



Pension Board

Regular Meeting

~ Minutes ~

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

MONDAY, June 20, 2016

2:00 p.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the June 20, 2016 meeting of the City of Knoxville Pension Board at 2:00 p.m. in the Pension Board Conference Room.

2. ROLL CALL

Attendee Name	Title	Status	
Mayor Rogero	Mayor	Present	
Linda Gay Blanc	Mayoral Appointment	Absent	
Mark Fortner	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: Ms. Meghan Boehnke – Knoxville News Sentinel; Lt. Cheri Matlock – Knoxville Police Department; Ms. Antoinette Mullet – Knoxville Police Department; Mr. Charles Swanson – City of Knoxville Law Director.

3. APPROVAL OF SPECIAL MEETING MINUTES FOR MAY 11, 2016 AND REGULAR MEETING MINUTES FOR MAY 12, 2016.

Mr. Paseur made a motion to approve the minutes of May 11, 2016 and May 12, 2016. Mr. Saunders seconded the motion. The motion passed 8-0.

4. APPROVAL OF REVISED AGENDA - Exhibit 1

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

5. ADMINISTRATIVE MATTERS

Knox County Plan A – Actuarial Valuation - Exhibit 2

Ms. Paczkowski presented the Board a copy of the Executive Summary of Knox County's annual actuarial valuation of its Board of Education Retirement Plan as of January 1, 2016. Ms. Paczkowski advised the Board that the County was actuarially funding its portion of the Plan A benefits for certified teachers.

Personnel Committee member replacement for Greg Coker

Motion: Mark Fortner nominated John Tillett as personnel committee member. Mr. Paseur seconded the motion. The motion passed 7-0 with Mr. Tillett abstaining on the vote.

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:

Julie A Amato
Bryce J Ballard
Daniel T Fry
Cornelius D Jones
Shannon D Noble

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.

Dante W. Booth, General Govt – Plan H (non-vested)
Brian Henderson, General Govt – Plan H (non-vested)
Ruth S Kuhlman, General Govt – Plan G1 (vested) – Defined Contribution Only
Brian Wobschall, General Govt – Plan H (non-vested)

*Cedric Taylor's application for a refund was deferred to the July meeting.

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

**10. APPLICATION FOR BUYBACK OF PRIOR MILITARY SERVICE:
CHARTER SECTION 1350.9(E) – see attached**

Michael Craig Anders, Police Dept. – Plan C
Buyback of four years (4 yrs) for the amount of \$23,119.17

Motion: Mr. Owen made a motion to approve this application to purchase four years (4 yrs) of prior military service in the amount of \$23,119.17. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

Jamie Sue Cross, General Govt. – Plan G2
Buyback of 1 month, 25 days (1 mos, 25 days) for the amount of \$710.58

Motion: Mr. Owen made a motion to approve this application to purchase one month, 25 days (1 mos, 25 days) of prior military service in the amount of \$710.58. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

John D Lawson, Police Dept. – Plan C
Buyback of three years (3 yrs) for the amount of \$14,922.97

Motion: Mr. Owen made a motion to approve this application to purchase three years (3 yrs) of prior military service in the amount of \$14,922.97. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

John M Mays, Police Dept. – Plan C
Buyback of four years (4 yrs) for the amount of \$26,265.85

Motion: Mr. Owen made a motion to approve this application to purchase four years (4 yrs) of prior military service in the amount of \$26,265.85. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

Glen F Morrell, Police Dept. – Plan C
Buyback of two years (2 yrs) for the amount of \$11,330.54

Motion: Mr. Owen made a motion to approve this application to purchase two years (2 yrs) of prior military service in the amount of \$11,330.54. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

Antoinette Mullett, Police Dept. – Plan C
Buyback of two years (2 yrs) for the amount of \$14,509.88

Motion: Mr. Owen made a motion to approve this application to purchase two years (2 yrs) of prior military service in the amount of \$14,509.88. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

Jeffrey S Pappas, Police Dept. – Plan C
Buyback of six months (6 mos) for the amount of \$3,204.18

Motion: Mr. Owen made a motion to approve this application to purchase six months (6 mos) of prior military service in the amount of \$3,204.18. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

Mitchell W Smith, Fire Dept. – Plan C
Buyback of one year (1 yr) for the amount of \$6,488.42

Motion: Mr. Owen made a motion to approve this application to purchase one year (1 yr) of prior military service in the amount of \$6,488.42. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

Mark A Taylor, Police Dept. – Plan C
Buyback of one year, four months, three days (1 yr, 4 mos, 3 days) for the amount of \$8,211.48

Motion: Mr. Owen made a motion to approve this application to purchase one year, four months, three days (1 yr, 4 mos, 3 days) of prior military service in the amount of \$8,211.48. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

John M Wilbanks, Fire Dept. – Plan C
Buyback of four years (4 yrs) for the amount of \$25,244.12

Motion: Mr. Owen made a motion to approve this application to purchase four years (4 yrs) of prior military service in the amount of \$25,244.12. Mr. Saunders seconded the motion. The motion passed 7-1. Mr. York voted no.

