



CITY OF GERMANTOWN TENNESSEE

1930 South Germantown Road • Germantown, Tennessee 38138-2815
Phone (901) 757-7200 Fax (901) 757-7292 www.germantown-tn.gov

Retirement Plan Administration Commission Minutes

Thursday, June 23, 2011 – 1:30 p.m.
Personnel Conference Room
Municipal Center, 1930 S Germantown Rd, TN 38138

MEMBERS PRESENT: Mayor Sharon Goldsworthy, Alderman Mark Billingsley, Frank SanPietro, Todd Proctor and Ralph Gabb

MEMBERS ABSENT:

STAFF PRESENT: Michael Stoll.

ALSO PRESENT: Bill Pickens and Bart Reid, Gerber Taylor & Associates

CALL TO ORDER

Ralph Gabb called the meeting to order at 1:35 p.m. and announced there was a quorum present.

APPROVAL OF MINUTES

Ralph Gabb called for approval of the minutes from the March 24, 2011 RPAC meeting.

****MOTION****

Todd Proctor moved to approve the minutes from the March 24, 2011 RPAC meeting. Alderman Billingsley seconded and the motion passed with one abstention.

REPORT BY ELLIS BENEFITS GROUP

A presentation was made by Bill Pickens and Bart Reid as to the health of the economy and the fact that over the last 5 weeks the market had gone down. The discussion shifted to the City of Germantown retirement trust. The Wedge Large Cap Equity Fund for the current month was down (3.8%) however the year to date is up 4.6%. The Fairholme Funds for the current month had decreased (5.2%) and the calendar year to day was a negative (7.8%). This sparked a discussion from all members if the fund should remain or a shift to another fund. Bill Pickens felt that the fund was sound and should remain a part of the trust. The historical return from January 2000 through March 2011 was 13.70% while the S&P had a return of 0.91%. It was felt that over a long period of time the fund would produce desired result. The commission agreed and felt the fund should be monitored and in 90 day be reviewed.

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****MOTION****

Frank SanPietro made the motion to keep the same funds with the same allocation and Todd Proctor seconded, the motion was passed unanimously

Michael Stoll explained to the group that the City had made their Annual Required Contribution of \$2,297,580.00. \$1,697,580.00 will be placed into the cash distribution account and \$600,000.00 will be invested. A motion was made to accept the allocation as presented. Mayor Goldsworthy made the motion and seconded by Todd Proctor, the motion was passed unanimously.

CHAIRMAN'S COMMENTS

Ralph Gabb stated the commission members to consider if the actuarial assumption should be changed from 8.0% return to 7.5% return in view of the weak economy and the down turn in the stock market. A discussion pursued along these lines. The final discussion was to leave the rate of return at 8.0% currently in place and have Richard Ellis run the numbers at 7.5% for the FY13 fiscal year and for the members to re-address the change. The motion was made by Frank SanPietro and seconded by Mayor Goldsworthy, the motion passed unanimously.

ADJOURNMENT

Hearing no further business, Ralph Gabb called for a motion to adjourn.

****MOTION****

Ald. Mark Billingsley made the motion to adjourn, Mayor Goldsworthy seconded and the motion was passed unanimously