



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 Employees Benefits Commission Minutes

October 17, 2016 – 6:30 pm.
Administrative Conference Room
City Hall, 1930 S. Germantown Rd, TN 38138

MEMBERS PRESENT: Daniel Dent (Chairman), Matt Keathley, City Administrator Patrick Lawton and Finance Director Paul Turner

MEMBERS ABSENT: Alderman Rocky Janda, Sammy Jobe and Mayor Mike Palazzolo

STAFF PRESENT: Steve Wilensky

ALSO PRESENT: Gerber/Taylor Representatives: Bart Reid and Steven Francomaccaro

CALL TO ORDER

Chairman Dent called the meeting to order.

ESTABLISHMENT OF A QUORUM (Roll Call)

Chairman Dent reminded everyone that the same attendees were present and that a quorum was thereby formed.

CHAIRMAN COMMENTS

No comments.

APPROVAL OF MINUTES

Chairman Dent asked for approval of the August 11th, 2016 OPEB minutes.

****MOTION****

Matt Keathley moved to approve the minutes from the August 11th, 2016 OPEB meeting as presented. Patrick Lawton seconded and the motion passed unanimously.

GERBER/TALYOR – City Investment Position

Mr. Reid stated from an allocation basis and performance wise, it has been a good quarter with the portfolio being up by 4.3% and 6.0% year-to-date. Returns have been good as they have outperformed their respected indexes. As for hedge strategies, the main difference is there's not two separate accounts of Wedge, instead there's Dodge & Cox and Baron Small Cap, both having had a very good quarter (8.8% and 6.5% respectively). Harbor's pretty much in line with the index and First Eagle has added some value to the portfolio.

Overall, the portfolio has added value from a dollar basis. A summary of cash flows begins with a Market Value of \$5,954,688 less a negative net cash flow of (\$444,943) added with a net investment change of \$249,572 brings us to a total Ending Market Value of \$5,759,317. Per Mr. Reid, there are no immediate recommendations for changes to at this time.

CASH NEEDS (REMAINDER OF CALENDAR YEAR)

Mr. Turner said with the required City's ADC contribution in mid November, we should be okay on the Amended and Restated Retirement Employees' Retirement Plan. The OPEB Trust is good through December, 2016 however more cash will have to be raised by January, 2017 for the next six month period.

REVIEW OF CASH BALANCE PLAN

Mr. Reid advised that the quarter is lagging a bit compared to other portfolio performances due to a 36% cash funding and non-access of the Eagle MLP fund. Mr. Turner feels that there is way too much cash in this fund and would like to do an analysis to determine how much of this amount should be kept by the City. It was agreed that this matter of concern be revisited at December's meeting. Mr. Reid's recommendation is to rebalance the target asset allocation.

****MOTION****

Matt Keathley moved to re-invest \$157,000 and/or rebalance the Cash Balance Plan to target asset allocation pending a cash-flow analysis that will be performed by Mr. Turner. Patrick Lawton seconded and the motion passed unanimously.

OTHER BUSINESS

No other business.

ADJOURNMENT

With all matters having been discussed, Chairman Dent adjourned the meeting.