



CITY OF GERMANTOWN TENNESSEE

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Other Post Employee Benefits Commission Minutes

October 17, 2017 – 6:00 pm.
Human Resources Conference Room
City Hall, 1930 S. Germantown Road

MEMBERS PRESENT: Ralph Gabb, Alderman Rocky Janda, Matt Keathley, Paul Turner

MEMBERS ABSENT: Patrick Lawton, Mayor Mike Palazzolo,

ALSO PRESENT: Gerber/Taylor Representatives – Bart Reid

CALL TO ORDER

Mr. Turner called the meeting to order.

ESTABLISHMENT OF A QUORUM

Mr. Turner reminded everyone that the same commission members (with the exception of Mayor Palazzolo) were present; a quorum was thereby formed.

APPROVAL OF MINUTES

Mr. Turner called for the approval of the minutes from the July 18th, 2017 OPEB meeting.

****MOTION****

Mr. Keathley made a motion to approve the minutes from the July 18th, 2017 OPEB meeting. Mr. Gabb seconded and the motion passed unanimously.

GERBER/TAYLOR—CITY INVESTMENT POSITION

Mr. Reid stated once again that this portfolio is designed to replicate what's being done in the Retirement Plan. The main difference is Drake Capital Partners (4.2% since February, 2014 inception) and PIMCO All Asset (up 3.8%).

CITY PROJECTED CASH NEEDS (6 Months):

Mr. Reid said that at some point, this portfolio will need to be reallocated due to its changing life span. Mr. Turner then reported that there was an updated actuarial valuation for the OPEB Plan. Based on current analysis, unless there is an occurrence of some type of anomaly (i.e. payouts), there are no immediate cash needs until the month of March, 2018.

Mr. Reid said the thought process for near-term performance is a very diversified, more defensive portfolio than the traditional 65/35%. He recommended that the same manager changes be done here as with the Retirement Plan.

****MOTION****

Alderman Janda made a motion to: 1) reallocate 9.2% cash based on the current target allocation with an additional 3% MLP to Tortoise 2) close Harbor and add Baillee Gifford to a 7.5% allocation and 3) change the First Eagle allocation to 12.5%. Mr. Gabb seconded and the motion passed unanimously.

OTHER BUSINESS

Due to cash withdrawals last quarter, the target allocation rate has become much larger. Although this is okay for the time being, we need to bring the rate back down to its target of 20% and Hedge target of 35%. Per Mr. Reid, we will need to revisit and discuss this matter at the next quarterly meeting.

ADJOURNMENT

****MOTION****

Alderman Janda made a motion to adjourn. Mr. Keathley seconded and the motion passed unanimously. With that, the meeting was adjourned.