



Pension Board

Regular Meeting

~ Minutes ~

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

THURSDAY, January 12, 2017

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the January 12, 2017 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	
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: Mr. Charles Swanson – City of Knoxville Law Director; Mr. Eric Vreeland – City of Knoxville Communications Manager; Ms. Savannah Maupin – City Recorder’s Office; Mr. Bruce Cureton and Mr. Roger Byrd – Fire Department Uniformed Retired members; Mr. Alan Pennington – Bryan, Pendleton, Swats and McAllister; Mr. George Wallace – City Council Member; Mr. John Craig – City resident; Mr. Tyler Whetstone – Knoxville News Sentinel.

3. APPROVAL OF REGULAR MEETING MINUTES FOR DECEMBER 9, 2016.

Mr. Saunders made a motion to approve the minutes of the December 9, 2016 meeting. Mr. Owen seconded the motion. The motion passed 7-0.

4. APPROVAL OF REVISED AGENDA – Exhibit 1

Mr. Paseur made a motion to accept the Revised Agenda and to move agenda items 8, 9, 10, 11 and 12 above agenda item 5. Mr. Saunders seconded the motion. The motion passed 7-0.

8. ENROLLMENTS

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

- Paul R Adams
- Marilyn A Anderson
- Joel E Byrd
- Ryan E Haaland
- Jacob A Lawson
- Jonathan R Malach
- Katrise N Thompson
- Donna K Vineyard
- James M Webber

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 7-0.

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.

- Joshua Dykes, Police Dept – Plan C, vested

Motion: Mr. Fortner made a motion to approve this application for withdrawal of employee contributions. Mr. Paseur seconded the motion. The motion passed 7-0.

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

Mayme J Hopper, General Govt.	No Option
Date of birth, October 6, 1950: 66 years of age	
Total credited service: 14 years 7 months 12 days	
Average monthly salary for 2 highest 12 month periods, \$2,765.29 x .021 =	
\$58.07 x 14.61621 =	
<u>\$848.76</u> pension effective January 1, 2017	

Motion: Mr. Paseur made a motion to approve this application for Normal retirement. Mr. King seconded the motion. The motion passed 7-0.

11. 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) Michael C Anders, Police Dept. - Uniformed *Option A-4
50% without reinstatement
- Date of birth, May 27, 1962: 54 years of age
 Total credited service: 25 years 9 mos 12 days
 Average monthly salary for 2 highest 12 month periods, $\$4,866.10 \times .025 =$
 $\$121.65 \times 25.78288 = \$3,136.49$. Mr. Anders chose Option A-4 – 50% without reinstatement to
 Debbie L Anders, spouse.
 $\$3,136.49$ pension effective January 1, 2017
 DROP complete December 31, 2018.

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

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 7-0.

- b) Eddie G Ault, Fire Dept. - Uniformed No Option
- Date of birth, November 22, 1960: 56 years of age
 Total credited service: 38 years 1 mo 22 days
 Average monthly salary for 2 highest 12 month periods, $\$5,211.34 \times .025 =$
 $\$130.28 \times 30.0 =$
 $\$3,908.40$ pension effective January 1, 2017
 DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

- c) Vincent M Ayub, Police Dept. - Uniformed *Option A-4
50% without reinstatement
- Date of birth, December 17, 1953: 63 years of age
 Total credited service: 30 years 1 mo 21 days
 Average monthly salary for 2 highest 12 month periods, $\$5,987.42 \times .025 =$
 $\$149.69 \times 30.0 = \$4,490.70$. Mr. Ayub chose Option A-4 – 50% without reinstatement to Savannah L
 Ayub, spouse.
 $\$4,490.70$ pension effective January 1, 2017
 DROP complete December 31, 2018.

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

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 7-0.

- d) Ronald A Bradley, Police Dept. - Uniformed Option A-6
100% without reinstatement
Date of birth, August 2, 1963: 53 years of age
Total credited service: 30 years 1 mo 21 days
Average monthly salary for 2 highest 12 month periods, $\$5,480.39 \times .025 =$
 $\$137.01 \times 30.0 = \$4,110.30$. Mr. Bradley chose Option A-6 – 100% without reinstatement to Amanda
P Bradley, spouse. $\$4,110.30 \times .8562 =$
 $\$3,519.24$ pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-6. Mr. Saunders seconded the motion. The motion passed 7-0.

