



## Pension Board

Regular Meeting

~ Minutes ~

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

THURSDAY, January 14, 2016

9:00 a.m.

Pension Board Conference Room

### ORDER OF BUSINESS

#### 1. CALL TO ORDER

Mayor Rogero called to order the January 14, 2016 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	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. Christopher Caulpetzer – Knoxville Police Dept.; Mr. Dean Fontaine and Mr. Thomas E. Thomas – Knoxville Fire Dept.; Ms. Meghan Boehnke – Knoxville News Sentinel.

#### 3. APPROVAL OF REGULAR MEETING MINUTES FOR DECEMBER 10, 2015

Mr. Saunders made a motion to approve the minutes of the December 10, 2015 meeting. Mr. Owen seconded the motion. The motion passed 9-0.

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**4. APPROVAL OF REVISED AGENDA– Exhibit 1**

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

**5. ADMINISTRATIVE MATTERS****a) ELECTION OF OFFICERS – CHAIR, VICE-CHAIR & SECRETARY FOR 2016**

**Motion: Mr. Saunders nominated Mayor Rogero as Chair of the Pension Board. Mr. Paseur seconded the motion. The motion passed 8-0 with Mayor Rogero abstaining on the vote.**

**Motion: Mr. Saunders nominated Mr. Coker as Vice-Chair of the Pension Board. Mr. Paseur seconded the motion. The motion passed 8-0 with Mr. Coker abstaining on the vote.**

**Motion: Mr. Saunders nominated Mr. York as Secretary of the Pension Board. Mr. Paseur seconded the motion. The motion passed 8-0 with Mr. York abstaining on the vote.**

**b) Elect Personnel Committee Members and elect Officers**

**Motion: Mr. Owen made a motion to retain the present personnel committee members which include Ms. Blanc, Mr. Coker, Mr. Paseur and Mr. Saunders. Mr. King seconded the motion. The motion passed 5-0 with Mrs. Blanc, Mr. Coker, Mr. Paseur and Mr. Saunders abstaining on the vote.**

The Personnel Committee advised the full Board they would elect Officers at a later date.

**c) Audit contract extension – Exhibit 2**

Ms. Paczkowski reviewed with the Board the Crosslin & Associates fees and contract and recommended they approve a one year contract extension for the annual audit of the Pension System.

**Motion: Mr. Saunders made a motion authorizing the Executive Director to sign a one year contract extension with Crosslin & Associates for the annual audit for fiscal year July 1, 2015 through June 30, 2016. Mr. King seconded the motion. The motion passed 9-0.**

**d) Military Buyback Procedures – Exhibit 3**

Attorney Aslinger reviewed with the Board proposed revisions to Rule XVII for establishing credited service for prior active military service for employees hired prior to January 1, 2001, particularly the addition of Sections A(4) and B(5) and revisions to Section A(5).

**Motion: Mr. King made a motion to accept the rules for establishing credited service for prior active military service for employees hired prior to January 1, 2001 as revised by Attorney Aslinger. Mr. Saunders seconded the motion. The motion passed 9-0.**

**6. EXECUTIVE DIRECTOR COMMENTS: None****7. CONTRACTS**

Top Tier

Ms. Paczkowski advised the Board about a contract addendum to extend to January 31, 2016 a hard close date for adding new members to the Top Tier Limited Partnership Agreement.

**Motion: Mr. Owen made a motion authorizing the Executive Director to sign the contract addendum with Top Tier to extend the hard close date to January 31, 2016. Mr. Saunders seconded the motion. The motion passed 9-0.**

#### **Silchester**

Ms. Paczkowski advised the Board regarding a request from Silchester for the Board to approve a contract addendum authorizing cross trading pursuant to the statutory prohibited transaction exemptions in Internal Revenue Code 4975(d)(22) and ERISA Section 408(b)(19).

