

REPORT TO THE BOARD OF MAYOR & ALDERMEN

DATE: August 24, 2026

FROM: Valesa Wells, Finance Director

SUBJECT: Contract Renewals with Financial Advisory and Trust Administration Services for the Town's Defined Benefit Pension Plan and for Asset Investment Management and Custodial Services for the Town's OPEB Plan

INTRODUCTION:

The purpose of this agenda item is: 1) to consider renewal of the contract for asset management and trust administration services for the Town of Collierville's Defined Benefit Pension Plan with First Horizon Bank; and 2) to consider renewal of the contract for asset investment management and asset custodial services for the Town of Collierville's Other Post-Employment Benefits (OPEB) with First Horizon Bank.

BACKGROUND:

In May 2007, the Board of Mayor and Aldermen (BMA) approved a contract with First Tennessee Bank (now First Horizon Bank) to provide asset management and trust administration services for the Defined Benefit Pension Plan (Pension). In addition, in May of 2009 the BMA approved a similar contract with First Tennessee Bank for Other Post-Employment Benefits (OPEB).

First Horizon Bank keeps a record of all assets in the Pension Plan and OPEB accounts, collects all dividends and interest income, makes cash distributions to retired employees and others, and provides appropriate tax forms to retired employees on an annual basis. As financial advisor, First Horizon Bank assists the Pension/OPEB Committees in adhering to adopted investment policies, investment selection, and provides quarterly reports of investment returns and updates to the Pension/OPEB Committees.

DISCUSSION:

At each quarterly meeting, the Pension/OPEB Committees review the portfolio performance and the expenses incurred by the Pension and OPEB plans. The returns are benchmarked to readily identify performance issues within any sector of the portfolio. The committees have no issues to report.

The fee to provide their services for the Pension Plan and OPEB Plan is based on a percentage of the total investment value of each portfolio. The Pension portfolio value as of June 30, 2026 was \$145,290,615 and the year-to-date fees paid through Q4 (July 1, 2025 – June 30, 2026) were \$385,751.

The OPEB portfolio value as of June 30, 2026 was \$25,233,600 and the year-to-date fees paid through Q4 (July 1, 2025 – June 30, 2026) were \$58,689.

The contract does not specify a contract duration period but states the agreement may be terminated at any time by either party with 30 days advance written notice. However, the Town has elected to formally renew these contracts on an annual basis. The Pension/OPEB Committee voted on August 13, 2026 to recommend renewal of the contracts.

BUDGET IMPACT:

Fees and expenditures are paid from the respective trust accounts.

ATTACHMENTS:

[First Horizon DBPP and OPEB Contract Renewals FY 2027.pdf](#)

PROPOSED MOTION:

To approve the renewal of the Professional Services Agreement for investment management, trust administration, and custodial services for the Town of Collierville's Defined Benefit Pension Plan and the Town's OPEB Plan with First Horizon Bank

Board Action: Motion By _____ Seconded By _____

Vote Total	Hall	Jordan	Robbins	Marshall	Stamps	Fraser
Yes						
No						
Abstain						