

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
SEPTEMBER 30, 2016

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**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
SEPTEMBER 30, 2016**

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**POLITICAL SUBDIVISIONS
SEEKING MEMBERSHIP**

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**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service Employer | Employee | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|---|----------------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| Crockett County Emergency Communications District | ALL | 0 | 5.39% | 5.00% | 0% | Excluded | Excluded | 1 |

Regular Defined Benefit Plan

Meetings:

August 2016 Explained initial employer costs and participating procedures to the governing body.

October 2016 Will explain laws, policies, and benefit provisions to the employees of the ECD.

October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

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An actuarial valuation was performed as of July 1, 2016 to examine the cost of any benefits provided by the Tennessee Consolidated Retirement System (TCRS) as it would apply to the Crockett County Emergency Communications District if the group joined the TCRS on that date.

The 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. The summary of the annual employer costs as a percentage of payroll for each of the three plans is shown in the table below. 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. If cost of living benefits are included, they must be “advance funded” in the same manner as other retirement benefits. 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 the TCRS also has the option of whether or not to include employees' past service (service earned prior to the date of joining the 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. The prospective annual employer cost as a percentage of payroll for each of the past service scenarios currently considered by the entity is shown below.

| | 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) | 5.39% | 7.79% | 2.59% | 4.14% | 1.59% |

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 results by 2.5% or 5%, respectively.



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services
FROM: Sandra Thompson, Director *Sandra Thompson*
DATE: August 23, 2016
SUBJECT: Crockett County Emergency Communications District

It appears the Crockett County Emergency Communications District (the "District") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS) effective October 1, 2016.

Pursuant to your request, we have reviewed the District's adopted budget for fiscal year ending June 30, 2017. The budget includes pension expense of \$6,000, which adequately covers the District's total first year cost of \$2,704 to participate in TCRS. The projected statement of changes in net position presented below demonstrates that the District has sufficient revenues budgeted to cover all expenses including the TCRS pension expense.

Crockett County Emergency Communications District
Projected Statement of Changes in Net Position - Budgetary Basis
Fiscal Year ending June 30, 2017

| | | |
|--|----|---------|
| Operating Revenue | \$ | 246,954 |
| Operating Expenses | | |
| Salaries & Wages | \$ | 68,296 |
| Employee Benefits (includes projected \$6,000 Pension Expense) | | 11,330 |
| Contracted Services | | 56,500 |
| Supplies & Materials | | 38,100 |
| Other Charges (includes Depreciation) | | 87,900 |
| Total Operating Expenses | \$ | 262,126 |
| Nonoperating Revenues (Expenses) | | 63,063 |
| Increase (Decrease) in Net Position | \$ | 47,891 |

The financial information received by this Office with the request for the review of the District's fiscal year 2017 budget represents the District's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

Tennessee Consolidated Retirement System

A RESOLUTION to authorize a political subdivision's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the Crockett County Emergency Communications District desires to participate in TCRS under the
(Name of Political Subdivision)

provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. **TYPE PLAN.** (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Political Subdivision 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 Political Subdivision 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 Political Subdivision 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 Political Subdivision MUST also maintain a defined contribution plan on behalf of its employees whereby the Political Subdivision 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 Political Subdivision must also pass the attached resolution that describes the type of defined contribution plan the Political Subdivision 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, THE EMPLOYEES MUST CONTRIBUTE 5% OF THEIR EARNABLE COMPENSATION UNDER THAT PLAN 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 Political Subdivision 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 Political Subdivision 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 Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision 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 Political Subdivision.
- (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 Political Subdivision defines "maximum unfunded liability" to mean an unfunded liability of no greater than _____

_____ ; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Political Subdivision and not the State of Tennessee; and

WHEREAS, the Political Subdivision has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 5.39%, which is based on the estimated lump sum accrued liability of \$ 0.00.

NOW, THEREFORE, BE IT RESOLVED That the Board of Directors of the Crockett County Emergency Communications (Name of Governing Body)

District of Crockett County Emergency Communications District hereby authorizes all its employees in all its departments or (Name of Political Subdivision)

instrumentalities 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. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not 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 Political Subdivision for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision, 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.

STATE OF TENNESSEE

COUNTY OF Crockett

I, Casey Burnett, clerk of the Board of

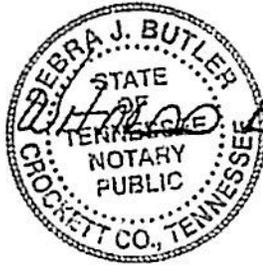
Directors of the Crockett County Emergency District Crockett County
(Name of Governing Body) (County, City Town, etc.)

Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 28th day of June, 2016, the original of which mtk is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Crockett County Emergency Communications District.

Casey Burnett
As Clerk of the Board, as aforesaid

Seal



Witnessed by Debra J. Butler

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**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service | | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|---|-------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| | Employer | Employee | | | | | | |
| Cumberland County Emergency Communications District | ALL | 0 | 15.62% | 5.00% | \$155,236 | Excluded | Included | 4 |

Regular Defined Benefit Plan

Meetings:

August 2016 Explained initial employer costs and participating procedures to the governing body.

October 2016 Will explain laws, policies, and benefit provisions to the employees of the ECD.

October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services
FROM: Sandra Thompson, Director *Sandra Thompson*
DATE: August 23, 2016
SUBJECT: Cumberland County Emergency Communications District

It appears the Cumberland County Emergency Communications District (the "District") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS) effective October 1, 2016.

Pursuant to your request, we have reviewed the District's adopted budget for the fiscal year ending June 30, 2017. The budget includes pension expense of \$24,137, which represents the District's total first year cost to participate in TCRS. The projected statement of changes in net position presented below on a budgetary basis demonstrates that the District has sufficient revenues budgeted to cover all expenses including the TCRS pension expense.

Cumberland County Emergency Communications District
Projected Statement of Changes in Net Position - Budgetary Basis
Fiscal Year ending June 30, 2017

| | | |
|--|----|---------|
| Operating Revenue | \$ | 878,000 |
| Operating Expenses | | |
| Salaries & Wages | \$ | 175,000 |
| Employee Benefits (includes \$24,137 TCRS Pension Expense) | | 90,137 |
| Contracted Services | | 128,200 |
| Supplies & Materials | | 123,200 |
| Other Charges (includes Depreciation) | | 244,100 |
| Total Operating Expenses | \$ | 760,637 |
| Nonoperating Revenues (Expenses) | | (3,000) |
| Increase (Decrease) in Net Position | \$ | 114,363 |

The financial information received by this Office with the request for the review of the District's fiscal year 2017 budget represents the District's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

An actuarial valuation was performed as of July 1, 2015 to examine the cost of any benefits provided by the Tennessee Consolidated Retirement System (TCRS) as it would apply to the Cumberland County Emergency Communications District if the group joined the TCRS on that date.

The 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. The summary of the annual employer costs as a percentage of payroll for each of the three plans is shown in the table below. 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. If cost of living benefits are included, they must be "advance funded" in the same manner as other retirement benefits. 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 the TCRS also has the option of whether or not to include employees' past service (service earned prior to the date of joining the 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. The prospective annual employer cost as a percentage of payroll for each of the past service scenarios currently considered by the entity is shown below.

| Past Service Scenarios | Plan 1 | | Plan 2 | | Plan 3 |
|---|--------------|-----------|--------------|-----------|-----------|
| | Without COLA | With COLA | Without COLA | With COLA | With COLA |
| 1. All Past Service (Employer purchases all years) | 11.71% | 15.62% | 7.16% | 9.70% | 5.50% |

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 results by 2.5% or 5%, respectively.

Tennessee Consolidated Retirement System

A RESOLUTION to authorize a political subdivision's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System (“TCRS”) subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the Cumberland Co Emergency Communications District desires to participate in TCRS under the
(Name of Political Subdivision)

provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. *(CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4)*. The Political Subdivision adopts the following type plan:
- (1) Regular Defined Benefit Plan.
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 - (3) Local Government Hybrid Plan *(If this Plan is chosen, the Political Subdivision 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 Political Subdivision 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 Political Subdivision MUST also maintain a defined contribution plan on behalf of its employees whereby the Political Subdivision 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 Political Subdivision must also pass the attached resolution that describes the type of defined contribution plan the Political Subdivision 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, THE EMPLOYEES MUST CONTRIBUTE 5% OF THEIR EARNABLE COMPENSATION UNDER THAT PLAN 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 Political Subdivision 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 Political Subdivision 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 Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall:

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- (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 Political Subdivision.
- (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 Political Subdivision defines "maximum unfunded liability" to mean an unfunded liability of no greater than _____

_____ ; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Political Subdivision and not the State of Tennessee; and

WHEREAS, the Political Subdivision has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 15.62%, which is based on the estimated lump sum accrued liability of \$ 155,236.

NOW, THEREFORE, BE IT RESOLVED That the Board of Directors of
(Name of Governing Body)

the Cumberland County Emergency Communications District hereby authorizes all its employees in all its departments or
(Name of Political Subdivision)

instrumentalities 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. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not 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 Political Subdivision for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision, 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.

STATE OF TENNESSEE

COUNTY OF Cumberland

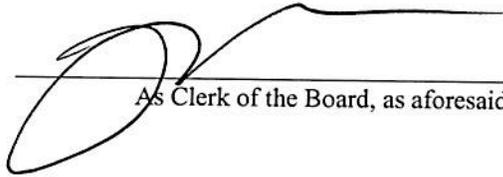
I, McKinley Taber, clerk of the Board of

Board of Directors of Cumberland County
(Name of Governing Body)

Cumberland, Crossville, TN
(County, City Town, etc.)

Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 24 day of May, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Cumberland County/Crossville
(Name of County, City, Town, etc.)



As Clerk of the Board, as aforesaid

Seal

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**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service Employer | Employee | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|---------------------------|----------------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| LaGuardo Utility District | ALL | 0 | 12.77% | 5.00% | \$453,451 | Excluded | Included | 10 |

Regular Defined Benefit Plan

Meetings:

August 2016 Explained initial employer costs and participating procedures to the governing body.

October 2016 Will explain laws, policies, and benefit provisions to the employees of the Utility District.

October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

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An actuarial valuation was performed as of July 1, 2016 to examine the cost of any benefits provided by the Tennessee Consolidated Retirement System (TCRS) as it would apply to the LaGuardo Utility District if the group joined the TCRS on that date.

The 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. The summary of the annual employer costs as a percentage of payroll for each of the three plans is shown in the table below. 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. If cost of living benefits are included, they must be “advance funded” in the same manner as other retirement benefits. 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 the TCRS also has the option of whether or not to include employees' past service (service earned prior to the date of joining the 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. The prospective annual employer cost as a percentage of payroll for each of the past service scenarios currently considered by the entity is shown below.

| | 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) | 9.15% | 12.77% | 5.91% | 7.53% | 5.24% |
| 2. All Past Service (Employee purchases all years at 5%) | 5.33% | 8.99% | 1.27% | 3.59% | 0.60% |
| 3. 20 Years of Past Service (Employer purchases 15 years; Employee purchases up to 5 years at 5%) | 9.00% | 12.63% | 5.74% | 7.39% | 5.07% |
| 4. 15 Years of Past Service (Employer purchases all years) | 8.86% | 12.39% | 5.76% | 7.25% | 5.10% |

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 results by 2.5% or 5%, respectively.



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services

FROM: Sandra Thompson, Director

DATE: August 8, 2016

SUBJECT: LaGuardo Utility District

It appears the LaGuardo Utility District (the "District") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS).

The District plans to join TCRS effective January 1, 2017. Because the District operates on a December 31 fiscal year end, its budget for fiscal year 2017 has not been adopted. At the request of TCRS, the District submitted an amended budget for its fiscal year ending December 31, 2016, containing a \$54,942 expense for its estimated TCRS retirement contribution. This information demonstrates that the District has sufficient revenues budgeted to cover all expenses including the additional TCRS retirement expense. The District plans to budget the same amount in its fiscal year 2017 budget to comply with the requirements of TCRS.

**LaGuardo Utility District
Amended Condensed Budget
Fiscal Year Ending December 31, 2016**

| | | |
|-------------------------|----|--------------------|
| Operating Revenue | \$ | 2,000,000 |
| Operating Expenses | | <u>(1,657,742)</u> |
| Operating Income (Loss) | \$ | 342,258 |
| Nonoperating Revenue | | 62,000 |
| Nonoperating Expenses | | <u>(315,200)</u> |
| Change in Net Position | \$ | <u>89,058</u> |

Note: Operating expenses include a retirement contribution of \$54,942.

The financial information received by this Office with the request for the review of the LaGuardo Utility District's amended fiscal year 2016 annual budget represents the District's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

Tennessee Consolidated Retirement System

A RESOLUTION to authorize a political subdivision's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the LASUARDO UTILITY DISTRICT OF WILSON CO. desires to participate in TCRS under the
(Name of Political Subdivision)

provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Political Subdivision 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 Political Subdivision 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 Political Subdivision 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 Political Subdivision MUST also maintain a defined contribution plan on behalf of its employees whereby the Political Subdivision 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 Political Subdivision must also pass the attached resolution that describes the type of defined contribution plan the Political Subdivision 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, THE EMPLOYEES MUST CONTRIBUTE 5% OF THEIR EARNABLE COMPENSATION UNDER THAT PLAN 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 Political Subdivision 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 Political Subdivision 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 Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision 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 Political Subdivision.
- (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 Political Subdivision defines "maximum unfunded liability" to mean an unfunded liability of no greater than _____

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Political Subdivision and not the State of Tennessee; and

WHEREAS, the Political Subdivision has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto; and

WHEREAS, the effective date of participation shall be on JANUARY 1, _____, 20 17, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 12.77%, which is based on the estimated lump sum accrued liability of \$ 453,451.00.

NOW, THEREFORE, BE IT RESOLVED That the BOARD OF COMMISSIONERS of _____ (Name of Governing Body)

THE LAGUARDS UTILITY DISTRICT OF WILSON CO. hereby authorizes all its employees in all its departments or _____ (Name of Political Subdivision)

instrumentalities 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. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not 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 Political Subdivision for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision, 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.

STATE OF TENNESSEE

COUNTY OF WILSON

I, LARRY BOWERS, clerk of the Board of

THE LAGUARDO UTILITY DISTRICT OF WILSON COUNTY, LEBANON
(Name of Governing Body) (County, City Town, etc.)

Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 12th day of JULY, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the LAGUARDO UTILITY DISTRICT
(Name of County, City, Town, etc.)

Larry Bowers
As Clerk of the Board, as aforesaid

Seal



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Process for Review and Resolution

Political Subdivision Potential Mis-Reporting of Employees

July 29, 2016

Background

With the implementation of GASB Statement No. 68 and the American Institute of Certified Public Accountants white paper regarding the review of census data (employee's demographic information), pension information presented in a government's financial statements requires greater disclosure than previously required, and greater scrutiny by governmental employers, auditors, and pension administrators to certify the accuracy of such information. Included in the heightened responsibilities for governmental employers now is that census data should be reviewed for accuracy by the employer and the auditor.

The State of Tennessee, Comptroller of the Treasury ("COT"), audits or reviews independent audit reports of local government entities statewide. In the course of these audits or reviews, the COT may raise questions of whether or not certain employees should be reported by a local government, or if such employees are truly employed by an independent local government entity. The COT will bring these questions to the Tennessee Consolidated Retirement System (TCRS) for further review of the entities in question. TCRS may also initiate such a review of reporting entities through other audits or reviews. When a determination of whether or not a local government entity is properly reporting certain employees is needed, the following process will apply for TCRS and the Department of Treasury Legal division.

Process

1. TCRS receives the name of a local government entity whose reporting of certain employees needs review.
 - a. All potential issues of mis-reporting by a local government entity should be directed to the Director of Employer Reporting, who will maintain a list of all such entities and the status of determinations regarding them.
2. The Director of Employer Reporting will send a request to the Assistant Treasurer for Legal, Compliance and Audit for review of an entity's reporting of certain employees, including from whom the initial question came and any documentation that was provided to TCRS with the question. (Example: A COT auditor raises the issue, and will send TCRS an audit report relative to the entity).
3. The Assistant Treasurer for Legal, Compliance and Audit will assign the review to an attorney in the Legal division, who will research the request.

- a. The assigned attorney may work with staff assigned by the Assistant Treasurer for Financial Empowerment to communicate with the relevant entities to gather information during research.
4. The assigned attorney will make a determination that either (1) the employees in question are employed by an independent legal entity, which should be participating separately in TCRS; or (2) the group of employees in question work for a division of the local government entity under which they have been reported.
5. The assigned attorney will share the determination with the Director of Employer Reporting, who will document it on the master list of entities and record the determination in Library manager.
6. If the determination is that the employees work for a division of the local government entity under which they have been reported, no further steps are necessary after documentation of the determination. They are correctly reported.
7. If the determination is that the employees are employed by an independent legal entity, which should be participating separately in TCRS, then following documentation of such determination:
 - a. The assigned attorney will work with assigned Employer Reporting and Financial Empowerment staff to draft resolutions applicable to the entities involved and provide such resolutions to Employer Reporting and Financial Empowerment for use in discussions with involved entities.
 - b. The Director of Employer Reporting and the Assistant Treasurer for Financial Empowerment will contact the involved entities about the necessity to implement the *TCRS Erroneously Reported Entities* process, which is hereby incorporated into this process.
 - i. Conversations will be followed by correspondence outlining the plan of action for correction, including resolutions needing passage. The assigned attorney will provide support for correspondence.
 - c. The Assistant Treasurer for Financial Empowerment will monitor the passage of resolutions by the involved entities.
8. Upon passage of necessary resolutions, the Assistant Treasurer for Financial Empowerment will notify the TCRS Director of the new entities which have passed resolutions to join TCRS, and will work with the TCRS Director to get approval of such resolutions on the next TCRS Board of Trustees agenda.
9. TCRS, Employer Reporting, and Financial Empowerment staff, as assigned by their Directors, will handle transition of employee reporting and assets to implement the passed resolutions and corrections.

**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service | | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|---|-------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| | Employer | Employee | | | | | | |
| Brentwood Emergency Communications District | 0 | 0 | 15.78% | 5.00% | \$0 | Excluded | Included | 24 |

Regular Defined Benefit Plan

Meetings:

- June 2016 Explained initial employer costs and participating procedures to the governing body.
- October 2016 Will explain laws, policies, and benefit provisions to the employees of the ECD.
- October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

1. The Brentwood Emergency Communications District was being erroneously reported by the City of Brentwood. As of 10/1/2016 the ECD will be a separate legal entity in the TCRS system.
2. The Brentwood Emergency Communications District initial employer contribution rate of 15.78% is the same rate of the City of Brentwood.

