

A regular meeting of the Pension Committee was held August 11, 2016 at 9:00 a.m. in the Administration Conference Room at Town Hall, 500 Poplar View Parkway.

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

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

### **APPROVAL OF MINUTES**

Motion by Mayor Joyner, seconded by Mr. Barnwell, to approve the minutes of the May 12, 2016 meeting.

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

### **REVIEW OF THE QUARTERLY INVESTMENT PERFORMANCE OF THE COLLIERVILLE DEFINED BENEFIT PENSION PLAN BY FINANCIAL ADVISORS – FIRST TENNESSEE BANK (Ward McBee and Susan Fletcher)**

Mr. McBee started with the Five Factor Framework, stating factors looked at are Economic backdrop, Market Trend, and Availability of Credit, which are all green. Investor Sentiment is yellow and Valuation is red.

Regarding the Economic Forecast, the 2017 forecast GDP is 1.7% and was 1.9% in 2016. The Core PCE in 2017 is 1.8% and was 1.9% for 2016.

*The Economic Weekly* headline is “*The Economy is Grinding Lower*” which translates that the economy is in a slow growth rate. GDP growth for second quarter was 1.2%.

Mr. McBee touched on some the sector breakdowns on the GDP and how things have contributed or detracted from the GDP.

Mr. McBee referred to the Capital Markets Assumptions for the Plan, stating the Plan is allocated at 40% cash and bonds and 60% stocks and real estate, with capital markets assumptions at a 5.10% expected return.

Ms. Fletcher added that these numbers are revised once a year, so it is a 10 year forward looking number that is revised.

Mr. McBee stated that he would expect to see these numbers tick down a bit the next time they are revised.

Regarding the Performance of the Plan, the entire account ended in June 30 at \$56,226,022; inception 9 years at 5.44 for the Plan versus the blended benchmark of 4.06; Five years ending in June at 6.72 versus 6.19 for the benchmark; Three year at 6.82 versus 6.15; One year at 1.21 versus 1.38; and, the fourth quarter was 1.61 versus 1.72.

Asset Allocation as of June 30, 2016, was over-weight in cash at 3.03; the target is 1.00. Mr. McBee said that a bond was called July 27 that was a little over \$220,000 and they are looking to get that back into the portfolio. Even though cash is a little higher, the cash allocation is still within the top range of 5%.

Mr. McBee concluded his presentation by stating that unaudited returns as of August 9, 2016, July was up 2.75 versus 2.74 for the benchmark and fiscal year to date is 2.78.

There were no questions or comments.

**ADJOURNMENT**

There being no further business, the meeting was declared adjourned at 9:17 a.m.

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Chairman

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Town Clerk