



Pension Board

Regular Meeting

~ Minutes ~

917B E. Fifth Ave.
Knoxville, TN 37917
www.knoxvillepensionboard.org

FRIDAY, February 13, 2015

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the February 13, 2015 meeting of the City of Knoxville Pension Board at 9:00 a.m. in the Pension Board Conference Room.

WELCOME TO MR. DENNIS OWEN

Mayor Rogero welcomed Mr. Dennis Owen and thanked him for his willingness to serve on the Board.

2. ROLL CALL

Attendee Name	Title	Status
Mayor Rogero	Mayor	Present
Linda Gay Blanc	Mayoral Appointment	Absent
Greg Coker	Police Representative	Present
Jim York	Finance Director	Present
Dennis Owen	Mayoral Appointment	Present
Stephen King	General Government Representative	Present
Michael Paseur	General Government Representative	Present
Finbarr Saunders	City Council Representative	Absent
Kathy Aslinger	Legal Counsel	Present
Kristi Paczkowski	Executive Director	Present

Others present: Mr. Phineas Troy – Summit Strategies; Mr. Dan Miller and Ms. Jennifer Manternach – Crosslin & Associates.

3. QUORUM DISCUSSION

Prior to the meeting commencement Mr. Coker asked Ms. Aslinger to review with the Board the quorum and voting requirements. The Board agreed to later discuss whether or not a rule change needed to be considered with the addition of two new board members.

4. APPROVAL OF REGULAR MEETING MINUTES FOR JANUARY 8, 2015

Mr. King made a motion to approve the minutes of the January 8, 2015 meeting, as amended by striking his abstention on Item 5 c). – Article III – Alternative Adjustment for Individual Account. Mr. York seconded the motion. The motion passed 6-0.

5. APPROVAL OF REVISED AGENDA – Exhibit 1

Mr. Paseur made a motion to accept the Revised Agenda. Mr. York seconded the motion. The motion passed 6-0.

6. ADMINISTRATIVE MATTERS**a) Audit Presentation – Crosslin & Associates**

Mr. Dan Miller and Ms. Jennifer Manternach of Crosslin & Associates, made a presentation to the Pension Board of the annual audit for fiscal year July 1, 2013 through June 30, 2014. A copy of the audit report is on file in the Pension Office.

b) Fire Department – Seat B Representative

Ms. Paczkowski updated the Board on the election to fill the remaining term for Mr. Joe Hackney's seat on the Pension Board as the Fire Department representative for the uniformed body.

c) October 2015 meeting date

The October 2015 meeting date for Thursday, October 8, 2015 was confirmed and did not need to be changed to Friday.

d) Supplemental Plan Provisions

Mayor Rogero informed the Board that City Council, at their February 3, 2015 Council meeting, sent the Amendment to the Supplemental Plan Provisions submitted to City Council by the Pension Board back to the Board for further consideration. She explained that City Council had concerns about permitting members to designate a disabled dependent as beneficiary for a joint and survivor annuity so soon after the Charter referendum limiting a beneficiary to a spouse.

Motion: Mr. Paseur made a motion to send back to City Council the Amendment to the Supplemental Plan Provisions as originally recommended with no changes, for City Council to take action on any amendments. Mr. Coker seconded the motion. The motion passed 6-0.

Actuarial Factors – Exhibit 2

Ms. Paczkowski reviewed with the Board the Comparison of Optional Form Factors as prepared by the Board's actuary, Mr. Alan Pennington, adjusted for future 3% cost of living increases.

7. EXECUTIVE DIRECTOR COMMENTS**Personnel Committee**

Ms. Paczkowski advised the Board of a vacancy in the Personnel Committee left by former board member, Mr. Hackney, who is now participating in the Drop Program.

Motion: Mr. Coker made a motion to nominate Ms. Blanc to fill the vacancy on the Personnel Committee. Mr. Paseur seconded the motion. The motion passed 6-0.