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STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

July 22, 2016

Mr. Kirk Bednar and Mr. Michael Worsham
Brentwood Municipal Center
5211 Maryland Way
Brentwood, TN

Dear Mr. Bednar and Mr. Worsham:

It was a pleasure to meet with you on June 21, 2016, to discuss participation in the Tennessee Consolidated Retirement System (TCRS) for employees of the Brentwood Emergency Communications District. The city of Brentwood has been a participating employer in TCRS since July 1, 1973.

Background

With the implementation of GASB Statement No. 68 (GASB 68) by the Government Accounting Standards Board (GASB) as well as the American Institute of Certified Public Accountants (AICPA) white paper regarding the review of census data (employee's demographic information), the pension information presented in a government's financial statements requires greater disclosure than previously required. Moreover, there is a greater degree of responsibility for governmental employers, governmental auditors, and pension administrators to certify the accuracy of pension data being disclosed in the financial statements of employers that participate in pension plans. One such responsibility is that census data should be reviewed for accuracy by the employer and the auditor.

A review of census data in June 2015 by the Comptroller of the Treasury's State auditor determined that the GASB 68 actuarial data for the city of Brentwood included employees of an entity that is legally separate from the city. The separate entity is the Brentwood Emergency Communications District (Brentwood ECD). The Brentwood ECD was created pursuant to the Emergency Communications District Law found in Tennessee Code Annotated Section 7-86-101 et seq.

TCRS is a "qualified plan" under Section 401(a) of the Internal Revenue Code (IRC) and must maintain such qualification in order for assets within the pension fund to be accrued tax free until paid in the form of a benefit to retirees. To maintain its qualified status, TCRS is required to limit membership to only the employees of governmental employers properly participating in the plan.

Accordingly, for purposes of GASB 68, state law, and plan qualification, it is necessary to take appropriate actions to correct what TCRS has deemed an "administrative error."

Suggested Course of Action

Given it is infeasible and impractical to completely separate prior participation. We are proposing a course of action as set out below. This course of action is intended to ensure that employees and retirees of the Brentwood ECD will receive the pension benefits they understood were being accrued for their benefit in retirement, while at the same time establishing it as an employer in the proper legal posture within TCRS. The recommended process should be seamless to employees.

The suggested course of action includes the adoption of the following resolutions:

City of Brentwood:

- Resolution A: City of Brentwood agrees to accept responsibility for service accrued by employees of the Brentwood ECD through September 30, 2016. The county will retain credit for all employer contributions, employee contributions, investment earnings, and retirement coverage through September 30, 2016. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the city.

Board of the Brentwood ECD:

- Resolution B: The Board seeks to become a participating employer in TCRS so as to provide a retirement plan for employees.
- Resolution A: also adopted by the City of Brentwood: The Board agrees to accept responsibility for all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the Board.

Compliance

We have conferred with the Tennessee Comptroller of the Treasury and legal counsel and are in agreement that the proposed course of action is the reasonable resolution to correct the issues described.

Summary

We recommend the course of action as set out above to resolve the participation of employees of the Brentwood ECD in the TCRS.

We sincerely appreciate the proactive attention to this matter by all entities listed above. As you may know, TCRS is one of the top rated plans in the country and that is in part to the excellent leadership of our local government partners. If there are any questions or if you need additional information, please feel free to contact us.

Sincerely,



Joy H. Harris

Assistant Treasurer, Financial Empowerment



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Karen Curtis, TCRS Employer Services
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: August 31, 2016

Employees of Brentwood ECD were being reported to the Tennessee Consolidated Retirement System (TCRS) as a division of the City of Brentwood as city employees. We were notified by the Comptroller's Office that this may be in error. After research done by our legal counsel, it was determined that this is considered an administrative error by Brentwood in that Brentwood ECD is considered a separate legal entity. As such, Brentwood ECD must join TCRS as a separate legal entity.

The Brentwood ECD will be participating in Tennessee Consolidated Retirement System effective 10/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The ECD will continue to pay the contribution rate that was previously paid for those employees under the County participation at 15.78%. With 24 employees this would equal a dollar amount of \$ 79,342.57. One Hundred Percent (100%) of this figure is required to be budgeted for the fiscal year ending June 30, 2017.

Enclosed is the fiscal year 2016 budget for this the Brentwood ECD. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 253-6134.

Enclosure



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services
FROM: Sandra Thompson, Director *Sandra Thompson*
DATE: September 2, 2016
SUBJECT: City of Brentwood Emergency Communications District

It appears the City of Brentwood Emergency Communications District (the "District") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS) effective October 1, 2016.

Pursuant to your request, we have reviewed the District's adopted budget for fiscal year ending June 30, 2017. The budget includes TCRS pension expense of \$92,625, which adequately covers the District's total first year cost of \$79,343 to participate in TCRS. The projected statement of changes in net position presented below demonstrates that the District has sufficient revenues budgeted to cover all expenses including the TCRS pension expense.

City of Brentwood Emergency Communications District
Projected Statement of Changes in Net Position - Budgetary Basis
Fiscal Year ending June 30, 2017

| | | |
|---|----|------------------|
| Operating Revenue | \$ | 864,125 |
| Operating Expenses | | <u>1,352,100</u> |
| Operating Income | \$ | (487,975) |
| Nonoperating Revenues (Expenses) | | 4,000 |
| Transfer In from City of Brentwood General Fund | | <u>484,700</u> |
| Increase (Decrease) in Net Position | \$ | 725 |

Operating expenses include a retirement contribution of \$79,343.

The financial information received by this Office with the request for the review of the District's fiscal year 2017 budget represents the District's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

RESOLUTION 2016-59

A RESOLUTION OF THE CITY OF BRENTWOOD, TENNESSEE TO ACKNOWLEDGE AND AGREE TO CERTAIN TERMS AND CONDITIONS REGARDING PARTICIPATION BY THE BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System (“TCRS”) subject to approval of the TCRS Board of Trustees; and

WHEREAS, the City of Brentwood is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Brentwood Emergency Communications District is a political subdivision with a relationship to the City of Brentwood, and its employees participate in TCRS through the City of Brentwood under the same terms and conditions as all employees of the City of Brentwood participate; and

WHEREAS, TCRS has determined that the Brentwood Emergency Communications District is required to join TCRS as a separate participating political subdivision and to report its employees separately from the City of Brentwood; and

WHEREAS, TCRS has determined that the reporting of the Brentwood Emergency Communications District’s employees by the City of Brentwood was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Brentwood Emergency Communications District to continue to participate in TCRS under the following terms and conditions:

- A. The Brentwood Emergency Communications District establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Directors of the Brentwood Emergency Communications District passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof.
- C. The Board of Directors of the Brentwood Emergency Communications District agrees that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by the City of Brentwood and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Directors of the Brentwood Emergency Communications District agrees to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Board of Commissioners of the City of Brentwood agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Brentwood Emergency Communications District prior to October 1, 2016.

- F. The Board of Directors of the Brentwood Emergency Communications District rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Board of Commissioners of the City of Brentwood, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Brentwood Emergency Communications District in TCRS.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF BRENTWOOD, TENNESSEE, AS FOLLOWS:

SECTION 1. That, by passage of this resolution, the Board of Commissioners of the City of Brentwood hereby agrees to compliance with the terms and conditions set forth above in order to authorize the employees of the Brentwood Emergency Communications District to be eligible to continue participation in TCRS.

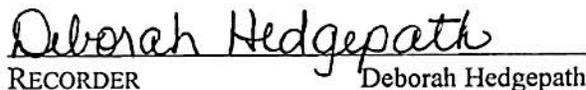
SECTION 2. That it is acknowledged and understood that TCRS is authorizing the employees of the Brentwood Emergency Communications District to participate in TCRS by compliance of the governing bodies of the Brentwood Emergency Communications District and the City of Brentwood with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

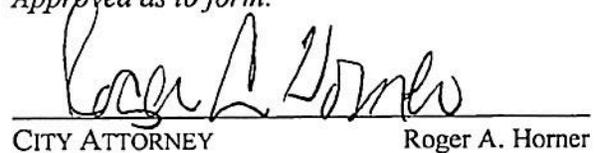
SECTION 3. That this resolution shall take effect from and after its passage, the general welfare of the City of Brentwood, Williamson County, Tennessee requiring it.


 MAYOR Regina Smithson

Approved as to form:

ADOPTED: 8/22/2016


 RECORDER Deborah Hedgepath


 CITY ATTORNEY Roger A. Horner

RESOLUTION ECD-2016-03

A RESOLUTION OF THE BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT TO ACKNOWLEDGE AND AGREE TO CERTAIN TERMS AND CONDITIONS REGARDING PARTICIPATION BY THE BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System (“TCRS”) subject to approval of the TCRS Board of Trustees; and

WHEREAS, the City of Brentwood is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Brentwood Emergency Communications District is a political subdivision with a relationship to the City of Brentwood, and its employees participate in TCRS through the City of Brentwood under the same terms and conditions as all employees of the City of Brentwood participate; and

WHEREAS, TCRS has determined that the Brentwood Emergency Communications District is required to join TCRS as a separate participating political subdivision and to report its employees separately from the City of Brentwood; and

WHEREAS, TCRS has determined that the reporting of the Brentwood Emergency Communications District’s employees by the City of Brentwood was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Brentwood Emergency Communications District to continue to participate in TCRS under the following terms and conditions:

- A. The Brentwood Emergency Communications District establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Directors of the Brentwood Emergency Communications District passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof.
- C. The Board of Directors of the Brentwood Emergency Communications District agrees that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by the City of Brentwood and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Directors of the Brentwood Emergency Communications District agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.

- E. The Board of Commissioners of the City of Brentwood agrees to maintain and accept all assets and liabilities established in regard to current and former employees of the Brentwood Emergency Communications District prior to October 1, 2016.
- F. The Board of Directors of the Brentwood Emergency Communications District, by passage of this resolution, rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Board of Commissioners of the City of Brentwood rescinds any and all previously adopted resolutions addressing participation of the Brentwood Emergency Communications District in TCRS.

NOW, THEREFORE, BE IT RESOLVED BY THE BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT, AS FOLLOWS:

SECTION 1. That, by passage of this resolution, the Board of Directors of the Brentwood Emergency Communications District hereby agrees to compliance with the terms and conditions set forth above in order to authorize the employees of the Brentwood Emergency Communications District to be eligible to continue participation in TCRS.

SECTION 2. That it is acknowledged and understood that TCRS is authorizing the employees of the Brentwood Emergency Communications District to participate in TCRS by compliance of the governing bodies of the Brentwood Emergency Communications District and the City of Brentwood with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

SECTION 3. That this resolution shall take effect from and after its passage, the general welfare of the Brentwood Emergency Communications District requiring it.


 CHAIRMAN Regina Smithson

ADOPTED: 8/22/2016

Approved as to form:


 CITY RECORDER Deborah Hedgepath


 CITY ATTORNEY Roger A. Horner

RESOLUTION ECD-2016-04

A RESOLUTION OF THE BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT TO AUTHORIZE THE DISTRICT'S PARTICIPATION IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED, TITLE 8, CHAPTERS 34 – 37

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System (“TCRS”) subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the Brentwood Emergency Communications District (“ECD”) desires to participate in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. The ECD adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 5% of the employees’ earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The ECD shall: PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The ECD shall: NOT allow its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the ECD on the effective date of the ECD’s participation in TCRS, the ECD shall: NOT allow its employees to establish any prior service credit with the ECD; and

WHEREAS, the liability for participation and costs of administration as of October 1, 2016, shall be the sole responsibility of the ECD and not the State of Tennessee; and

WHEREAS, the ECD has passed a budget appropriating the funds necessary to meet such liability; and

WHEREAS, the ECD has agreed to compliance with a separate resolution addressing liabilities and assets prior to October 1, 2016 and acknowledges that compliance by the City of Brentwood to the terms of the resolution is required for participation; and

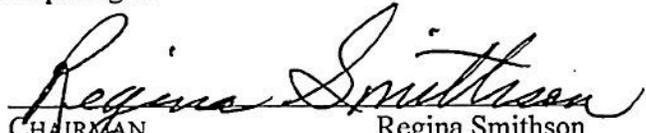
WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be **15.78%**, which is based on the estimated lump sum accrued liability of \$ **0.00**.

NOW, THEREFORE, BE IT RESOLVED BY THE BRENTWOOD EMERGENCY COMMUNICATIONS DISTRICT, AS FOLLOWS:

SECTION 1. That the Board of Directors of the Brentwood Emergency Communications District hereby authorizes all its employees in all its departments or instrumentalities 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.

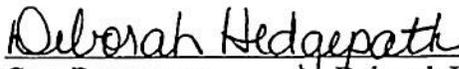
SECTION 2. That it is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the ECD shall not make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan is adopted by the ECD for such employee.

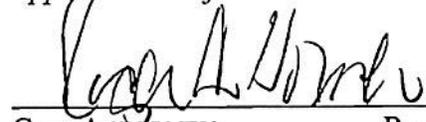
SECTION 3. That this resolution shall take effect from and after its passage, the general welfare of the Brentwood Emergency Communications District requiring it.


CHAIRMAN Regina Smithson

ADOPTED: 8/22/2016

Approved as to form:


CITY RECORDER Deborah Hedgepath


CITY ATTORNEY Roger A. Horner

**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service Employer | Employee | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|---|----------------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| Cannon County Emergency Communications District | 0 | 0 | 6.92% | 5.00% | \$0 | Included | Excluded | 10 |

Regular Defined Benefit Plan

Meetings:

- July 2016 Explained initial employer costs and participating procedures to the governing body.
- October 2016 Will explain laws, policies, and benefit provisions to the employees of the ECD.
- October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

1. The Cannon County Emergency Communications District was being erroneously reported by Cannon County. As of 10/1/2016 the ECD will be a separate legal entity in the TCRS system.
2. The Cannon County Emergency Communications District initial employer contribution rate of 6.92% is the same rate of Cannon County.

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STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

July 29, 2016

The Honorable Mike Gannon
200 West Main Street
Woodbury, TN

Dear Mayor Gannon:

It was a pleasure to meet with you on July 7, 2016, to discuss participation in the Tennessee Consolidated Retirement System (TCRS) for employees of the Cannon County Emergency Communications District (ECD). Cannon County has been a participating employer in TCRS since October 1, 1973.

Background

With the implementation of GASB Statement No. 68 (GASB 68) by the Government Accounting Standards Board (GASB) as well as the American Institute of Certified Public Accountants (AICPA) white paper regarding the review of census data (employee's demographic information), the pension information presented in a government's financial statements requires greater disclosure than previously required. Moreover, there is a greater degree of responsibility for governmental employers, governmental auditors, and pension administrators to certify the accuracy of pension data being disclosed in the financial statements of employers that participate in pension plans. One such responsibility is that census data should be reviewed for accuracy by the employer and the auditor.

A review of census data in 2016 by the Comptroller of the Treasury's State auditor determined that the GASB 68 actuarial data for Cannon County included employees of an entity that is legally separate from the city. The separate entity is the Cannon County Emergency Communications District (Cannon County ECD). The Cannon County ECD was created pursuant to the Emergency Communications District Law found in Tennessee Code Annotated Section 7-86-101 et seq.

TCRS is a "qualified plan" under Section 401(a) of the Internal Revenue Code (IRC) and must maintain such qualification in order for assets within the pension fund to be accrued tax free until paid in the form of a benefit to retirees. To maintain its qualified status, TCRS is required to limit membership to only the employees of governmental employers properly participating in the plan.

Accordingly, for purposes of GASB 68, state law, and plan qualification, it is necessary to take appropriate actions to correct what TCRS has deemed an "administrative error."

Suggested Course of Action

Given it is infeasible and impractical to completely separate prior participation, we are proposing a course of action as set out below. This course of action is intended to ensure that employees and retirees of the Cannon County ECD will receive the pension benefits they understood were being accrued for their benefit in retirement, while at the same time establishing it as an employer in the proper legal posture within TCRS. The recommended process should be seamless to employees.

The suggested course of action includes the adoption of the following resolutions:

Cannon County:

- Resolution A: Cannon County agrees to accept responsibility for service accrued by employees of the Cannon County ECD through September 30, 2016. The county will retain credit for all employer contributions, employee contributions, investment earnings, and retirement coverage through September 30, 2016. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the county.

Board of the Cannon County ECD:

- Resolution B: The Board seeks to become a participating employer in TCRS so as to provide a retirement plan for employees.
- Resolution A also adopted by Cannon County: The Board agrees to accept responsibility for all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the Board.

Compliance

We have conferred with the Tennessee Comptroller of the Treasury and legal counsel and are in agreement that the proposed course of action is the reasonable resolution to correct the issues described.

Summary

We recommend the course of action as set out above to resolve the participation of employees of the Cannon County ECD in the TCRS.

We sincerely appreciate the proactive attention to this matter by all entities listed above. As you may know, TCRS is one of the top rated plans in the country and that is in part to the excellent leadership of our local government partners. If there are any questions or if you need additional information, please feel free to contact us.

Sincerely,

Joy H. Harris
Assistant Treasurer, Financial Empowerment

cc: Diane Hickman, Cannon County Executive's office
Roy Sullivan, Cannon County Emergency Communications District



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Karen Curtis, TCRS Employer Services
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: August 31, 2016

Employees of Cannon County ECD were being reported to the Tennessee Consolidated Retirement System (TCRS) as a division of Cannon County as County employees. We were notified by the Comptroller's Office that this may be in error. After research done by our legal counsel, it was determined that this is considered an administrative error by Cannon County in that Cannon County ECD is considered a separate legal entity. As such, Cannon County ECD must join TCRS as a separate legal entity.

The Cannon County ECD will be participating in Tennessee Consolidated Retirement System effective 10/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The ECD will continue to pay the contribution rate that was previously paid for those employees under the County participation at 6.92%. With 10 employees this would equal a dollar amount of \$13,839.06. One Hundred Percent (100%) of this figure is required to be budgeted for the fiscal year ending June 30, 2017.

Enclosed is the fiscal year 2016 budget for this the Cannon County ECD. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 253-6134.

Enclosure



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services
FROM: Sandra Thompson, Director *Sandra Thompson*
DATE: September 2, 2016
SUBJECT: Cannon County Emergency Communications District

It appears the Cannon County Emergency Communications District (the "District") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS) effective October 1, 2016.

Pursuant to your request, we have reviewed the District's adopted budget for fiscal year ending June 30, 2017. The budget includes retirement contributions of \$24,500, which adequately covers the District's total first year cost of \$13,839 to participate in TCRS. The projected statement of changes in net position presented below demonstrates that the District has sufficient revenues budgeted to cover all expenses including the TCRS pension expense.

