



Pension Board

Regular Meeting

~ Minutes ~

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

FRIDAY, February 12, 2016

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the February 12, 2016 meeting of the City of Knoxville Pension Board at 9:03 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: Mr. Phineas Troy – Summit Strategies

3. APPROVAL OF REGULAR MEETING MINUTES FOR JANUARY 14, 2016

Mr. Saunders made a motion to approve the minutes of the January 14, 2016 meeting. Mr. Owen seconded the motion. The motion passed 6-0.

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 6-0.

5. ADMINISTRATIVE MATTERS: None**6. EXECUTIVE DIRECTOR COMMENTS: None****7. CONTRACTS: None****8. ENROLLMENTS**

The following General Government employee has filed an application to become a member of the Plan H-GG pension system:

Tylor Eubanks

Motion: Mr. Paseur made a motion to approve this application for enrollment in Plan H-GG of the Pension System. Mr. Saunders seconded the motion. The motion passed 6-0.

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.

Alicia Catlett, General Govt. – Plan G1, vested (defined contribution only)
Jason Cooper, General Govt. – Plan G1, vested (defined contribution only)
Freddie Schnicke, Jr., General Govt. – Plan H, 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 6-0.

**10. APPLICATION FOR BUYBACK OF PRIOR MILITARY SERVICE: PLAN C
CHARTER SECTION 1350.9(E) – Exhibit 2**

Kenneth Todd Gilreath, Police Dept. – Plan C
Buyback of two (2) years for the amount of \$12,788.88

Motion: Mr. Owen made a motion to approve this application to purchase two years of prior military service in the amount of \$12,788.88. Mr. Saunders seconded the motion. The motion passed 5-1. Mr. York voted no.

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

Kenneth R. Jackson, General Govt.

No Option

Date of birth, February 11, 1947: 68 years of age

Total credited service: 26 years 3 months 2 days

Plan A benefit: Average base salary for 2 highest 12 month periods, $\$400.00 \times .0095\% = \$3.80 \times 7.66667 = \$29.13$ plus average excess salary for 2 highest 12 month periods, $\$2,819.80 \times .019\% = \$53.58 \times 7.66667 = \$410.78$; Total A benefit = $\$29.13 + \$410.78 = \mathbf{\$439.91}$.

Plan G1 benefit: Average monthly salary for 2 highest 12 month periods, $\$3,219.80 \times .0135\% = \$43.47 \times 18.58881 = \mathbf{\$808.06}$. Plan A benefit $\$439.91 +$ Plan G1 benefit $\$808.06 =$

*\$1,247.97 pension effective February 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. Saunders seconded the motion. The motion passed 6-0.

12. APPLICATION FOR DEFERRED RETIREMENT: PLAN G1 CHARTER SECTION 1360.28

Richard H Wingate, General Govt.

Option A-5
75% without reinstatement

Date of birth, January 30, 1954: 62 years of age

Total credited service: 9 years 6 months 7 days (last employed February 2011)

Average monthly salary for 2 highest 12 month periods, \$4,944.30 x .0115 =

\$56.86 x 9.51918 = \$541.26. Mr. Wingate chose Option A-5 – 75% without reinstatement to Andrea M. Wingate, spouse. \$541.26 x .8501 =

*\$460.13 pension effective February 1, 2016.

*Mr. Wingate withdrew his supplemental retirement account (defined contribution) upon his termination.

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

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) Christopher Caulpetzer, Police Dept. - Uniformed No Option

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

Total credited service: 25 years 7 days

Average monthly salary for 2 highest 12 month periods, \$4,957.58 x .025 =

\$123.94 x 25.01918 =

\$3,100.88 pension effective February 1, 2016

DROP complete January 31, 2018.

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

b) Edward D Kingsbury, Jr., Police Dept. - Uniformed No Option

Date of birth, July 17, 1963: 52 years of age

Total credited service: 25 years 7 days

Average monthly salary for 2 highest 12 month periods, \$4,699.26 x .025 =

\$117.48 x 25.01918 =

\$2,939.25 pension effective February 1, 2016

DROP complete January 31, 2018.

