



Pension Board

Regular Meeting

~ Minutes ~

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

THURSDAY, March 12, 2015

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the March 12, 2015 meeting of the City of Knoxville Pension Board at 9:00 a.m. in the Pension Board Conference Room.

WELCOME TO MS. LINDA GAY BLANC

Mayor Rogero welcomed Ms. Blanc and thanked her for her willingness to serve on the Board.

2. ROLL CALL

Attendee Name	Title	Status
Mayor Rogero	Mayor	Present
Linda Gay Blanc	Mayoral Appointment	Present
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	Present
Kathy Aslinger	Legal Counsel	Present
Kristi Paczkowski	Executive Director	Present

3. APPROVAL OF REGULAR MEETING MINUTES FOR FEBRUARY 13, 2015

Mr. Paseur made a motion to approve the minutes of the February 13, 2015 meeting. Ms. Blanc seconded the motion. The motion passed 8-0.

4. APPROVAL OF REVISED AGENDA – Exhibit 1

Mr. Saunders made a motion to accept the Revised Agenda. Mr. King seconded the motion. The motion passed 8-0.

5. ADMINISTRATIVE MATTERS

a) Acceptance of Audit Report

Motion: Mr. York made a motion to accept the Audit Report – July 1, 2013 through June 30, 2014 as presented at the February 13, 2015 meeting. Mr. Saunders seconded the motion. The motion passed 8-0.

b) Fire Department – Seat B Representative – Exhibit 2

Ms. Paczkowski informed the Board about the run-off election being conducted for the Fire Department – Seat B representative to the Board.

c) Supplemental Plan Provisions

Mayor Rogero updated the Board regarding the Supplemental Plan Provisions submitted to City Council for second reading on Council's Tuesday, March 17, 2015 meeting agenda.

6. EXECUTIVE DIRECTOR COMMENTS

Pre-retirement option forms

Ms. Paczkowski advised the Board that letters, instructions and new pre-retirement option forms were ready and scheduled to be mailed next week to all vested employees at their home addresses.

7. CONTRACTS: None

8. ENROLLMENTS

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

Wendell F. Horner
Edward F. McDonald
Mark S. Ryan
Judy N. Walton

Motion: Mr. Paseur made a motion to approve these applications for enrollment in Plan H of the Pension System. Mr. Saunders seconded the motion. The motion passed 8-0.

9. 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.

Joseph Clark, General Govt. – Plan H, non-vested
Ronnie T. Everhart, General Govt. – Plan G1, non-vested (defined benefit and defined contribution)
Cris Fuller, General Govt. – Plan G1, non-vested (defined benefit and defined contribution)
Reynold Nunez, General Govt. – Plan G1, non-vested (defined benefit and defined contribution)
Benjamin Swanner, General Govt. – Plan G1, vested (defined benefit and defined contribution)

Charles M. Webb, Jr. General Govt. – Plan G2, vested
 Bobby E. Woody, General Govt. – Plan G1, non-vested (defined benefit and defined contribution)

Motion: Mr. Paseur made a motion to approve these applications for withdrawal of employee contributions. Mr. King seconded the motion. The motion passed 8-0.

**10. APPLICATION FOR DEFERRED RETIREMENT: PLAN G1
 CHARTER SECTION 1360.28**

Narda G. Cappuccilli, General Govt. No Option
 Date of birth, January 15, 1953: 62 years of age
 Total credited service: 5 years 1 month 17 days
 Average monthly salary for 2 highest 12 month periods, \$2,958.97 x .0115% =
 \$34.03 x 5.12991 = \$174.57 (defined benefit) + \$101.66 (annuity value of defined contribution) =
 *\$276.23 pension effective February 1, 2015

*Defined Benefit plus Defined Contribution

Motion: Mr. Paseur made a motion to approve this application for Deferred retirement. Mr. Saunders seconded the motion. The motion passed 8-0.

**11. APPLICATION FOR PARTICIPATION IN THE DELAYED RETIREMENT OPTION
 PROGRAM (DROP): PURSUANT TO CHARTER SECTION 1390.22 – PLAN C.**

The following employee has 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.

Dennis C. Noe, Fire Dept. - Uniformed No Option
 Date of birth, April 29, 1964: 50 years of age
 Total credited service: 25 years 1 month 16 days
 Average monthly salary for 2 highest 12 month periods, \$4,919.57 x .025 =
 \$122.99 x 25.12717
 \$3,090.39 pension effective March 1, 2015
 DROP complete February 28, 2017.

Motion: Mr. Coker made a motion to approve this application for DROP retirement. Mr. Paseur seconded the motion. The motion passed 8-0.

12. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD Total
Bryan, Pendleton, Swats & McAllister – Actuary (January)	7,923.00	115,387
Kennerly, Montgomery & Finley – Attorney (General February)	3,014.50	64,778
Acadian – Money Manager (4 th Qtr – 2014)	66,898.00	265,215
Castleark – Money Manager (4 th Qtr – 2014)	55,778.55	175,983
Schroders – Money Manager (4 th Qtr – 2014)	28,123.98	81,380
Summit Strategies – Investment Consultant (1 st Qtr – 2015)	40,000.00	151,250
		853,993

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. Saunders made a motion to pay the invoices as presented. Mr. Owen seconded the motion. The motion passed 8-0 .

13. INVESTMENT MATTERS

Action Items

Recommendation from Investment Committee to transition from CastleArk to Northern Trust Index Fund

Motion: Mr. Saunders seconded a motion based upon the recommendation of the Investment Committee and Summit Strategies to transition assets from Castleark – Large Cap Equity to a Northern Trust Index Fund for fee of 4 basis points subject to the review and recommendation of a satisfactory investment manager’s agreement by Attorney Aslinger, and to authorize Ms. Paczkowski to execute the approved agreement and proceed with all action necessary or convenient to properly effect this investment manager’s appointment and implement the investment manager’s agreement. Ms. Blanc seconded the motion. The motion passed 8-0.

Recommendation from Investment Committee to Fund Standish for Global Fixed Income Mutual Fund

Motion: Mr. York made a motion to amend the recommendation from the Investment Committee to fund Standish with 5% of assets for a Global Fixed Income Mutual Fund to instead use a comingled fund with Standish. Mr. Saunders seconded the motion. The original motion as amended passed 8-0.

Plan H

Mr. York discussed with the Board the need to develop strategies to shield the Plan H employee accounts from market risk as the plan members and Plan H assets increase. The Board charged the Investment Committee with the task of developing, with Summit Strategies, a separate Investment Policy and asset allocation for Plan H as soon as practicable.

Additional Investment Committee Member

Motion: Mr. Saunders made a motion recommending Mr. Dennis Owen be added as a member to the Investment Committee. Ms. Blanc seconded the motion. The motion passed 8-0.

14. OTHER:

Ms. Blanc advised the Board of a congratulatory letter she received from a citizen upon becoming a trustee to the Pension Board.

15. PUBLIC COMMENTS: None

16. ATTORNEY COMMENTS: None

17. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mayor Rogero at 9:26 a.m.

Chair

Date