Cannon County Emergency Communications District
Projected Statement of Changes in Net Position - Budgetary Basis
Fiscal Year ending June 30, 2017

| | | |
|---|----|-----------|
| Operating Revenue | \$ | 292,130 |
| Operating Expenses | | 580,965 |
| Operating Income | \$ | (288,835) |
| Nonoperating Revenues (Expenses) | | 75,400 |
| Contributions from the Town of Woodbury and Cannon County | | 215,003 |
| Increase (Decrease) in Net Position | \$ | 1,568 |

Operating expenses include a retirement contribution of \$13,839.

The financial information received by this Office with the request for the review of the District's fiscal year 2017 budget represents the District's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

Resolution 2016-13

Tennessee Consolidated Retirement System

Cannon County and
Cannon County Emergency Communications District

A RESOLUTION to acknowledge and agree to certain terms and conditions regarding participation in the Tennessee Consolidated Retirement System

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to approval of the TCRS Board of Trustees; and

WHEREAS, Cannon County is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Cannon County Emergency Communications District is a political subdivision with a relationship to Cannon County, and its employees participate in TCRS through Cannon County under the same terms and conditions as all employees of Cannon County participate; and

WHEREAS, TCRS has determined that the Cannon County Emergency Communications District is required to join TCRS as a separate participating political subdivision and to report its employees separately from Cannon County; and

WHEREAS, TCRS has determined that the reporting of the Cannon County Emergency Communications District's employees by Cannon County was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Cannon County Emergency Communications District to continue to participate in TCRS under the following terms and conditions:

- A. The Cannon County Emergency Communications District establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Directors of the Cannon County Emergency Communications District passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof.
- C. The Board of Directors of the Cannon County Emergency Communications District agrees, by passage of this resolution, that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by Cannon County and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Directors of the Cannon County Emergency Communications District agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Board of County Commissioners of Cannon County agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Cannon County Emergency Communications District prior to October 1, 2016.
- F. The Board of Directors of the Cannon County Emergency Communications District, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Board of County Commissioners of Cannon County, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Cannon County Emergency Communications District in TCRS.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Cannon County Emergency Communications District and the Board of County Commissioners of Cannon County hereby agree to compliance with the terms and conditions set forth above in order to authorize the employees of the Cannon County Emergency Communications District to be eligible to continue participation in TCRS. It is acknowledged and understood that TCRS is authorizing the employees of the Cannon County Emergency Communications District to participate in TCRS by compliance of the governing bodies of the Cannon County Emergency Communications District and Cannon County with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

STATE OF TENNESSEE
COUNTY OF Cannon

I, Anna M. P. Aman, clerk of the Board of Directors of the Cannon County Emergency Communications District of Woodbury, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 25 day of Aug, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Cannon County Emergency Communications District.

Anna M. P. Aman
As Clerk of the Board, as aforesaid

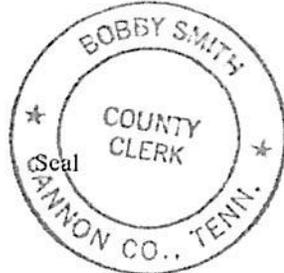
Seal A.M.P.

STATE OF TENNESSEE
COUNTY OF Cannon

I, Bobby Smith, clerk of the Board of County Commissioners of Cannon County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 4th day of August, 2016 the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of Cannon County.

Bobby Smith
As Clerk of the Board, as aforesaid



Tennessee Consolidated Retirement System
Cannon County Emergency Communications District

A RESOLUTION to authorize a political subdivision's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the Cannon County Emergency Communications District desires to participate in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. The Political Subdivision adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 5% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Political Subdivision shall: NOT provide cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Political Subdivision shall: ALLOW its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall: NOT allow its employees to establish any prior service credit with the Political Subdivision; and

WHEREAS, the liability for participation and costs of administration as of October 1, 2016, shall be the sole responsibility of the Political Subdivision and not the State of Tennessee; and

WHEREAS, the Political Subdivision has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto; and

WHEREAS, the Political Subdivision has agreed to compliance with a separate resolution addressing liabilities and assets prior to October 1, 2016 and acknowledges that compliance by the other party to the resolution is required for participation; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 6.92%, which is based on the estimated lump sum accrued liability of \$ 0.00.

NOW, THEREFORE, BE IT RESOLVED That the Board of Directors of the Cannon County Emergency Communications District hereby authorizes all its employees in all its departments or instrumentalities 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. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not 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 Political Subdivision for such employee.

STATE OF TENNESSEE

COUNTY OF Cannon

I, Anna M. Pittman, clerk of the Board of Directors of

the Cannon County Emergency Communications District of Cannon County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the

25 day of Aug., 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Cannon County Emergency Communications District.

Anna M. Pittman
As Clerk of the Board, as aforesaid

None A.M.P.
Seal

**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service | | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|---|-------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| | Employer | Employee | | | | | | |
| Joint Economic And Community Development Board Of Wilson County | 0 | 0 | 8.11% | 0.00% | \$0 | Included | Included | 3 |

Regular Defined Benefit Plan

Meetings:

- June 2016 Explained initial employer costs and participating procedures to the governing body.
- October 2016 Will explain laws, policies, and benefit provisions to the employees of the JECDB.
- October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

1. The Joint Economic and Community Development Board of Wilson County was being erroneously reported by Wilson County. As of 10/1/2016 the JECDB will be a separate legal entity in the TCRS system.
2. The JECDB initial employer contribution rate of 8.11% is the same rate of Wilson County.

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STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

July 28, 2016

Mr. Bob Rochelle
109 North Castle Heights Avenue
Lebanon, TN

Dear Mr. Rochelle:

It was a pleasure to meet with you and Tammy Stokes on June 20, 2016 and again with others on July 1, 2016 to discuss participation in the Tennessee Consolidated Retirement System (TCRS) for employees of the Joint Economic Community Development Board of Wilson County. Wilson County has been a participating employer in TCRS since August 1, 1973.

Background

With the implementation of GASB Statement No. 68 (GASB 68) by the Government Accounting Standards Board (GASB) as well as the American Institute of Certified Public Accountants (AICPA) white paper regarding the review of census data (employee's demographic information), the pension information presented in a government's financial statements requires greater disclosure than previously required. Moreover, there is a greater degree of responsibility for governmental employers, governmental auditors, and pension administrators to certify the accuracy of pension data being disclosed in the financial statements of employers that participate in pension plans. One such responsibility is that census data should be reviewed for accuracy by the employer and the auditor.

A review of census data in March 2014 by the Comptroller of the Treasury's State auditor determined that the GASB 68 actuarial data for Wilson County included employees of an entity that is legally separate from the County. The separate entity is the Joint Economic Community Development Board of Wilson County (JECDB). The JECDB is a joint venture between Wilson County, City of Lebanon, City of Mount Juliet and the City of Watertown.

Tennessee Code Annotated, Section 8-35-201(d), provides that in order for a joint venture to participate in TCRS, it must apply to the TCRS Board of Trustees, after passing a resolution authorizing its employees to become members. Also, the governing body of each governmental entity that participates in the joint venture must pass a resolution authorizing the joint venture's employees to participate in TCRS.

TCRS is a "qualified plan" under Section 401(a) of the Internal Revenue Code (IRC) and must maintain such qualification in order for assets within the pension fund to be accrued tax free until paid in the form of a benefit to retirees. To maintain its qualified status, TCRS is required to limit membership to only the employees of governmental employers properly participating in the plan.

Accordingly, for purposes of GASB 68, state law, and plan qualification, it is necessary to take appropriate actions to correct what TCRS has deemed an “administrative error.”

Suggested Course of Action

Given it is infeasible and impractical to completely separate prior participation, we are proposing a course of action as set out below. This course of action is intended to ensure that employees and retirees of the JECDB will receive the pension benefits they understood were being accrued for their benefit in retirement, while at the same time establishing it as an employer in the proper legal posture within TCRS. The recommended process should be seamless to employees.

The suggested course of action includes the adoption of the following resolutions:

Wilson County:

- Resolution A: Wilson County agrees to accept responsibility for service accrued by employees of the JECDB through September 30, 2016. The county will retain credit for all employer contributions, employee contributions, investment earnings, and retirement coverage through September 30, 2016. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the county.
- Resolution B: Pursuant to state law regarding the participation of joint ventures in TCRS, Wilson County agrees for the JECDB to participate in TCRS.

Board of the JECDB:

- Resolution C: The Board seeks to become a participating employer in TCRS so as to provide a retirement plan for employees.
- Resolution A, also adopted by Wilson County: The Board agrees to accept responsibility for all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the Board.

City of Lebanon:

- Resolution D: Pursuant to state law regarding the participation of joint ventures in TCRS, the City of Lebanon agrees for the JECDB to participate in TCRS.

City of Mount Juliet:

- Resolution E: Pursuant to state law regarding the participation of joint ventures in TCRS, the City of Mount Juliet agrees for the JECDB to participate in TCRS.

City of Watertown:

- Resolution F: Pursuant to state law regarding the participation of joint ventures in TCRS, the City of Watertown agrees for the JECDB to participate in TCRS.

Compliance

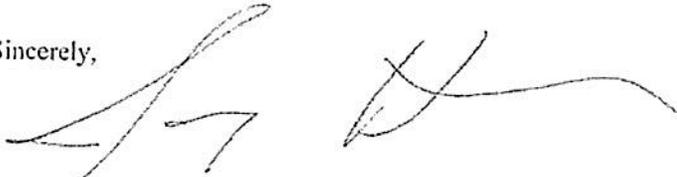
We have conferred with the Tennessee Comptroller of the Treasury and legal counsel and are in agreement that the proposed course of action is the reasonable resolution to correct the issues described.

Summary

We recommend the course of action as set out above to resolve the participation of employees of the JECDB in the TCRS.

We sincerely appreciate the proactive attention to this matter by all entities listed above. As you may know, TCRS is one of the top rated plans in the country and that is in part to the excellent leadership of our local government partners. If there are any questions or if you need additional information, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joy H. Harris', with a long horizontal flourish extending to the right.

Joy H. Harris
Assistant Treasurer, Financial Empowerment

cc: Tammy Stokes, JECDB Assistant Director
Mayor Philip Craighead, City of Lebanon
Robert Springer, City of Lebanon Finance Director
Kenny Martin, City of Mt. Juliet City Manager
John Rossmailer, City of Mt. Juliet Finance Director
Sharon Lackey, Wilson County Assistant Finance Director
Mayor Mike Jennings, City of Watertown Mayor
Randall Hutto, Wilson County Mayor
Aaron Maynard, Wilson County Finance Director



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
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NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Karen Curtis, TCRS Employer Services
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: September 7, 2016

Employees of the Joint Economic and Community Development Board of Wilson County were being reported to the Tennessee Consolidated Retirement System (TCRS) as a division of Wilson County as County employees. We were notified by the Comptroller's Office that this may be in error. After research done by our legal counsel, it was determined that this is considered an administrative error by Wilson County in that the JECDB is considered a separate legal entity. As such, the JECDB must join TCRS as a separate legal entity.

The JECDB will be participating in Tennessee Consolidated Retirement System effective 10/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The JECDB will continue to pay the contribution rate that was previously paid for those employees under the County participation at 8.11%. With 3 employees this would equal a dollar amount of \$13,978.72. One Hundred Percent (100%) of this figure is required to be budgeted for the fiscal year ending June 30, 2017.

Enclosed is the fiscal year 2017 budget for this the JECDB. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 253-6134.

Enclosure



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services
FROM: Sandra Thompson, Director *Sandra Thompson*
DATE: September 15, 2016
SUBJECT: Joint Economic and Community Development Board of Wilson County

It appears the Joint Economic and Community Development Board of Wilson County (the "Board") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS) effective October 1, 2016.

Pursuant to your request, we have reviewed the Board's adopted budget for the fiscal year ending June 30, 2017. The budget includes retirement costs of \$23,648, which adequately covers the Board's total first year cost of \$13,979 to participate in TCRS. The condensed annual budget presented below demonstrates that the Board has sufficient revenues budgeted to cover all expenditures including the TCRS pension expenditures.

Joint Economic and Community Development Board of Wilson County
Condensed Annual Budget
Fiscal Year ending June 30, 2017

| | | |
|-------------------------------------|----|----------------|
| Operating Revenue | \$ | 399,112 |
| Operating Expenditures | | <u>399,112</u> |
| Increase (Decrease) in Net Position | \$ | - |

Operating expenditures include a retirement contribution of \$23,648.

The financial information received by this Office with the request for the review of the Board's fiscal year 2017 budget represents the Board's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

**Tennessee Consolidated
Retirement System**
Joint Economic and Community Development Board
of Wilson County

A RESOLUTION to authorize a joint venture's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, 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 Joint Economic and Community Development Board of Wilson County ("Joint Venture") desires to participate in TCRS under the provisions of state law, and under the following terms and conditions, which shall apply to all individuals employed with the Joint Economic and Community Development Board of Wilson County as of October 1, 2016, and all employees hired on or after October 1, 2016:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 0% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: ALLOW its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall: NOT allow its employees to establish any prior service credit with the Political Subdivision; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Joint Venture and the public entities that are represented in 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; and

WHEREAS, the Joint Venture has agreed to compliance with a separate resolution addressing obligations for assets and liabilities prior to October 1, 2016 and acknowledges that compliance by the other party to the resolution is required for participation;

WHEREAS, the effective date of participation shall be on October 1, 2016 or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 8.11%, which is based on the estimated lump sum accrued liability of \$ 0.00.

NOW, THEREFORE, BE IT RESOLVED That the Board of Directors of the Joint Economic and Community Development Board of Wilson County hereby authorizes all its employees in all its departments or instrumentalities 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. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Joint Venture shall not 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 Hybrid Plan is adopted by the Joint Venture for such employee.

STATE OF TENNESSEE

COUNTY OF Wilson

I, Tammy L. Stokes, clerk of the Board of Directors

for the Joint Economic and Community Development Board of Wilson County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 26th day of July, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Joint Economic and Community Development Board of Wilson County.

Tammy L. Stokes
As Clerk of the Board, as aforesaid

Seal



Tennessee Consolidated Retirement System

Wilson County and Joint Economic and Community Development Board of Wilson County

A RESOLUTION to acknowledge and agree to certain terms and conditions regarding participation in the Tennessee Consolidated Retirement System

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System (“TCRS”) subject to approval of the TCRS Board of Trustees; and

WHEREAS, Wilson County is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Joint Economic and Community Development Board of Wilson County is a political subdivision with a relationship to Wilson County, and its employees participate in TCRS through Wilson County under the same terms and conditions as all employees of Wilson County participate; and

WHEREAS, TCRS has determined that the Joint Economic and Community Development Board of Wilson County is required to join TCRS as a separate participating political subdivision and to report its employees separately from Wilson County; and

WHEREAS, TCRS has determined that the reporting of the Joint Economic and Community Development Board of Wilson County’s employees by Wilson County was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Joint Economic and Community Development Board of Wilson County to continue to participate in TCRS under the following terms and conditions:

- A. The Joint Economic and Community Development Board of Wilson County establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Directors of the Joint Economic and Community Development Board of Wilson County passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof. Because the Joint Economic and Community Development Board of Wilson County is a joint venture, the governing bodies of the participating political subdivisions are also required to pass the resolutions described in Tennessee Code Annotated, Section 8-35-201(d).
- C. The Board of Directors of the Joint Economic and Community Development Board of Wilson County agrees, by passage of this resolution, that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by Wilson County and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Directors of the Joint Economic and Community Development Board of Wilson County agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Wilson County Commission agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Joint Economic and Community Development Board of Wilson County prior to October 1, 2016.
- F. The Board of Directors of the Joint Economic and Community Development Board of Wilson County, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing its participation in TCRS.

G. The Wilson County Commission, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Joint Economic and Community Development Board of Wilson County in TCRS.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Joint Economic and Community Development Board of Wilson County and the Wilson County Commission hereby agree to compliance with the terms and conditions set forth above in order to authorize the employees of the Joint Economic and Community Development Board of Wilson County to be eligible to continue participation in TCRS. It is acknowledged and understood that TCRS is authorizing the employees of the Joint Economic and Community Development Board of Wilson County to participate in TCRS by compliance of the governing bodies of the Joint Economic and Community Development Board of Wilson County and Wilson County with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

STATE OF TENNESSEE
COUNTY OF Wilson

I, Tammy L. Stokes, clerk of the Board of Directors of the Joint Economic and Community Development Board of Wilson County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 26th day of July, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Joint Economic and Community Development

Board of Wilson County,



Seal

Tammy L. Stokes
As Clerk of the Board, as aforesaid

STATE OF TENNESSEE
COUNTY OF _____

I, _____, clerk of the Wilson County Commission for Wilson County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the _____ day of _____, 20____, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of Wilson County.

As Clerk of the Board, as aforesaid

Seal

16-8-3

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF WILSON COUNTY, TENNESSEE ACKNOWLEDGING AND AGREEING TO CERTAIN TERMS AND CONDITIONS REGARDING PARTICIPATION IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM FOR THE JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to approval of the TCRS Board of Trustees; and

WHEREAS, Wilson County is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Joint Economic and Community Development Board of Wilson County is a political subdivision with a relationship to Wilson County, and its employees participate in TCRS through Wilson County under the same terms and conditions as all employees of Wilson County participate; and

WHEREAS, TCRS has determined that the Joint Economic and Community Development Board of Wilson County is required to join TCRS as a separate participating political subdivision and to report its employees separately from Wilson County; and

WHEREAS, TCRS has determined that the reporting of the Joint Economic and Community Development Board of Wilson County's employees by Wilson County was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Joint Economic and Community Development Board of Wilson County to continue to participate in TCRS under the following terms and conditions:

- A. The Joint Economic and Community Development Board of Wilson County establishing, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Directors of the Joint Economic and Community Development Board of Wilson County passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof. Because the Joint Economic and Community Development Board of Wilson County is a joint venture, the governing bodies of the participating political subdivisions are also required to pass the resolutions described in Tennessee Code Annotated, Section 8-35-201(d).
- C. The Board of Directors of the Joint Economic and Community Development Board of Wilson County agrees, by passage of this resolution, that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by Wilson County and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Directors of the Joint Economic and Community Development Board of Wilson County agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Wilson County Commission agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Joint Economic and Community Development Board of Wilson County prior to October 1, 2016.
- F. The Board of Directors of the Joint Economic and Community Development Board of Wilson County, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Wilson County Commission, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Joint Economic and Community Development Board of Wilson County in TCRS.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Wilson County, Tennessee that the Board of Directors of the Joint Economic and Community Development Board of Wilson County and the Wilson County Commission hereby agree to compliance with the terms and conditions set forth above in order to authorize the employees of the Joint Economic and Community Development Board of Wilson County to be eligible to continue participation in TCRS.