**Motion: Mr. Saunders made a motion authorizing the Executive Director to sign the contract addendum with Silchester. Mr. Owen seconded the motion. The motion passed 9-0.**

### **8. ENROLLMENTS**

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

Greg J. Anderson  
Bryan S. Berry  
Amy S. Boring  
Tatjana H. Bukvic  
Calvin L. Cox  
Jason A. Edington  
James E. Harris, III  
Amy E. Johnson  
Logan C. Kennedy  
Brent J. Lackey  
Matthew P. Maiden  
Steven D. Parker  
Ashley N. Rowland

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

### **9. 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.**

Dallas Dalton, General Govt. – Plan G1; vested  
Ricky Johnson, General Govt. – Plan G1; vested (defined contribution only)  
Christopher Wilson, General Govt. – Plan G1; non-vested

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

### **10. APPLICATION FOR BUYBACK OF PRIOR MILITARY SERVICE: PLAN C**

**CHARTER SECTION 1350.9(E)**

- a) Christopher Caulpetzer, Police Dept. – Plan C  
Buyback of two (2) years for the amount of \$13,670.61

**Motion: Mr. Coker made a motion to approve this application to purchase two years of prior military service in the amount of \$13,670.61. Mr. Tillett seconded the motion. The motion passed 8-1. Mr. York voted no.**

- b) Dean J. Fontaine, Fire Dept. – Plan C  
Buyback of two (2) years, five (5) months, for the amount of \$20,309.61

**Motion: Mr. Tillett made a motion to approve this application to purchase two years, five months of prior military service in the amount of \$20,309.61. Mr. Coker seconded the motion. The motion passed 8-1. Mr. York voted no.**

- c) Thomas E. Thomas, Fire Dept. – Plan C  
Buyback of one (1) year, seven (7) months, for the amount of \$4,540.48

**Motion: Mr. Coker made a motion to approve this application to purchase one year, seven months of prior military service in the amount of \$4,540.48. Mr. Owen seconded the motion. The motion passed 8-1. Mr. York voted no.**

**11. APPLICATION FOR NORMAL RETIREMENT: PLAN A  
CHARTER SECTION 1360.12**

Becky J. Thomas, Schools Certified

Option A-7  
50% with reinstatement

Date of birth, December 20, 1951: 63 years of age

Total City credited service: 13 years 4 months

Total County credited service: 28 years

Total credited service: 41 years 4 months

Last date of employment with City: June 1987

Last date of employment with County: May 2015

Average base earnings for 4 years,  $\$400.00 \times 78\% = \$3.12$

Average excess earnings for 4 years,  $\$1,105.99 \times 1.58\% = \$17.47$

making a total of \$20.60 benefit per year of service.  $\$20.60 \times 13.4167 =$

$\$276.38$ . Ms. Thomas chose Option A-7 – 50% Joint and Survivor with reinstatement to Robert M.

Thomas, spouse.  $\$276.38 \times .9152 =$

$\$252.93$  pension effective June 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 \$2,540.45.

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

**10. APPLICATION FOR NORMAL RETIREMENT: PLAN C  
CHARTER SECTION 1390.6**

Robert M. Gillespie, Fire Dept.

Option A-5  
75% without reinstatement

Date of birth, November 19, 1959: 56 years of age  
 Total credited service: 27 years 5 days  
 Average monthly salary for 2 highest 12 month periods,  $\$4,705.96 \times .025 =$   
 $\$117.65 \times 27.01370 = \$3,178.16$ . Mr. Gillespie chose Option A-5 – 75% Joint and Survivor  
 without reinstatement to Carla L. Gillespie, spouse.  $\$3,178.16 \times .9387 =$   
 $\$2,983.34$  pension effective January 1, 2016.

**Motion: Mr. Saunders made a motion to approve this application for DROP retirement payable under Option A-5. Mr. King seconded the motion. The motion passed 9-0.**

## 11. APPLICATION FOR NORMAL RETIREMENT: PLAN G1 CHARTER SECTION 1360.12

- a) Carl M. Starnes, General Govt. No Option  
 Date of birth, January 15, 1951: 64 years of age  
 Total credited service: 10 years 2 months 20 days  
 Average monthly salary for 2 highest 12 month periods,  $\$2,945.22 \times .0127 =$   
 $\$37.40 \times 10.22146 =$   
 \* $\$382.28$  pension effective January 1, 2016.

