

A regular meeting of the OPEB Committee was held February 15, 2018 at 9:15 a.m. in the Administration Conference Room at Town Hall, 500 Poplar View Parkway.

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

Staff present was Town Administrator James Lewellen, Pension Attorney Kitty Jungkind and Town Clerk Lynn Carmack. Also present was Susan Fletcher and Ward McBee of First Tennessee Bank.

### **APPROVAL OF MINUTES**

Motion by Mayor Joyner, seconded by Mr. Krock, to approve the minutes of the November 9, 2017 meeting.

ROLL CALL: Gardiner – 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)**

CAPITAL MARKET ASSUMPTIONS: These will be updated next quarter.

A little higher than the Defined Benefit Pension. We are putting 65% in equities and 35% in fixed income. Total fund is coming in at 5.18.

MARKET VALUE AND PERFORMANCE: FYTD is up 7.15, 1 yr. is up 14.69, 3 yr. is 6.89, 2Q ending last 3 months is up 3.90, and 8 yr., 7 mo. is up 10.72.

Positive numbers, absolute and relative to the benchmarks.

ASSET ALLOCATION as of 12/31/17: The target is 35% in fixed income and we are at 32.75. The target is 65% in equity and we are at 67.25.

Mr. McBee said it is still within range and they will continue to monitor that and make changes as necessary.

HOLDINGS AND PERFORMANCE: Again, two names (DTE Energy Co and HP Inc) were replaced in this portfolio recently.

The ending market value is \$12,965,692.

HISTORICAL SUMMARY as of 12/31/17: The total market value is \$12,964,282; QE 06/30/17 is up 10.56; QE 06/30/16 is 0.95; QE 06/30/15 is 3.78; and QE 06/30/14 is 17.21. There are good numbers here.

EXPENSE SUMMARY: Ms. Fletcher said these are looking good as well, but they run a little higher just because the investable dollars is less than the Defined Benefit. It is still running 50 basis points for the year on the expense ratio within the fund, which is well under the 1%.

YTD NUMBERS FOR THE PLAN: Mr. McBee said that so far this year, January performance was up 2.75; February – 2/14 was down 3.02; and FYTD up 6.77. Still good numbers.

Mr. Jeffries asked for questions and received none.

**ADJOURNMENT**

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

  
Chairman

  
Town Clerk