IT IS FURTHER RESOLVED that it is acknowledged and understood that TCRS is authorizing the employees of the Joint Economic and Community Development Board of Wilson County to participate in TCRS by compliance of the governing bodies of the Joint Economic and Community Development Board of Wilson County and Wilson County with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

SPONSOR

RECOMMENDED FOR APPROVAL:

BUDGET COMMITTEE
August 3, 2016
5-0

STATE OF TENNESSEE
COUNTY OF WILSON

I, _____, Clerk of the Board of Directors of the Joint Economic and Community Development Board of Wilson County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the _____ day of _____, 20____, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Joint Economic and Community Development Board of Wilson County.

As Clerk of the Board, as aforesaid

(SEAL)

STATE OF TENNESSEE
COUNTY OF WILSON

I, Jim Goodall, Clerk of the Wilson County Commission for Wilson County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 29th day of August, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of Wilson County.



Jim Goodall
As Clerk of the Commission, as aforesaid
Jandra K. Houbly pc

16-8-4

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF WILSON COUNTY, TENNESSEE AUTHORIZING A JOINT VENTURE PARTICIPATION IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED TITLE 8, CHAPTERS 34-37 FOR THE JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD

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 Board of Directors of the Joint Economic and Community Development Board of Wilson County ("Joint Venture") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 0% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: ALLOW its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Joint Venture on the effective date of the Joint Venture's participation in TCRS, the Joint Venture shall: NOT allow its employees to establish any prior service credit with the Joint Venture; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 8.11 %, which is based on the estimated lump sum accrued liability of \$ 0.00; and

WHEREAS, Wilson County is represented in such Joint Venture and desires 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 by the Board of County Commissioners of Wilson County, Tennessee that the Wilson County Commission hereby authorizes all the employees of the Joint Venture 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 FURTHER RESOLVED that 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.

SPONSOR

RECOMMENDED FOR APPROVAL:
BUDGET COMMITTEE
August 3, 2016
5-0

STATE OF TENNESSEE
COUNTY OF WILSON

I, _____, Clerk of the Board of Directors of the Joint Economic and Community Development Board of Wilson County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the _____ day of _____, 20____, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Joint Economic and Community Development Board of Wilson County.

As Clerk of the Board, as aforesaid

(SEAL)

STATE OF TENNESSEE
COUNTY OF WILSON

I, Jim Goodall, Clerk of the Wilson County Commission for Wilson County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 29th day of August, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of Wilson County.



Jim Goodall
As Clerk of the Commission, as aforesaid

Jonda H. Houdrye

Tennessee Consolidated Retirement System

(Joint Economic and Community Development Board of Wilson County – City of Watertown)

A RESOLUTION to authorize a joint venture’s participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated 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 Board of Directors of the Joint Economic and Community Development Board of Wilson County (“Joint Venture”) has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

- A. TYPE PLAN. The Joint Venture adopts the following type plan:Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute:0% of the employees’ earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall:PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: ALLOW its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Joint Venture on the effective date of the Joint Venture’s participation in TCRS, the Joint Venture shall: NOT allow its employees to establish any prior service credit with the Joint Venture; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be8.11 %, which is based on the estimated lump sum accrued liability of \$0.00; and

WHEREAS, the City of Watertownis represented in such Joint Venture and desires 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 Watertown City Council hereby authorizes all the employees of the Joint Venture 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.

STATE OF TENNESSEE

COUNTY OF Wilson

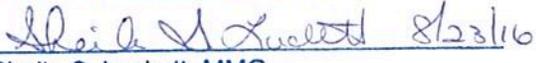
I, April Lomberson, clerk of the Watertown City Council of Watertown, Tennessee do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 31 day of August, 2016 the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the City of Watertown.

April Lomberson
As Clerk of the Board, as aforesaid

Seal

I certify this to be a true and exact copy of the files and records of the City of Mt. Juliet


Sheila S. Lockett, MMC
Deputy City Manager/City Recorder

Resolution 38-2016

Tennessee Consolidated Retirement System

(Joint Economic and Community Development Board of Wilson County – City of Mount Juliet)

A RESOLUTION to authorize a joint venture's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated 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 Board of Directors of the Joint Economic and Community Development Board of Wilson County ("Joint Venture") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 0% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: ALLOW its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Joint Venture on the effective date of the Joint Venture's participation in TCRS, the Joint Venture shall: NOT allow its employees to establish any prior service credit with the Joint Venture; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 8.11%, which is based on the estimated lump sum accrued liability of \$ 0.00; and

WHEREAS, the City of Mount Juliet is represented in such Joint Venture and desires 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

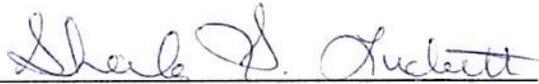
WHEREAS, the Joint Venture has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto.

NOW, THEREFORE, BE IT RESOLVED That the Mount Juliet Board of Commissioners hereby authorizes all the employees of the Joint Venture 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.

STATE OF TENNESSEE
COUNTY OF WILSON

I, Sheila S. Lockett, clerk of the Mount Juliet Board of Commissioners of Mount Juliet, Tennessee do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 22nd day of August, 2016 the original of which is on file in this office.

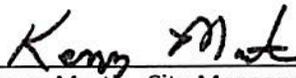
IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the City of Mount Juliet.


As Clerk of the Board, as aforesaid

Seal

PASSED: 8/22/16
ATTEST:


Sheila S. Lockett, MMC
City Recorder


Kenny Martin, City Manager

RESOLUTION NO. 16-1956

A RESOLUTION OF THE CITY COUNCIL OF LEBANON TO AUTHORIZE A JOINT VENTURE'S (JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF WILSON COUNTY) PARTICIPATION IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED 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 Board of Directors of the Joint Economic and Community Development Board of Wilson County ("Joint Venture") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

- A. **TYPE PLAN.** The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. **EMPLOYEE CONTRIBUTIONS.** The Employees shall contribute: 0% of the employees' earnable compensation;
- C. **COST-OF-LIVING INCREASES FOR RETIREES.** The Joint Venture shall: PROVIDE cost-of-living increases for its retirees;
- D. **ELIGIBILITY OF PART-TIME EMPLOYEES.** The Joint Venture shall: ALLOW its part-time employees to participate in TCRS;
- E. **PRIOR SERVICE.** For each employee employed with the Joint Venture on the effective date of the Joint Venture's participation in TCRS, the Joint Venture shall: NOT allow its employees to establish any prior service credit with the Joint Venture; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 8.11 %, which is based on the estimated lump sum accrued liability of \$ 0.00; and

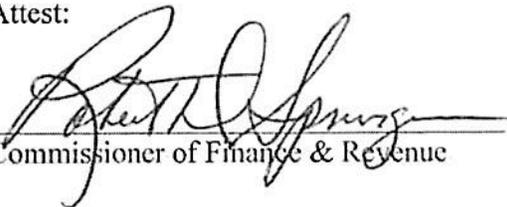
WHEREAS, the City of Lebanon is represented in such Joint Venture and desires to allow all the employees of the Joint Venture to participate in TCRS under the above terms and conditions, or under such other terms and conditions the governing body of the Joint Venture may adopt pursuant to the laws governing 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.

NOW, THEREFORE, BE IT RESOLVED by the City of Lebanon, Tennessee, that all the employees of the Joint Venture are hereby authorized 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.

Adopted this 19 day of July, 2016.

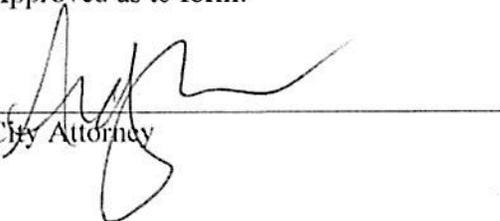
Attest:


Commissioner of Finance & Revenue

Approved:


Mayor

Approved as to form:


City Attorney

STATE OF TENNESSEE
COUNTY OF WILSON

I, Robert Springer, Commissioner of Finance and Revenue for the City of Lebanon, Tennessee, do hereby certify that this is a true and exact copy of Resolution No. 16-1956 that was approved and adopted in accordance with applicable law at a meeting held on the 19th day of July, 2016, 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 Lebanon.



Robert Springer
Commissioner of Finance for the City of Lebanon

Seal

**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service | | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|------------------------------|-------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| | Employer | Employee | | | | | | |
| Millington Airport Authority | 0 | 0 | 12.15% | 0.00% | \$0 | Excluded | Included | 7 |

Regular Defined Benefit Plan

Meetings:

- June 2016 Explained initial employer costs and participating procedures to the governing body.
- October 2016 Will explain laws, policies, and benefit provisions to the employees of the Airport Authority.
- October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

1. The Millington Airport Authority was being erroneously reported by the City of Millington. As of 10/1/2016 the Airport Authority will be a separate legal entity in the TCRS system.
2. The Millington Airport Authority initial employer contribution rate of 12.15% is the same rate of the City of Millington.

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STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

July 7, 2016

Mr. John Trusty, CPA, Director of Finance
City of Millington
7930 Nelson Road
Millington, TN 38053

Dear Mr. Trusty:

Thank you for meeting with staff of the Tennessee Treasury Department on June 30, 2016, to discuss participation in the Tennessee Consolidated Retirement System (TCRS) for employees of the Millington Municipal Airport Authority. The City of Millington has been a participating employer in TCRS since October 1, 1968.

Background

With the implementation of GASB Statement No. 68 (GASB 68) by the Government Accounting Standards Board (GASB) as well as the American Institute of Certified Public Accountants (AICPA) white paper regarding the review of census data (employee's demographic information), the pension information presented in a government's financial statements requires greater disclosure than previously required. Moreover, there is a greater degree of responsibility for governmental employers, governmental auditors, and pension administrators to certify the accuracy of pension data being disclosed in the financial statements of employers that participate in pension plans. One such responsibility is that census data should be reviewed for accuracy by the employer and the auditor.

In 2014, TCRS reviewed the reporting of the Millington Municipal Airport Authority employees by the City of Millington, and determined that the Millington Municipal Airport is a legally separate entity from the City of Millington. Such a review has been done of other governmental entities in recent years as well as a result of GASB 68. The Millington Municipal Airport Authority was created pursuant to the Airport Authorities Act found in Tennessee Code Annotated Section 42-3-101 et seq.

TCRS is a "qualified plan" under Section 401(a) of the Internal Revenue Code (IRC) and must maintain such qualification in order for assets within the pension fund to be accrued tax free until paid in the form of a benefit to retirees. To maintain its qualified status, TCRS is required to limit membership to only the employees of governmental employers properly participating in the plan.

Accordingly, for purposes of GASB 68, state law, and plan qualification, it is necessary to take appropriate actions to correct what TCRS has deemed an "administrative error."

Suggested Course of Action

Given it is infeasible and impractical to completely separate prior participation, we are proposing a course of action as set out below. This course of action is intended to ensure that employees and retirees of the

Millington Municipal Airport Authority will receive the pension benefits they understood were being accrued for their benefit in retirement, while at the same time establishing these two employers in the proper legal posture within TCRS. The recommended process should be seamless to employees.

The suggested course of action includes the adoption of the following resolutions:

City of Millington:

- Resolution A: The City of Millington agrees to accept responsibility for service accrued by employees of the Millington Municipal Airport Authority through September 30, 2016. The county will retain credit for all employer contributions, employee contributions, investment earnings, and retirement coverage through September 30, 2016. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the city.

Board of the Millington Municipal Airport Authority:

- Resolution B: The Board seeks to become a participating employer in TCRS so as to provide a retirement plan for employees.
- Resolution A, also adopted by City of Millington: The Board agrees to accept responsibility for all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the Board.

Compliance

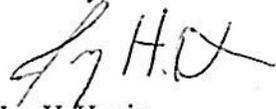
We have conferred with the Tennessee Comptroller of the Treasury and legal counsel and are in agreement that the proposed course of action is the reasonable resolution to correct the issues described.

Summary

We recommend the course of action as set out above to resolve the participation of employees of the Millington Municipal Airport Authority in the TCRS.

We sincerely appreciate the proactive attention to this matter by all entities listed above. As you may know, TCRS is one of the top rated plans in the country and that is in part to the excellent leadership of our local government partners. If there are any questions or if you need additional information, please feel free to contact us.

Sincerely,



Joy H. Harris
Assistant Treasurer, Financial Empowerment

cc: Roy Remington, Millington Municipal Airport Authority



MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Karen Curtis, TCRS Employer Services
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: August 31, 2016

Employees of Millington Airport Authority were being reported to the Tennessee Consolidated Retirement System (TCRS) as a division of the City of Millington as city employees. We were notified by the Comptroller's Office that this may be in error. After research done by our legal counsel, it was determined that this is considered an administrative error by Millington in that Millington Airport Authority is considered a separate legal entity. As such, Millington Airport Authority must join TCRS as a separate legal entity.

The Millington Airport Authority will be participating in Tennessee Consolidated Retirement System effective 10/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The Airport Authority will continue to pay the contribution rate that was previously paid for those employees under the city participation at 12.15%. With 7 employees this would equal a dollar amount of \$ 25,250.83. One Hundred Percent (100%) of this figure is required to be budgeted for the fiscal year ending June 30, 2017.

Enclosed is the fiscal year 2016 budget for this the Millington Airport Authority. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 253-6134.

Enclosure



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services
FROM: Sandra Thompson, Director
DATE: September 2, 2016
SUBJECT: Millington Airport Authority

It appears the Millington Airport Authority (the "Authority") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS) effective October 1, 2016.

Pursuant to your request, we have reviewed the Authority's adopted budget for fiscal year ending June 30, 2017. The budget includes pension expense of \$53,400, which adequately covers the Authority's total first year cost of \$25,251 to participate in TCRS. The projected statement of changes in net position presented below demonstrates that the Authority has sufficient revenues budgeted to cover all expenses including the TCRS pension expense.

Millington Airport Authority
Projected Statement of Changes in Net Position - Budgetary Basis
Fiscal Year ending June 30, 2017

| | |
|-------------------------------------|------------------|
| Operating Revenue | \$ 1,398,800 |
| Operating Expenses | <u>1,145,940</u> |
| Operating Income | 252,860 |
| Nonoperating Revenues (Expenses) | <u>(252,860)</u> |
| Increase (Decrease) in Net Position | \$ - |

Operating expenses include \$53,400 TCRS pension expense.

The financial information received by this Office with the request for the review of the Authority's fiscal year 2017 budget represents the Authority's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

**Tennessee Consolidated
Retirement System
Millington Municipal Airport Authority**

A RESOLUTION to authorize a political subdivision's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System (“TCRS”) subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the Millington Municipal Airport Authority desires to participate in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. The Political Subdivision adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 0 % of the employees’ earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Political Subdivision shall: PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Political Subdivision shall: NOT allow its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Political Subdivision on the effective date of the Political Subdivision’s participation in TCRS, the Political Subdivision shall: NOT allow its employees to establish any prior service credit with the Political Subdivision; and

WHEREAS, the liability for participation and costs of administration as of October 1, 2016, shall be the sole responsibility of the Political Subdivision and not the State of Tennessee; and

WHEREAS, the Political Subdivision has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto; and

WHEREAS, the Political Subdivision has agreed to compliance with a separate resolution addressing liabilities and assets prior to October 1, 2016 and acknowledges that compliance by the other party to the resolution is required for participation; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 12.15%, which is based on the estimated lump sum accrued liability of \$ 0.00.

NOW, THEREFORE, BE IT RESOLVED That the Board of Commissioners of the Millington Municipal Airport Authority hereby authorizes all its employees in all its departments or instrumentalities 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. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not 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 Political Subdivision for such employee.

STATE OF TENNESSEE

COUNTY OF Shelby

I, Linda L. Leavitt, clerk of the Board of

Commissioners of the Millington Municipal Airport Authority of Millington, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the

16th day of August, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Millington Municipal Airport Authority.

Linda L. Leavitt
As Clerk of the Board, as aforesaid

Seal



Tennessee Consolidated Retirement System

City of Millington and
Millington Airport Authority

A RESOLUTION to acknowledge and agree to certain terms and conditions regarding participation in the Tennessee Consolidated Retirement System

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to approval of the TCRS Board of Trustees; and

WHEREAS, the City of Millington is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Millington Airport Authority is a political subdivision with a relationship to the City of Millington, and its employees participate in TCRS through the City of Millington under the same terms and conditions as all employees of the City of Millington participate; and

WHEREAS, TCRS has determined that the Millington Airport Authority is required to join TCRS as a separate participating political subdivision and to report its employees separately from the City of Millington; and

WHEREAS, TCRS has determined that the reporting of the Millington Airport Authority's employees by the City of Millington was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Millington Airport Authority to continue to participate in TCRS under the following terms and conditions:

- A. The Millington Airport Authority establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Commissioners of the Millington Airport Authority passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof.
- C. The Board of Commissioners of the Millington Airport Authority agrees, by passage of this resolution, that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by the City of Millington and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Commissioners of the Millington Airport Authority agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Board of Mayor and Aldermen of the City of Millington agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Millington Airport Authority prior to October 1, 2016.
- F. The Board of Commissioners of the Millington Airport Authority, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Board of Mayor and Aldermen of the City of Millington, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Millington Airport Authority in TCRS.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Millington Airport Authority and the Board of Mayor and Aldermen of the City of Millington hereby agree to compliance with the terms and conditions set forth above in order to authorize the employees of the Millington Airport Authority to be eligible to continue participation in TCRS. It is acknowledged and understood that TCRS is authorizing the employees of the Millington Airport Authority to participate in TCRS by compliance of the governing bodies of the Millington Airport Authority and the City of Millington with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

STATE OF TENNESSEE

COUNTY OF Shelby

I, Linda L. Leavitt, clerk of the Board of

Commissioners of the Millington Airport Authority of Millington, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 16th day of August, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Millington Airport Authority.



Seal

Linda L. Leavitt
As Clerk of the Board, as aforesaid

STATE OF TENNESSEE
COUNTY OF _____

I, _____, clerk of the Board of Mayor and

Aldermen of the City of Millington, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the _____ day of _____, 20____, 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 Millington.