\*Defined benefit only – member chose to receive the value of the supplemental retirement account (defined contribution) in a one-time lump sum payment pending the 12/31/2015 account valuation.

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

- b) Shirley A. Whiteaker, General Govt. Option A-9  
 100% with reinstatement  
 Date of birth, December 27, 1950: 65 years of age  
 Total credited service: 6 years 4 months 10 days  
 Average monthly salary for 2 highest 12 month periods,  $\$2,284.44 \times .0135 =$   
 $\$30.84 \times 6.36073 = \$196.16$ . Ms. Whiteaker chose Option A-9 – 100% with reinstatement to Howard  
 Bruce Whiteaker, spouse.  $\$196.16 \times .7858 =$   
 \* $\$154.14$  pension effective January 1, 2016.

\*Defined benefit only – member chose to receive the value of the supplemental retirement account (defined contribution) in an additional, lifetime monthly benefit payment pending the 12/31/2015 account valuation.

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

## 12. APPLICATION FOR NORMAL RETIREMENT: PLAN G2 CHARTER SECTION 1360.12

Joanne C. Fuller, General Government No Option  
 Date of birth, August 12, 1953: 62 years of age  
 Total credited service: 16 years 11 months 24 days  
 Average monthly salary for 2 highest 12 month periods,  $\$2,997.23 \times .021 =$   
 $\$62.94 \times 16.98242 =$   
 $\$1,068.87$  pension effective January 1, 2016.

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

**13. 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) Jack R. Banks, Fire Dept. - Uniformed No Option  
Date of birth, January 4, 1952: 63 years of age  
\*Total credited service: 42 years 2 months 24 days  
Average monthly salary for 2 highest 12 month periods,  $\$5,615.19 \times .025 =$   
 $\$140.38 \times 30.0 =$   
 $\$4,211.40$  pension effective January 1, 2016  
DROP complete December 31, 2017.  
\*30 years maximum credited service per Charter Section 1390.8

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

- b) Monty W. Boone, Police Dept. - Uniformed No Option  
Date of birth, October 9, 1962: 53 years of age  
\*Total credited service: 30 years 22 days  
Average monthly salary for 2 highest 12 month periods,  $\$5,660.78 \times .025 =$   
 $\$141.52 \times 30.0 =$   
 $\$4,245.60$  pension effective January 1, 2016  
DROP complete December 31, 2017.  
\*30 years maximum credited service per Charter Section 1390.8

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

- c) Gordon R. Catlett, Jr., Police Dept. - Uniformed Option A-6  
100% without reinstatement  
Date of birth, December 7, 1959: 56 years of age  
Total credited service: 29 years 9 months 22 days  
Average monthly salary for 2 highest 12 month periods,  $\$6,751.76 \times .025 =$   
 $\$168.79 \times 29.81027 = \$5,031.68$ . Mr. Catlett chose Option A-6 – 100% without reinstatement to  
Alicia A. Catlett, spouse.  $\$5,031.68 \times .8563 =$   
 $\$4,308.63$  pension effective January 1, 2016  
DROP complete December 31, 2017.

**Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-6. Mr. Owen seconded the motion. The motion passed 9-0.**

- d) Simms Emblar, III, Fire Dept. - Uniformed Option A-8  
75% with reinstatement  
Date of birth, July 11, 1955: 60 years of age  
Total credited service: 27 years 3 months 19 days

Average monthly salary for 2 highest 12 month periods,  $\$5,051.69 \times .025 =$   
 $\$126.29 \times 27.30205 = \$3,447.98$ . Mr. Embler chose Option A-8 – 75% with reinstatement to Robbie  
W. Embler, spouse.  $\$3,447.98 \times .9104 =$   
 $\$3,139.04$  pension effective January 1, 2016  
DROP complete December 31, 2017.

