

A regular meeting of the OPEB Committee was held on Thursday, February 8, 2024, at 9:57 a.m. in the Administration Conference Room at Town Hall, 500 Poplar View Parkway.

The following members were present: Richard Ellis, Preston Carpenter, Bill Burke, Stan Joyner, Charles Taylor, and Valesa Wells.

Staff present were Shanda Ford and Kristie Diamond.

Also present were Pension Attorney Frank Carney, Susan Fletcher, and Ryan Miller of First Horizon Bank.

Approval of Minutes

Motion by Mr. Carpenter, seconded by Ms. Wells, to approve the meeting minutes on November 9, 2023.

ROLL CALL: Carpenter – yes, Ellis – yes, Burke – yes, Taylor – yes, Wells – yes, Mayor Joyner – yes. Motion approved.

Citizen's Comments

There were no citizen's comments.

Review of the Quarterly Investment Performance of the Collierville Defined Benefit Pension Plan by Financial Advisors – First Horizon Bank (Ryan Miller and Susan Fletcher)

IPS Guideline & Capital Market Assumptions (as of 12/31/23)

Mr. Miller said there have been no changes since the last meeting in November. The overall target is 65% stock and 30% bonds, which is 5% more than the Defined Benefit Plan with an annualized rate of return of 5.97% over a ten-year period.

Market Value & Performance (as of 12/31/23)

Total Fund – October was down -2.17%; November was 6.9%; December was 4.21%; Q2 was up 8.98%; FYTD was 5.68%; 5 years is 8.84%; 10 years is 6.58%; and Inception (14 years) is 8.84%.

Ms. Fletcher gave updated numbers through February 7, 2024; January was up 0.47%; February MTD was 1.15%; QTD to 1.63%; and FYTD to 7.40%.

Asset Allocation (as of 12/31/2023)

Mr. Miller said everything was well within range at the end of the quarter due to rebalancing.

Fixed Income

Mr. Miller pointed out the disparity between Short-Term Bond and Intermediate-Term Bond as a result of the Western Asset Core Plus Bond being replaced and being temporarily replaced by the Ultra Short Bond Fund.

Holdings & Performance (as of 12/31/23)

Fixed Income Funds – had a great quarter. All funds in the plan were positive. Some changes were the Western Asset Core Plus Bond removed with the placeholder Fidelity Conservative Income Bond and then share class conversion of Federated Hermes Total Return Bond IS to the Federated Hermes Total Return Bond R6.

Common Stock – overall positive quarter up over 10% and for the year 19%. The only change was selling out of the IYR Real Estate Fund and taking those proceeds and putting them into American Tower Corp.

Domestic Equity Funds – all were positive as well. The changes were the conversions for MFS Mid Cap Growth and the Victory Sycamore Fund.

Internation Equity Funds - both funds were positive. ClearBridge International Growth was up over 11%, and Hartford International Value was up over 8.3%.

Money Market getting about 1.32%.

Historical Summary and Expense Summary (12/31/23)

Expense Summary (as of 12/31/23)

Ms. Fletcher said there was no activity during the last quarter other than the huge gain there of \$1,452,006, bringing the market value to \$17,625,568, and the market value as of 2/7/2024 was \$17,850,940.

Mr. Fletcher stated the mutual weighted fund expense ratio dropped down to 9 basis points. The only other expense there was the First Horizon fee for the quarter. The YTD is 19 basis points on your mutual funds and 12 basis points on the other expenses, for a total of 31 basis points for half of the year.


There were no other questions.

Adjournment

Motion by Mayor Joyner, seconded by Mr. Ellis, to adjourn the meeting at 10:03 a.m.

ROLL CALL:

Carpenter – yes, Ellis – yes, Burke – yes, Taylor – yes, Wells – yes, Mayor Joyner – yes. Motion approved.



Chairman



Town Clerk