As Clerk of the Board, as aforesaid

Seal

RESOLUTION 46-2016

A RESOLUTION TO ACKNOWLEDGE AND AGREE TO CERTAIN TERMS AND CONDITIONS REGARDING MILLINGTON MUNICIPAL AIRPORT AUTHORITY EMPLOYEES' PARTICIPATION IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM (A JOINT RESOLUTION OF THE CITY OF MILLINGTON AND THE MILLINGTON MUNICIPAL AIRPORT AUTHORITY)

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to approval of the TCRS Board of Trustees; and

WHEREAS, the City of Millington is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Millington Municipal Airport Authority is a political subdivision with a relationship to the City of Millington, and its employees participate in TCRS through the City of Millington under the same terms and conditions as all employees of the City of Millington participate; and

WHEREAS, TCRS has determined that the Millington Municipal Airport Authority is required to join TCRS as a separate participating political subdivision and to report its employees separately from the City of Millington; and

WHEREAS, TCRS has determined that the reporting of the Millington Municipal Airport Authority's employees by the City of Millington was an administrative error; and

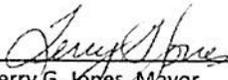
WHEREAS, TCRS will authorize the employees of the Millington Municipal Airport Authority to continue to participate in TCRS under the following terms and conditions:

- A. The Millington Municipal Airport Authority establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Commissioners of the Millington Municipal Airport Authority passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof.
- C. The Board of Commissioners of the Millington Municipal Airport Authority agrees, by passage of this resolution, that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by the City of Millington and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Commissioners of the Millington Municipal Airport Authority agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Board of Mayor and Aldermen of the City of Millington agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Millington Municipal Airport Authority prior to October 1, 2016.
- F. The Board of Commissioners of the Millington Municipal Airport Authority, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Board of Mayor and Aldermen of the City of Millington, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Millington Municipal Airport Authority in TCRS.

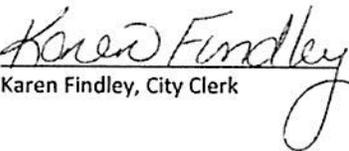
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MILLINGTON, TENNESSEE, That the Board of Mayor and Aldermen of the City of Millington and the Board of Commissioners of the Millington Municipal Airport Authority hereby agree to compliance with the terms and conditions set forth above in order to authorize the employees of the Millington Municipal Airport Authority to be eligible to continue participation in TCRS. It is acknowledged and understood that TCRS is authorizing the employees of the Millington Municipal Airport Authority to participate in TCRS by compliance of the governing bodies of the Millington Municipal Airport Authority and the City of Millington with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

BE IT FURTHER RESOLVED, That the Mayor and City Clerk are authorized to sign and place the City Seal on a TCRS formatted document of this Resolution, a copy of which is attached hereto.

This Resolution is adopted this 11th day of July, 2016.



Terry G. Jones, Mayor



Karen Findley, City Clerk

**Tennessee Consolidated
Retirement System**

**City of Millington and
Millington Municipal Airport Authority**

A RESOLUTION to acknowledge and agree to certain terms and conditions regarding participation in the Tennessee Consolidated Retirement System

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to approval of the TCRS Board of Trustees; and

WHEREAS, the City of Millington is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Millington Municipal Airport Authority is a political subdivision with a relationship to the City of Millington, and its employees participate in TCRS through the City of Millington under the same terms and conditions as all employees of the City of Millington participate; and

WHEREAS, TCRS has determined that the Millington Municipal Airport Authority is required to join TCRS as a separate participating political subdivision and to report its employees separately from the City of Millington; and

WHEREAS, TCRS has determined that the reporting of the Millington Municipal Airport Authority's employees by the City of Millington was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Millington Municipal Airport Authority to continue to participate in TCRS under the following terms and conditions:

- A. The Millington Municipal Airport Authority establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Commissioners of the Millington Municipal Airport Authority passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof.
- C. The Board of Commissioners of the Millington Municipal Airport Authority agrees, by passage of this resolution, that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by the City of Millington and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Commissioners of the Millington Municipal Airport Authority agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Board of Mayor and Aldermen of the City of Millington agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Millington Municipal Airport Authority prior to October 1, 2016.
- F. The Board of Commissioners of the Millington Municipal Airport Authority, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Board of Mayor and Aldermen of the City of Millington, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Millington Municipal Airport Authority in TCRS.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Millington Municipal Airport Authority and the Board of Mayor and Aldermen of the City of Millington hereby agree to compliance with the terms and conditions set forth above in order to authorize the employees of the Millington Municipal Airport Authority to be eligible to continue participation in TCRS. It is acknowledged and understood that TCRS is authorizing the employees of the Millington Municipal Airport Authority to participate in TCRS by compliance of the governing bodies of the Millington Municipal Airport Authority and the City of Millington with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

STATE OF TENNESSEE
COUNTY OF Shelby

I, Karen Findley, clerk of the Board of Commissioners of the Millington Municipal Airport Authority of Millington, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 11th day of July, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Millington Municipal Airport Authority.

Karen Findley
As Clerk of the Board, as aforesaid

Seal

STATE OF TENNESSEE
COUNTY OF _____

I, _____, clerk of the Board of Mayor and Aldermen of the City of Millington, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the _____ day of _____, 20____, 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 Millington.

As Clerk of the Board, as aforesaid

Seal

**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service Employer | Employee | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|-----------------------|----------------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| Obion County Library | 0 | 0 | 6.24% | 5.00% | \$0 | Excluded | Excluded | 14 |

Regular Defined Benefit Plan

Meetings:

- June 2016 Explained initial employer costs and participating procedures to the governing body.
- October 2016 Will explain laws, policies, and benefit provisions to the employees of the Library.
- October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

1. The Obion County Library was being erroneously reported by Obion County. As of 10/1/2016 the Library will be a separate legal entity in the TCRS system.
2. The Obion County Library initial employer contribution rate of 6.24% is the same rate of Obion County.

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STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

July 7, 2016

The Honorable Benny McGuire
316 South 3rd Street
Union City, TN 38261

Dear Mayor McGuire:

Thank you for meeting with staff of the Tennessee Treasury Department on June 30, 2016, to discuss participation in the Tennessee Consolidated Retirement System (TCRS) for employees of the Obion County Public Library. Obion County has been a participating employer in TCRS since July 1, 1974.

Background

With the implementation of GASB Statement No. 68 (GASB 68) by the Government Accounting Standards Board (GASB) as well as the American Institute of Certified Public Accountants (AICPA) white paper regarding the review of census data (employee's demographic information), the pension information presented in a government's financial statements requires greater disclosure than previously required. Moreover, there is a greater degree of responsibility for governmental employers, governmental auditors, and pension administrators to certify the accuracy of pension data being disclosed in the financial statements of employers that participate in pension plans. One such responsibility is that census data should be reviewed for accuracy by the employer and the auditor.

A review of census data in 2015 by the Comptroller of the Treasury's State auditor determined that the GASB 68 actuarial data for Obion County included employees of an entity that is legally separate from the city. The separate entity is the Obion County Public Library. The Obion County Public Library is a joint venture between Obion County and Union City and was created pursuant to Tennessee Code Annotated Section 10-3-101 et seq.

Tennessee Code Annotated, Section 8-35-201(d), provides that in order for a joint venture to participate in TCRS, it must apply to the TCRS Board of Trustees, after passing a resolution authorizing its employees to become members. Also, the governing body of each governmental entity that participates in the joint venture must pass a resolution authorizing the joint venture's employees to participate in TCRS.

TCRS is a "qualified plan" under Section 401(a) of the Internal Revenue Code (IRC) and must maintain such qualification in order for assets within the pension fund to be accrued tax free until paid in the form

of a benefit to retirees. To maintain its qualified status, TCRS is required to limit membership to only the employees of governmental employers properly participating in the plan.

Accordingly, for purposes of GASB 68, state law, and plan qualification, it is necessary to take appropriate actions to correct what TCRS has deemed an “administrative error.”

Suggested Course of Action

Given it is infeasible and impractical to completely separate prior participation, we are proposing a course of action as set out below. This course of action is intended to ensure that employees and retirees of the Obion County Public Library will receive the pension benefits they understood were being accrued for their benefit in retirement, while at the same time establishing it as an employer in the proper legal posture within TCRS. The recommended process should be seamless to employees.

The suggested course of action includes the adoption of the following resolutions:

Obion County:

- Resolution A: Obion County agrees to accept responsibility for service accrued by employees of the Obion County Library system through September 30, 2016. The county will retain credit for all employer contributions, employee contributions, investment earnings, and retirement coverage through September 30, 2016. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the city.
- Resolution B: Pursuant to state law regarding the participation of joint ventures in TCRS, Obion County agrees for the Obion County Public Library to participate in TCRS.

Board of the Obion County Public Library:

- Resolution C: The Board seeks to become a participating employer in TCRS so as to provide a retirement plan for employees.
- Resolution A, also adopted by Obion County: The Board agrees to accept responsibility for all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the Board.

Union City

- Resolution D: Pursuant to state law regarding the participation of joint ventures in TCRS, Union City agrees for the Obion County Public Library to participate in TCRS.

Compliance

We have conferred with the Tennessee Comptroller of the Treasury and legal counsel and are in agreement that the proposed course of action is the reasonable resolution to correct the issues described.

Summary

We recommend the course of action as set out above to resolve the participation of employees of the Obion County Public Library in the TCRS.

We sincerely appreciate the proactive attention to this matter by all entities listed above. As you may know, TCRS is one of the top rated plans in the country and that is in part to the excellent leadership of our local government partners. If there are any questions or if you need additional information, please feel free to contact us.

Sincerely,

Joy H. Harris
Assistant Treasurer, Financial Empowerment

cc: Michelle Barnes, Director of the Obion County Library system



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Karen Curtis, TCRS Employer Services
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: August 31, 2016

Employees of Obion County Library were being reported to the Tennessee Consolidated Retirement System (TCRS) as a division of Obion County as county employees. We were notified by the Comptroller's Office that this may be in error. After research done by our legal counsel, it was determined that this is considered an administrative error by Obion County in that Obion County Library is considered a separate legal entity. As such, Obion County Library must join TCRS as a separate legal entity.

The Obion County Library will be participating in Tennessee Consolidated Retirement System effective 10/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The Library will continue to pay the contribution rate that was previously paid for those employees under the city participation at 6.24%. With 14 employees this would equal a dollar amount of \$ 14,419.92. One Hundred Percent (100%) of this figure is required to be budgeted for the fiscal year ending June 30, 2017.

Enclosed is the fiscal year 2016 budget for this the Obion County Library. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 253-6134.

Enclosure



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services
FROM: Sandra Thompson, Director
DATE: September 1, 2016
SUBJECT: Obion County Public Library

It appears the Obion County Public Library (the "Library") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS) effective October 1, 2016.

Pursuant to your request, we have reviewed the Library's adopted budget for fiscal year ending June 30, 2017. The budget appropriates pension expenditures of \$19,256 which adequately covers the Library's total first year cost of \$14,420 to participate in TCRS. The condensed annual budget presented below demonstrates that the Library has sufficient revenues budgeted to cover all expenditures including the TCRS pension expenditures.

Obion County Public Library
Annual Budget
Fiscal Year Ending June 30, 2017

| | |
|------------------------------|-----------|
| Revenues | |
| County Contribution | \$358,438 |
| City Contribution | 179,218 |
| Total Revenues | \$537,656 |
| Expenditures* | |
| Total Operating Expenditures | \$537,656 |
| Change in Fund Balance | \$ - |

* Expenditures include retirement expenditure of \$19,256.

The financial information received by this Office with the request for the review of the Library's fiscal year 2017 budget represents the Library's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

**Tennessee Consolidated
Retirement System****Obion County and
Obion County Public Library****A RESOLUTION to acknowledge and agree
to certain terms and conditions regarding
participation in the Tennessee Consolidated
Retirement System**

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to approval of the TCRS Board of Trustees; and

WHEREAS, Obion County is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Obion County Public Library is a political subdivision with a relationship to Obion County, and its employees participate in TCRS through Obion County under the same terms and conditions as all employees of Obion County participate; and

WHEREAS, TCRS has determined that the Obion County Public Library is required to join TCRS as a separate participating political subdivision and to report its employees separately from Obion County; and

WHEREAS, TCRS has determined that the reporting of the Obion County Public Library's employees by Obion County was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Obion County Public Library to continue to participate in TCRS under the following terms and conditions:

- A. The Obion County Public Library establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Trustees of the Obion County Public Library passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof. Because the Obion County Public Library is a joint venture, the governing bodies of the participating political subdivisions are also required to pass the resolutions described in Tennessee Code Annotated, Section 8-35-201(d).
- C. The Board of Trustees of the Obion County Public Library agrees, by passage of this resolution, that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by Obion County and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Trustees of the Obion County Public Library agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Obion County Commission agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Obion County Public Library prior to October 1, 2016.
- F. The Board of Trustees of the Obion County Public Library, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Obion County Commission, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Obion County Public Library in TCRS.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the Obion County Public Library and the Obion County Commission hereby agree to compliance with the terms and conditions set forth above in order to authorize the employees of the Obion County Public Library to be eligible to continue participation in TCRS. It is acknowledged and understood that TCRS is authorizing the employees of the Obion County Public Library to participate in TCRS by compliance of the governing bodies of the Obion County Public Library and Obion County with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

STATE OF TENNESSEE

COUNTY OF Obion

I, BRENDA BAKER, clerk of the Board of Trustees of the Obion County Public Library of Obion County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 16th day of August, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Obion County Public Library.

Brenda Baker
As Clerk of the Board, as aforesaid

Seal

STATE OF TENNESSEE

COUNTY OF Obion

I, Crystal Gibson Crain, clerk of the Obion County Commission of Obion County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 18 day of July, 2016 the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of Obion County.

Crystal Gibson Crain
As Clerk of the Board, as aforesaid

Seal

Ralph Puckett



**Tennessee Consolidated
Retirement System
Obion County Public Library**

A RESOLUTION to authorize a joint venture's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, 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 Obion County Public Library ("Joint Venture") desires to participate in TCRS under the provisions of state law, and under the following terms and conditions, which shall apply to all individuals employed with the Obion County Public Library as of October 1, 2016, and all employees hired on or after October 1, 2016:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 5 % of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: NOT provide cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: NOT allow its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall: NOT allow its employees to establish any prior service credit with the Political Subdivision; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Joint Venture and the public entities that are represented in 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; and

WHEREAS, the Joint Venture has agreed to compliance with a separate resolution addressing obligations for assets and liabilities prior to October 1, 2016 and acknowledges that compliance by the other party to the resolution is required for participation;

WHEREAS, the effective date of participation shall be on October 1, 2016 or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 6.24 %, which is based on the estimated lump sum accrued liability of \$ 0.00.

NOW, THEREFORE, BE IT RESOLVED That the Board of Trustees of the Obion County Public Library hereby authorizes all its employees in all its departments or instrumentalities 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. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Joint Venture shall not 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 Hybrid Plan is adopted by the Joint Venture for such employee.

STATE OF TENNESSEE

COUNTY OF Obion

I, BRENDA BAKER, clerk of the Board of Trustees for

the Obion County Public Library, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was

approved and adopted in accordance with applicable law at a meeting held on the 16th day of August,

2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Obion County Public Library.

Brenda Baker

As Clerk of the Board, as aforesaid

Seal

Tennessee Consolidated Retirement System

(Obion County Public Library – Obion County)

A RESOLUTION to authorize a joint venture's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated 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 Board of Trustees of the Obion County Public Library ("Joint Venture") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 5% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: NOT provide cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: NOT allow its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Joint Venture on the effective date of the Joint Venture's participation in TCRS, the Joint Venture shall: NOT allow its employees to establish any prior service credit with the Joint Venture; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 6.24 %, which is based on the estimated lump sum accrued liability of \$ 0.00; and

WHEREAS, Obion County is represented in such Joint Venture and desires 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 Obion County Commission hereby authorizes all the employees of the Joint Venture 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.

STATE OF TENNESSEE

COUNTY OF Obion

I, Crystal Gibson Crain, clerk of the Obion County Commission of Obion County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 18 day of July, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of Obion County.

Crystal Gibson Crain
As Clerk of the Board, as aforesaid

Seal

Ralph Puckett



RESOLUTION 137-17

A RESOLUTION TO AUTHORIZE A JOINT VENTURE'S PARTICIPATION IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED 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 Board of Trustees of the Obion County Public Library ("Joint Venture") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law and under the following terms and conditions:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 5% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: NOT provide cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: NOT allow its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Joint Venture on the effective date of the Joint Venture's participation in TCRS, the Joint Venture shall: NOT allow its employees to establish any prior service credit with the Joint Venture; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 6.24% which is based on the estimated lump sum accrued liability of \$0.00; and

WHEREAS, the City of Union City is represented in such Joint Venture and desires 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 the 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

Resolution 137-17
Page Two

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 Union City City Council hereby authorizes all the employees of the Joint Venture 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

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RES B

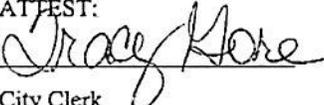
262

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.

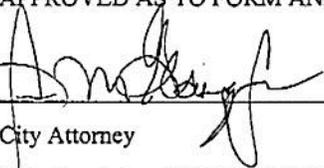
This Resolution takes effect immediately upon its passage, the public welfare requiring it.
Adopted this 16th day of August, 2016.

CITY OF UNION CITY, TENNESSEE

BY: 
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:


City Attorney
Effective date: AUGUST 16, 2016

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**Political Subdivisions Beginning Participation
in the Tennessee Consolidated Retirement System
October 1, 2016**

| Political Subdivision | Amount of Service Employer | Employee | ER Rate | EE Rate | Accrued Liability | Part Time Coverage | Cost of Living | Number of Employees |
|-----------------------|----------------------------|----------|---------|---------|-------------------|--------------------|----------------|---------------------|
| Putnam County Library | 0 | 0 | 10.48% | 5.00% | \$0 | Included | Included | 14 |

Regular Defined Benefit Plan

Meetings:

June 2016 Explained initial employer costs and participating procedures to the governing body.

October 2016 Will explain laws, policies, and benefit provisions to the employees of the Library.

October 2016 Will explain reporting procedures to payroll officer(s).

Additional Notes:

1. The Putnam County Library was being erroneously reported by Putnam County. As of 10/1/2016 the Library will be a separate legal entity in the TCRS system.
2. The Putnam County Library initial employer contribution rate of 10.48% is the same rate of Putnam County.

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STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

July 8, 2016

The Honorable Randy Porter
300 E. Spring Street, Room 8
Cookeville, TN 38501

Dear Mayor Porter:

It was a pleasure to meet with you on June 20, 2016, to discuss participation in the Tennessee Consolidated Retirement System (TCRS) for employees of the Putnam County Library. Putnam County and the City of Cookeville have been participating employers in TCRS since October 1, 1989 and July 1, 1972 respectively.

Background

With the implementation of GASB Statement No. 68 (GASB 68) by the Government Accounting Standards Board (GASB) as well as the American Institute of Certified Public Accountants (AICPA) white paper regarding the review of census data (employee's demographic information), the pension information presented in a government's financial statements requires greater disclosure than previously required. Moreover, there is a greater degree of responsibility for governmental employers, governmental auditors, and pension administrators to certify the accuracy of pension data being disclosed in the financial statements of employers that participate in pension plans. One such responsibility is that census data should be reviewed for accuracy by the employer and the auditor.

