



CITY OF GERMANTOWN TENNESSEE

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OTHER POST EMPLOYEE BENEFITS COMMISSION MINUTES

Thursday, December 17, 2009 – 6:00 p.m.
Personnel Conference Room
Municipal Centre, 1930 S Germantown Road

MEMBERS PRESENT: Chairman Dick Vosburg, Patrick Lawton, FAC Chairman Julius Moody, and Ralph Gabb.
MEMBERS ABSENT: Mayor Sharon Goldsworthy, Alderman Ernest Chism, Kirk Riggins
STAFF PRESENT: Michael Stoll.
ALSO PRESENT: Bill Pickens, Sarah Thomas and Bart Reid of Gerber/Taylor Associates, Inc

CALL TO ORDER

Chairman Vosburg called the Other Post Employment Benefits (OPEB) Commission meeting to order at 6:00 p.m. and announced there was a quorum present.

APPROVAL OF MINUTES

Chairman Vosburg called for approval of the minutes from the September 9, 2009 OPEB meeting.

****MOTION****

Julius Moody moved to approve the minutes from the September 9th meeting as presented. Patrick Lawton seconded and the motion passed unanimously

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Bill Pickens pointed out the OPEB Trust did well for the year. At year end the Trust had \$1.4 million, it started out with \$462,000 with a contribution of \$760,000. The investment earning is \$200,000, year to date return net of fees is 22.9%.

Bill talked about the November 30th being up for the month by 3.7% and a year to date return of 26.0%. This fund is on a balanced basis above the S&P this year. The recommendation from Bill Pickens was to leave the allocation as is, as it is within tolerance and recommended no change to the managers.

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Ralph Gabb spoke about the liquidation of funds to meet the needs of the disbursement account. The fund liquidated \$150,000 worth of stocks to be placed into the cash account for future disbursements. The process used to determine which funds to sell was based upon the current fund allocation. The fund was projected to need approximately \$25,000 disbursement per month. However, in the first month a retiree had major surgery and this caused a draw-down of \$100,000 in the first month. This was unforeseen in the projections. With the additional funds added to the disbursement account no future liquidation of stocks should be required.

****MOTION****

A motion was brought by Ralph Gabb to draw down the investment funds proportionate to our strategic allocation and to fund the cash disbursement account with sufficient funds for the remainder of the year. Julius Moody seconded and motion passed unanimously.

****MOTION****

Motion was made by Ralph Gabb to leave the current allocation and not to rebalance. Julius Moody seconded and the motion passed unanimously.

ADJOURNMENT

Hearing no further business, Chairman Vosburg called for a motion to adjourn.

****MOTION****

Ralph Gabb moved to adjourn. Julius Moody seconded and the motion passed unanimously.

The meeting adjourned at 6:15 p.m.