



CITY OF GERMANTOWN TENNESSEE

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Retirement Plan Administration Commission Minutes

Wednesday, March 24, 2010 – 5:00 p.m.
Personnel Conference Room
Municipal Center, 1930 S Germantown Rd, TN 38138

MEMBERS PRESENT: Chairman Dick Vosburg, Alderman Ernest Chism, City Administrator Patrick Lawton, Frank SanPietro and Ralph Gabb.

MEMBERS ABSENT: Mayor Sharon Goldsworthy and Todd Proctor

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 meeting to order at 5:07 p.m. and announced there was a quorum present.

APPROVAL OF MINUTES

Chairman Vosburg called for approval of the minutes from the December 17, 2009 RPAC meeting.

****MOTION****

Frank SanPietro moved to approve the minutes from the December 17th RPAC meeting as presented. Patrick Lawton seconded and the motion passed unanimously

REPORT BY GERBER/TAYLOR

Bill Pickens spoke about the rally during 2009 versus 2008. The trust is still a little behind but during 2009 there was a remarkable rally in the market. The expectation for the fund for the next 10 years could be estimated to be between 8 and 10%. Bill turned the meeting over the Bart Reid to cover the particulars of the Trust Fund. The plan made \$1.5 million for the quarter, this included income and appreciation in the aggregate. For the year the fund made \$7.4 million, this included income and appreciation. The return for the quarter is up 4.1%. The investment fund performance is good. All the managers performed well for the quarter. The fund is returning 9.0% as compared to the projected actuarial assumption of 8.0% since inception. A question was raised by the Chairman if possibly 8.0% return was too high and perhaps 7.5% would be more realistic considering the volatility of the market.

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This issue was placed to the side until the June meeting when Richard Ellis would be available for a conversation and to see where the market would be in early May. Patrick discussed plans with the Personnel Advisory Commission to look at the healthcare plan, retirement plan and OPEB as a whole compensation package. Can we provide the same level of compensation for new employees as existing employees? Perhaps there would be two different compensation plans. Last year there was a pull back on health care for early retirement. The Chairman said it was a good decision. The Chairman recommended the Personnel Advisory Commission look at greater depth at the three plans before a consultant is hired.

The value added chart at December 31, 2009 had an ending value of \$38.5 million with contributions being at \$16.1 million. The fund has better than double or 2.39 times the contribution.

Looking at the February 28th numbers the year to date return is .1% as January was a very difficult month. The month of February had a return of 1.5%.

The Chairman asked about bidding out the custodial trust of retirement funds and OPEB funds in order to lower the cost of the custodial fees. We are currently paying 8 basis points for the custodian account. It was felt that the two accounts should be bid out at the appropriate time in order to reduce the custodial fees.

****MOTION****

The Chairman recommended that the investment accounts be brought back into target allocation. A motion was made by Ralph Gabb to follow the Chairman recommendation and seconded by Patrick Lawton. The motion was passed unanimously

Michael Stoll said the disbursement account was on target with no changes recommended.

ADJOURNMENT

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

****MOTION****

Ralph Gabb moved to adjourn. Frank SanPietro seconded and the motion passed unanimously.

The meeting adjourned at 6.15 p.m.