



Pension Board

Regular Meeting

~ Minutes ~

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

THURSDAY, December 10, 2015

8:15 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the December 10, 2015 meeting of the City of Knoxville Pension Board at 8:15 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	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
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. Charles Swanson – City of Knoxville Attorney; Mr. Eric Vreeland – City of Knoxville Communications Manager; Fire Officer Jeffrey Lee and Mrs. Susan Lee – Injury in Line of Duty applicant; Mr. Edward Daniels – Attorney representing Fire Officer Lee; Fire Chief Stan Sharp and Fire Safety Officer Mark Wilbanks – Knoxville Fire Dept; Mr. Kevin Faddis – Knoxville Firefighters’ Association; Lt. Cheri Matlock – Knoxville Police Department; Mr. Dan Miller – Crosslin & Associates; Mr. Gerald Witt – Knoxville News Sentinel; Ms. Kristen Holloway and Mr. Jabari Payne – WATE News.

3. APPROVAL OF REGULAR MEETING MINUTES FOR NOVEMBER 12, 2015

Mr. Tillett made a motion to approve the minutes of the November 12, 2015 meeting. Ms. Blanc seconded the motion. The motion passed 9-0.

4. APPROVAL OF REVISED AGENDA – Exhibit 1

Mr. Saunders made a motion to accept the Revised Agenda. Mr. Owen seconded the motion. The motion passed 9-0.

5. ADMINISTRATIVE MATTERS

- a) **Military Buyback Litigation – Exhibits 2 a) – Mediated Agreement; 2 b) – Amended Mediated Agreement; 2 c)- Rules for Establishing Credited Service; 2 d) – Application for Military Service Credit**

Attorney Aslinger reviewed with the Board the mediated agreement between Mr. Edward Kingsbury and the City of Knoxville and the Pension Board in the Kingsbury military buyback litigation.

Motion: Mr. Owen made a motion to approve the amended mediated agreement (exhibit 2 b). Mr. Paseur seconded the motion. The motion passed 9-0.

Ms. Paczkowski then reviewed with the Board the draft rules for establishing credited service for prior active military service for employees hired prior to January 1, 2001. In addition, Ms. Paczkowski advised the Board that letters to all active employees (General Government, Police and Fire) providing notice of the buyback opportunity have been prepared and are ready for mailing with further notice to be posted on the Pension Board website, the City's intranet and through e-mail blasts if the Board approves the draft rules.

After a lengthy discussion by the Board the following motion was made:

Motion: Mr. Coker made a motion to strike Section 1(A)(2) and Section 1(B)(3) of the rules for establishing credited service for prior active military service for employees hired prior to January 1, 2001. The motion failed for lack of a second.

Motion: Mr. Saunders made a motion to accept the rules as presented. After further discussion of the rules by the Board Mr. Saunders withdrew the motion and made the following motion:

To modify Section 1(A)(2) to read, "To receive credit for prior active military service an individual must provide proof sufficient to the Board to establish that he or she would have purchased the credit if he or she had been informed of the opportunity," and to similarly modify Section 1(B)(3). Mr. Tillett seconded the motion. The motion passed 8-1. Mr. Coker voted no.

Mayor Rogero called for a brief recess at 9:20 a.m. and called the meeting back into order shortly thereafter.

6. ENROLLMENTS

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

Joel G. Asher
Kurtis V. Henschen

Motion: Mr. Paseur made a motion to approve these applications for enrollment in Plan H-GG of the Pension System. Mr. Coker seconded the motion. The motion passed 9-0.

7. WITHDRAWALS

The following employee 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.

Joshua R. Black, General Govt. – Plan H; non-vested
Pamela S. Blanchard, Schools – Plan A; non-vested
Tomere T. Clark, General Govt. – Plan H; non-vested
Tom Kelly, General Govt. – Plan G1; vested
Tracey Qualls, General Govt. – Plan H; non-vested
Deric A. Runge, Police Dept. – Plan C; non-vested
Joshua E. Tarver, General Govt. – Plan G1; non-vested
Ricky L. Webber, General Govt. – Plan G2; vested

Motion: Mr. Paseur made a motion to approve these applications for withdrawal of employee contributions. Ms. Blanc seconded the motion. The motion passed 9-0.

8. APPLICATION FOR NORMAL RETIREMENT: PLAN G2 CHARTER SECTION 1360.12

Robert L. McDaniel, General Government No Option
Date of birth, August 14, 1950: 65 years of age
Total credited service: 10 years 1 month 6 days
Average monthly salary for 2 highest 12 month periods, $\$2,765.17 \times .021 =$
 $\$58.07 \times 10.09977 =$
 $\$586.49$ pension effective December 1, 2015.