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

- e) Richard M. Giammarino, Police Dept. - Uniformed No Option  
Date of birth, September 13, 1960: 55 years of age  
Total credited service: 29 years 11 months 22 days  
Average monthly salary for 2 highest 12 month periods,  $\$4,987.80 \times .025 =$   
 $\$124.70 \times 29.97694 =$   
 $\$3,738.12$  pension effective January 1, 2016  
DROP complete December 31, 2017.

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

- f) James F. Hunter, Fire Dept. - Uniformed Option A-5  
75% without reinstatement  
Date of birth, July 23, 1955: 60 years of age  
Total credited service: 25 years 11 months 16 days  
Average monthly salary for 2 highest 12 month periods,  $\$4,944.08 \times .025 =$   
 $\$123.60 \times 25.96050 = \$3,208.72$ . Mr. Hunter chose Option A-5 – 75% without reinstatement to  
Pamela W. Hunter, spouse.  $\$3,208.72 \times .9327 =$   
 $\$2,992.77$  pension effective January 1, 2016  
DROP complete December 31, 2017.

**Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-5. Mr. Owen seconded the motion. The motion passed 9-0.**

- g) Leslie D. Quinton, Police Dept. - Uniformed Option A-5  
75% without reinstatement  
Date of birth, January 18, 1957: 58 years of age  
Total credited service: 26 years 9 months 8 days  
Average monthly salary for 2 highest 12 month periods,  $\$5,437.89 \times .025 =$   
 $\$135.95 \times 26.77192 = \$3,639.64$ . Mr. Quinton chose Option A-5 – 75% without reinstatement to  
Jackie Lynn Quinton, spouse.  $\$3,639.64 \times .9397 =$   
 $\$3,420.17$  pension effective January 1, 2016  
DROP complete December 31, 2017.

**Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-5. Mr. Owen seconded the motion. The motion passed 9-0.**

- h) Jeffrey L. Sellers, Police Dept. - Uniformed No Option  
Date of birth, December 21, 1959: 56 years of age  
Total credited service: 29 years 10 months 19 days

Average monthly salary for 2 highest 12 month periods,  $\$5,081.32 \times .025 =$   
 $\$127.03 \times 29.88539 =$   
 $\$3,796.34$  pension effective January 1, 2016  
 DROP complete December 31, 2017.

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

- i) Robert A. Solomon, Police Dept. - Uniformed Option A-6  
100% without reinstatement
- Date of birth, January 31, 1957: 58 years of age  
 Total credited service: 29 years 1 month 21 days  
 Average monthly salary for 2 highest 12 month periods,  $\$4,896.06 \times .025 =$   
 $\$122.40 \times 29.14087 = \$3,566.84$ . Mr. Solomon chose Option A-6 – 100% without reinstatement to  
 Sonja C. Solomon, spouse.  $\$3,566.84 \times .8649 =$   
 $\$3,084.96$  pension effective January 1, 2016  
 DROP complete December 31, 2017.

**Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-6. Mr. Owen seconded the motion. The motion passed 9-0.**

- j) Robert G. Wooldridge, Police Dept. - Uniformed No Option
- Date of birth, January 14, 1958: 57 years of age  
 Total credited service: 34 years 1 month 15 days  
 Average monthly salary for 2 highest 12 month periods,  $\$6,708.38 \times .025 =$   
 $\$167.71 \times 30.0 =$   
 \* $\$5,031.30$  pension effective January 1, 2016  
 DROP complete December 31, 2017.  
 \*30 years maximum credited service per Charter Section 1390.8

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

**14. 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.**

- a) Karen R. Briggs, General Government – Plan G2 Option A-9  
100% with reinstatement
- Date of birth, January 16, 1956: 59 years of age  
 Total credited service: 27 years 7 months 30 days  
 Average monthly salary for 2 highest 12 month periods,  $\$4,698.74 \times .021 =$   
 $\$98.67 \times 27.66553 = \$2,729.76$ . Ms. Briggs chose Option A-9 – 100% with reinstatement to Jeffrey  
 Gordon Lane, spouse.  $\$2,729.76 \times .7616 =$   
 $\$2,078.99$  pension effective January 1, 2016.  
 DROP complete December 31, 2017.

