



Pension Board

Regular Meeting

~ Minutes ~

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

THURSDAY, September 14, 2017

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mr. Paseur called to order the September 14, 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	Represented By Proxy	
Linda Gay Blanc	Mayoral Appointment	Absent	
Mark Fortner	Police Representative	Present	
Jim York	Finance Director	Present	
Sam Bills	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 attended as Mayor Rogero's designated representative as authorized by T.C.A. § 6-54-112 and the mayor's letter of designation dated June 28, 2012; Mr. Ricky Loveday – Fire Department, Injury In Line of Duty applicant.

3. APPROVAL OF REGULAR MEETING MINUTES FOR AUGUST 11, 2017.

Mr. Saunders made a motion to approve the minutes of the August 11, 2017 meeting. Mr. Bills seconded the motion. The motion passed 8-0.

4. APPROVAL OF REVISED AGENDA – Exhibit 1

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

**5. APPLICATION FOR INJURY IN LINE OF DUTY: PLAN C
CHARTER SECTION 1390.11**

Ricky Loveday, Fire Dept - Uniformed

Option C
Cash Refund

Date of birth, May 23, 1964: 53 years of age

Total credited service: 17 years 11 months 14 days

Average monthly salary for 2 highest 12 month periods, \$4,374.70 x .50 =

\$2,187.35. Mr. Loveday chose Option C – Cash Refund to Ricky Devin Loveday.

\$2,187.35 x .9573 =

\$2,093.95 pension effective October 1, 2017

Motion: Mr. Tillett made a motion to approve this application for Injury In Line of Duty retirement payable under Option C based on the Executive Director's Recommendation report and the medical records. Mr. Saunders seconded the motion. The motion passed 8-0.

6. ADMINISTRATIVE MATTERS**Upcoming Election**

Ms. Paczkowski informed the Board regarding the upcoming elections for General Government – Seat A and Police Department – Seat A representatives for the Pension Board.

7. EXECUTIVE DIRECTOR COMMENTS: None**8. CONTRACTS: None**

9. ENROLLMENTS

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

Marissa Gaddis
Jacob Gause
Breyauna Holloway
Inga Ledbetter
Thomas McNutt
Caitlan North
Melanie Reed
Michael Thomas

Motion: Mr. York 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.

10. 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.

Jason Householder, General Govt – Plan G2, vested
Robert Johnson, General Govt – Plan H, non-vested
Chadwick Lenox, General Govt – Plan H, non-vested
Tommy Peace, General Govt – Plan A, vested
Samuel Reagan, General Govt – Plan H, non-vested
Melanie Reed, General Govt – Plan H, non-vested
Brandon Shelley, General Govt – Plan C, vested

Motion: Mr. Saunders made a motion to approve this application for withdrawal of employee contributions. Mr. York seconded the motion. The motion passed 8-0.

11. APPLICATION FOR DEFERRED RETIREMENT: PLAN A CHARTER SECTION 1360.28

Jenny Greene, Schools - Certified

Option C
Cash Refund

Date of birth, December 21, 1954: 62 years of age
Total credited service: 10 years (last employed April 1987)
Average base earnings for 4 years, \$400.00 x .75% = \$3.00
Average excess earnings for 4 years, \$741.24 x 1.50% = \$11.12
Making a total of \$14.12 benefit per year of service. \$14.12 x 10.0 =
\$141.20. Ms. Green chose Option C – Cash Refund to Wallace Greene.
\$141.20 x .9376 =
\$132.39 pension effective January 1, 2017

The City benefit payment is determined using City only salaries and City Service time.

The City benefit does not include any County service.

Motion: Mr. York made a motion to approve this application for Deferred retirement payable under Option C. Mr. Tillett seconded the motion. The motion passed 8-0.

**12. APPLICATION FOR RULE OF 80 RETIREMENT: PLAN G1
CHARTER SECTION 1371.4**

Timothy S Schade, General Govt.

