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January 21, 2016

Chairman Terry Roland
Shelby County Commission
160 North Main Street, Suite 600
Memphis, TN 38103

Dear Chairman Roland:

I appreciate your continued dialogue with the City concerning Shelby County Schools' OPEB liability. We had already begun our analysis of the issue internally before you notified us about the Commission's ad hoc committee.

Regrettably, we must decline your invitation to participate; however, we do applaud you for initiating a study of the issue. Since the City of Memphis is not responsible for the OPEB obligations of the Shelby County Schools for its retired employees, we believe that you have aptly selected representatives of the entities that are directly impacted by the Shelby County Schools' OPEB liability. The composition of your current committee is a fair representation of those responsible.

In light of the suggestion by some of the participants that they are considering litigation as an option, we are advised that the City's participation could prejudice the City's trial strategies in the event of litigation. Moreover, some of the members of the Council feel strongly that any decision as to the OPEB liability of SCS is best made by SCS and its single source local funding body, the Commission, which already derives a significant portion of school funds from taxpayers within the corporate limits of the City of Memphis.

However, please do not take our declination as any indication that we disapprove of the work to be performed by the ad hoc committee; rather we look forward to continuing our dialogue with you, as Chairman of the Commission, on this issue.

Very truly yours,

Kemp Conrad
Super District 9-1

cc: Mayor Jim Strickland
City Council Members
Council Attorney Allan Wade