



CITY OF GERMANTOWN TENNESSEE

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Other Post Employees Benefits Commission Minutes

December 17, 2014 – 5:40 pm.
Administrative Conference Room
Municipal Building, 1930 S. Germantown Rd, TN 38138

MEMBERS PRESENT: City Administrator Patrick Lawton, Alderman Rocky Janda, Ralph Gabb, Daniel Dent and Frank SanPietro

MEMBERS ABSENT: Mayor Mike Palazzolo and Todd Proctor

STAFF PRESENT: Steve Wilensky

ALSO PRESENT: Bill Pickens and Bart Reid with Gerber/Taylor Associates

CALL TO ORDER

Chairman SanPietro called the meeting to order and announced that there was a quorum.

APPROVAL OF MINUTES

Chairman SanPietro asked Board members to review and state any proposed changes to the minutes from the September 24th, 2014 meeting.

****MOTION****

Mr. Lawton moved that the minutes from the September 24th, 2014 meeting be approved as presented. Mr. Dent seconded and the motion passed unanimously.

CHAIRMAN'S COMMENTS

No comments were made by Chairman SanPietro

GERBER/TALYOR – CITY INVESTMENT POSITION

Mr. Reid stated for the interest of time, he will begin directly with the November update. He advised that allocation wise, this is essentially a mirror image of what has been done in the Retirement Plan. Year-to-date the portfolio closed at 4.9%; comparison to the Retirement Plan year-to-date (4.7%) is a strong indication that we are right in line. Mr. Reid further stated that although returns have been a little less than we would like to see, they are still attractive in that these returns have come from a very "equity-heavy", traditional portfolio last year to a much more

diversified approach this year. Per Mr. Reid, although there are no issues with any of the individual managers, the same recommendations regarding the liquidation of BlackRock are suggested due to the poor commercial real estate space.

Reallocation recommendations made by the Gerber/Taylor Group include:

- Liquidate BlackRock Granite Property Fund currently valued at \$302,611 due to its non-sustainability and liquid profile. Redemption effective date is March 31st, 2015.
- Increase MLP Allocation to the 5% target using the Eagle MLP Strategy Fund. Estimated purchase amount is \$150,000.
- Use the PIMCO Short-Term Bond Fund as the funding source for the Eagle MLP Strategy Fund.
- Once funds are received from BlackRock, replenish the \$150,000 withdrawn from PIMCO Short-Term.
- Invest the remaining funds from the BlackRock liquidation in the Gotham Neutral Fund.

****MOTION****

Mr. Dent moved to adopt the above recommendations as presented by the City's Financial Advisors. Alderman Janda seconded and the motion passed unanimously.

OTHER BUSINESS

No other business.

ADJOURNMENT

With all matters having been discussed and decided, Chairman SanPietro adjourned the meeting.