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



- b) Rose M. Manley, General Government – Plan G2 Option A-7  
50% with reinstatement
- Date of birth, August 28, 1952: 63 years of age  
 Total credited service: 42 years 9 months  
 Average monthly salary for 2 highest 12 month periods,  $\$3,556.54 \times .021 =$   
 $\$74.69 \times 42.75000 = \$3,193.00$ . Ms. Manley chose Option A-7 – 50% with reinstatement to Joel  
 Scott Manley, spouse.  $\$3,193.00 \times .8785 =$   
 $\$2,805.05$  pension effective January 1, 2016.  
 DROP complete December 31, 2017.
- Motion: Mr. King made a motion to approve this application for DROP retirement payable under Option A-7. Mr. Coker seconded the motion. The motion passed 9-0.**
- c) Ernest A. Sealey, General Government – Plan G2 Option A-8  
75% with reinstatement
- Date of birth, December 23, 1947: 68 years of age  
 Total credited service: 10 years 5 months 3 days  
 Average monthly salary for 2 highest 12 month periods,  $\$2,771.02 \times .021 =$   
 $\$58.19 \times 10.42489 = \$606.62$ . Mr. Sealey chose Option A-8 – 75% with reinstatement to Janice G.  
 Sealey, spouse.  $\$606.62 \times .7978 =$   
 $\$483.96$  pension effective January 1, 2016.  
 DROP complete December 31, 2017.
- Motion: Mr. King made a motion to approve this application for DROP retirement payable under Option A-8. Mr. Coker seconded the motion. The motion passed 9-0.**
- d) Freddie L. Wallace, General Government – Plan G2 Option A-9  
100% with reinstatement
- Date of birth, December 24, 1945: 70 years of age  
 Total credited service: 27 years 26 days  
 Average monthly salary for 2 highest 12 month periods,  $\$4,599.49 \times .021 =$   
 $\$96.59 \times 27.07123 = \$2,614.81$ . Mr. Wallace chose Option A-9 – 100% with reinstatement to  
 Barbara L. Wallace, spouse.  $\$2,614.81 \times .6837 =$   
 $\$1,787.75$  pension effective January 1, 2016.  
 DROP complete December 31, 2017.
- Motion: Mr. King made a motion to approve this application for DROP retirement payable under Option A-9. Mr. Coker seconded the motion. The motion passed 9-0.**

## 15. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD Total
Bryan, Pendleton, Swats & McAllister – Actuary (Nov)	8,725	55,584
Kennerly, Montgomery & Finley – Attorney (General-Dec)	6,784	43,720
Schrodgers – Money Manager (3 <sup>rd</sup> Qtr – 2015)	27,487	83,471
Standish – Money Manager (3 <sup>rd</sup> Qtr – 2015)	4,351	6,284
Summit Strategies – Investment Consultant (4 <sup>th</sup> Qtr – 2015)	40,000	80,000
		269,059

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.**

**16. INVESTMENT MATTERS: None**

**17. OTHER: None**

**18. PUBLIC COMMENTS: None**

**19. ATTORNEY COMMENTS:**

**Directors' Manuals**

Attorney Aslinger distributed to the Board updated Director's Manuals for their use.

**Military Buyback Costs**

Ms. Blanc advised the Board that she would like to have the costs to the plan calculated and provided to the Board. Ms. Paczkowski advised of the additional cost involved for the actuarial calculation that she would request from the Board's actuary.

**20. ADJOURNMENT:**

**There being no further business, the meeting was adjourned by Mayor Rogero at 9:44 a.m.**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date