

TSBA GASB 45 Trust Interlocal Agreement

WHEREAS, Tennessee law identified as the Interlocal Cooperation Act (Tenn. Code Ann. § 12-9-101, et seq.) provides that public entities may contract with one another to perform any activity authorized by law; and

WHEREAS, the members are desirous of creating and jointly operating an investment trust authorized by Chapter 771 of the Tennessee Public Acts of 2006 which authorizes Tennessee political subdivisions that offer other post-employment benefits to create an investment trust whereby the political subdivision may begin financing those benefits in advance; and

WHEREAS, the Members are desirous of setting forth the obligations and responsibilities of each party hereto; and

WHEREAS, this document, by reference, incorporates in its entirety the Declaration of Trust agreement executed by the six (6) original members of the of the Tennessee School Boards GASB 45 Trust as listed: Claiborne County Board of Education; Hickman County Board of Education; Jackson-Madison Board of Education; Johnson County Board of Education; Memphis City Board of Education; and Shelby County Board of Education; contemporaneously with the approval of this Interlocal agreement;

NOW THEREFORE, IN CONSIDERATION OF THESE PREMISES, and the mutual covenants herein contained, the parties, intending to be legally bound, agree as follows:

ARTICLE I

Establishment and Purpose

Section 1. NAME.

Pursuant to the provisions of the Tennessee Interlocal Cooperation Act and the policies and bylaws from time to time promulgated by the Board of Trustees (Board), the members hereby affirm the establishment of the Tennessee School Boards Association GASB 45 Trust.

Section 2. CLASSIFICATION

The Trust shall be a section 115 organization with the funds collected as provided herein to be used only for the purpose and in the manner set out in this Agreement or bylaws promulgated pursuant to the authority granted by this Agreement.

ARTICLE II

Term of Agreement

Section 1. TERM.

The term of this agreement shall commence on November 5, 2012, replacing all previous Interlocal Agreements for the Tennessee School Boards Association GASB 45 Trust, and all other agreements.

ARTICLE III

Officers and Trustees

Section 1. DUTIES OF ADMINISTRATOR.

The TSBA Executive Director or designee shall be the trust administrator/principal operating officer of the Trust and shall supervise and control the operations of the Trust and carry out the purpose of the Trust as directed by the Board of Trustees.

Among the duties and authority of the Administrator shall be the following:

- 1) Sign on behalf of the Trust any instrument which the Trust has authorized to be executed and, in general, to perform duties incidental to the office of Administrator and such other duties as may be prescribed by the Board of Trustees, consistent with this Agreement.
- 2) At each regular meeting of the Board of Trustees and at such other times as requested to do so by the Board, to present a full report of activities and the fiscal condition of the Trust.
- 3) To compile and list annually all contributions made to the Trust and all investment income.
- 4) In cooperation with the Trustees, cause an annual audit of all Trust funds.
- 5) Disburse funds held by the Trust as needed to carry out the purposes of the Trust.

Section 2. AMENDMENT OF AGREEMENT.

The provisions of this Interlocal Agreement may be amended by the Board of Trustees subject to the execution of the so revised Agreement by the members choosing to continue participation in the Trust at each effective date.

ARTICLE IV

Membership

Section 1. MEMBER CONTRIBUTIONS.

A member who is accepted for participation shall thereafter pay contributions as determined by said Member. Each member shall biennially have an OPEB valuation conducted. Members agree to comply with such decisions, bylaws and regulations promulgated by the Trust.

ARTICLE V

General Trust Provisions

Section 1. FISCAL YEAR.

The fiscal year shall be July 1 through June 30.

Section 2. DISSOLUTION.

If at any time a majority of the membership of the Trustees determines that the Trust will no longer operate under the auspices of or the administration of the Tennessee School Boards Association, then the Trust will be dissolved and all monies credited to the respective members shall be returned.

Section 3. NOTICE.

Any notice required by this Agreement shall be in writing and shall be deemed to have been given when notice is sent via registered or certified mail, postage prepaid, return receipt requested to the last known address. Notice may also be sent electronically to the last known e-mail address. General notice is posted on the Trust's website and specific notice to members is sent to the last known address or e-mail address.

Section 4. CONTRACTS.

The Trust shall be authorized to contract with any qualified organization or individual to perform any of the functions necessary for the carrying out of services that the Trustees deem expedient for the proper servicing of those members who use the services of the Trust.

Section 5. AGENCY.

The Trust is operated under the provisions of this Interlocal Agreement as agent and representative of the participating members only.

Section 6. EXECUTION OF INSTRUMENTS.

The name of the Trust may be used to designate the Trustees collectively, and all instruments may be affected by them in such name upon the signature of the Chairman and/or the Trust Administrator.

ARTICLE VI

Responsibilities of Parties

Section 1. RESPONSIBILITIES OF GASB 45 Trust.

The GASB 45 Trust agrees that so long as the member is participating in the program, it will:

- 1) Make GASB 45 membership available to the Member in accordance with the conditions of this agreement;
- 2) Establish within the GASB 45 Trust a pool of funds from the contribution of Members, which shall be used to pay all of the operational, administrative and other expenses determined by the trustees to be beneficial to the Trust.
- 3) Provide an annual accounting to Members for the operation of the TSBA GASB 45 Trust.

Section 2. RESPONSIBILITIES OF THE MEMBER.

The member agrees that it will:

- 1) Enroll in the Tennessee School Boards GASB 45 Trust for an initial 24-month period.
- 2) Continue to participate in the program on a year-to-year basis after the initial 24-months participation, except that Member may discontinue participation at any annual renewal after the initial 24-months provided that at least thirty (30)days notice has been given in writing to the GASB 45 Trust prior to the next effective annual renewal date;
- 3) Make annual contributions to the GASB 45 Trust based on OPEB valuations; and
- 4) Be governed by the terms of this Agreement, bylaws, and decisions of the Trustees.

This Agreement shall not become effective until the GASB 45 Trust receives and approves this written Agreement signed by the Member's duly authorized officers.

_____ **Board Chairman**
Date

RECEIVED AND ACCEPTED BY TENNESSEE SCHOOL BOARDS ASSOCIATION GASB 45 TRUST

_____ **Trust Administrator**
Date