A review of census data in March 2015 by the Comptroller of the Treasury's State auditor determined that the GASB 68 actuarial data for Putnam County included employees of an entity that is legally separate from the County. The separate entity is the Putnam County Library. The Putnam County Library is a joint venture between Putnam County and the City of Cookeville.

Tennessee Code Annotated, Section 8-35-201(d), provides that in order for a joint venture to participate in TCRS, it must apply to the TCRS Board of Trustees, after passing a resolution authorizing its employees to become members. Also, the governing body of each governmental entity that participates in the joint venture must pass a resolution authorizing the joint venture's employees to participate in TCRS.

TCRS is a "qualified plan" under Section 401(a) of the Internal Revenue Code (IRC) and must maintain such qualification in order for assets within the pension fund to be accrued tax free until paid in the form of a benefit to retirees. To maintain its qualified status, TCRS is required to limit membership to only the employees of governmental employers properly participating in the plan.

Accordingly, for purposes of GASB 68, state law, and plan qualification, it is necessary to take appropriate actions to correct what TCRS has deemed an “administrative error.”

Suggested Course of Action

Given it is infeasible and impractical to completely separate prior participation, we are proposing a course of action as set out below. This course of action is intended to ensure that employees and retirees of the Putnam County Library will receive the pension benefits they understood were being accrued for their benefit in retirement, while at the same time establishing it as an employer in the proper legal posture within TCRS. The recommended process should be seamless to employees.

The suggested course of action includes the adoption of the following resolutions:

Putnam County:

- Resolution A: Putnam County agrees to accept responsibility for service accrued by employees of the Putnam County Library system through September 30, 2016. The county will retain credit for all employer contributions, employee contributions, investment earnings, and retirement coverage through September 30, 2016. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the county.
- Resolution B: Pursuant to state law regarding the participation of joint ventures in TCRS, Putnam County agrees for the Putnam County Library system to participate in TCRS.

Board of the Putnam County Library:

- Resolution C: The Board seeks to become a participating employer in TCRS so as to provide a retirement plan for employees.
- Resolution A, also adopted by Putnam County: The Board agrees to accept responsibility for all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS. The resolution will also rescind all previous resolutions regarding this issue that have been adopted by the Board.

City of Cookeville

- Resolution D: Pursuant to state law regarding the participation of joint ventures in TCRS, the City of Cookeville agrees for the Putnam County Library to participate in TCRS.

Compliance

We have conferred with the Tennessee Comptroller of the Treasury and legal counsel and are in agreement that the proposed course of action is the reasonable resolution to correct the issues described.

Summary

We recommend the course of action as set out above to resolve the participation of employees of the Putnam County Library in the TCRS.

We sincerely appreciate the proactive attention to this matter by all entities listed above. As you may know, TCRS is one of the top rated plans in the country and that is in part to the excellent leadership of our local government partners. If there are any questions or if you need additional information, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Joy H. Harris", with a long horizontal flourish extending to the right.

Joy H. Harris
Assistant Treasurer, Financial Empowerment

cc: Stacie Netherton, Putnam County Library
Mayor Ricky Shelton, City of Cookeville



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Karen Curtis, TCRS Employer Services
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: August 31, 2016

Employees of Putnam County Library were being reported to the Tennessee Consolidated Retirement System (TCRS) as a division of Putnam County as County employees. We were notified by the Comptroller's Office that this may be in error. After research done by our legal counsel, it was determined that this is considered an administrative error by Putnam County in that Putnam County Library is considered a separate legal entity. As such, Putnam County Library must join TCRS as a separate legal entity.

The Putnam County Library will be participating in Tennessee Consolidated Retirement System effective 10/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The Library will continue to pay the contribution rate that was previously paid for those employees under the County participation at 10.48%. With 14 employees this would equal a dollar amount of \$40,089.00. One Hundred Percent (100%) of this figure is required to be budgeted for the fiscal year ending June 30, 2017.

Enclosed is the fiscal year 2016 budget for this the Putnam County Library. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 253-6134.

Enclosure



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
 OFFICE OF STATE AND LOCAL FINANCE
 SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
 505 DEADERICK STREET
 NASHVILLE, TENNESSEE 37243-1402
 PHONE (615) 401-7872
 FAX (615) 741-5986

Memorandum

TO: Karen Curtis, TCRS Employer Services
 FROM: Sandra Thompson, Director *Sandra Thompson*
 DATE: September 8, 2016
 SUBJECT: Putnam County Public Library

It appears the Putnam County Public Library (the "Library") will have adequate funding to budget for retirement costs associated with becoming a member of the Tennessee Consolidated Retirement System (TCRS) effective October 1, 2016.

Pursuant to your request, we have reviewed the Library's adopted budget for fiscal year ending June 30, 2017. The budget appropriates pension expenditures of \$40,089 which adequately covers the Library's total first year cost of \$40,089 to participate in TCRS. The condensed annual budget presented below demonstrates that the Library has sufficient revenues budgeted to cover all expenditures including the TCRS pension expenditures.

Putnam County Public Library
Annual Budget
Fiscal Year Ending June 30, 2017

| | | |
|------------------------------|----|------------|
| Revenues | | |
| Library Generated | \$ | 30,000 |
| County Contribution | | 456,675 |
| City Contribution | | 393,893 |
| Total Revenues | \$ | 880,568 |
| Expenditures* | | \$ 880,568 |
| Total Operating Expenditures | \$ | 880,568 |
| Change in Fund Balance | \$ | - |

* Expenditures include retirement expenditure of \$40,089.

The financial information received by this Office with the request for the review of the Library's fiscal year 2017 budget represents the Library's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

**Tennessee Consolidated
Retirement System
Putnam County Library**

A RESOLUTION to authorize a joint venture's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, 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 Putnam County Library ("Joint Venture") desires to participate in TCRS under the provisions of state law, and under the following terms and conditions, which shall apply to all individuals employed with the Putnam County Library as of October 1, 2016, and all employees hired on or after October 1, 2016:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 5% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: ALLOW its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall: NOT allow its employees to establish any prior service credit with the Political Subdivision; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Joint Venture and the public entities that are represented in 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; and

WHEREAS, the Joint Venture has agreed to compliance with a separate resolution addressing obligations for assets and liabilities prior to October 1, 2016 and acknowledges that compliance by the other party to the resolution is required for participation;

WHEREAS, the effective date of participation shall be on October 1, 2016 or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be **10.48%**, which is based on the estimated lump sum accrued liability of \$ **0.00**.

NOW, THEREFORE, BE IT RESOLVED That the Board of Trustees of the Putnam County Library hereby authorizes all its employees in all its departments or instrumentalities 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. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Joint Venture shall not 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 Hybrid Plan is adopted by the Joint Venture for such employee.

STATE OF TENNESSEE

COUNTY OF PUTNAM

I, LARRY B. GARRETT, clerk of the Board of Trustees for

the Putnam County Library, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was

approved and adopted in accordance with applicable law at a meeting held on the 12 day of JULY,

2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Putnam County Library.

Larry B. Garrett TREASURER
As Clerk of the Board, as aforesaid

Seal

Tennessee Consolidated Retirement System

Putnam County and Putnam County Library

A RESOLUTION to acknowledge and agree to certain terms and conditions regarding participation in the Tennessee Consolidated Retirement System

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to approval of the TCRS Board of Trustees; and

WHEREAS, Putnam County is a participating political subdivision in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34-37; and

WHEREAS, the Putnam County Library is a political subdivision with a relationship to Putnam County, and its employees participate in TCRS through Putnam County under the same terms and conditions as all employees of Putnam County participate; and

WHEREAS, TCRS has determined that the Putnam County Library is required to join TCRS as a separate participating political subdivision and to report its employees separately from Putnam County; and

WHEREAS, TCRS has determined that the reporting of the Putnam County Library's employees by Putnam County was an administrative error; and

WHEREAS, TCRS will authorize the employees of the Putnam County Library to continue to participate in TCRS under the following terms and conditions:

- A. The Putnam County Library establishes, to the satisfaction of TCRS, its status as a governmental entity.
- B. The Board of Trustees of the Putnam County Library passes a resolution to participate in TCRS pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and agrees to all terms thereof. Because the Putnam County Library is a joint venture, the governing bodies of the participating political subdivisions are also required to pass the resolutions described in Tennessee Code Annotated, Section 8-35-201(d).
- C. The Board of Trustees of the Putnam County Library agrees, by passage of this resolution, that all employees hired prior to October 1, 2016, shall participate in TCRS under the same terms and conditions under which they currently participate as reported by Putnam County and accepts all liabilities established October 1, 2016, or later, associated with such participation.
- D. The Board of Trustees of the Putnam County Library agrees, by passage of this resolution, to maintain and accept all assets and liabilities established October 1, 2016, or later, associated with membership of its current and future employees in TCRS.
- E. The Putnam County Commission agrees, by passage of this resolution, to maintain and accept all assets and liabilities established in regard to current and former employees of the Putnam County Library prior to October 1, 2016.
- F. The Board of Trustees of the Putnam County Library, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing its participation in TCRS.
- G. The Putnam County Commission, by passage of this resolution, hereby rescinds any and all previously adopted resolutions addressing participation of the Putnam County Library in TCRS.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the Putnam County Library and the Putnam County Commission hereby agree to compliance with the terms and conditions set forth above in order to authorize the employees of the Putnam County Library to be eligible to continue participation in TCRS. It is acknowledged and understood that TCRS is authorizing

the employees of the Putnam County Library to participate in TCRS by compliance of the governing bodies of the Putnam County Library and Putnam County with the terms and conditions above, and such authorization from TCRS is contingent upon such compliance.

STATE OF TENNESSEE

COUNTY OF PUTNAM

I, LARRY B. GARRETT, clerk of the Board of Trustees of

the Putnam County Library of Putnam County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing

Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 12 day of

July, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Putnam County Library.

Larry B. Garrett TREASURER
As Clerk of the Board, as aforesaid

Seal

STATE OF TENNESSEE

COUNTY OF PUTNAM

I, WAYNE NABORS, clerk of the Putnam County

Commission of Putnam County, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was

approved and adopted in accordance with applicable law at a meeting held on the 18TH day of JULY,

2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of Putnam County.

Wayne Nabors
As Clerk of the Board, as aforesaid



Seal

Tennessee Consolidated Retirement System
(Putnam County Library – Putnam County)

A RESOLUTION to authorize a joint venture's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated 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 Board of Trustees of the Putnam County Library ("Joint Venture") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 5% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: ALLOW its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Joint Venture on the effective date of the Joint Venture's participation in TCRS, the Joint Venture shall: NOT allow its employees to establish any prior service credit with the Joint Venture; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 10.48 %, which is based on the estimated lump sum accrued liability of \$0.00; and

WHEREAS, Putnam County is represented in such Joint Venture and desires 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 Putnam County Commission hereby authorizes all the employees of the Joint Venture 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.

STATE OF TENNESSEE

COUNTY OF PUTNAM

I, WAYNE NABORS, clerk of the Putnam County Commission of Putnam County, Tennessee do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 18TH day of JULY, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of Putnam County.


As Clerk of the Board, as aforesaid



Seal

RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF COOKEVILLE, TENNESSEE, AUTHORIZING A JOINT VENTURE'S PARTICIPATION IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM IN ACCORDANCE WITH TCA TITLE 8, CHAPTERS 34 - 37

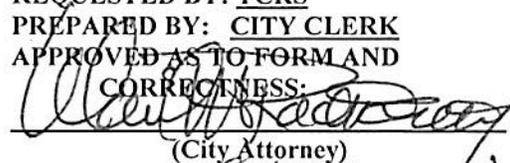
RESOLUTION NUMBER: R16-08-13

REQUESTED BY: TCRS

PREPARED BY: CITY CLERK

APPROVED AS TO FORM AND

CORRECTNESS:


(City Attorney)

ADOPTED: 8-18-16

MINUTE BOOK _____ PAGE _____

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 Board of Trustees of the Putnam County Library ("Joint Venture") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

- A. TYPE PLAN. The Joint Venture adopts the following type plan: Regular Defined Benefit Plan;
- B. EMPLOYEE CONTRIBUTIONS. The Employees shall contribute: 5% of the employees' earnable compensation;
- C. COST-OF-LIVING INCREASES FOR RETIREES. The Joint Venture shall: PROVIDE cost-of-living increases for its retirees;
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. The Joint Venture shall: ALLOW its part-time employees to participate in TCRS;
- E. PRIOR SERVICE. For each employee employed with the Joint Venture on the effective date of the Joint Venture's participation in TCRS, the Joint Venture shall: NOT allow its employees to establish any prior service credit with the Joint Venture; and

WHEREAS, the effective date of participation shall be on October 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 10.48 %, which is based on the estimated lump sum accrued liability of \$ 0.00; and

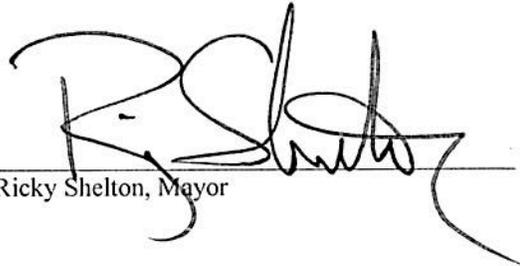
WHEREAS, the City of Cookeville is represented in such Joint Venture and desires to allow all the employees of the Joint Venture to participate in TCRS under the above terms and conditions, or under such other terms and conditions the governing body of the Joint Venture may adopt pursuant to the laws 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

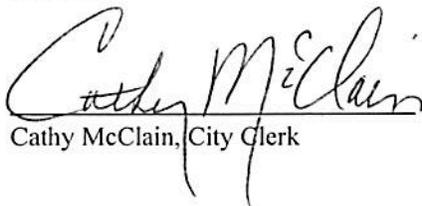
WHEREAS, the City of Cookeville acknowledges that the Joint Venture has passed a budget amendment appropriating the funds necessary to meet such liability.

NOW, THEREFORE, BE IT RESOLVED that the Cookeville City Council hereby authorizes all the employees of the Joint Venture 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.

ADOPTED, this the 18th day of August, 2016.


Ricky Shelton, Mayor

ATTEST:

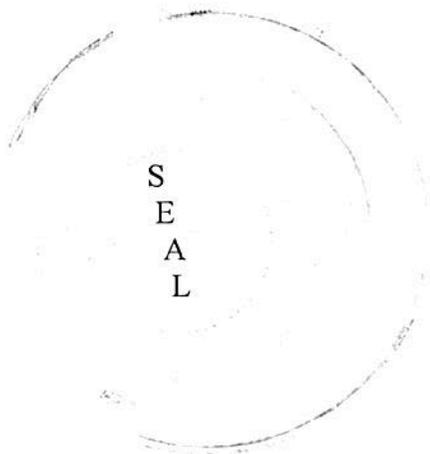

Cathy McClain, City Clerk

STATE OF TENNESSEE)
COUNTY OF PUTNAM)
CITY OF COOKEVILLE)

I, Cathy McClain, City Clerk, being the legal custodian of Ordinances and Codes of Cookeville, Tennessee, and as such do further certify that the attached hereto is a true and exact copy of Resolution Number R16-08-13 adopted by the Cookeville City Council on August 18, 2016.

Witness my official signature and official seal of said Municipality on this 19th day of August, 2016.


CITY CLERK



**TCRS BOARD OF TRUSTEES
APPOINTMENTS**

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STATE OF TENNESSEE
HOUSE OF REPRESENTATIVES



BETH HARWELL
SPEAKER OF THE HOUSE

June 27, 2016

Richard Michael Barker
1402 Bradford Drive
Humboldt, TN 38343

Re: Tennessee Consolidated Retirement System Board of Trustees

Dear Mr. Barker

As Speaker of the House of Representatives acting pursuant to Tennessee Code Annotated, §8-34-302(a)(15), I am reappointing you to serve as the retired teacher member of Tennessee Consolidated Retirement System Board of Trustees. Your term commences July 1, 2016 and will expire on June 30, 2019. (This is a correction to the appointment letter dated June 22, 2016, which mistakenly listed you as a Middle Tennessee teacher member.)

I am forwarding a copy of this letter to Director, Jill Bachus, CPA. Ms. Bachus' office will be contacting you in the near future regarding this reappointment.

I am confident that you will continue to perform the duties of office with the high standard of professionalism, dedication and integrity that the citizens of Tennessee deserve and expect of their public servants.

Best Wishes,

A handwritten signature in black ink that reads "Beth Harwell".

Speaker Beth Harwell

cc: Lt. Gov. Ron Ramsey
Jill Bachus - TCRS
Cody York, 8th Floor, Snodgrass Tower
Don R. Johnson, G-7 State Capitol Bldg.
Scott Gilmer
Connie Ridley
Karen Garrett
Doug Himes
Tammy Letzler
speaker.beth.harwell@capitol.tn.gov • (615) 741-0709 • 19 Legislative Plaza, Nashville, TN 37243

STATE OF TENNESSEE

RONALD L. RAMSEY
LIEUTENANT GOVERNOR

ONE LEGISLATIVE PLAZA
NASHVILLE, TN 37243
(615) 741-4524



3311 HIGHWAY 126
BLOUNTVILLE, TN 37617
(423) 323-8700

OFFICE OF THE LIEUTENANT GOVERNOR
SPEAKER OF THE SENATE

June 13, 2016

Kevin Christopher Fielden
4408 Stagecoach Road
Kingsport, TN 37664

Re: Tennessee Consolidated Retirement System Board of Trustees (TCRS)

Dear Mr. Fielden:

As Speaker of the Senate acting pursuant to Tennessee Code Annotated, §8-34-302(a)(9), I am reappointing you to serve as an Eastern Grand Division teacher member of the Tennessee Consolidated Retirement System Board of Trustees. Your term commences on July 1, 2016 and will expire on June 30, 2019.

I am forwarding a copy of this letter to TCRS Director Jill Bachus. Ms. Bachus will be contacting you in the near future regarding this appointment.

I am confident that you will perform the duties of office with the high standard of professionalism, dedication and integrity that the citizens of Tennessee deserve and expect of their public servants.

Best Wishes,

A handwritten signature in black ink, appearing to read "Ron Ramsey", written over a horizontal line.

Lt. Governor Ron Ramsey

cc: Speaker Beth Harwell
Director Jill Bachus - TCRS
Don R. Johnson, G-7 State Capitol Bldg.
Lance Frizzell
Russell Humphrey
Karen Garrett
Doug Himes
Connie Ridley
Catherine Haire



BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

June 27, 2016

Mr. Alfred W. Laney
264 Sailboat Drive
Nashville, Tennessee 37217-3917

Dear Al:

Today, it is my distinct pleasure to confirm your appointment to the Tennessee Consolidated Retirement System Board of Trustees as an Employee Member. In the thorough, aggressive search for candidates, your individual characteristics and professional qualifications were exceptional among the number of nominees who expressed interest. This appointment is effective July 1, 2016 and runs through June 30, 2019.

