



QUALITY SOLUTIONS THAT BENEFIT

July 19, 2013

Mr. Russell Truell
City of Franklin
109 Third Avenue South
Franklin, Tennessee 37064

Re: City of Franklin Government Accounting Standards Board Statement Number 45 Disclosures for Postretirement Benefits Other Than Pension

Dear Russ:

We understand that as an authorized representative of the City of Franklin, Tennessee (the "Client") you wish to retain Acuff & Associates, Inc. ("Acuff & Associates") to assist you in performing the services for the City of Franklin Government Accounting Standards Board Statement Number 45 Disclosures for Postretirement Benefits Other Than Pension ("Plan"). This letter and the Attachments ("Agreement") serve to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide for the Client. This letter also outlines our fees for the requested services.

TASKS COVERED

The City agrees to supply the information as outlined in Attachment A. Additional information may be required.

Services under this Agreement shall be provided under this Agreement only with respect to the services outlined in Attachment B.

Acuff & Associates shall not assume responsibility for any services for any employee benefit plan not specifically covered by this Agreement.

The Client hereby authorizes Acuff & Associates to contact any other service providers to obtain information required to perform the services outlined in this Agreement.

Documents and forms prepared by Acuff & Associates **are not intended to serve as tax or legal advice** and are not to be relied upon as such. The Client agrees to contact its attorney on all legal matters.

BRENTWOOD, TENNESSEE 37027
OFFICE: (615) 726-2410

MEMPHIS, TENNESSEE 38133
OFFICE: (901) 767-3366

www.acuff.net

KNOXVILLE, TENNESSEE 37923
OFFICE: (865) 470-4232

SHREVEPORT, LOUISIANA 71119
OFFICE: (318) 635-8006

ESTIMATED FEES

The fees for this project are shown in Attachment C.

LIMITATION OF LIABILITY

Acuff & Associates shall not be liable for errors in the data received from the Client or any of the Client's representatives and shall have no obligation to examine documents other than those provided by the Client and/or the Client's representatives.

Acuff & Associates shall not be liable for losses resulting from causes over which it does not have direct control and with respect to which it cannot make reasonable arrangements to mitigate. This includes, but is not limited to, any failure of electronic or mechanical equipment; communication lines, telephone, or other interconnect problems; or unauthorized access.

Acuff & Associates shall not be responsible for the failure of the Client's other advisors to perform their duties.

Acuff & Associates shall have no responsibility for the project until all necessary information is actually received.

Acuff & Associates' liability regarding data processing errors shall be limited to, and the Client's sole remedy shall be, the correction of such errors that are caused by Acuff & Associates' gross negligence for which the Client shall request a correction within 90 days of occurrence. Further, Acuff & Associates shall be entitled to rely upon the instructions of the Client or any authorized representative of the Client with respect to the tasks outlined in Attachment C. Acuff & Associates shall in no event have any liability for any losses incurred by the Plan or a participant (including without limitation any indirect, general, special, or consequential damages) arising out of any breach of this Agreement.

HOLD HARMLESS & INDEMNITY

The Client shall indemnify, defend, and hold harmless Acuff & Associates with respect to any actions taken in good faith by Acuff & Associates at the direction of the Client as a result of inadequate or inaccurate data supplied by the Client or the Client's representatives or from their failure to submit required data and reports in a timely manner.

CONFIDENTIALITY

Acuff & Associates agrees not to disclose to any third parties any information it receives pursuant to this Agreement and in the course of preparing our work, except as may be required by law, regulation, or as specifically authorized in writing by the Client. The Client shall be responsible for retaining duplicate copies of material sent to Acuff & Associates.

TERMINATION OF AGREEMENT FOR SERVICES

You may terminate our services under this Agreement upon written notification and payment of all invoices including a final invoice for services rendered but not yet billed. However, in the event of a termination of this Agreement by the Client prior to the completion of any service, no amount previously

paid will be returned. Acuff & Associates also reserves the right to terminate this Agreement with written notice.

BILLING PRACTICES

Acuff & Associates will bill the Client as deemed necessary based upon the scope of the project. *All invoices are due and payable in full upon receipt.* Invoice amounts that are outstanding for more than thirty days will accrue interest at the rate of 1.5% per month. Payments will be applied to decrease the amount of any outstanding interest charges before being applied to the principal. Acuff & Associates reserves the option to require advance payment of applicable charges when necessary.

The amount due under this Agreement includes reasonable attorney's fees and costs to collect your account as originally invoiced. Upon termination, Acuff & Associates shall have a reasonable amount of time to transfer records.

WAIVER

No waiver of any breach of this Agreement shall constitute a waiver of any other breach, whether of the same or any other covenant, term, or condition. The subsequent performance of any of the terms, covenants, and conditions of this Agreement shall not constitute a waiver of any preceding breach, nor shall any delay or omission of any party's exercise of any right arising from any default affect or impair the party's right as to the same or future default.

