



# CITY OF GERMANTOWN TENNESSEE

1930 South Germantown Road • Germantown, Tennessee 38138-2815  
Phone (901) 757-7200 Fax (901) 757-7292 www.germantown-tn.gov

## **OTHER POST EMPLOYEE BENEFITS COMMISSION MINUTES**

**Personnel Conference Room  
Wednesday February 25, 2009 – 7.00 p.m.**

**MEMBERS PRESENT:** Chairman Dick Vosburg, Alderman Ernest Chism, Patrick Lawton, Julius Moody, and Ralph Gabb.

**MEMBERS ABSENT:** Mayor Goldsworthy and Kirk Riggins

**STAFF PRESENT:** Pat McConnell, Ernie Moretta and Michael Stoll.

**ALSO PRESENT:** Bill Pickens of Gerber/Taylor Associates, Inc., and Richard Ellis of Ellis Benefits Group Inc.

### **CALL TO ORDER**

Once representatives from Wedge Capital Management excused themselves from the prior meeting, Chairman Vosburg called the first Other Post Employment Benefits (OPEB) Commission meeting to order at 7:10 p.m. and announced there was a quorum present.

### **APPROVAL OF MINUTES**

Chairman Vosburg called for approval of the minutes from the October 14, 2008 OPEB meeting.

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

Ralph Gabb moved to approve the minutes from the October 14, 2008 OPEB meeting as presented. Patrick Lawton seconded and the motion passed unanimously

Chairman Vosburg asked Ralph Gabb to give the Commission an update on the status of the Trust documents.

Ralph began by providing a brief overview of the state approval process for the OPEB Trust. He then explained how the OPEB Trust worked and the large outlays of cash for health care have ended due to one participant. Also, there should be sufficient cash in the fund for the remainder of the year.

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### **REPORT BY GERBER/TAYLOR**

Chairman Vosburg said having the same allocation for OPEB as the Retirement was a good plan because the same ideas apply in both. Chairman Vosburg was familiar with all the new managers, liked them and has met each of them in the past.

Bill Pickens reviewed each of the managers, information on the fund and the proposed allocation percentage. The Commission also discussed why the size of the Trust warranted the use of new managers as opposed to using the same ones currently in use in the Retirement Plan.

Once all discussion had come to an end, Chairman Vosburg stated he would entertain a motion regarding the current allocation recommendations for the OPEB Trust Fund.

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

Julius Moody moved to invest as presented. Ralph Gabb seconded and the motion passed unanimously.

It was further noted that being in compliance with the requirement to establish an OPEB Trust should help the City keep our triple-A ratings.

Ralph stated he would be able to provide more accurate numbers for Commission members at the next quarterly meeting.

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

Currently, Other Postemployment Benefit (OPEB) program allows for early retirement for Emergency Service personnel at age 50 and all others at age 55. This would allow early retirement and the employee could retain the City's health care. The proposed change would not allow early retirement at age 50 for Emergency Service personnel and all others at age 55 to retain the health care benefit. Instead, in order for an employee to retain the City's health care program they must reach full retirement age. This would mean the Emergency Service personnel would be 55 years of age and all other would be 62 years of age in order to retain the City's health care program. The change to the plan would be effect on April 1, 2009. Motion was made by Ralph Gabb and seconded by Julius Moody. The motion passed unanimously.

Contributions into Pension for Fy10 could be between \$1.8 and \$3.0 million.

### **ADJOURNMENT**

Hearing no further business, Chairman Vosburg called for a motion to adjourn.

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

Ralph Gabb moved to adjourn. Julius Moody seconded and the motion passed unanimously.

The meeting adjourned at 8:00 p.m.