Refund Interest Rate

Ms. Paczkowski advised the Board that she would notify members regarding the interest rate change for calculating refunds when the Amendment to the Supplemental Plan Provisions is approved.

8. CONTRACTS: None

9. ENROLLMENTS

The following General Government employees have filed applications to become members of the Plan H pension system:

Jeffrey H. Brooks
Jennyfer Gomez-Figueroa
Joshua T. Frerichs
Megan R. Goodwin
Logan R. Haynes
Bryan L. Hendrix
Steven R. Horton
Jenna A. Jordan
Michael S. Whittemore

Motion: Mr. Paseur made a motion to approve these applications for enrollment in Plan H of the Pension System. Mr. King seconded the motion. The motion passed 6-0.

10. WITHDRAWALS

The following employees have filed applications to withdraw employee pension contributions plus 4% interest and the supplemental retirement account as applicable to each participant's respective plan.

Michael S. Dickenson, General Govt. – Plan G1, vested (defined contribution only)
Timothy S. Dimick, General Govt. – Plan G1, non-vested (defined benefit and defined contribution)
David Peacock, General Govt. – Plan G1, non-vested (defined benefit and defined contribution)
Michael Smith, General Govt. – Plan G2, vested
Gregory Sauceman, Fire Dept. – Plan C, vested
Jason D. Toth, Fire Dept. – Plan C, vested
Calvin Wilson, General Govt. – Plan G2 - vested

Motion: Mr. Paseur made a motion to approve these applications for withdrawal of employee contributions. Mr. King seconded the motion. The motion passed 6-0.

11. APPLICATION FOR CREDITED SERVICE FOR PAST SERVICE: PLAN G2 CHARTER SECTION 1352.2 – Exhibit 3

John R. Bailey, Jr., General Govt.
July 16, 2010 – November 19, 2010 – 10 pay periods - \$845.20
August 12, 2011 – January 11, 2013 – 38 pay periods - \$3,424.87
January 25, 2013 – September 19, 2014 – 44 pay periods - \$4,129.74
Total payment due - \$8,399.81

Motion: Mr. Paseur made a motion to approve this application for credited service for past service with payments being made through payroll deductions. Mr. Coker seconded the motion. The motion passed 6-0.

**12. APPLICATION FOR DEFERRED RETIREMENT: PLAN C
CHARTER SECTION 1390.16**

- a) James A. Aman, Police Dept. No Option
Date of birth, November 27, 1956: 58 years of age
Total credited service: 10 years 11 months
Last worked: December 2000
Average monthly salary for 2 highest 12 month periods, \$2,737.14 x .02 =
\$54.74 x 10.91667 =
\$597.58 pension effective February 1, 2015

Motion: Mr. Coker made a motion to approve this application for Deferred retirement. Mr. Owen seconded the motion. The motion passed 6-0.

- e) Aaron U. Dockery, Fire Dept. No Option
Date of birth, June 23, 1955: 59 years of age
Total credited service: 16 years 15 days
Last worked: January 2006
Average monthly salary for 2 highest 12 month periods, \$3,127.93 x .02 =
\$62.56 x 16.04110 =
\$1,003.53 pension effective February 1, 2015

Motion: Mr. Coker made a motion to approve this application for Deferred retirement. Mr. Owen seconded the motion. The motion passed 6-0.

- f) Mark M. Wagner, Fire Dept. No Option
Date of birth, August 30, 1959: 55 years of age
Total credited service: 9 years
Last worked: April 1999
Average monthly salary for 2 highest 12 month periods, \$2,346.14 x .02 =
\$46.92 x 9.0 =
\$422.28 pension effective February 1, 2015

Motion: Mr. Coker made a motion to approve this application for Deferred retirement. Mr. Owen seconded the motion. The motion passed 6-0.