- d) Jaquetta Z Brooks, Fire Dept. - Uniformed No Option
Date of birth, July 3, 1958: 58 years of age
Total credited service: 28 years 3 mos 19 days
Average monthly salary for 2 highest 12 month periods, $\$5,209.16 \times .025 =$
 $\$130.23 \times 28.30205 =$
 $\$3,685.78$ pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

- e) Kent L Holley, Fire Dept. - Uniformed Option A-8
75% with reinstatement
Date of birth, June 5, 1956: 60 years of age
Total credited service: 27 years 9 mos 5 days
Average monthly salary for 2 highest 12 month periods, $\$5,209.16 \times .025 =$
 $\$130.23 \times 27.76370 = \$3,615.67$. Mr. Holley chose Option A-8 – 75% with reinstatement to Lisa D
Holley, spouse. $\$3,615.67 \times .9082 =$
 $\$3,283.75$ pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-8. Mr. Saunders seconded the motion. The motion passed 7-0.

- f) Monty S Houk, Police Dept. - Uniformed No Option
Date of birth, October 16, 1966: 50 years of age
Total credited service: 28 years 8 mos 7 days
Average monthly salary for 2 highest 12 month periods, $\$7,207.54 \times .025 =$
 $\$180.19 \times 28.68584 =$
 $\$5,168.90$ pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

- g) Sandra L Huff, Police Dept. - Uniformed No Option
Date of birth, July 20, 1954: 62 years of age
Total credited service: 30 years 1 mo 21 days
Average monthly salary for 2 highest 12 month periods, $\$5,104.13 \times .025 =$
 $\$127.60 \times 30.0 =$
 $\$3,828.00$ pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

- h) Thomas M Lawson, Jr, Police Dept. - Uniformed No Option
Date of birth, November 23, 1966: 50 years of age
Total credited service: 26 years 3 mos 3 days
Average monthly salary for 2 highest 12 month periods, $\$5,003.12 \times .025 =$
 $\$125.08 \times 26.25822 =$
 $\$3,284.38$ pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

- i) Bill S McMahan, Police Dept. - Uniformed No Option
Date of birth, July 26, 1950: 66 years of age
Total credited service: 35 years 1 mo 15 days
Average monthly salary for 2 highest 12 month periods, $\$5,364.12 \times .025 =$
 $\$134.10 \times 30.0 =$
 $\$4,023.00$ pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

- j) Cheri T Matlock-Kemp, Police Dept. - Uniformed No Option
Date of birth, September 11, 1951: 65 years of age
Total credited service: 30 years 1 mo 21 days
Average monthly salary for 2 highest 12 month periods, $\$5,987.42 \times .025 =$
 $\$149.69 \times 30.0 =$
 $\$4,490.70$ pension effective January 1, 2017
DROP complete December 31, 2018.

Motion: Mr. Owen made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

- k) Cecil Ridsen, Fire Dept. - Uniformed *Option A-4
50% without reinstatement
- Date of birth, February 4, 1957: 59 years of age
 Total credited service: 27 years 9 mos 5 days
 Average monthly salary for 2 highest 12 month periods, \$5,229.01 x .025 =
 \$130.73 x 27.76370 = \$3,629.55 . Mr. Ridsen chose Option A-4 – 50% without reinstatement to Gail Ridsen, spouse.
\$3,629.55 pension effective January 1, 2017
 DROP complete December 31, 2018.

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

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 7-0.

- l) Stephen F Sise, Police Dept. - Uniformed *Option A-4
50% without reinstatement
- Date of birth, September 2, 1966: 50 years of age
 Total credited service: 25 years 11 mos 4 days
 Average monthly salary for 2 highest 12 month periods, \$5,261.74 x .025 =
 \$131.54 x 25.92763 = \$3,410.52 . Mr. Sise chose Option A-4 – 50% without reinstatement to Donna G Sise, spouse.
\$3,410.52 pension effective January 1, 2017
 DROP complete December 31, 2018.

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

Motion: Mr. Owen made a motion to approve this application for DROP retirement payable under Option A-4. Mr. Saunders seconded the motion. The motion passed 7-0.

