



CITY OF GERMANTOWN TENNESSEE

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Other Post Employee Benefits Commission Minutes

February 27, 2018 – 6:00 pm.

Human Resources Conference Room
City Hall, 1930 S. Germantown Road

MEMBERS PRESENT: Ralph Gabb, Alderman Rocky Janda, Matt Keathley, Patrick Lawton

MEMBERS ABSENT: Mayor Mike Palazzolo

ALSO PRESENT: Gerber/Taylor Representatives – Bart Reid, Steven Francomaccaro

CALL TO ORDER

Matt Keathley called the meeting to order.

ESTABLISHMENT OF A QUORUM

Mr. Keathley reminded everyone that the same commission members were present and a quorum was thereby formed.

CITY PROJECTED CASH NEEDS (6 Months):

As for OPEB cash flow needs, Mr. Keathley advised that cash available through March 31, 2018 total \$3,856. Mr. Reid said that cash needs for last year totaled 11% which is a fairly large percentage of the beginning market. He said going forward, an unsustainable draw will need to be considered (give or take depending on the market). The concern now is projected distributions and if there is a need to change allocations. Mr. Keathley recommended that Mr. Reid and group keep us posted and under advisement regarding OPEB funding/cash needs until the next meeting in June.

GERBER/TAYLOR—CITY INVESTMENT POSITION

Mr. Reid further advised that we are over allocated to Drake Capital mostly due to larger than normal withdrawals taken during the past year; liquidity is bi-annual and the next withdrawal date is June 30th. Per Mr. Reid, this allocation should be pulled back down to target and then be replenished with money from Drake. Mr. Keathley suggested that Gerber Taylor look at the current OPEB allocation and liquidate \$270,000 based on over/under weights of the portfolio.

Mr. Reid then stated that both portfolios tend to replicate each other with returns being in line at 12.8% (with minor differences). He thereby recommended that the same allocation of 2.5% be moved from Harbor to FMI.

****MOTION****

It was motioned that that 2.5% capital be moved from Harbor Capital Appreciation to FMI. Upon the mutual agreement of all commission members, the motion passed unanimously

As for updates, Mr. Reid said that January was a good month; most of the portfolios are up by approximately 3% for the month and are outperforming on a relative basis as well. This portfolio is expected to protect capital with fixed income and short duration bonds adding value.

OTHER BUSINESS

No other business.

ADJOURNMENT

Mr. Keathley thanked everyone for attending.