



Pension Board

Regular Meeting

~ Minutes ~

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

FRIDAY, August 14, 2015

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the August 14, 2015 meeting of the City of Knoxville Pension Board at 9:00 a.m. in the Pension Board Conference Room.

2. ROLL CALL

Attendee Name	Title	Status
Mayor Rogero	Mayor	Present
Linda Gay Blanc	Mayoral Appointment	Present
Greg Coker	Police Representative	Absent
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
John Tillett	Fire Representative	Present
Kathy Aslinger	Legal Counsel	Present
Kristi Paczkowski	Executive Director	Present

Others Present: Dr. William Lyons - Deputy to the Mayor and Chief Policy Officer; Mr. Phineas Troy – Summit Strategies.

3. APPROVAL OF REGULAR MEETING MINUTES FOR JULY 9, 2015

Mr. Saunders made a motion to approve the minutes of the July 9, 2015 meeting. Mr. York 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

QDRO changes to SPPs – Exhibit 2

Attorney Aslinger reviewed with the Board the revised 2nd Amendment to the 2013 Amended and Restated Supplemental Plan Provisions presented initially to the Board at the July meeting to comply with State Law changes regarding Qualified Domestic Relations Orders effective July 1, 2015.

Motion: Mr. Saunders made a motion to approve the amendment as drafted by Attorney Aslinger and presented this morning, and to recommend the amendment to City Council. Mr. Owen seconded the motion. The motion passed 8-0.

Records Retention Policy – Exhibit 3

Ms. Paczkowski reviewed with the Board the proposed Retention and Destruction Policy for the Pension System modelled after the city and state rules on pension records.

Motion: Mr. Owen made a motion to accept the policy as amended to clarify on Page Two, Item VI. a. ii. “General Correspondence – 5 Yrs,” the types of documents that would be classified as “general correspondence.” Mr. Saunders seconded the motion. The motion passed 8-0.

6. EXECUTIVE DIRECTOR COMMENTS

Kingsbury Litigation

Ms. Paczkowski advised the Board that mediation would begin on September 23, 2015 in the Kingsbury litigation.

7. CONTRACTS: None

8. ENROLLMENTS

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

Patricia A. Brock
Jhasta D. Houston
William D. Johnson
Jeffrey C. Johnston
Matthew A. Koenig
Matthew D. Shreve

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 0.72% interest and the supplemental retirement account as applicable to each participant's respective plan.

Caleb J. Conklin, General Govt. – Plan H, non-vested
Joseph C. Davis, General Govt. – Plan G1, vested
Adam W. Pierson, General Govt. – Plan G1, non-vested
Guy A. Smith, Police Dept. – Plan C, vested
Taryn R. Wolf, General Govt. – Plan H, non-vested

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

Richard H. Wingate, General Govt. request to void refund application – Exhibit 4

Ms. Paczkowski reviewed with the Board her memo regarding the request to reverse Mr. Wingate's approval for a refund of the defined benefit portion of his Plan G - Option1 benefit.

Motion: Mr. Paseur made a motion to void the application for a refund of Mr. Wingate's defined benefit. Mr. Tillett seconded the motion. The motion passed 8-0.

10. APPLICATION FOR DEFERRED RETIREMENT: PLAN A CHARTER SECTION 1360.28

- a) Bennie P. Grimes, Schools Certified - Plan A No Option
Date of birth, July 16, 1953: 62 years of age
Total City credited service: 10 years 4 months
Total County credited service: 1 year
Total credited service: 11 years 4 months
Last date of employment with City: June 1987
Last date of employment with County: June 1988
Average base earnings for 4 years, \$400.00 x 75% = \$3.00
Average excess earnings for 4 years, \$933.86 x 1.50% = \$14.01
making a total of \$17.01 benefit per year of service. \$17.01 x 10.333 =
\$175.76 pension effective August 1, 2015

The City benefit payment is determined using City only salaries and City service time.
The City benefit does not include any County service.
The total amount of the combined City & County benefit is \$240.03.

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

b) Carolyn Monday, Schools Certified - Plan A

Option B-12
15 Yr Certain & Life

Date of birth, July 11, 1953: 62 years of age
Total City credited service: 13 years
Total County credited service: 1 year 1 month
Total credited service: 14 years 1 month
Last date of employment with City: June 1987
Last date of employment with County: April 1996
Average base earnings for 4 years, $\$400.00 \times 75\% = \3.00
Average excess earnings for 4 years, $\$1,302.50 \times 1.50\% = \19.54
making a total of \$22.54 benefit per year of service. $\$22.54 \times 13 =$
 $\$293.02$. Ms. Monday chose Option B-12, 15 Yr Certain & Life to William Eugene Monday, IV, son
and Mary Kathryn Monday, daughter. $\$293.02 \times 0.9184 =$
\$269.11 pension effective August 1, 2015

The City benefit payment is determined using City only salaries and City service time.
The City benefit does not include any County service.
The total amount of the combined City & County benefit is \$350.26.

Motion: Mr. Paseur made a motion to approve this application for Deferred retirement payable under Option B-12. Mr. Saunders seconded the motion. The motion passed 8-0.

