



Town of Collierville

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OPEB COMMITTEE MEETING – August 8, 2024

Notice is hereby given that the Collierville OPEB Committee will meet on Thursday, August 8, 2024, at 9:00 a.m. for a regular meeting in the Administration Conference Room at Town Hall.

At that time, consideration will be given to the following:

The agenda is subject to change until formal approval by the Board

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes: May 9, 2024**
4. **Citizen Comments**
5. **Update from OPEB Actuary**
6. **Review of the Quarterly Investment Performance of the OPEB Trust Fund by Financial Advisors – First Horizon Bank (Ryan Miller and Susan Fletcher)**
7. **Adjournment**

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A regular meeting of the OPEB Committee was held on Thursday, May 9, 2024, at 9:31 a.m. in the Administration Conference Room at Town Hall, 500 Poplar View Parkway.

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

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 Mayor Joyner, to approve the meeting minutes on February 8, 2024.

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

Citizen Comments

There were no citizen comments.

Renewal of Contract with First Horizon National Corporation

Ms. Wells stated the contract with First Horizon was standard, with no contract term. She explained the OPEB Committee annually reviewed the contract to ensure the products and services provided were satisfactory. Then, the contract would be presented to the Board of Mayor and Alderman for final approval.

Motioned by Mr. Carpenter, seconded by Mayor Joyner, to recommend renewal of the Professional Services Agreement for asset investment management and custodial services for the Town’s OPEB Plan with First Horizon National Corporation to the Board of Mayor and Aldermen.

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

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 03/31/24)

Mr. Miller stated Fixed Income assumptions had increased, and Equities had decreased. The difference came from the OPEB portfolio having more equity exposure by 5% with a 65/35 split versus a 60/40 split. He said the fixed income piece expectation is to see an increase of about 12

basis points of return long-term and a decrease in performance for the equities piece by about 20 basis points, bringing a net change of negative eight (8) basis points long-term from 5.97% to 5.89%.

Market Value & Performance (as of 03/31/24)

Total Fund - was excellent in the quarter, with positive results for all three months (January, February, and March). The Q3 return was 5.71%, FYTD was 11.72%, 1 year was 15.11%, 10 years was 6.92%, and Inception (14 years, 10 months) was 9.09%.

Ms. Fletcher gave updated numbers through May 8, 2024. April was down -3.23%, May MTD was 2.14%, QTD was -1.15%, and FYTD was 10.43%.

Asset Allocation (as of 03/31/24)

Mr. Miller said everything was well within range due to the quarterly rebalancing, with a slight variance due to the uptick in equities. He said there was a difference between the Short-Term and Intermediate Bonds due to the replacement of Western Asset Corp Plus Bond Fund with the placeholder Fidelity, which is ultra short.

Holdings & Performance (as of 03/31/24)

Fixed Income Funds - were positive overall for the quarter, with three positive Short-Term and two negative Intermediate. Overall, fixed-income funds were up 49 basis points.

Common Stock – was up just shy of 7.5% for the quarter.

Mr. Miller noted the changes which included adding Amazon, Broadcom Inc., Costco Wholesale Corporation, Meta Platforms Inc., and TJX Companies Inc. and removing Campbell Soup Company, Omnicom Group Inc., Oracle Corporation, and Target Corp.

Domestic Equity Funds - all funds were positive for the quarter, each returning between 6.12% and 10.9%, bringing the FYTD performance review for each of those to double digits. Some of the funds are almost at 20%.

International Equity Funds - both were positive at 8% and 4.3%.

Money Market Fund was getting about 1.3%.

Historical Summary and Expense Summary (03/31/24)

Ms. Fletcher stated the quarter's cash flows, including investment gains of \$1,006,777, bringing the total to \$18,632,345, with the quarter performance at 5.71% and FYTD at 11.72%

Recent numbers through May 8, 2024 - April was down 3.23%; May MTD was 2.14%; QTD was -1.15%; and FYTD was 10.43%. In dollars, the figure is \$214,876, bringing the market value to \$18,417,469.

Expense Summary (as of 03/31/24)

Ms. Fletcher stated the expense ratios were slightly higher than the pension fund coming in at nine (9) basis points due to no Fixed Income, FYTD at 29 basis points, and other expenses for the quarter at six (6) basis points, FYTD 18 basis points and for the grand total FYTD 47 basis points.

Ms. Fletcher asked if the board would like to remain overweight in the Short-Term Bond post-income or dial back to the original target of the Intermediate-Term Bond with the OPEB fund as well. Mr. Miller suggested holding to remain consistent between the same plans even though they are independent of each other.

The Board decided to hold as is for now and revisit this option at the next meeting in August.

There were no other questions.

Adjournment

Motion by Ms. Wells, seconded by Mr. Carpenter, to adjourn the meeting at 9:46 a.m.

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

Chairman

Town Clerk