ch. 48, § 4, and amended by Priv. Acts 1993, ch. 98, §§ 2 and 4, and amended by Priv. Acts 202.....]

SECTION 6. (a) BE IT FURTHER ENACTED, Ridgetop shall have the power to:

(1) Assess, levy and collect taxes for all general and special purposes on all subjects or objects of taxation, and privileges taxable by law for state, county or municipal purposes;

(2) Adopt classifications of the subjects and objects of taxation that are not contrary to law;

(3) Make special assessments for local improvements;

(4) Contract and be contracted with;

(5) Incur debts by borrowing money or otherwise, and give any appropriate evidence thereof, in the manner hereinafter provided;

(6) Issue and give, sell, pledge or in any manner dispose of, negotiable or nonnegotiable interest-bearing or noninterest-bearing bonds, warrants, promissory notes or orders of the municipality, upon the credit of the municipality or solely upon the credit of specific property owned by the municipality or solely upon the credit of income derived from any property used in connection with any public utility owned or operated by the municipality, or solely upon the credit of the proceeds of special assessments for local improvements, or upon any two (2) or more such credits;

(7) Expend the money of the municipality for all lawful purposes;

(8) Acquire or receive and hold, maintain, improve, sell, lease, mortgage, pledge or otherwise dispose of property real or personal, and any estate or interest therein, within or without the municipality or state;

(9) Condemn property, real or personal, or any easement, interest, or estate or use therein, either within or without the municipality, for present or future public use; the condemnation shall be effected in accordance with the terms and

provisions of Tennessee Code Annotated, Title 29, Chapter 16, or in any other manner provided by law;

(10) Take and hold property within or without the municipality or state upon trust; and administer trusts for the public benefit;

(11) Acquire, construct, own, operate, and maintain, or sell, lease, mortgage, pledge or otherwise dispose of public utilities or telecommunications systems or any estate or interest therein, or any other utility of service to the municipality, its inhabitants, or any part thereof, and, further, may issue debt for these purposes under the Local Government Public Obligations Act, Tennessee Code Annotated, Title 9, Chapter 21. For purposes of this item and other items in this section, telecommunications system means a system for transmitting, amplifying and receiving voice, data or video signals over a network of wire, cable, radio channels or other means or device for accomplishing such redistribution to members of the public who subscribe to such service;

(12) Grant to any person, firm, association or corporation (including the municipality) franchises for public utilities and public services and telecommunications systems to be furnished the municipality and other areas. The power to grant franchises embraces the power to grant exclusive franchises. Whenever an exclusive franchise is granted, it shall be exclusive not only as against any other person, firm, association, or corporation, but also against the municipality itself. Franchises may be granted for a period of twenty-five (25) years or less, but not longer. The board may prescribe in each grant of a franchise, the rate, fares, charges and regulations that may be made by the grantee of the franchise in accordance with state and federal law. Franchises may by their terms apply to the territory within the corporate limits of the municipality at the date of the franchises, and as the corporate limits may be enlarged, and to the existing streets, alleys and thoroughfares that thereafter may be opened;

(13) Make contracts with any person, firm, association or corporation for public utilities, public services and telecommunications systems to be furnished the municipality and other areas. The power to make contracts embraces the power to make exclusive contracts. When an exclusive contract is entered into, it shall be exclusive against any other person, firm, association or corporation. These contracts may be entered into for a period of twenty-five (25) years or less, but not longer. The board may prescribe in each such contract entered into, the rates, fares, charges, and regulations that may be made by the person, firm, association or corporation with whom the contract is made. Such contracts may by their terms apply to the territory within the corporate limits of the municipality at the date of the contract, and as the corporate limits may be enlarged, and to the then existing

streets, alleys and thoroughfares and to any other streets, alleys and other thoroughfares that thereafter may be opened;

(14) Prescribe reasonable regulations regarding the construction, maintenance, equipment, operation and service of public utilities and telecommunications systems, compel reasonable extensions of facilities for these services, and assess fees for the use of or impact upon these services. Nothing herein shall be construed to permit the alteration or impairment of any of the terms or provisions of any exclusive franchise granted or of any exclusive contract entered into under subdivisions (12) and (13);