11. APPLICATION FOR DEFERRED RETIREMENT: PLAN G2 CHARTER SECTION 1360.28

Ernest L. Smith, General Govt. - Plan G2

Option A-9
100% with reinstatement

Date of birth, July 5, 1953: 62 years of age
Total credited service: 11 years 8 months 26 days (last employed September 2008)
Average monthly salary for 2 highest 12 month periods, $\$2,674.83 \times .021 =$
 $\$56.17 \times 11.73790 = \659.32 . Mr. Smith chose Option A-9 – 100% Joint and Survivor with
reinstatement to Cathy Denise Smith, spouse. $\$659.32 \times .808 =$
\$532.73 pension effective August 1, 2015

Motion: Mr. Paseur made a motion to approve this application for Deferred retirement payable under Option A-9. Mr. Saunders seconded the motion. The motion passed 8-0.

**12. APPLICATION FOR NORMAL RETIREMENT: PLAN G1
CHARTER SECTION 1360.12**

Richard R. Huskey, General Govt. - Plan G1

No Option

Date of birth, January 6, 1947: 68 years of age

Total credited service: 20 years 1 day

Plan A benefit: Average base salary for 2 highest 12 month periods, $\$400.00 \times .0095\% = \$3.80 \times 1.91667 = \$7.28$ plus average excess salary for 2 highest 12 month periods, $\$3,880.12 \times .019\% = \$73.72 \times 1.91667 = \$141.30$; Total A benefit = $\$7.28 + \$141.30 = \mathbf{\$148.58}$.

Plan G1 benefit: Average monthly salary for 2 highest 12 month periods, $\$4,280.12 \times .0135\% = \$57.78 \times 18.08607 = \mathbf{\$1,045.01}$. **Plan A benefit \$148.58 + Plan G1 benefit \$1,045.01 = *\$1,193.59** pension effective August 1, 2015

*Defined benefit only – does not include the supplemental retirement account applicable to Plan G1 which employee elected to receive in a lump sum payment.

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

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

Deborah A. Brooks, General Govt. - Plan G2

Option A-8

75% with reinstatement

Date of birth, July 20, 1953: 62 years of age

Total credited service: 11 years 11 months 8 days

Average monthly salary for 2 highest 12 month periods, $\$3,106.85 \times .021 = \$65.24 \times 11.93858 = \778.87 . Ms. Brooks chose Option A-8 – 75% Joint and Survivor with reinstatement to Roy M. Brooks, spouse. $\$778.87 \times .8706146 =$

\$678.10 pension effective August 1, 2015

Motion: Mr. Paseur made a motion to approve this application for Normal retirement payable under Option A-8. Mr. Owen seconded the motion. The motion passed 8-0.

14. 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.

Danny R. Wagner, Police Dept. - Uniformed

Option A-9

100% with reinstatement

Date of birth, April 8, 1965: 50 years of age

Total credited service: 25 years 6 months 17 days

Average monthly salary for 2 highest 12 month periods, $\$4,747.16 \times .025 = \$118.68 \times 25.54658 = \$3,031.87$. Mr. Wagner chose Option A-9 – 100% Joint and Survivor with reinstatement to Jennifer R. Wagner, spouse. $\$3,031.87 \times .8837 =$

\$2,679.26 pension effective August 1, 2015.

DROP complete July 31, 2017.

Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-9. Mr. Owen seconded the motion. The motion passed 8-0.

15. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD Total
Bryan, Pendleton, Swats & McAllister – Actuary (June)	1,739.00	4,094
Kennerly, Montgomery & Finley – Attorney (General July)	8,530.50	14,654
Acadian Asset Man. – Money Manager (2nd Qtr – 2015)	68,060.00	68,060
Wm Blair – Money Manager (2 nd Qtr – 2015)	35,046.00	35,046
Castleark – Money Manager (1 st Qtr – 2015)	56,617.77	56,618
Castleark – Money Manager (2nd Qtr – 2015 –closed acct)	2,806.84	2,807
Eagle Capital – Money Manager (2nd Qtr – 2015)	91,423.93	91,424
IRM – Money Manager (2nd Qtr – 2015; TIPS Portfolio)	1,537.84	1,538
IRM – Money Manager (2nd Qtr – 2015; Core Portfolio)	22,498.86	22,499
Penn Capital – Money Manager (2 nd Qtr – 2015)	40,345.33	40,345
Pinnacle – Money Manager (2nd Qtr – 2015)	35,790.00	35,790
Schroders – Money Manager (1 st Qtr – 2015)	28,930.30	28,930
Tortoise Capital – Money Manager (2nd Qtr – 2015)	48,610.30	48,610
		450,415

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.

16. INVESTMENT MATTERS

Phineas Troy – Summit Strategies

2nd Qtr 2015 Performance Report

Mr. Phineas Troy made a presentation of the 2nd Quarter 2015 Performance Report. Copies of the report are on file in the Pension Office.

Mayor Rogero and Mr. Saunders left the meeting at 9:43 a.m. and Mr. York presided.

17. OTHER: None

18. PUBLIC COMMENTS: None

19. ATTORNEY COMMENTS: None

20. ADJOURNMENT:

Motion: Mr. King made a motion to adjourn the meeting at 9:52 am. Ms. Blanc seconded the motion. The motion passed 6-0.

Chair

Date