



CITY OF GERMANTOWN TENNESSEE

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Retirement Plan Administration Commission Minutes

March 25, 2015 – 5:00 pm.
Administrative Conference Room
Municipal Building, 1930 S. Germantown Rd, TN 38138

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

MEMBERS ABSENT: Mayor Mike Palazzolo, and Daniel Dent

STAFF PRESENT: Steve Wilensky

ALSO PRESENT: Frank Carney of Evans Petree, Bill Pickens and Bart Reid with Gerber/Taylor Associates and Michael Stoll

CALL TO ORDER

Mr. Gabb called the meeting to order at 5:00 p.m. Chairman SanPietro then called the roll and announced that there was quorum.

APPROVAL OF THE MINUTES

Chairman SanPietro asked Board members to review and state any proposed changes to the minutes from the December 17th, 2014 meeting.

****MOTION****

Mr. Gabb moved that the minutes from the December 17th, 2014 meeting be approved as presented. Alderman Janda seconded and the motion passed unanimously.

CHAIRMAN COMMENTS

No Comments were made by Chairman SanPietro.

FUNDING POLICY DOCUMENT

Mr. Frank Carney of Evans Petree presented the new Funding Policy. He explained that State Treasurer, David Lillard sent a requirement stating that all municipalities must become fully funded and must retain the services of a

professional actuarial firm to perform an actuarial experience study, an actuarial valuation, and other necessary actuarial services. The actuarial firm and its member actuaries shall be *independent* and shall not otherwise be eligible to accrue benefits under the Pension System. The Actuarially Determined Contribution (ADC), as determined by an actuarial valuation, shall provided funding at a level of no less than one hundred percent (100%). The budget adopted by the City each year, as approved by the BMA, shall include funding of the ADC as provided above.

It was also explained that this came down from the State Treasurer's Office because other municipalities were not fully funding their retirement plan; this policy was put in place to assure and require that local governments fully fund their pension plans so that they will be 100% able to pay their retirees when that time comes. Mr. Gabb advised that this Funding Policy will go before the Financial Advisory Commission and the Board of Mayor and Aldermen for approval.

****MOTION****

Alderman Janda made a motion to approve the Pension Funding Policy. Mr. Jobe seconded and the motion passed unanimously.

GERBER/TAYLOR CITY INVESTMENT POSITION — AMENDED & RESTATED EMPLOYEE RETIREMENT PLAN

Mr. Bart Reid advised that total earnings for the year are right at \$2.6 million which translates to approximately 4.1% returns for the year. Per Mr. Reid, actual performance for the month of February is right in line and is up 3.2% for the year. Equities performed with S&P being at 2.6% and Harbor Capital Appreciation at 6.8% so far this year. International Equities are doing okay with MSCI EAFE Gross being up by 6.5%. Fixed Income Funds 1607 Bond and Barclay's Aggregate had return rates of 7.2% and 5.2%, respectively. Under Real Assets, the Eagle MLP Strategy Fund did very well by being up 5.9%.

As for Asset Allocation, Mr. Reid said that we are pretty much on target that no changes needed to be made at this time.

****MOTION****

Alderman Janda moved to approve that the allocation remain the same and accept the report as presented by Gerber/Taylor. Mr. Gabb seconded and the motion passed unanimously.

GERBER/TAYLOR CITY INVESTMENT POSITION – DEFINED BENEFIT PLAN – "CASH BALANCE PLAN"

Mr. Reid advised that the balance for this fund is now at \$11,918 and that the rate of return is a 4.3% since the date of inception (January, 2015). For U.S. Equity, Harbor Capital Appreciation dominated by bringing in a 10.8% return as did Harbor International (Internationally Equity) at 12.1%. Returns for Hedged Strategies include PIMCO at 3.4% and Fixed Income Barclays Aggregate at 1.1%.

****MOTION****

Mr. Jobe moved to accept the current cash balance of \$11,918 as allocated. Alderman Janda seconded and the motion passed unanimously.

OTHER BUSINESS

No Other Business.

ADJOURNMENT

Having discussed all items on the agenda, Chairman SanPietro called for the meeting to be adjourned.