**13. APPLICATION FOR NORMAL RETIREMENT: PLAN G2
CHARTER SECTION 1360.12**

- Bobby Joe Inman, General Govt. Option C - Cash Refund
Date of birth, November 28, 1941: 73 years of age
Total credited service: 21 years 3 months 2 days
Average monthly salary for 2 highest 12 month periods, \$5,032.90 x .021=
\$105.69 x 21.25548 = \$2,246.49. Mr. Inman chose Option C – Cash Refund to Tracy Shepherd,
Jeffrey Inman and John Inman. \$2,246.49 x .8762 =
\$1,968.37 pension effective February 1, 2015

Motion: Mr. Paseur made a motion to approve this application for Normal retirement payable under Option C – Cash Refund. Mr. King seconded the motion. The motion passed 6-0.

14. APPLICATION FOR PARTICIPATION IN THE DELAYED RETIREMENT OPTION PROGRAM (DROP): PURSUANT TO CHARTER SECTION 1390.22 – PLAN C. The following employees have chosen a Delayed Retirement Option and will receive a one-time payment of the accumulated monthly benefits on termination of employment with the City of Knoxville.

- a) Samuel D. Brown, Police Dept. - Uniformed Option A-6
100% without reinstatement
- Date of birth, January 13, 1965: 50 years of age
Total credited service: 25 years 17 days
Average monthly salary for 2 highest 12 month periods, $\$5,028.57 \times .025 = \$125.71 \times 25.04658 = \$3,148.61$. Mr. Brown chose Option A-6 – 100% Joint and Survivor without reinstatement to Rhonda Lea Brown, spouse. $\$3,148.61 \times .9413 = \$2,963.79$ pension effective February 1, 2015
DROP complete January 31, 2017.

Motion: Mr. Coker made a motion to approve this application for DROP retirement payable under Option A-6. Mr. Paseur seconded the motion. The motion passed 6-0.

- b) Steven M. Fowler, Fire Dept. - Uniformed No Option
- Date of birth, June 20, 1951: 63 years of age
Total credited service: 25 years 16 days
Average monthly salary for 2 highest 12 month periods, $\$5,528.61 \times .025 = \$138.22 \times 25.04384 = \$3,461.56$ pension effective February 1, 2015.
DROP complete January 31, 2017.

Motion: Mr. Coker made a motion to approve this application for DROP retirement. Mr. Paseur seconded the motion. The motion passed 6-0.

- c) Joseph Hackney, Fire Dept. - Uniformed No Option
- Date of birth, February 1, 1954: 61 years of age
Total credited service: 26 years 5 days
Average monthly salary for 2 highest 12 month periods, $\$5,085.43 \times .025 = \$127.14 \times 26.01370 = \$3,307.38$ pension effective February 1, 2015
DROP complete January 31, 2017.

Motion: Mr. Coker made a motion to approve this application for DROP retirement. Mr. Paseur seconded the motion. The motion passed 6-0.

- d) Dianna S. Perrin, Police Dept. - Uniformed No Option
 Date of birth, August 11, 1948: 66 years of age
 Total credited service: 25 years 1 month 17 days
 Average monthly salary for 2 highest 12 month periods, $\$5,028.57 \times .025 =$
 $\$125.71 \times 25.12991$
 $\$3,159.08$ pension effective February 1, 2015.
 DROP complete January 31, 2017.

Motion: Mr. Coker made a motion to approve this application for DROP retirement. Mr. Paseur seconded the motion. The motion passed 6-0.

- e) Kevin D. Spooner, Fire Dept. - Uniformed Option A-4
 50% without reinstatement
 Date of birth, December 14, 1954: 60 years of age
 Total credited service: 25 years 10 months 5 days
 Average monthly salary for 2 highest 12 month periods, $\$3,928.60 \times .025 =$
 $\$98.22 \times 25.84703 = \$2,538.70$. Mr. Spooner chose Option A-4 – 50% Joint and Survivor without
 reinstatement to June Marie Spooner, spouse.
 $*\$2,538.70$ pension effective February 1, 2015.
 DROP complete January 31, 2017.
 *No reduction in benefit payment for a 50% option to a spouse in Plan C.