SEVERABILITY

In case any provisions of this Agreement shall be held to be or shall become invalid or unenforceable in certain circumstances, the validity and enforceability of the remaining provisions, or of such provisions in other circumstances shall not in any way be affected or impaired.

SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

APPLICABLE LAW

This Agreement shall be governed by and construed under the laws of the State of Tennessee.

ENTIRE AGREEMENT

This Agreement and attachments contain the entire understanding between the parties relating to the subject matter contained herein. The terms of this Agreement including Attachment A will prevail over the terms of any other agreement, written or oral, between the parties in the event of a conflict between this Agreement and any such other agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Agreement that are not fully expressed herein. This Agreement may be changed only by an agreement in writing signed by all of the parties hereto.

Mr. Russell Truell
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If you have questions or would like fee estimates on other items not mentioned above, please call. We will gladly discuss this letter or our fees with you at any time. Please indicate your acknowledgement and acceptance of the terms of this letter by signing and dating below and returning the original to our office.

Respectfully,



Trina D. Gross, QKA, APA
Chief Executive Officer/Principal

ACKNOWLEDGED & ACCEPTED THIS _____ DAY OF _____, 20__:

CITY OF FRANKLIN, TENNESSEE

BY _____

Title

Signing this instrument indicates acceptance and responsibility for all fees and the terms outlined in this Agreement.

SCHEDULE A

Items Furnished by the Plan Sponsor

The following are to be provided with this Agreement signed by a representative of the Plan Sponsor and Plan Administrator (*items with unchecked boxes need not be provided*):

- Payment of all fees due in advance with this signed agreement
- Insurance Contracts
- Medical Plan Document
- Summary Plan Description and all summaries of material modification and other notices to Plan participants in effect as of the date of this Agreement
- Information concerning significant changes to the Plan over the last 3 years

The following are to be timely provided for this valuation and on an annual basis:

- The pension census data as sent for the January 1 actuarial valuation is sufficient for the valuation.
- List of all retirees since July 1, 2011 showing dates of birth, hire and retirement and medical coverage taken and future updates as required.
- Premiums paid by the City for the retirees and by the retirees for the period July 1, 2011 through June 30, 2013 by year and future updates as required.
- Asset statement showing the reconciliation of assets

SCHEDULE B

Basic Annual Administration Services

- Provide an actuarial valuation study report for the year beginning July 1 disclosure that fulfills the requirements of the Statement No. 45 of the Governmental Accounting Standards Board titled Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.
- In years for which an actuarial valuation is not required, provide June 30 year end disclosure that fulfills the requirements of the Statement No. 45 of the Governmental Accounting Standards Board titled Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.

SCHEDULE C

Direct Compensation

Installation/Transition Fees

Service	Fee
Installation/Transition	N/A

Basic Annual Administration Fees

Basic Charges	Fee
Actuarial Valuation Report and Disclosure	\$ 6,000
Year End Disclosures without Valuation	\$ 1,500

For the Plan Year Ending June 30, 2013 and an Actuarial Valuation Report for the Year beginning July 1, 2013, the Basic Annual Administration Fee and Disclosure Fee will be 50% billed in advance. For subsequent years for which an actuarial valuation is required, the Basic Annual Administration Fees will be billed at 50% in advance of commencing the valuation and the remaining 50% upon completion of the valuation. For years an actuarial valuation is not required, the Annual Disclosure Letter fee of \$1,500 will be due upon the receipt of the GASB 45 Disclosure Letter.

Any requested meetings will be billed at time and expense not to exceed \$500.

INVOICE



QUALITY SOLUTIONS THAT BENEFIT

City of Franklin Government Accounting Standards
Board Statement Number 45 Disclosures for
Postretirement Benefits Other Than Pension
Invoice # COFGAS – 07192013
Please include Invoice # with payment

Mr. Russell Truell
City of Franklin
109 Third Avenue South
Franklin, Tennessee 37064

Professional services to be rendered

Services

Advance Billing	\$	3,000.00
Total Amount Due Upon Receipt	\$	<u>3,000.00</u>

Payment of any fees related to services outlined in this Agreement not accompanied by an executed copy of the Agreement constitutes acceptance of the terms of this Agreement as written.

Before any portion of our fees is paid by an employee benefit plan covered by ERISA, we recommend that your legal counsel review the Department of Labor's guidance on the use of plan assets to pay expenses.

PAYMENT DUE UPON RECEIPT

**PLEASE REMIT PAYMENT TO:
210 WESTWOOD PLACE, SUITE 100
BRENTWOOD, TENNESSEE 37027**