

A regular meeting of the OPEB Committee convened at 9:45 a.m. on November 9, 2015 in the Administration Conference Room at Town Hall, 500 Poplar View Parkway.

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

Staff present was James Lewellen, Mark Krock, Pension Attorney Frank Carney and Lynn Carmack. Also present was Susan Fletcher, Lisa Cook and Alan Ferguson of First Tennessee Bank.

APPROVAL OF MINUTES

Motion by Ms. Bevill, seconded by Mr. Barnwell, to approve the minutes of the August 13, 2015 meeting.

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

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

Mr. Ferguson started with Capital Market Assumptions, stating the OPEB Fund is run at 65% stocks, which is taking more risk than the Pension Plan. The impact to the return number is a little above 6% just by doing that.

The OPEB Fund is down a bit harder in the first quarter for fiscal year than the Pension Plan, at -5.13. Updated numbers were up 4.46 in the month of October. Year to date through Halloween was down at -1.23.

Mr. Ferguson said that when the rate increase comes about, they will see how things react and how the curve on the market reacts. If they get a flat curve, changes may be made on the fixed income.

REVIEW OF ACTUARIAL REPORT AS OF JULY 1, 2015 (Richard Ellis, Ellis & Ward Consulting Group Inc.)

Mr. Ellis stated that an actuarial valuation is done once every 2 years on the OPEB Fund. The disclosure information that will show on financial statements is based on the 2014 valuation. There will not be any significant change other than tweaking to the interest rate credit for this year.

The OPEB report shows the annual required contribution was \$516,256 and is based on last year's valuation. There are interest adjustments to bring the OPEB cost to \$501,014. The Town put in \$516,256, so there is a credit of \$236,610 at the end of this fiscal year.

The annual OPEB cost in 2009 to 2015 goes from \$1,458,343 to \$501,014. The assets in the

plan have grown from \$0 to \$10,402,512 at the end of 2015. The Town is doing a great job of funding the OPEB benefits.

Mr. Ellis said that he does not see any issues other than the discount rate going forward needs to be reviewed and compared to some other discount rates across the state.

ADJOURNMENT

There being no further business, the meeting was declared adjourned at 9:55 a.m.


Chairman


Town Clerk