

A regular meeting of the **Pension Committee** was held February 13, 2014 at 9:00 a.m. in the Administration Conference Room at Town Hall, 500 Poplar View Parkway.

The following members were present: Dick Gardiner, Stan Joyner, Jane Bevill and Jay Jeffries.

Staff present was James Lewellen, Josh Suddath, Kristal McGee and Lynn Carmack. Also present was Susan Fletcher and Alan Ferguson of First Tennessee Bank, and Pension Attorney Frank Carney.

APPROVAL OF MINUTES

Motion by Ms. Bevill, seconded by Mr. Gardiner, to approve the minutes of the November 7, 2013 meeting.

ROLL CALL: Bevill – yes, Gardiner – yes, Jeffries – yes, Joyner – yes.

REVIEW OF THE QUARTERLY INVESTMENT PERFORMANCE OF THE COLLIERVILLE DEFINED BENEFIT PENSION PLAN BY FINANCIAL ADVISORS - First Tennessee Bank (Alan Ferguson and Susan Fletcher)

Mr. Ferguson started the presentation by referring to Chris Lowe's commentary. The macroeconomic background is positive; growth mode is still sluggish; market trend is still positive; liquidity and the shape of the yield curve are steep, so it is still positive; valuations on the markets are fairly valued at this point; and market psychology is very negative;

Mr. Ferguson talked briefly about unemployment and the low labor force participation rate and inflation (Fed guidance indicates they may not raise interest rates until 2016).

Market assumptions have not changed for the Plan since the last quarter. The total (net) fund is up 9.69% year-to-date. The Plan is up 15.30% for the calendar year; fixed income was negative over the last year but positive year to date (0.79%). One change that was made was to the short term TIPPS Fund to help with inflation.

The Plan is up to 15.75% fiscal year-to-date on the equities side; the Plan's Large Cap is up 18% versus the S&P at 16%; the Plan's Large Cap was up 32% over one year versus 32% for the S&P. There are a wide variety of real estate indexes and some of them were flat for calendar year 2013.

The Plan does not have a big position in international and emerging markets.

Mr. Ferguson said that asset allocation is a bit below target in fixed income. There are no recommended changes here.

Mr. Gardiner stated that it is a tough market.

Mayor Joyner said that it is a tough market, but that patience and staying the course at this particular time would be a good virtue.

OTHER BUSINESS

Mayor Joyner stated that Pension Plans are a hot button with the State of Tennessee.

Mayor Joyner said that he would like to pass along to the group that Treasurer Lillard came down and visited with Mayor Joyner, James Lewellen and Jay Jeffries one late Friday and he (Treasurer Lillard) was very complimentary of the Town's Pension Plan and the adequate funding of the Plan. Treasurer Lillard mentioned that there were other municipalities in the state that did not have that same level of fidelity that the Town has had.

Mayor Joyner added that this is a complement to the Pension Committee and its advisors and the legal advice that has kept us in that position.

Mayor Joyner said that the article that was printed in the newspaper showed the Town of Collierville's Plan funded at 123% and showed that some of the sister municipalities in Shelby County certainly not funded to that level.

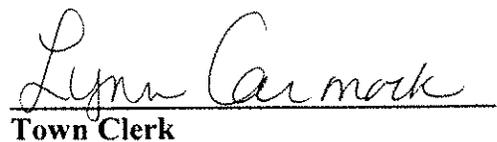
Mayor Joyner advised that Jack Werne, who has served on the Pension Committee since its inception, has moved to Nashville to be closer to family and has tendered his resignation from the Pension Committee.

Mayor Joyner asked the members of the Pension Committee if they may know of someone to fill the vacancy created by Mr. Werne's resignation. Hopefully, Mayor Joyner will be able to appoint someone before the meeting next quarter.

ADJOURNMENT

Motion by Mayor Joyner, seconded by Ms. Bevill to adjourn at 9:50 a.m.


Chairman


Town Clerk