

A regular meeting of the OPEB Committee was held August 10, 2017 at 9:13 a.m. in the Administration Conference Room at Town Hall, 500 Poplar View Parkway.

The following members were present: Dick Gardiner, Gregory Reichert, Mark Krock, Jay Jeffries and Stan Joyner.

Staff present was James Lewellen, Adam Hamric and Pension Attorney Frank Carney. Also present was Susan Fletcher and Ward McBee of First Tennessee Bank.

APPROVAL OF MINUTES

Motion by Mr. Krock, seconded by Mr. Gardiner, to approve the minutes of the May 11, 2017 meeting.

ROLL CALL: Gardiner – yes, Reichert – yes, Krock – yes, Jeffries – yes, Joyner – yes.
Motion approved.

REVIEW OF THE QUARTERLY INVESTMENT PERFORMANCE OF THE OPEB TRUST FUND BY FINANCIAL ADVISORS – FIRST TENNESSEE BANK *(Ward McBee and Susan Fletcher)*

IPS GUIDELINES AND CAPITAL MARKET ASSUMPTIONS: Mr. McBee stated those have not changed.

MARKET VALUE AND PERFORMANCE: (through June 30, 2017) Q4 is 2.84 versus 2.52 for the blended benchmark; 1 year is 10.56 versus 11.37 benchmark; 3 year is 5.02 versus 4.95 benchmark; 5 year is 8.73 versus 8.79 benchmark; and the Inception, 8 years and 1 month, is 10.47 versus 9.81 blended benchmark..

ASSET ALLOCATION: This portfolio has 35% fixed income (we are at 34.50); the portfolio has 65% equity (we are at 65.50); still within range.

HOLDINGS AND PERFORMANCE: Mr. McBee said this is similar to the DBP.

HISTORICAL SUMMARY: Ending with market value at \$12,100,192.

EXPENSE SUMMARY: Ms. Fletcher said the Mutual Fund Weighted Expense ratio is at 0.50 basis points. This is slightly higher because there is a larger percentage of this portfolio that is in mutual funds.

Ms. Fletcher added that this is a net account and most of the expenses are paid outside of the account. The investment management expense is at 0.24 basis points, which is well under the 1% in total expenses within the account.

This concluded the review of the quarterly investment performance of the OPEB Trust Fund.

Mr. Krock asked if there are any changes to the portfolio coming.

Mr. McBee answered that they are comfortable with where they are and they will continue to monitor the stocks owned in the portfolio

There were no further questions or discussion.

ADJOURNMENT

There being no further business, the meeting was declared adjourned at 9:20 a.m.

Chairman

Town Clerk

DRAFT