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Christina Hickey  
Department of Human Resources  
Metropolitan Nashville Government  
404 James Robertson Parkway, Suite 1000  
Nashville, TN 37219

Dear Christina:

The purpose of this letter is to provide the information you requested pursuant to Ordinance No. BL2006-1096. Some of the information required by the ordinance is provided in the annual valuation report. Other information, such as the normal cost of the police members, is not in the valuation report and has been calculated separately and reported below. The normal cost and actuarial liability calculated for the annual valuation is determined on a combined basis for the police and fire group. As such, the information in this letter should be considered an estimate only.

I have provided information on Items A and C 5, 6 and 7. If you need information on any of the other items, please let me know. Once you have reviewed this information, please let me know if you have any questions.

The term "Annual Required Contribution" (now known as the "Actuarially Determined Contribution" has a special meaning under the Government Accounting Standards Board (GASB) Statements Nos. 25, 27, 67 and 68. Beginning with the June 30, 2015 actuarial valuation, the Actuarially Determined Contribution for purposes of GASB Nos. 67 and 68 is determined in compliance with the minimum required contribution determined under Tennessee state law. The recommended contribution will not be less than the Actuarially Determined Contribution. The recommended contribution is determined as a contribution rate that is then applied to actual compensation. The dollar amount listed below as the Annual Required Contribution is based on the recommended rate applied to expected compensation.

Actuarially Determined Contribution under GASB Nos. 67/68: \$60,266,986

Actual Contribution: \$85,676,490

Note that there is a one year lag between the recommended contribution and the actual contribution made. That is, the recommended contribution above is based on the June 30, 2015 valuation results and estimated compensation. The actual contribution made is based on the contribution recommended with the June 30, 2014 valuation and actual compensation. When contribution rates are increasing, the actual contribution is generally less than the recommended. Conversely, when contribution rates are decreasing, the actual contribution is generally greater than the recommended amount as the numbers above indicate.

The following table provides a summary of the information requested in item C 5, 6 and 7. Please note that number of terminated vested participants for the police group may be understated. Prior to 2001, former participants with a deferred vested benefit were not separated into fire/police and general government groups.

	<b>Number of Members</b>	<b>Annual Benefits for Inactive Members</b>	<b>Total Actuarial Liability as of June 30, 2015</b>
Active	1,782	N/A	\$258,300,000
Disabled and Survivor of Disabled	322	6,300,000	40,900,000
Retirees and Survivors	808	22,000,000	290,200,000
Terminated Vested	258	3,000,000	15,500,000
Total	3,170	\$31,300,000	\$604,900,000

The numbers above represent police civilian and sworn officers in Divisions A and B of the Metro Open Plan. In addition to this group, there are approximately 120 retirees and survivors in the former city and county plans. These participants have annual benefits of approximately \$2,100,000 with a total liability of approximately \$14,000,000 as of June 30, 2015. In total, the combined police groups have approximately 3,290 participants and beneficiaries with annual benefits of approximately \$33.4 million (although not all of these annual benefits have commenced as of June 30, 2015). The total actuarial liability of this group is roughly \$618.9 million as of June 30, 2015.

The normal cost of police members is approximately \$11,200,000 as of the June 30, 2015 valuation. This includes the value of all benefit expected to be earned by the police group during the plan year ended June 30, 2016. Please note that this amount does not include the amortization of unfunded benefits attributable to the police group.

For purposes of the annual actuarial valuation, the actuarial liability and normal cost of the police group is not calculated separately from others in the plan. Precise numbers cannot be determined without a full actuarial valuation for the police group only. As such, the actuarial liability and normal cost numbers presented above are estimates only.

If you need further information, please let us know.

Sincerely,



S. Kevin Sullivan