(15) Establish, open, relocate, vacate, alter, widen, extend, grade, improve, repair, construct, reconstruct, maintain, light, sprinkle and clean public highways, streets, boulevards, parkways, sidewalks, alleys, parks, public grounds, public facilities, libraries and squares, wharves, bridges, viaducts, subways, tunnels, sewers and drains within or without the corporate limits, regulate their use within the corporate limits, assess fees for the use of or impact upon such property and facilities, and take any appropriate property therefor under the provisions of Tennessee Code Annotated, Sections 7-31-107 through 7-31-111 and 29-16-114, or any other manner provided by general laws;

(16) Construct, improve, reconstruct or reimprove by opening, extending, widening, grading, curbing, guttering, paving, graveling, macadamizing, draining or otherwise improving any streets, highways, avenues, alleys or other public places within the corporate limits, and assess a portion of the cost of these improvements on the property abutting on or adjacent to these streets, highways or alleys under, and as provided by, Tennessee Code Annotated, Title 7, Chapters 32 and 33;

(17) Assess against abutting property within the corporate limits the cost of planting shade trees, removing from sidewalks all accumulations of snow, ice, and earth, cutting and removing obnoxious weeds and rubbish, street lighting, street sweeping, street sprinkling, street flushing, and street oiling, and the cleaning and rendering sanitary or removal, abolishing, and prohibiting of closets and privies, in such manner as may be provided by general law or by ordinance of the board;

(18) Acquire, purchase, provide for, construct, regulate and maintain and do all things relating to all other marketplaces, public buildings, bridges, sewers and other structures, works and improvements;

(19) Collect and dispose of drainage, sewage, ashes, garbage, refuse or other waste, inside and outside the municipality, or license and regulate their collection and disposal, and the cost of collection, regulation, or disposal may be funded by taxation, special assessment to the property owner, user fees or other charges;

(20) License and regulate all persons, firms, corporations, companies and associations engaged in any business, occupation, calling, profession or trade not prohibited by law;

(21) Impose a license tax upon any animal, thing, business, vocation, pursuit, privilege or calling not prohibited by law;

(22) Define, prohibit, abate, suppress, prevent and regulate all acts, practices, conduct, business, occupations, callings, trades, use of property and all other things whatsoever detrimental, or liable to be detrimental, to the health, morals, comfort, safety, convenience or welfare of the inhabitants of the municipality, and exercise general police powers;

(23) Prescribe limits within which business occupations and practices liable to be nuisances or detrimental to the health, morals, security or general welfare of the people may lawfully be established, conducted or maintained;

(24) Regulate the location, bulk, occupancy, area, lot, height, construction and materials of all buildings and structures, and inspect all buildings, lands and places as to their condition for health, cleanliness and safety, and when necessary, prevent their use and require any alteration or changes necessary to make them healthful, clean or safe;

(25) Provide and maintain charitable, educational, recreative, curative, day care, corrective, detentive, or penal institutions, departments, functions, facilities, instrumentalities, conveniences and services;

(26) ~~DELETED Purchase or construct, maintain and establish a workhouse for the confinement and detention of any person convicted in the city court of offenses against the laws and ordinances of the municipality who fails to secure the fine imposed upon such person, or contract with the county to keep these persons in the workhouse of the county and provide by that contract for the commitment of these persons to the workhouse so provided until the fines are paid; [Deleted by~~

(27)(A) Enforce any ordinance, rule or regulation by fines, forfeitures, and penalties, and by other actions or proceedings in any court of competent jurisdiction;

(B) No fine may exceed two hundred fifty dollars (\$250) for any one (1) offense or up to the maximum amount established by state law and prescribed by ordinance;

(28) ~~DELETED Establish schools, determine the necessary boards, and teachers required therefor, and fix their compensation, purchase or otherwise acquire land for or assess a fee for use of, or impact upon, school houses, playgrounds and other purposes connected with the schools, purchase or erect all~~

~~necessary buildings and do all other acts necessary to establish, maintain, operate or support a complete educational system within the municipality; [Deleted by~~

(29) Regulate, tax, license or suppress the keeping or going at large of animals within the municipality, impound them, and in default of redemption, sell or euthanize them in accordance with all local and state regulations;

(31) Call elections as herein provided; and

(32) Have and exercise all powers that now or hereafter it would be competent for this charter specifically to enumerate, as fully and completely as though these powers were specifically enumerated.