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) George D Aubuchon, General Government – Plan G2 No Option
- Date of birth, December 23, 1952: 64 years of age
 Total credited service: 18 years 2 months 10 days
 Average monthly salary for 2 highest 12 month periods, \$3,957.16 x .021 =
 \$83.10 x 18.19406 =
\$1,511.93 pension effective January 1, 2017.
 DROP complete December 31, 2018.

Motion: Mr. Paseur made a motion to approve this application for DROP retirement. Mr. Saunders seconded the motion. The motion passed 7-0.

- b Patricia S Mantooth, General Government – Plan G2 Option A-4
50% without reinstatement
- Date of birth, September 26, 1951: 65 years of age
Total credited service: 23 years 1 month 17 days
Average monthly salary for 2 highest 12 month periods, \$2,735.29 x .021 =
\$57.44 x 23.12991 = \$1,328.58. Ms. Mantooth chose Option A-4-50% without reinstatement to
Ralph L Mantooth, spouse. \$1,328.58 x .8969 =
\$1,191.60 pension effective January 1, 2017.
DROP complete December 31, 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 7-0.

12. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD
Bryan, Pendleton, Swats & McAllister – Actuary (Nov)	25,733	79,763
Kennerly, Montgomery & Finley – Attorney (General - Dec)	2,092	18,800
Northern Trust – Money Manager (4 th Qtr – 2016)	3,767	11,942
Summit Strategies – Investment Consultant (4 th Qtr – 2016)	40,000	80,000
		190,505

Ms. Paczkowski, Executive Director, has reviewed the bills and certifies that they are consistent with 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 7-0.

5. ADMINISTRATIVE MATTERS

- a) Elect 2017 Officers (Chair, Vice-Chair & Secretary)

Motion: Mr. Saunders nominated Mayor Rogero as Chair of the Pension Board. Mr. Owen seconded the motion. The motion passed 6-0 with Mayor Rogero abstaining on the vote.

Motion: Mr. Saunders nominated Mr. Paseur as Vice-Chair of the Pension Board. Mr. Owen seconded the motion. The motion passed 6-0 with Mr. Paseur abstaining on the vote.

Motion: Mr. Saunders nominated Mr. York as Secretary of the Pension Board. Mr. Owen seconded the motion. The motion passed 6-0 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. Paseur, Mr. Saunders and Mr. Tillett. Mr. Saunders seconded the motion. The motion passed 7-0.

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

Ms. Blanc arrived at 9:08 a.m.

c) Investment Committee Member Appointments

Ms. Paczkowski advised the Board that both Mr. King and Mr. Owen's terms as Investment Committee members ended on December 31, 2016 and replacement or renewal of their terms needed to be decided.

Motion: Mr. Saunders made a motion to reappoint both Mr. King and Mr. Owen to new terms on the Investment Committee and to appoint Ms. Blanc to also serve on the committee. Due to other work commitments Mr. Owen indicated he would not be able to serve a second term on the Board but agreed to serve on the Board and the committee until a replacement could be secured. Mr. York seconded the motion. The motion passed 8-0.

6. EXECUTIVE DIRECTOR COMMENTS

Ms. Paczkowski advised the Board that the new doorbell for the Pension office had been installed and the work had been completed under the budgeted amount.

7. CONTRACTS: None

13. INVESTMENT MATTERS: None

Mr. Tillett arrived at 9:17 a.m.

14. OTHER:

2011 – 2016 Experience Study and Actuarial Assumption Discussion

Alan Pennington – Bryan, Pendleton, Swats & McAllister presented the 2011 – 2016 Experience Study to the Board and discussed changing several of the actuarial assumptions and the expected rate of return from 7.375% to 7.25%. Copies of Mr. Pennington's presentation are on file in the Pension Office.

Motion: Mr. Saunders made a motion to accept the Experience Study as presented and to adopt the assumptions recommended and summarized by Mr. Pennington in the actuary's letter of January 12, 2017. Ms. Gay seconded the motion. The motion passed 9-0.

15. PUBLIC COMMENTS: None

16. ATTORNEY COMMENTS: None

17. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mayor Rogero at 10:19 a.m.

Chair

Date

