



# CITY OF GERMANTOWN TENNESSEE

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## **Retirement Plan Administration Commission Minutes**

Wednesday, September 19<sup>th</sup> 2012 – 8:00am.  
Personnel Conference Room  
Municipal Center, 1930 S Germantown Rd, TN 38138

**MEMBERS PRESENT:** City Administrator Patrick Lawton, Frank SanPietro, Daniel Dent, Ralph Gabb and Alderman Mark Billingsley

**STAFF PRESENT:** Susan Hopson, Ernie Moretta

**ALSO PRESENT:** Bill Pickens – Gerber/Taylor Associates  
Bart Reid – Gerber/Taylor Associates  
Sarah Thomas – Gerber/Taylor Associates  
Caldwell Calame – Wedge Capital  
Bradley Fischer – Wedge Capital

### **CALL TO ORDER**

Ralph Gabb called the meeting to order at 8:07am and announced there was a quorum present.

### **APPROVAL OF MINUTES**

Ralph Gabb called for approval of the minutes from the June 27, 2012 RPAC meeting.

### **\*\*MOTION\*\***

Frank SanPietro moved to approve the minutes from the June 27, 2011 RPAC meeting. Patrick Lawton seconded and the motion passed unanimously.

### **Report by Gerber/Taylor Associates/Wedge Capital**

Ralph Gabb handed over to Bill Pickens who presented the figures for the last quarter and referred to the handout stating that the year was going well so far, but that there was a lot of work ahead in the next couple of months. Bill then handed over to Caldwell Calame from Wedge Capital, who in turn stated that Wedge Capital had been in business since 1984 and has an asset base of about \$9.4 billion. He stated that so far this year more assets have been brought in than have left and this was a good thing. Wedge is an independent firm that is owned by ten general partners. There is \$1.6 billion in the small cap strategy and will close small cap to new clients at around \$1.82 billion, this is done when it's on the best interest of existing clients without impacting the existing clients. Outside of that there really is no other news from the firm perspective. Caldwell then gave a brief overview a how the equity funds are managed, noting the process has not changed greatly; although some changes have been made over the years.

## RETIREMENT PLAN ADMINISTRATION COMMISSION

September 19, 2012

Page Two

### Report by Gerber/Taylor Associates/Wedge Capital

Wedge is starting to see a little bit of a rotation in the large cap this year, and also in the mega cap. Caldwell spoke about the correlations being high, meaning the companies/performance is working together. This is also a good gauge in the market place, typically finding when there is fear; investors will flock to similar investments which in turn will increase correlations. This has been seen in the year just past '08 where correlations were very elevated. The market has normalized since that point but it hasn't been without starts and fits.

Bradley Fischer referred to section four of the report and spoke about fixed income assets.

### **\*\*MOTION\*\***

A motion was made to maintain current allocations. Daniel Dent made the motion, Alderman Mark Billingsley seconded and the motion passed unanimously.

Bill Pickens briefly reviewed the update stating that the YTD total portfolio is up 8.2% - right on top of the benchmark. A member asked how many active retirees currently received benefits. It was noted that the number is 598.

### ADJOURNMENT

Hearing no further business, Ralph Gabb called for a motion to adjourn.

### **\*\*MOTION\*\***

Daniel Dent moved to adjourn. Alderman Mark Billingsley seconded and the motion passed unanimously.