(b) BE IT FURTHER ENACTED, Except as otherwise provided by general law or this charter, legislative action of the board or mayor and aldermen shall be by ordinance when granting, renewing or extending public franchises; creating, abolishing or combining departments or offices; exercising the police power to protect the public health, welfare and safety; levying taxes; adopting the budget; providing a fine or other penalty or establishing a rule or regulation for violation of which a fine or other penalty is imposed; or amending or repealing an existing ordinance. Other actions may be accomplished by resolution or motion.

(c) BE IT FURTHER ENACTED, That following every municipal election, the mayor upon receiving a majority approval from the board of aldermen shall appoint each alderman as ~~a commissioner~~ Director, including the mayor who, subject to any restrictive provisions prescribed by ordinance, ~~shall have full authority to exercise general supervision over the department head or chief responsible who shall act as a liason between the below municipal functions as may be affected through a duly created Department of the City or functioning City Board and the Board of Mayor and Aldermen to review to oversee and report to the Board of Mayor and Alderman for all activities, actions, requirements, and plans of the Department or Board~~ for one (1) or more of the following municipal functions:

finance and administration; public works, parks and recreation; planning and zoning, code administration, community & economic development; utilities, fire and police, and other functions which may from time to time be designated by ordinance by the board of mayor and aldermen. ~~In the absence of a chief or department head for any of these functions, the respective commissioner shall exercise the duties and responsibilities of that position~~ The Director shall have no governing nor executive powers or authority with a focus on implementation and not governance, but and shall receive no compensation. [As amended by Priv. Acts 1951, ch. 557, § 1(b) and

Priv. Acts 1959, ch. 50, § 1, replaced by Priv. Acts 1979, ch. 48, § 5, and amended by Priv. Acts 1993, ch. 98, §§ 2, 5, and 6]

SECTION 7. Be it further enacted , That all ordinances shall begin; "Be it ordained by the City of Ridgetop as follows:"

Every ordinance shall be read two different days in open session before its adoption, and any ordinance not so read shall be null and void. Every ordinance shall be immediately taken charge of by the city recorder, and by him or her numbered and copied in an ordinance book and filed and preserved in his or her office. [As amended by Priv. Acts 1961, ch. 13, § 1(b); Priv. Acts 1979, ch. 48, § 6; and Priv. Acts 1993, ch. 98, § 2]

SECTION 8(a). In accordance with State law, the board of mayor and aldermen shall designate the procedures for the disbursement of funds which shall be made upon approval of the board, by warrant. [As amended by Priv. Acts 1961, ch. 13, § 1(c), as deleted and replaced in its entirety by Priv. Acts 1979, ch. 48, § 7]

SECTION 8(b). BE IT FURTHER ENACTED, That the board of mayor and aldermen shall have the right and authority to appoint a city judge for said city of Ridgetop to serve at their pleasure, and to fix his or her compensation. In the absence of the city judge, the mayor shall designate someone to serve in his or her stead. [As added by Priv. Acts 1961, ch. 13, § 1(e), replaced by Priv. Acts 1979, ch. 48, § 8, amended by Priv. Acts 1993, ch. 98, § 2, and renumbered by Priv. Acts 1993, ch. 98, § 7]

SECTION 9. (a) BE IT FURTHER ENACTED, That the city judge of said city shall have the authority and is hereby empowered to try all cases of offense against the by-laws and ordinances of said corporation and the peace and dignity of the city; and to this end the city judge is vested with full power and authority to try all offenses for violations of the ordinances and by-laws of said corporation, and he or she is further vested with the right to impose a fine not exceeding fifty dollars (\$50.00) for each offense and charge the defendant with such costs, including the officers' cost as may be established by ordinance. No appeal shall be allowed from any judgment imposing any fine for the violation of a city ordinance except upon the giving of security for the payment of fine and costs. The city judge shall have the power to administer oaths, issue warrants and legal process of said corporation, which shall run in the name of the state of Tennessee, for the use of the mayor and aldermen of the city of Ridgetop, and shall be addressed to the chief of police of said city or any lawful officer. The city judge shall impose all fines, costs, and penalties, ~~and fix the punishment of offenders and commit the same to jail to await trial, or workhouse to work out fines for adjudicated offences for violations of the ordinances and by by-laws of said corporation;~~ he or she, or as directed to a designated clerk of the Court. ~~shall keep-maintain~~ a complete record of all cases, ~~in a well bound book.~~