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

Mary Copple, Schools Certified No Option
Date of birth, October 25, 1953: 62 years of age
Total City credited service: 11 years 8 months
Total County credited service: 29 years
Total credited service: 40 years 8 months
Last date of employment with City: June 1987
Last date of employment with County: May 2016
Average base earnings for 4 years, \$400.00 x .75% = \$3.00
Average excess earnings for 4 years, \$1,040.32 x 1.50% =
\$15.61 making a total of \$18.61 benefit per year of service. \$18.61 x 11.6667 =
\$217.12 pension effective June 1, 2016

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 \$2,966.23

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 NORMAL RETIREMENT: PLAN C CHARTER SECTION 1360.6

Nathaniel J Allen, Police Dept - Uniformed

Option A-5
75% without reinstatement

Date of birth, June 8, 1963: 52 years of age

Total credited service: 29 years 6 months 21 days

Average monthly salary for 2 highest 12 month periods, $\$7,637.07 \times .025 =$

$\$190.23 \times 29.55753 = \$5,643.42$. Mr. Allen chose Option A-5 – 75% without reinstatement to Robin

A Allen, spouse. $\$5,643.42 \times .939 =$

$\$5,299.17$ pension effective June 1, 2016.

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

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

Lynne M Williams, General Govt

No Option

Date of birth, January 15, 1954: 62 years of age

Total credited service: 11 years 3 months 3 days

Average monthly salary for 2 highest 12 month periods, $\$3,099.08 \times .021 =$

$\$65.08 \times 11.25822 =$

$\$732.68$ pension effective June 1, 2016.

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

**14. APPLICATION FOR DEFERRED RETIREMENT: PLAN G1
CHARTER SECTION 1360.28**

Ruth S Kuhlman, General Govt.

Option A-4
50% without reinstatement

Date of birth, May 19, 1954: 62 years of age

Total credited service: 5 years 6 months (last employed December 2002)

Average monthly salary for 2 highest 12 month periods, $\$2,260.10 \times .0115% =$

$\$25.99 \times 5.5000 = \142.95 . Ms. Kuhlman chose Option A-4 – 50% Joint and Survivor without reinstatement to Russell B Kuhlman, spouse. $\$142.95 \times .9005 =$

* $\$128.73$ pension effective June 1, 2016.

*Ms. Kuhlman elected to receive a refund of the defined contribution account (supplemental retirement account) applicable in Plan G Option 1 per the March 31, 2016 account valuation.

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

15. 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.

Edmond A Randolph, Police Dept. - Uniformed No Option
 Date of birth, February 12, 1957: 59 years of age
 Total credited service: 27 years 1 month 7 days
 Average monthly salary for 2 highest 12 month periods, \$4,842.12 x .025 =
 \$121.05 x 27.10251 =
 \$3,280.76 pension effective June 1, 2016
 DROP complete May 31, 2018.

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

16. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD Total
Bryan, Pendleton, Swats & McAllister – Actuary (Mar)	2,550	86,538
Kennerly, Montgomery & Finley – Attorney (General - May)	4,371	71,600
Summit Strategies – Investment Consultant (2nd Qtr – 2016)	40,000	160,000
Acadian – Money Manager (1st Qtr – 2016)	51,269	235,277
		553,415

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

17. INVESTMENT MATTERS:

Action Items

Recommendation from Investment Committee to commit \$6M to Fort Washington – Private Equity

Motion: Mr. Paseur seconded a motion based upon the recommendation of the Investment Committee and Summit Strategies to retain Fort Washington to manage a \$6M commitment to the pension system's private equity portfolio, subject to the review and recommendation of a satisfactory investment manager's agreement by Attorney Aslinger, and to authorize Ms. Paczkowski to execute the approved agreement and proceed with all action necessary or convenient to properly effect this investment manager's appointment and implement the investment manager's agreement. The motion passed 8-0.

18. OTHER: None

19. PUBLIC COMMENTS: None

20. ATTORNEY COMMENTS:

Proposed Charter Amendments Discussion

Attorney Aslinger led a lengthy discussion with the Board of the proposed charter amendments, having been considered by the Board for several months, and advised she would bring to the Board in July drafts of the four amendments without the proposed expansion on the Supplemental Plan Provisions (SPPs). Ms. Aslinger further advised the Board of the July deadline for the fall referendum.

21. ADJOURNMENT:

There being no further business, the meeting was adjourned by Major Rogero at 2:56 p.m.

Chair

Date