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

- c) Janice L Roberts, Police Dept. - Uniformed No Option
 Date of birth, September 2, 1962: 53 years of age
 Total credited service: 25 years 4 days
 Average monthly salary for 2 highest 12 month periods, \$4,742.40 x .025 =
 \$118.56 x 25.01096=
\$2,965.30 pension effective February 1, 2016
 DROP complete January 31, 2018.

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

- d) Thomas E Thomas, Sr., Fire Dept. - Uniformed Option A-4
50% without reinstatement
 Date of birth, June 27, 1948: 67 years of age
 Total credited service: 25 years 29 days
 Average monthly salary for 2 highest 12 month periods, \$4,130.30 x .025 =
 \$103.26 x 25.07945 = \$2,589.70. Mr. Thomas chose Option A-4 – 50% without reinstatement to
 Mary Ann Thomas, spouse.
 *\$2,589.70 pension effective February 1, 2016
 DROP complete January 31, 2018.

*No reduction in Plan C for 50% Joint and Survivor Option to a spouse.

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

14. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD Total
Bryan, Pendleton, Swats & McAllister – Actuary (Dec)	2,074	57,658
Kennerly, Montgomery & Finley – Attorney (General-Jan)	5,755	49,475
Wm Blair – Money Manager (4th Qtr 2015)	33,121	100,522
Eagle Capital – Money Manager (4 th Qtr 2015)	84,101	255,119
IRM – Money Manager (4th Qtr 2015) – TIPS Fund)	1,513	4,573
IRM – Money Manager (4th Qtr. 2015 – Core Fund)	22,460	67,391
Northern Trust - Custodial/Benefit (3rd Qtr – 2015)	8,083	95,144
Northern Trust - Custodial/Benefit (4th Qtr – 2015)	4,052	99,196
Penn Capital – Money Manager (4th Qtr 2015)	38,745	118,222
Schroders – Money Manager (4th Qtr – 2015)	27,442	110,913
Standish – Money Manager (4th Qtr – 2015)	9,702	15,986
Tortoise Capital – Money Manager (4th Qtr 2015)	37,672	123,092
		1,097,291

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. York made a motion to pay the invoices as presented. Mr. Coker seconded the motion. The motion passed 6-0.

Mr. King arrived at 9:08 a.m.

Ms. Blanc arrived at 9:09 a.m.

15. INVESTMENT MATTERS

Phineas Troy – Summit Strategies

4th Qtr 2015 Performance Report

Mr. Tillett arrived at 9:38 a.m.

Mr. Phineas Troy made a presentation of the pension system's 4th Quarter 2015 Performance Report. A copy of the report is on file in the Pension Office.

Action Item - IR&M – Freeport McMoRan Investment exception – Exhibit 3

Motion: Mr. Saunders seconded the motion from the Investment Committee, recommended by Summit Strategies, to allow Freeport McMoRan – “FCX” to remain in the portfolio barring any further downgrade. The motion passed 9-0.

16. PUBLIC COMMENTS: None

17. ATTORNEY COMMENTS:

Charter Amendment Discussion – Exhibit 4

Attorney Aslinger discussed with the Board each item on the list of suggested charter amendments for the 2016 referendum and agreed to bring back to the Board in March a draft amendment for further consideration.

Fiduciary Duty Presentation – Exhibit 5

Attorney Aslinger gave a presentation to the Board on their responsibilities as fiduciaries of the system.

18. OTHER:

Professional Reviews

The Board requested Attorney Aslinger and Ms. Paczkowski recommend a process for which the Board's professionals could be reviewed on a rotating basis.

Mr. King left the meeting at 11:12 a.m.

Educational Seminars

Ms. Paczkowski discussed with the Board upcoming educational seminars for their consideration.

Personnel Committee

Ms. Paczkowski scheduled a personnel committee meeting immediately before the March 10, 2016 meeting to begin at 8:00 a.m.

19. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mayor Rogero at 11:18 a.m.

Chair

Date