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(b) The city recorder shall keep all other records, proceedings and transactions of all meetings of the mayor and aldermen while sitting in session as a municipal body. The city recorder shall have the power to assess all taxable property under the state laws subject to the approval of the board of aldermen, and make out the tax books for said corporation. The mayor shall have power to employ necessary clerical force upon the approval of the board. He or she shall preside at all meetings of the board of mayor and aldermen and see that all the corporation's ordinances are enforced.

(c) Whenever, in the opinion of the mayor or of any two (2) aldermen the welfare of the city demands it, the mayor or city recorder shall call special meetings of the board and mayor and aldermen upon at least ~~thirty-six~~forty-eight (48~~36~~) hours' written ~~or verbal~~ notice to each alderman, the mayor, and the city recorder, served with the Notice personally or by leaving the Notice left at his or her usual place of residence or via electronic Notice at the assigned digital email address with the City. Each call for a special meeting shall set forth the agenda of the business to be discussed at such meetings and no other business shall be considered at such meeting. [As amended by Priv. Acts 1959, ch. 49, § 1, and Priv. Acts 1961, ch. 13, § 1(f), replaced by Priv. Acts 1979, ch. 48, § 9,¹ as amended by Priv. Acts 1979, ch. 48, § 11, and Priv. Acts 1993, ch. 98, §§ 2 and 9]

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SECTION 10. BE IT FURTHER ENACTED, (a) That at the next regular meeting of the board of mayor and aldermen following an election of municipal officials, any newly elected alderman or mayor shall qualify by being sworn into office by a person duly authorized to administer oaths. At that meeting, the board of mayor and alderman shall elect a vice-mayor from one of their number to serve in the absence, sickness or incompetency of the mayor and to perform all of such duties empowered by this act upon the mayor, including all mayoral duties. Upon death or resignation of the mayor, the vice-mayor shall become mayor, and shall serve as mayor until the next scheduled city election, at which time an election will be held to fill the unexpired term. Once an alderman serving as vice-mayor becomes mayor, his or her vacancy on the board of mayor and aldermen shall be filled as provided herein.

(b) In cases of vacancies by death, resignation, removal of any alderman, or when the vice-mayor is serving as mayor in accordance with paragraph (a) above, such vacancy shall be filled by the board of mayor and aldermen by appointing someone meeting the qualifications to be elected alderman to fill the remainder of

¹ Priv. Acts 1979, ch. 48 §§9, 10, and 11, respectively deleted and replaced in its entirety § 9 of the charter, deleted in its entirety § 9(a) of the charter, and amended certain language in § 9(b) then redesignated it subsection (d) of § 9 of the charter.

the unexpired term. Any portion of the unexpired term beyond the next regular municipal election shall be filled by voters at that election if such vacancy occurs at least twenty (20) days before the latest time for filing nominating petitions for candidates in that election. [As replaced by Priv. Acts 1979, ch. 48, § 12 and Priv. Acts 1993, ch. 98, § 10]

SECTION 11. [Deleted by Priv. Acts 1979, ch. 48, § 14.]

SECTION 12. [Deleted by Priv. Acts 1979, ch. 48, § 15.]

SECTION 13. Be it further enacted, That all laws and parts of laws in conflict with the provisions of this Act be and they are hereby repealed, and that this Act take effect from and after its passage, the public welfare requiring it.

Passed February 15, 1935.

WALTER M. HAYNES,
Speaker of the House of Representatives.

W. P. Moss,
Speaker of the Senate.

Approved February 20, 1935.

HILL McALISTER,
Governor.