A regular meeting of the OPEB Committee was held August 16, 2018 at 9:22 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, Gregory Reichert and Stan Joyner.

Staff present was Pension Attorney Frank Carney and Town Clerk Lynn Carmack. Also present was Susan Fletcher, Ryan Miller and Ward McBee of First Tennessee Bank.

APPROVAL OF MINUTES

Motion by Mayor Joyner, seconded by Mr. Krock, to approve the minutes of the May 10, 2018 meeting.

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

REVIEW OF THE QUARTERLY INVESTMENT PERFORMANCE OF THE OPEB TRUST FUND BY FINANCIAL ADVISORS - FIRST TENNESSEE BANK (Ryan Miller, Ward McBee and Susan Fletcher)

CAPITAL MARKET ASSUMPTIONS: This portfolio targets 65% in equities and real estate and 35% in fixed income. The expected return (for 2018) is 5.24.

MARKET VALUE AND PERFORMANCE as of 06/30/18: Q4, the portfolio is 1.09 versus 2.18 blended benchmark; FYTD was up 7.42 versus 7.69; 1 yr. was 7.42 versus 7.69; 3 yr. was up 6.23 versus 6.44; 5 yr. was 7.84 versus 7.65; and inception to date over 9 yr.1 mo. returned 10.13 versus 9.55. All returns are in line.

Mr. Miller said recent numbers for July was up 1.76 and in August down 0.57 basis points; FYTD (over past 2 months) is up 1.19. A good start to the fiscal year.

ASSET ALLOCATION as of 06/30/18: The target for fixed income is 35.00 and the market value is 38.23 ($5,111,191). The target for equity is 65.00 and the current market value is 61.77 ($8,256,785). All within range.

Mr. Miller said the Total Fund ended the quarter of fiscal year at $13,367,977.

HOLDINGS AND PERFORMANCE: The only changes in this portfolio was the selling out of Black and Decker and Lowe's. In their place, swapping it out for Walt Disney and Honeywell.

HISTORICAL SUMMARY: Ms. Fletcher said there is an investment gain of $137,682. The return for fiscal year ending is 7.42.

EXPENSE SUMMARY: Ms. Fletcher said that the movement into more individual securities has dropped the expense ratio over the quarters. Fiscal year is at 0.47; expenses paid is 0.25 basis points, which is well in control.

There were no questions or comments.

ADJOURNMENT

There being no further business, the meeting was declared adjourned at 9:30 a.m.

Chairman

Town Clerk