

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



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MAYOR

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October 9, 2017

Vice Mayor Briley & Members of Council,

On July 11, 2017 I provided a summary of pension and OPEB (other post-employment benefit) liabilities as requested by the Metropolitan Council. We have received the actuary reports for the June 30, 2017 fiscal year and the attached summary has been updated.

The pension liability as calculated by the actuaries is net of available assets to fund those liabilities and fluctuates based on the population eligible for benefits and based on investment earnings and changes in the market value of investments. Annual contributions to the pension fund are based on the actuaries' recommendation.

The open pension fund is sound **with over 98% of the pension liability funded.**

The population of retired employees associated with the closed plans is declining. All closed plans are funded at a dollar amount established by Metro's actuaries so that those pension obligations are paid on a current basis, with excess funding set aside for future years.

While there are no assets being set aside in a trust fund for Metro's OPEB liability, sufficient contributions are made annually to cover retirees' medical premiums and other post-employment medical benefits. Annual OPEB costs for all retirees are included in each year's operating budget to ensure commitments to retirees are honored.

I hope this information is helpful. Please contact me if you have questions or need additional information.

Best,

A handwritten signature in blue ink, appearing to read "Talia Lomax-O'dneal".

Talia Lomax-O'dneal
Director of Finance

Metropolitan Government Pension and OPEB Liabilities
Through June 30, 2017

Changes in Net Pension Liability - Open Metro Plan				
	FY 2014	FY 2015	FY 2016	FY 2017
Beginning Net Pension Liability	\$ 346,213,338	\$ 100,443,033	\$ 68,909,234	\$ 221,317,761
Growth in liability	249,499,352	181,343,384	229,741,244	258,190,808
Contributions	(87,849,401)	(94,273,255)	(85,994,293)	(73,929,734)
Net of (income) / expenses	(407,420,256)	(118,603,928)	8,661,576	(364,734,585)
Ending Net Pension Liability	\$ 100,443,033	\$ 68,909,234	\$ 221,317,761	\$ 40,844,250
Percentage of Pension Liability Funded	96.41%	97.57%	92.39%	98.64%
Annual contribution to fund closed plans	\$ 33,512,358	\$ 33,525,016	\$ 33,493,456	\$ 33,490,352

Other Post Employment Benefits				
	Contribution Made	Actuarial Accrued Liability	Percent Funded*	Percent Funded*
Metropolitan Government Employees				
Fiscal Year 2017	\$ 76,599,000	\$ 2,326,893,000	0%	0%
Fiscal Year 2016	81,237,000	2,236,967,000	0%	0%
Fiscal Year 2015	76,938,000	2,160,290,000	0%	0%
Fiscal Year 2014	65,186,000	2,032,364,000	0%	0%
Fiscal Year 2013	62,581,000	1,888,322,000	0%	0%
Fiscal Year 2012	57,877,000	1,809,522,000	0%	0%
School Professional Employees				
Fiscal Year 2017	\$ 27,010,000	\$ 605,476,000	0%	0%
Fiscal Year 2016	24,877,000	549,351,000	0%	0%
Fiscal Year 2015	23,160,000	472,942,000	0%	0%
Fiscal Year 2014	19,918,000	424,865,000	0%	0%
Fiscal Year 2013	22,135,000	427,916,000	0%	0%
Fiscal Year 2012	19,822,000	417,610,000	0%	0%

*Although funds are not set aside in a trust fund, retirees' health benefits are paid on a current basis.

Summarized from Comprehensive Annual Financial Reports and Actuary Reports