

ADMINISTRATION

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Assistant City Administrator, CFO
Finance



Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

HISTORIC
F R A N K L I N
T E N N E S S E E

February 8, 2011

TO: Board of Mayor & Aldermen

FROM: Eric Stuckey, City Administrator
Russ Truell, Assistant City Administrator

SUBJECT: Consideration of Agreement with RMS Timber

Purpose

The purpose of this item is to consider a subscription agreement with RMS Forest Growth III, LP, as an addition to our City of Franklin pension investments.

Background

The Pension Committee, in consultation with our independent investment advisor, has defined the asset allocation of the City's pension funds. One portion of that allocation is for investment in timber partnerships. As funding has been increased in the pension plan, and adjustments made to other categories (such as large cap stocks, fixed income, international stocks, etc.), the allocation to timber has slipped from 5% to 2%. In November, the Committee voted unanimously to add RMS Timber as a new timber manager with an investment of \$1.4 million.

Financial Impact

There is no additional financial impact to the City, other than the normal pension contribution determined by actuarial calculation. Funds for this investment will be transferred from the fixed income account or cash holdings.

Recommendation

Staff recommends approval of the agreement, subject to modifications recommended by the City Attorney and the counsel to the Pension Plan.