



Pension Board

Regular Meeting

~ Agenda ~

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

THURSDAY, March 10, 2016

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the March 10, 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	Absent	
Kathy Aslinger	Legal Counsel	Present	
Kristi Paczkowski	Executive Director	Present	

3. APPROVAL OF REGULAR MEETING MINUTES FOR FEBRUARY 12, 2016

Mr. Saunders made a motion to approve the minutes of the February 12, 2016 meeting. Ms. Blanc seconded the motion. The motion passed 8-0.

4. APPROVAL OF REVISED AGENDA - Exhibit 1

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

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

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

Henry J Cope, III
Mary Jo Goodale
Andrew W Hudson
Gregory M Johnson
Jed A Neumann
Makenzie L Read
Daniel B Richardson
Joshua E Tarver
Jacklyn R Walkup

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 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.

Denver Fall, Police Dept. – Plan C, non-vested
Joshalyn Hundley, General Govt. – Plan G1, vested (defined contribution only)
Matthew S Robinson, Police Dept. – Plan C, non-vested
Hayden Varner, General Govt – Plan H, non-vested
Marcus A Waltenburg, Police Dept. – Plan C, non-vested

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 BUYBACK OF PRIOR MILITARY SERVICE: PLAN C
CHARTER SECTION 1350.9(E) – Exhibits 2 a), 2 b), 2c)**

James G Coker, Police Dept. – Plan C
Buyback of three (3) years for the amount of \$24,549.07

Motion: Mr. King made a motion to approve this application to purchase three years of prior military service in the amount of \$24,549.07. Mr. Saunders seconded the motion. The motion passed 7-0. Mr. Coker abstained.

Kevin P Maycann, Police Dept. – Plan C
Buyback of two (2) years for the amount of \$11,989.74

Motion: Mr. King made a motion to approve this application to purchase two years of prior military service in the amount of \$11,989.74. Mr. Saunders seconded the motion. The motion passed 8-0.

Roger D McNutt, Police Dept. – Plan C
Buyback of four (4) years for the amount of \$11,904.43

Motion: Mr. King made a motion to approve this application to purchase four years of prior military service in the amount of \$11,904.43. Mr. Saunders seconded the motion. The motion passed 8-0.

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

Jeanette M Aytes, General Govt. No Option
Date of birth, October 31, 1945: 70 years of age
Total credited service: 6 years 14 days
Average monthly salary for 2 highest 12 month periods, \$2,283.39 x .0135 =
\$30.83 x 6.03836 =
*\$186.16 pension effective March 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 per 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 8-0.

12. 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) William A Morrison, General Government – Plan G2 Option A-5
75% without reinstatement
- Date of birth, February 18, 1956: 60 years of age
Total credited service: 40 years 4 months 9 days
Average monthly salary for 2 highest 12 month periods, \$4,043.75 x .021 =
\$84.92 x 40.35799 = \$3,427.20. Mr. Morrison chose Option A-5 – 75% Joint and Survivor without reinstatement to Tina L. Morrison, spouse. \$3,427.20 x .8311 =
\$2,848.35 pension effective March 1, 2016.
DROP complete February 28, 2018.

Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-5. Mr. Saunders seconded the motion. The motion passed 8-0.

- b) Nancy L Tompkins, General Government – Plan G2 Option A-4
50% without reinstatement
- Date of birth, September 1, 1951: 64 years of age
 Total credited service: 43 years 21 days
 Average monthly salary for 2 highest 12 month periods, \$9,100.84 x .021 =
 \$191.12 x 43.05753 = \$8,229.16. Ms. Tompkins chose Option A-4 – 50% Joint and Survivor without
 reinstatement to William Tompkins, Jr., spouse. \$8,229.16 x .8969 =
\$7,380.73 pension effective March 1, 2016.
 DROP complete February 28, 2018.

Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 8-0.

- c) Richard T Woodby, General Government – Plan G2 Option A-4
50% without reinstatement
- Date of birth, February 21, 1950: 66 years of age
 Total credited service: 38 years 1 month 5 days
 Average monthly salary for 2 highest 12 month periods, \$4,366.94 x .021 =
 \$91.71 x 38.09703 = \$3,493.88. Mr. Woodby chose Option A-4 – 50% Joint and Survivor without
 reinstatement to Debra Mae Woodby, spouse. \$3,493.88 x .7876 =
\$2,751.78 pension effective March 1, 2016.
 DROP complete February 28, 2018.

Motion: Mr. Paseur made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 8-0.

13. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD Total
Bryan, Pendleton, Swats & McAllister – Actuary (Jan)	7,435	65,093
Kennerly, Montgomery & Finley – Attorney (General-Feb)	6,067	55,542
Northern Trust - Custodial/Benefit (4th Qtr – 2015)	42,076	141,272
Acadian – Money Manager (4th Qtr – 2015)	56,700	184,008
		445,915

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. King seconded the motion. The motion passed 8-0.

14. INVESTMENT MATTERS

IR&M – Anadarko Petroleum Corp. Investment exception

Ms. Paczkowski and the Board discussed current investments in the Pension System's portfolio that have recently been downgraded due to a review of companies in the energy sector, after which the following motion was made by Mr. Paseur:

Motion: Due to special exceptions that need to be exercised due to the current market for fixed income securities related to energy and certain commodities sectors, the Board will allow money managers Schroders/STW and IR+M to have permission to maintain current investments that are downgraded by Moody's or other rating agencies due to sector downgrades. The total amount of below investment grade debt in these situations and with each of the portfolios shall not exceed 30% of the manager's portfolio under management. Mr. Saunders seconded the motion. The motion passed 8-0.

15. OTHER: None

16. PUBLIC COMMENTS: None

17. ATTORNEY COMMENTS:

Charter Amendment Discussion – Exhibit 4

Attorney Aslinger reviewed with the Board a working draft of the charter amendments ordinance for the 2016 referendum, which she has forwarded to the Boards' actuary for additional review. She advised she would present the ordinance to the Board again in April.

18. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mayor Rogero at 9:53 a.m.

Chair

Date