Motion: Mr. Coker made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Paseur seconded the motion. The motion passed 6-0.

- f) Darrell J. Wells, Fire Dept. - Uniformed Option A-6
 100% without reinstatement
 Date of birth, February 18, 1961: 53 years of age
 Total credited service: 25 years 16 days
 Average monthly salary for 2 highest 12 month periods, $\$5,001.27 \times .025 =$
 $\$125.03 \times 25.04384 = \$3,131.23$. Mr. Wells chose Option A-6 – 100% Joint and Survivor without
 reinstatement to Sheila Wells, spouse. $\$3,131.23 \times .9277 =$
 $\$2,904.84$ pension effective February 1, 2015.
 DROP complete January 31, 2017.

Motion: Mr. Coker made a motion to approve this application for DROP retirement payable under Option A-6. Mr. Paseur seconded the motion. The motion passed 6-0.

15. APPLICATION FOR PARTICIPATION IN THE DELAYED RETIREMENT OPTION PROGRAM (DROP): PURSUANT TO CHARTER SECTION 1371.8 – PLAN G. The following employees have chosen a Delayed Retirement Option and will receive a one-time payment of the accumulated monthly benefits on termination of employment with the City of Knoxville.

- Christine M. Sliger, General Government – Plan G2 No Option
 Date of birth, December 9, 1950: 64 years of age
 Total credited service: 14 years 9 months 28 days
 Average monthly salary for 2 highest 12 month periods, $\$3,824.34 \times .021 =$
 $\$80.31 \times 14.82671 =$

\$1,190.73 pension effective February 1, 2015.
DROP complete January 31, 2017.

Motion: Mr. Paseur made a motion to approve this application for DROP retirement. Mr. King seconded the motion. The motion passed 6-0.

16. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD Total
Bryan, Pendleton, Swats & McAllister – Actuary (December)	14,077.00	107,464
Kennerly, Montgomery & Finley – Attorney (General January)	10,649.50	61,763
Northern Trust Co. - Custodial/Benefit (4 th Qtr – 2014)	41,980.52	112,772
Eagle Capital – Money Manager (4 th Qtr – 2014)	101,752.27	315,862
IRM – Money Manager (Core – 4 th Qtr 2014)	22,208.89	43,909
IRM – Money Manager (TIPS – 4 th Qtr 2014)	1,529.48	3,078
Penn Capital – Money Manager (4 th Qtr – 2014)	39,227.01	78,899
Pinnacle – Money Manager (4 th Qtr – 2014)	33,691.00	98,545
Tortoise Capital – Money Manager (4 th Qtr – 2014)	62,954.69	240,549
Wm. Blair – Money Manager (4 th Qtr – 2014)	34,551.00	68,372
		1,131,213

Ms. Paczkowski, Executive Director, has reviewed the bills and certifies that they are consistent with the services provided and are within the budgeted figures of the system's financial plan.

Motion: Mr. King made a motion to pay the invoices as presented. Mr. Owen seconded the motion. The motion passed 6-0.

Mayor Rogero called for a brief recess at 10:10 a.m. and called the meeting back to order at 10:20 a.m.

17. INVESTMENT MATTERS

Phineas Troy – Summit Strategies

4th Qtr 2014 Performance Report

Mr. Phineas Troy made a presentation of the pension system's 4th Quarter 2014 Performance Report. A copy of the report is on file in the Pension Office.

18. OTHER:

Voting Rules

The Board further discussed the voting rules and agreed to discuss again at a later date after additional consideration on the matter.

19. PUBLIC COMMENTS: None

20. ATTORNEY COMMENTS: None

21. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mayor Rogero at 10:55 a.m.

Chair

Date