I consider it very important to ensure that Tennessee's boards and commissions are filled with the most dedicated and qualified citizens. I believe that your participation is certain to leave a positive impact on this board and the work it does.

Thank you for your interest in state government and for your willingness to serve your fellow citizens of Tennessee in this way. Please accept my very best wishes. I look forward to working with you and all Tennesseans to make our great state an even better place to live, work, and raise a family.

Warmest regards,

A handwritten signature in black ink that reads "Bill Haslam".

Bill Haslam

BH:nk



BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

July 1, 2016

Mr. Paul Todd Varble
425 Moss Trail Road
Goodlettsville, Tennessee 37075

Dear Paul:

Today, it is my distinct pleasure to confirm your appointment to the Tennessee Consolidated Retirement System Board of Trustees as a Representative of Public Safety. In the thorough, aggressive search for candidates, your individual characteristics and professional qualifications were exceptional among the number of nominees who expressed interest. This appointment is effective July 1, 2016 and runs through June 30, 2019.

I consider it very important to ensure that Tennessee's boards and commissions are filled with the most dedicated and qualified citizens. I believe that your participation is certain to leave a positive impact on this board and the work it does.

Thank you for your interest in state government and for your willingness to serve your fellow citizens of Tennessee in this way. Please accept my very best wishes. I look forward to working with you and all Tennesseans to make our great state an even better place to live, work, and raise a family.

Warmest regards,

A handwritten signature in black ink that reads "Bill Haslam".

Bill Haslam

BH:nk

STATISTICAL REPORTS

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ANALYSIS OF MEMBERS ACTIVELY CONTRIBUTING

| | 6/30/2013 | 6/30/2014 | 6/30/2015 | 9/30/2015 | 12/31/2015 | 3/31/2016 | 6/30/2016 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Group I Members: | | | | | | | |
| (State & Higher Ed.) | 56,008 | 56,390 | 55,179 | 53,447 | 51,412 | 50,691 | 45,516 |
| Highway Patrol | | | | | 764 | 756 | 726 |
| Wildlife Officers | | | | | 191 | 191 | 190 |
| Teachers | 78,303 | 78,506 | 69,975 | 69,977 | 69,589 | 68,474 | 61,820 |
| General Employees of Polisubs | 79,984 | 78,144 | 85,531 | 87,163 | 80,580 | 81,199 | 73,655 |
| Firemen & Policemen | | | | | 7,358 | 7,446 | 7,040 |
| General Assembly | 128 | 128 | 113 | 114 | 111 | 111 | 103 |
| County Officials | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| Board Members | | | | | 439 | 435 | 392 |
| County Judges | 1 | 1 | 20 | 19 | 18 | 18 | 17 |
| Attorneys General | 656 | 683 | 617 | 621 | 619 | 608 | 574 |
| Total Group I | 215,082 | 213,854 | 211,437 | 211,343 | 211,083 | 209,931 | 190,033 |
| Group II & Prior Class: | | | | | | | |
| Wildlife Officers | 2 | 2 | 1 | 1 | 1 | | |
| Highway Patrol | 3 | 1 | 1 | 1 | 1 | 1 | |
| Firemen & Policemen-Political Subdivisions | 14 | 11 | 10 | 9 | 8 | 10 | 10 |
| Total Group II & Prior Class | 19 | 14 | 12 | 11 | 10 | 11 | 10 |
| Group III and Prior Class: | | | | | | | |
| State Judges | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| County Judges | | | 1 | 1 | 1 | 1 | 1 |
| Attorneys General | 4 | 3 | 1 | 2 | 1 | 1 | 1 |
| County Officials | 4 | 4 | 2 | 2 | 2 | 2 | 2 |
| Total Group III & Prior Class | 9 | 8 | 5 | 6 | 5 | 5 | 5 |
| Group IV | | | | | | | |
| State Judges | 183 | 184 | 128 | 123 | 122 | 121 | 113 |
| State & Teacher Hybrid Plan | | | | | | | |
| State | | | 5,689 | 7,905 | 9,242 | 10,754 | 10,271 |
| General Assembly | | | 15 | 16 | 16 | 17 | 17 |
| Teacher | | | 6,189 | 11,205 | 11,967 | 12,229 | 11,142 |
| Attorneys General, Judges | | | 31 | 35 | 37 | 37 | 37 |
| Political Subdivisions | | | 85 | 189 | 349 | 453 | 474 |
| Local Government Plans | | | | | | | |
| Alternate DB | | | 14 | 24 | 30 | 35 | 25 |
| Hybrid Plan W/O Cost Controls | | | 92 | 125 | 179 | 207 | 173 |
| Total Membership | | | | | | | |
| Contributing to TCRS | 215,293 | 214,060 | 223,697 | 230,982 | 233,040 | 233,800 | 212,300 |
| Teachers Contributing to ORP | 11,627 | 11,683 | 10,632 | 10,290 | 10,043 | 9,763 | 9,609 |
| Grand Totals | 226,920 | 225,743 | 234,329 | 241,272 | 243,083 | 243,563 | 222,025 |

**RETIRED PAYROLL
STATISTICS
June 30, 2016**

| | <u>AMOUNT</u> | <u># OF RETIREES</u> |
|------------------------------|-------------------------|--------------------------|
| STATE EMPLOYEES | \$59,078,849.85 | 44,748 |
| STATE PAID JUDGES | 1,014,332.11 | 207 |
| COUNTY PAID JUDGES | 302,586.33 | 82 |
| ATTORNEY GENERALS | 946,225.25 | 247 |
| COUNTY OFFICIALS | 361,554.20 | 174 |
| PUBLIC SERVICE COMMISSIONERS | 9,340.38 | 5 |
| POLITICAL SUBDIVISIONS | 30,401,547.67 | 37,352 |
| TEACHERS | 99,961,259.42 | 48,774 |
| LOCAL TEACHERS | 3,297,422.36 | 1,782 |
| GOVERNORS AND WIDOWS | 31,250.00 | 5 |
| AGED TEACHERS | 510.87 | 4 |
| OTHERS | <u>129,365.64</u> | <u>54</u> |
| TOTAL | \$195,534,244.08 | 133,434 |

RETIRED PAYROLL
April 1, 2016
THROUGH
June 30, 2016

| | <u>AMOUNT</u> | <u># OF RETIREES</u> |
|------------------------------|-------------------------|--------------------------|
| STATE EMPLOYEES | \$176,945,860.36 | 44,748 |
| STATE PAID JUDGES | 3,048,509.96 | 207 |
| COUNTY PAID JUDGES | 910,715.79 | 82 |
| ATTORNEY GENERALS | 2,833,372.09 | 247 |
| COUNTY OFFICIALS | 1,095,303.90 | 174 |
| PUBLIC SERVICE COMMISSIONERS | 28,021.14 | 5 |
| POLITICAL SUBDIVISIONS | 90,561,301.39 | 37,352 |
| TEACHERS | 295,748,451.29 | 48,774 |
| LOCAL TEACHERS | 9,927,339.29 | 1,782 |
| GOVERNORS AND WIDOWS | 93,750.00 | 5 |
| AGED TEACHERS | 1,532.61 | 4 |
| OTHERS | <u>375,409.66</u> | <u>54</u> |
| Total | \$581,569,567.48 | 133,434 |

NOTE: NINETY-NINE PERCENT (99%) OF THE RETIREES ARE ON DIRECT DEPOSIT AND DEBIT CARD

NUMBER OF MEMBERS REFUNDED

| <u>Month</u> | <u>2009-10</u> | <u>2010-11</u> | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| July | 894 | 499 | 496 | 475 | 516 | 613 | 512 |
| August | 612 | 406 | 466 | 471 | 782 | 820 | 403 |
| September | 494 | 431 | 447 | 394 | 457 | 586 | 522 |
| October | 369 | 379 | 383 | 375 | 378 | 483 | 364 |
| November | 320 | 293 | 364 | 319 | 314 | 244 | 359 |
| December | 256 | 276 | 257 | 241 | 276 | 338 | 326 |
| January | 257 | 307 | 348 | 338 | 402 | 322 | 386 |
| February | 242 | 265 | 312 | 335 | 310 | 238 | 351 |
| March | 278 | 299 | 262 | 253 | 284 | 331 | 355 |
| April | 687 | 277 | 346 | 311 | 424 | 338 | 347 |
| May | 385 | 662 | 329 | 274 | 866 | 247 | 332 |
| June | 360 | 406 | 339 | 336 | 674 | 383 | 336 |
| TOTAL | <u>5,154</u> | <u>4,500</u> | <u>4,349</u> | <u>4,122</u> | <u>5,683</u> | <u>4,943</u> | <u>4,593</u> |

**REFUND EXPENDITURES
2015-2016 FISCAL YEAR**

| MONTH | MEMBER'S CONTRIBUTIONS | 414(H) CONTRIBUTIONS | MEMBER'S INTEREST | EMPLOYER CONTRIBUTIONS | DEATH PAYMENTS | TOTAL |
|--------------|-----------------------------------|---------------------------------|------------------------------|-----------------------------------|---------------------------|------------------------|
| July | 76,202.28 | 3,323,072.72 | 1,028,154.70 | 102.24 | 17,878.83 | \$4,445,410.77 |
| August | 171,154.26 | 2,993,789.99 | 1,384,824.15 | 228,195.20 | 1,061,837.07 | \$5,839,800.67 |
| September | 1,052,057.57 | 4,073,066.20 | 1,434,264.10 | 92,448.08 | 585,881.70 | \$7,237,717.65 |
| October | 84,575.00 | 2,727,940.03 | 1,005,076.98 | 42,280.48 | 252,003.17 | \$4,111,875.66 |
| November | 82,006.43 | 2,691,698.41 | 1,189,718.69 | 99,558.39 | 587,484.95 | \$4,650,466.87 |
| December | 35,744.62 | 2,165,795.74 | 768,133.77 | 12,523.27 | 124,452.48 | \$3,106,649.88 |
| January | 121,635.04 | 1,874,036.29 | 1,086,830.03 | 201,469.87 | 1,026,908.05 | \$4,310,879.28 |
| February | 54,468.45 | 2,662,063.02 | 1,288,254.67 | 118,431.54 | 786,866.69 | \$4,910,084.37 |
| March | 35,108.32 | 2,073,278.84 | 913,873.26 | 0.00 | 435,836.09 | \$3,458,096.51 |
| April | 40,654.95 | 2,190,387.41 | 1,710,128.89 | 103,300.36 | 554,560.34 | \$4,599,031.95 |
| May | 36,483.01 | 2,398,845.32 | 1,336,865.95 | 169,709.02 | 475,105.82 | \$4,417,009.12 |
| June | 29,594.36 | 2,284,018.29 | 826,402.59 | 18,123.01 | 147,527.86 | \$3,305,666.11 |
| TOTAL | 1,819,684.29 | 31,457,992.26 | 13,972,527.78 | 1,086,141.46 | 6,056,343.05 | \$54,392,688.84 |

PRIOR SERVICE ACTIVITY
April 1, 2016 through June 30, 2016

| State: | Type of Service | No of Members | Years of Service | Amount |
|---------------|-----------------|---------------|------------------|------------|
| | Backpayment | 3 | 21 | \$ 125,118 |
| | Military | - | - | - |
| | Redeposit | 2 | 9 | \$ 49,697 |
| | Totals | 5 | 29 | \$ 174,815 |

| Teachers: | Type of Service | No of Members | Years of Service | Amount |
|------------------|-----------------|---------------|------------------|------------|
| | Backpayment | 7 | 15 | \$ 66,092 |
| | Military | - | - | - |
| | Redeposit | 7 | 32 | \$ 189,047 |
| | Totals | 14 | 47 | \$ 255,139 |

| Higher Education: | Type of Service | No of Members | Years of Service | Amount |
|--------------------------|-----------------|---------------|------------------|------------|
| | Backpayment | 16 | 66 | \$ 481,982 |
| | Military | - | - | - |
| | Redeposit | 2 | 11 | 45,050 |
| | Totals | 18 | 77 | \$ 527,032 |

| Political Subdivisions: | Type of Service | No of Members | Years of Service | Amount |
|--------------------------------|-----------------|---------------|------------------|-----------|
| | Backpayment | 46 | 32 | \$ 24,107 |
| | Military | - | - | \$ - |
| | Redeposit | 7 | 19 | \$ 45,951 |
| | Totals | 53 | 51 | \$ 70,058 |

| Grand Totals: | Type of Service | No of Members | Years of Service | Amount |
|----------------------|-----------------|---------------|------------------|--------------|
| | Backpayment | 72 | 135 | \$ 697,299 |
| | Military | - | - | - |
| | Redeposit | 18 | 70 | 329,745 |
| | Totals | 90 | 205 | \$ 1,027,044 |

DISABILITY RETIREMENT REPORT

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Disability Statistical Report

Fourth Quarter 2015-2016

| | | |
|--|-------|-----------|
| Disability Applications Received | April | 34 |
| | May | 23 |
| | June | <u>22</u> |
| | TOTAL | 79 |
| Initial Claims Approved | April | 30 |
| | May | 25 |
| | June | <u>15</u> |
| | TOTAL | 70 |
| Initial Claims Disapproved | April | 03 |
| | May | 12 |
| | June | <u>15</u> |
| | TOTAL | 30 |
| Initial Claims Approved after Reconsideration | | 06 |
| Initial Claims Disapproved after Reconsideration | | 04 |
| Re-Evaluation Claims Approved | | 36 |
| Re-Evaluation claims Disapproved | | 00 |