Motion: Mr. Paseur made a motion to approve this application for Normal retirement. Mr. Saunders seconded the motion. The motion passed 9-0.

9. APPLICATION FOR RULE OF 80 RETIREMENT: PLAN G2 CHARTER SECTION 1371.4

Charles R. Johnson, General Government Option A-4
50% without reinstatement
Date of birth, March 14, 1955: 60 years of age
Total credited service: 19 years 5 months
Average monthly salary for 2 highest 12 month periods, $\$2,908.68 \times .021 =$
 $\$61.08 \times 19.41667 = \$1,185.97$. Mr. Johnson chose Option A-4 – 50% without reinstatement to
Wanda L. Johnson, spouse. $\$1,185.97 \times .8762 =$
 $\$1,039.15$ pension effective December 1, 2015.

Motion: Mr. Paseur made a motion to approve this application for Rule of 80 retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 9-0.

10. 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.

Thomas Strickland, Jr; General Government – Plan G2

Option A-7
50% with reinstatement

Date of birth, March 4, 1953: 62 years of age

Total credited service: 19 years 4 days

Average monthly salary for 2 highest 12 month periods, $\$7,952.19 \times .021 =$

$\$167.00 \times 19.01096 = \$3,174.83$. Mr. Strickland chose Option A-7 – 50-% with reinstatement to

Terry M. Strickland, spouse. $\$3,174.83 \times .7434 =$

$\$2,360.17$ pension effective December 1, 2015.

DROP complete November 30, 2017.

Motion: Mr. Owen made a motion to approve this application for Drop retirement payable under Option A-7. Mr. King seconded the motion. The motion passed 9-0.

11. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD Total
Bryan, Pendleton, Swats & McAllister – Actuary (Oct)	12,333	46,859
Kennerly, Montgomery & Finley – Attorney (General-Nov)	2,398	36,936
Acadian – Money Manager (3 rd Qtr – 2015)	59,248	127,308
Northern Trust - Custodial/Benefit (3rd Qtr – 2015)	41,530	87,061
		298,164

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 9-0.

12. APPLICATION FOR INJURY IN LINE OF DUTY: PLAN C CHARTER SECTION 1390.11

Jeffrey S. Lee, Fire Dept - Uniformed

No Option

Date of birth, April 30, 1972: 43 years of age

Total credited service: 19 years 6 months 2 days

Average monthly salary for 2 highest 12 month periods, $\$4,609.61 \times 50\% =$

$\$2,304.81$ pension effective December 1, 2015

Motion: Mr. Tillett made a motion to approve this application for an Injury In Line of Duty benefit based upon the Executive Director's recommendation and the medical documentation. Mr. Saunders seconded the motion. The motion passed 9-0.

Mr. Coker left the meeting at 9:35 a.m.

5. ADMINISTRATIVE MATTERS - continued

b) Audit Presentation – Crosslin & Associates

Mr. Dan Miller of Crosslin & Associates made a presentation to the Pension Board of the annual audit for fiscal year July 1, 2014 through June 30, 2015. A copy of the audit report is on file in the Pension Office.

Motion: Mr. York made a motion to accept the audit report as presented. Mr. Saunders seconded the motion. The motion passed 8-0.

c) 2016 Officers

Mayor Rogero reminded the Pension Board members that officers (Chair, Vice-Chair & Secretary) for the 2016 calendar year would need to be elected at the January Pension Board meeting in accordance with City of Knoxville Charter Section 1324.

d) Proposed Meeting Schedule for 2016 – Exhibit 2

The Board reviewed the 2016 meeting schedule.

13. EXECUTIVE DIRECTOR COMMENTS: None

14. CONTRACTS: None

15. INVESTMENT MATTERS

Ms. Paczkowski informed the Board about the upcoming asset liability study.

16. OTHER:

Chattanooga court decision

Mr. Paseur informed the Board about a newspaper editorial regarding a lower court's ruling on the City of Chattanooga Police and Fire Pension Plan and possible changes to the City of Knoxville's Plans. Mayor Rogero informed the Board she did not anticipate further discussion on the matter until the case plays out through the appeals process.

17. PUBLIC COMMENTS: None

18. ATTORNEY COMMENTS: None

19. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mayor Rogero at 10:15 a.m.

Chair

Date