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**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|--------|------|------|-----|----------|--------------------------|-----|----------|----------|---|
| Ord | Yes | No | 37 | Teacher | Director | 10 | \$40,060 | \$946 | Major Depressive D/O w/psych hospitalization for suicide attempt, PTSD, GAD, & Lumbar Disc Disease S/P surgeries X2. |
| Ord | No | No | 57 | Teacher | Teacher | 16 | \$63,832 | \$1,477 | R-lower extremity weakness requiring crutches/wheelchair for ambulation, severe chronic pain, PTSD, & depression S/P gunshot wound. |
| Ord | No | No | 55 | State | Administrative Assistant | 26 | \$47,758 | \$1,514 | S/P multiple back surgeries resulting in Lumbar Disc Disease & requiring narcotics for pain relief. |
| SS-Ord | No | No | 51 | Pol Sub | Tech Assistant | 15 | \$20,292 | \$436 | Glioblastoma Multiforme of L-temple w/craniotomy & tumor resection resulting in problems with all ADL's. |
| SS-Ord | No | No | 58 | Pol Sub | Equipment Operator | 18 | \$25,819 | \$610 | Idiopathic Pulmonary Fibrosis S/P 11/19/2015 lung transplant. |
| Ord | No | No | 55 | State | Publications Specialist | 11 | \$47,596 | \$280 | Bi-Polar D/O, multiple hospitalizations, memory loss, & Tardive Dyskinesia (AMS) with frequent falls. |
| Ord | No | No | 56 | State | Administrative Assistant | 14 | \$28,392 | \$587 | Glioblastoma with short-term memory impairment. |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|--------|------|------|-----|----------|-----------------------------|-----|----------|----------|---|
| Ord | Yes | No | 49 | Teacher | Teacher | 24 | \$58,501 | N/A | Chronic Regional Pain Syndrome of the feet with chronic unrelenting pain, & spinal cord stimulator implant. |
| Ord | Yes | No | 50 | Teacher | Teacher | 17 | \$47,844 | \$1,087 | Bilateral Retinitis Pigmentosa. Legally blind. |
| Ord | No | No | 57 | State | Administrative Assistant II | 8 | \$27,954 | \$355 | Necrotizing Myositis s/P staff infection resulting in severe fatigue and muscle weakness. |
| Inact | No | No | 50 | Teacher | Teacher | 10 | \$35,964 | \$254 | Bi-Polar D/O, severe depression that is unresponsive to treatment, & multiple psych hospitalizations. |
| SS-Ord | No | No | 55 | Pol Sub | Meter Reader | 15 | \$37,788 | \$893 | Cervical Fusion Syndrome w/cervical radiculitis, severely limited cervical ROM, and chronic pain requiring opioid therapy. |
| SS-Ord | No | No | 51 | State | File Clerk | 6 | \$12,851 | \$232 | Generalized Seizure D/O, & Epilepsy since the age of 16. |
| Ord | No | No | 53 | Pol Sub | Book Keeper | 17 | \$24,891 | \$588 | Cirrhosis of liver w/pancytopenia, E. Coli Septicemia resulting in colitis, on liver transplant list, IDDM, nearly blind, & esophageal varices. |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|--------|------|------|-----|----------|------------------------|-----|----------|----------|--|
| SS-Ord | Yes | No | 38 | Pol Sub | Library Supervisor | 14 | \$25,384 | \$600 | PTSD, impaired memory, & vision loss S/P concussion. |
| Ord | No | Yes | 54 | State | Habilitation Tech | 29 | \$39,174 | \$1,346 | Aggressive MS w/peripheral neuropathy, fatigue, memory issues, migraine HA's, & unbalanced gait requiring cane for ambulation. |
| Ord | No | Yes | 57 | Pol Sub | Bus Driver | 15 | \$13,138 | \$243 | Hepatic Parenchymal Disease w/enlarged spleen, & Small Vessel Disease of the brain resulting in migraine HA's. |
| Ord | Yes | Yes | 47 | Pol Sub | Truck Driver | 21 | \$32,986 | \$785 | Gastroparesis and Vagal Nerve Dysfunction w/marked weight loss, fatigue, & weakness. |
| Ord | No | No | 58 | State | Veteran Representative | 16 | \$33,655 | \$719 | Quadriplegia w/neurogenic bowel & bladder, IDDM, PVD, and Deep Vein Thrombosis. |
| Ord | No | No | 53 | Pol Sub | Cafeteria Worker | 16 | \$17,338 | \$410 | Asthma, COPD, GAD, severe bilateral CTS, Bi-Polar D/O w/psychosis & major depression. |
| Ord | No | No | 56 | State | Cafeteria Worker | 18 | \$22,399 | \$529 | S/P bilateral knee replacement followed by L-knee trauma due to fall, Pulmonary HTN, asthma, & OSA. |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|-------|------|------|-----|----------|------------|-----|----------|----------|---|
| Ord | No | No | 59 | State | Officer | 10 | \$27,996 | \$342 | Systemic Lupus, RA, Sjogren's Syndrome, lumbar & cervical disc disease w/peripheral joint pain & soft tissue swelling, & chronic kidney disease. |
| Inact | No | No | 51 | State | Dev Tech | 22 | \$35,544 | \$465 | Morbid obesity, COPD, Pulmonary HTN, on O2, CHF, GAD, DM II, & C3-C4; C6-C7 cervical Spondylosis w/chronic pain. |
| Ord | Yes | No | 51 | Pol Sub | Cook | 9 | \$14,794 | \$304 | COPD requiring O2 24/7, SOB, chronic Bronchitis, & Major Depressive D/O. |
| Ord | No | No | 53 | State | Scientist | 21 | \$44,217 | \$1,014 | BI-Polar D/O with multiple psych hospitalizations. |
| Ord | No | No | 55 | State | Officer II | 25 | \$39,255 | \$1,114 | OJA resulting in R-ankle injury requiring surgeries X2. Non OJA issues include cervical Spondylosis w/myelopathy, severe neck & back pain requiring pain management, & CTS. |
| Ord | Yes | No | 46 | Pol Sub | Cook | 6 | \$10,441 | \$235 | OA, Psoriatic arthritis, S/P L-total shoulder replacement, R-rotator cuff tear repair, & morbid obesity > 300 Lbs. |
| Ord | No | No | 54 | Pol Sub | Custodian | 7 | \$14,171 | \$229 | Parkinson's Disease w/cerebellar ataxia, dysarthria, & bowel & urinary incontinence. |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|--------|------|------|-----|----------|-------------------|-----|----------|----------|---|
| Ord | No | No | 55 | Teacher | Teacher | 11 | \$53,235 | \$1,038 | S/P CVA, ESRD, CAD, HTN, DM, & obesity > 230 Lbs. |
| Ord | Yes | No | 47 | Teacher | Teacher | 22 | \$48,224 | \$1,216 | RA, Glaucoma, & Lumbar fusion. |
| Ord | Yes | No | 49 | Teacher | Teacher | 16 | \$48,581 | \$1,148 | MS, chronic pain, & fatigue. |
| Ord | Yes | No | 49 | Teacher | Librarian | 8 | \$49,727 | \$1,041 | Malignant neoplasm of Cervix Uteri. |
| SS-Ord | No | No | 57 | State | Dev Tech | 21 | \$28,679 | \$711 | Fibromyalgia, & chronic pain. |
| Ord | No | No | 54 | Pol Sub | Detention Officer | 13 | \$25,016 | N/A | COPD, & mental health issues. |
| Ord | No | No | 58 | Pol Sub | Maintenance Tech | 18 | \$36,914 | \$803 | Emphysema, chronic respiratory failure. |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|----------|------|------|-----|----------|---------------------|-----|----------|----------|---|
| Ord | No | No | 54 | State | Automotive Detailer | 6 | \$23,151 | \$330 | Peripheral neuropathy, & chronic pain of arms & legs. |
| SS-Inact | No | No | 33 | Pol Sub | Maintenance Worker | 12 | \$30,144 | \$107 | DM, chronic Hepatitis C, Major Depression & Obsessive D/O. |
| Ord | Yes | No | 50 | State | Tech I | 10 | \$21,450 | \$507 | D/D, S/P R-knee replacement w/continued stiffness, chronic pain & morbid obesity. |
| SS-Ord | No | No | 57 | Pol Sub | Cafeteria Worker | 6 | \$7,489 | \$88 | Colorectal cancer, & stage IV liver cancer. Prognosis is poor. |
| Ord | No | No | 59 | Pol Sub | Janitor | 20 | \$30,463 | \$744 | COPD, chronic lung disease, O2 24/7, chronic thoracic back pain, & HTN. |
| Ord | No | No | 52 | Pol Sub | Custodian | 15 | \$23,984 | \$567 | COPD, HTN, dyspnea, & sleep apnea. |
| Ord | Yes | No | 38 | Pol Sub | Firefighter | 8 | \$39,855 | \$889 | S/P 3 failed back surgeries resulting in difficulty standing or sitting, chronic pain, severe depression & panic attacks. |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|--------|------|------|-----|----------|------------|-----|----------|----------|---|
| Ord | No | Yes | 58 | Pol Sub | Custodian | 21 | \$17,343 | \$417 | OA of R-ankle, osteotomy, R-fused ankle, & chronic pain. |
| Ord | No | No | 56 | Teacher | Teacher | 19 | \$40,909 | \$966 | Sjorgen's Syndrome w/mixed aphasia, cognitive impairment, & narcolepsy. |
| SS-Ord | No | No | 52 | Teacher | Teacher | 17 | \$46,828 | \$1,006 | Recurrent Stage III ovarian carcinoma. |
| SS-Ord | Yes | No | 50 | State | Clerk III | 11 | \$26,629 | \$197 | PTSD, major depression, poor memory, & inability to concentrate. |
| Ord | Yes | No | 49 | Pol Sub | Bus Driver | 7 | \$10,324 | \$197 | Fibromyalgia, CAD, DM, chronic pain, morbid obesity, & probable hyperlipidemia. |
| SS-Ord | No | No | 51 | Teacher | Teacher | 26 | \$51,572 | \$1,444 | Stage IV Glioblastoma S/P radiation & chemotherapy. |
| SS-Ord | No | No | 50 | State | Officer | 17 | \$32,598 | \$642 | Stage IV Colon Cancer |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|--------|------|------|-----|----------|----------------------|-----|----------|----------|--|
| SS-Ord | No | No | 53 | Pol Sub | Electrician | 7 | \$57,458 | \$950 | L-Charcot ankle with no motion of ankle & chronic pain S/P multiple surgeries. |
| Ord | No | No | 59 | State | Habilitation Tech | 13 | \$26,267 | \$453 | Stage IV lung cancer, chronic fatigue, & weakness. |
| Ord | Yes | No | 45 | Pol Sub | Bus Monitor | 9 | \$6,835 | \$163 | ESRD, DM, kidney dialysis 3x weekly. |
| Ord | No | No | 59 | Teacher | Teacher | 12 | \$54,736 | \$720 | Chronic Kidney disease, renal failure, dialysis 3x weekly, & HTN. |
| Ord | No | No | 51 | Teacher | Teacher | 17 | \$48,889 | \$1,155 | PTSD w/severe anger & rage, DDD with numbness & tingling. |
| SS-Ord | Yes | No | 47 | Pol Sub | Special Ed Assistant | 6 | \$24,754 | \$563 | Papilledema, bilateral hypertensive retinopathy, pseudotumor cerebri, & benign intracranial HTN. |
| Ord | Yes | No | 47 | State | Officer | 22 | \$33,075 | \$866 | Generalized Anxiety, Panic D/O, & Agoraphobia. |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|----------|------|------|-----|----------|--------------|-----|----------|----------|---|
| SS-Inact | No | No | 54 | Teacher | Teacher | 14 | \$30,767 | \$401 | Severe RA. |
| Ord | No | No | 52 | Teacher | Teacher | 23 | \$73,172 | \$2,030 | PTSD, social Anxiety D/O, and severe depression w/suicidal ideations. |
| SS-Inact | No | No | 53 | State | Custodian | 8 | \$14,270 | \$75 | L-eye blindness, & OA of knees w/chronic knee pain. |
| Ord | No | No | 55 | State | Revenue Tech | 11 | \$29,702 | \$540 | Kidney failure, dialysis 3x weekly, & chronic fatigue. |
| SS-Inact | No | No | 53 | State | Manager | 14 | \$37,843 | \$439 | S/P MVA resulting in back injury, nerve damage, severe HAs w/vision impairment, & chronic pain. |
| Ord | No | No | 53 | Teacher | Teacher | 13 | \$45,727 | \$947 | Kidney disease S/P kidney transplant, HTN, RA, & gout. |
| Ord | No | No | 51 | Pol Sub | Bus Driver | 5 | \$9,667 | \$157 | Stage IIIA lung cancer requiring O2 24/7. |

**APPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| TYPE | RE-E | RE-C | AGE | EMPLOYER | POSITION | SVC | AFC | MO. BEN. | DISABILITY SUMMARY |
|------|------|------|-----|----------|------------------------|-----|----------|----------|---|
| Ord | No | No | 51 | State | Officer | 14 | \$28,308 | \$669 | Spinal stenosis, disc herniation, & fibromyalgia. |
| Ord | Yes | Yes | 51 | State | Occupational Therapist | 15 | \$81,672 | \$1,794 | Stage IIB breast cancer w/chemo brain. |
| Ord | Yes | Yes | 50 | Pol Sub | Interpreter | 5 | \$22,080 | \$376 | DDD w/chronic pain S/P multiple back surgeries. |
| Ord | No | Yes | 51 | Teacher | Teacher | 19 | \$59,338 | \$1,402 | Hx of cancer & chemotherapy resulting in gallbladder issues, epilepsy, & myopathy w/muscle weakness. |
| Ord | No | No | 58 | State | Manager | 10 | \$39,345 | \$523 | S/P breast cancer in 2008 w/bilateral mastectomy, & 7/2015 metastatic brain cancer S/P craniotomy w/residual fatigue, aphasia, & confusion. |

**DISAPPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| Type | Re-C | Age | Employer | Position | SVC | Disability Summary | Reason Denied |
|--------|------|-----|----------|-------------------|-----|--|--|
| Ord. | No | 51 | State | Dev Tech | 22 | Morbid obesity, COPD, Pulmonary HTN, on O2, CHF, CAD, DM II, & C3-C4; C6-C7 cervical spondylosis w/chronic pain. | Insufficient medical documentation. |
| Ord. | No | 49 | Pol Sub | Firefighter | 10 | Lumbar disc herniation w/mild R-foot drop & residual RLE pain, numbness, & tingling, use of cane for ambulation, & Hx of DVT | Cap sed-lgt wra. |
| Ord. | No | 49 | State | Habilitation Tech | 21 | Spinal DDD, chronic neck & back pain w/neuropathy, DJD of knees, decreased ROM of L-spine, obesity, & bilateral CTS. | Cap sed-med wra. |
| Ord. | No | 59 | Pol Sub | RN | 5 | Asthma, pulmonary nodules, HTN, migraine HA's w/aura, gastroparesis, symptoms of GERD, & obesity. | Recent exams indicate member's condition is stable. Cap sed-lgt wra. |
| Ord. | No | 49 | State | Officer | 9 | OJA in 2002 w/re-injury in 2013 resulting in L2-L3 & L3-L4 HNP w/low gait, decreased ROM, back pain, & lumbar radiculopathy to R-leg. Not a candidate for surgery. | S/P ESI w/good results. Cap sed wra. |
| Inact. | No | 46 | Teacher | Teacher | 10 | ESRD S/P kidney transplant in 2009, IDDM, HTN, gastroparesis, & diffuse CAD w/chest pain. | All current tests & labs were normal. Cap lgt wra. |

**DISAPPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| Type | Re-C | Age | Employer | Position | SVC | Disability Summary | Reason Denied |
|------|------|-----|----------|------------|-----|---|--|
| Ord. | No | 57 | Pol Sub | Bus Driver | 15 | Chronic back pain w/radiculopathy S/P back surgeries X2, depression, & anxiety. | Depression & anxiety expected to improve w/medication. Cap sed-lgt wra. |
| Ord. | No | 55 | Pol Sub | Laborer | 6 | Seizure D/O. | Variable medication compliance. Seizures do not occur when medication taken regularly. Mbr cap lgt-med wra. |
| Ord. | No | 52 | Teacher | Teacher | 16 | Lumbar DDD, Osteoporosis, eating D/O, PTSD, major depression & anxiety. | Condition not expected to last 12 months. Cap sed-med wra. |
| Ord. | No | 52 | Teacher | Teacher | 22 | S/P CVA w/L-LE weakness. | Insufficient medical documentation. No current exam detailing extent of weakness, or whether mbr uses a cane/wheelchair. |
| Ord. | No | 43 | State | Manager | 18 | Chronic debilitating migraines w/multiple failed treatments, Cervicalgia, cervical spondylosis, DDD, & long term use of opiate analgesic. | One of member's doctors states she is cap sed-lgt wra. |
| Ord. | No | 53 | Pol Sub | Dispatcher | 18 | DM, COPD, OSA w/CPAP, DJD of hips S/P R-total hip replacement, & obesity > 300 Lbs. | Dr's form completed prior to hip surgery, & it's anticipated mbr should be able to perform sed wra following hip surgery, PFT's indicate adequate pulmonary reserve. |

**DISAPPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| Type | Re-C | Age | Employer | Position | SVC | Disability Summary | Reason Denied |
|------|------|-----|----------|---------------------|-----|--|---|
| Ord. | No | 52 | Teacher | Teacher | 15 | Asthma, Mast Cell D/O highly exacerbated by chemicals & odors resulting in memory loss, confusion, & depression. | Cap sed wra in low allergenic environment. |
| Ord. | No | 52 | Pol Sub | Teacher's Assistant | 12 | PTSD, mixed personality D/O, Crohn's disease, & migraine HA's. | Medical records do not support disability. Mbr's doctors refuse to complete Attending Physician's Report of Disability form. Mbr cap med wra. |
| Ord. | No | 48 | Teacher | Teacher | 17 | RA, severe joint pain, & fatigue. | Cap sed wra. |
| Ord. | No | 50 | Pol Sub | Mechanic | 17 | S/P supraspinatus tendon tear resulting in R-shoulder surgery X2 w/ continued R-shoulder pain. Uncontrolled DM. | Cap sed wra. |
| Ord. | Yes | 56 | Pol Sub | Officer | 56 | Crushed foot, broken ankle, heel, & leg S/P OJA resulting in PTSD, depression, & anger. | Cap sed wra. |
| Ord. | No | 49 | Pol Sub | Lieutenant | 49 | RA, Dysphagia, & COPD. | Medical records do not support disability. Two of member's four doctors do not support disability. |

**DISAPPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| Type | Re-C | Age | Employer | Position | SVC | Disability Summary | Reason Denied |
|------|------|-----|----------|------------------|-----|---|---|
| Ord. | No | 50 | Teacher | Principal | 21 | Cirrhosis of the liver w/liver failure, & chronic kidney disease S/P acute kidney injury. | Most recent exam & labs were within normal limits. Mbr cap sed wra. |
| Ord. | No | 47 | Pol Sub | Cafeteria Worker | 14 | Systemic Lupus w/joint pain, swelling, extreme weakness, & fatigue. | Cap sed wra. |
| Ord. | No | 48 | State | Legal Assistant | 12 | RA, & Fibromyalgia w/joint swelling, fatigue, and pain. | Insufficient medical documentation. Cap sed-igt wra. |
| Ord. | No | 54 | Teacher | Teacher | 14 | DM, L-eye blindness. | Neither Mbr's doctor nor medical documentation support disability. Cap sed wra. |
| Ord. | No | 48 | Pol Sub | EMT | 16 | Membranous Nephropathy, DM, LE edema, & memory issues. | Recent labs within normal limits. Cap sed wra. |
| Ord. | No | 56 | Teacher | Teacher | 8 | COPD, sleep apnea, Lumbar DD, back & shoulder pain. | Cap sed wra. |

**DISAPPROVED FOR DISABILITY
FOURTH QUARTER
2015-2016**

| Type | Re-C | Age | Employer | Position | SVC | Disability Summary | Reason Denied |
|------|------|-----|----------|------------|-----|--|---|
| Ord. | No | 53 | State | Corporal | 22 | L-shoulder DJD, Lumbar Spine DDD w/bilateral Lower extremity pain & radiculopathy, Chronic R-knee pain w/decreased ROM, & DM w/neuropathy. | Medical records do not support disability. Cap sed-igt wra. |
| Ord. | Yes | 47 | Teacher | Teacher | 16 | Aortic aneurysm, & anxiety. | Mbr capable of sed wra in low stress environment. |
| Ord. | No | 40 | State | Psych Tech | 16 | Continued pain, swelling, and decreased ROM of L-knee S/P knee surgery due to OJA. | Cap sed wra. |
| Ord. | No | 48 | Pol Sub | Sheriff | 13 | Motorcycle accident resulting in L-open femur fracture requiring bone grafting, & partial L-foot amputation w/continued pain, depression & anxiety. Recs also document DM II w/neuropathy. | Insufficient medical documentation. Cap sed wra. |
| Ord. | No | 51 | Teacher | Teacher | 11 | Sleep apnea, narcolepsy, DM, HTN, & arthritis. | Condition likely to improve. Cap sed wra. |
| Ord. | No | 55 | Pol Sub | Operator | 18 | Arthritis, DDD, & chronic pain. | Insufficient medical documentation. Cap sed wra. |

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FINANCIAL STATEMENTS

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**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS

| | |
|-----------------------------------|--------------------------|
| Cash and Cash Equivalents | 24,601,850.46 |
| Receivables | |
| Member receivable | 27,176,759.80 |
| Employer receivable | 73,182,438.14 |
| | 100,359,197.94 |
| Investments, at fair value | |
| Tennessee Retiree Group Trust | 43,176,381,906.76 |
| Total investments | 43,176,381,906.76 |
| Capital Assets (net) | 28,034,007.79 |
| TOTAL ASSETS | 43,329,376,962.95 |

LIABILITIES AND NET POSITION

LIABILITIES

| | |
|---|----------------------------|
| Retiree Insurance premium payable | 8,667,480.91 |
| Refunds Payable | 2,768,976.35 |
| Accounts payable | 18,473,545.94 |
| | 29,910,003.20 |
| TOTAL LIABILITIES | 29,910,003.20 |
| NET POSITION RESTRICTED FOR PENSIONS | \$43,299,466,959.75 |

See Accompanying Notes to the Financial Statements

UNAUDITED

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JULY 1, 2015 - JUNE 30, 2016**

ADDITIONS

Contributions

| | |
|----------------------------|-------------------------|
| Member Contributions | 296,539,707.59 |
| Employer Contributions | <u>1,000,647,062.35</u> |
| Total Contributions | 1,297,186,769.94 |

Investment Income

| | |
|--------------------------------|----------------------------------|
| Investment Income (Loss) | <u>1,191,279,507.89</u> |
| Total investment income (loss) | 1,191,279,507.89 |
| Less: Investment expense | <u>(54,658,091.90)</u> |
| Net investment income | <u>1,136,621,415.99</u> |
| TOTAL ADDITIONS | <u>\$2,433,808,185.93</u> |

DEDUCTIONS

| | |
|-------------------------|------------------|
| Annuity benefits | 2,307,206,736.96 |
| Death benefits | 5,604,580.98 |
| Refunds | 45,290,549.62 |
| Administrative expenses | 20,179,944.63 |

| | |
|-------------------------|--------------------------------|
| TOTAL DEDUCTIONS | <u>2,378,281,812.19</u> |
|-------------------------|--------------------------------|

| | |
|--------------------------------|----------------------|
| NET INCREASE (DECREASE) | 55,526,373.74 |
|--------------------------------|----------------------|

NET POSITION RESTRICTED FOR PENSIONS

| | |
|--------------------------|--|
| BEGINNING BALANCE | <u>43,243,940,586.01</u> |
| ENDING BALANCE | <u><u>\$43,299,466,959.75</u></u> |

See Accompanying Notes to the Financial Statements

UNAUDITED