Option A-6
100% without reinstatement

Date of birth, August 27, 1963: 54 years of age

Total credited service: 28 years 2 months 21 days

Plan A benefit: Average base salary for 2 highest 12 month periods, $\$400.00 \times .0081\% = \$3.24 \times 8.08333 = \$26.19$ plus average excess salary for 2 highest 12 month periods, $\$3,678.00 \times .0162\% = \$59.58 \times 8.08333 = \$481.60$; Total A benefit = $\$26.19 + \$481.60 = \mathbf{\$507.79}$.

Plan G1 benefit: Average monthly salary for 2 highest 12 month periods, $\$4,078.00 \times .0115\% = \$46.90 \times 20.14087 = \mathbf{\$944.61}$. Plan A benefit $\$507.79 +$ Plan G1 benefit $\$944.61 = \mathbf{\$1,452.40}$ **Total Defined Benefit.** Mr. Schade chose Option A-6 – 100% without reinstatement to Cynthia M. Dawkins-Schade, spouse. $\$1,452.40 \times .8542 = \mathbf{\$1,240.64}$ pension effective September 1, 2017

*Defined Benefit Only – member elected to receive the value of the supplemental retirement account (defined contribution) in a lump sum as applicable in Plan G Option 1.

Motion: Mr. Saunders made a motion to approve this application for Rule of 80 retirement payable under Option A-6. Mr. York seconded the motion. The motion passed 8-0.

**13. APPLICATION FOR RULE OF 80 RETIREMENT: PLAN G2
CHARTER SECTION 1371.4**

Rita K Arnett, General Govt.

No Option

Date of birth, September 19, 1955: 61 years of age

Total credited service: 29 years 9 months 11 days

Average monthly salary for 2 highest 12 month periods, $\$3,157.11 \times .021 = \$66.30 \times 29.78014 =$

$\mathbf{\$1,974.42}$ pension effective September 1, 2017

Motion: Mr. King made a motion to approve this application for Rule of 80 retirement. Mr. Saunders seconded the motion. The motion passed 8-0.

**14. 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.**

John R Rodgers, Jr, Fire Dept – Plan C

Option A-9
100% with reinstatement

Date of birth, January 21, 1965: 52 years of age

Total credited service: 25 years 29 days

Average monthly salary for 2 highest 12 month periods, $\$5,207.82 \times .025 =$

$\$130.20 \times 25.07945 = \$3,265.34$. Mr. Rodgers chose Option A-9 – 100% with reinstatement to Margaret R Rodgers, spouse. $\$3,265.34 \times .8882 =$
 $\$2,900.27$ pension effective September 1, 2017.
DROP complete August 31, 2019.

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

15. 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.

Robin D Hodges, General Government – Plan G2 No Option
Date of birth, August 29, 1960: 57 years of age
Total credited service: 25 years 10 months 18 days
Average monthly salary for 2 highest 12 month periods, $\$4,492.83 \times .021 =$
 $\$94.35 \times 25.88265 =$
 $\$2,442.03$ pension effective September 1, 2017
DROP complete August 31, 2019.

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

16. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD
Bryan, Pendleton, Swats & McAllister – Actuary (July)	6,391	6,391
Kennerly, Montgomery & Finley – Attorney (General - August)	3,725	8,500
Acadian Asset Man. – Money Manager (2 nd Qtr – 2017)	72,042	317,870
Pinnacle – Money Manager (2nd Qtr – 2017)	28,045	123,137
Summit Strategies – Investment Consultant (3rd Qtr – 2017)	40,000	40,000
		495,898

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

17. INVESTMENT MATTERS:

Recommendation from Investment Committee – Exhibit 2

Standish – Global Fixed Income Manager

Motion: Mr. Saunders seconded a motion of the Investment Committee, based on the recommendation of the Investment Committee and Summit Strategies, to adjust the Target Asset Allocation and Policy Index Addendum to the Investment Policy by eliminating the specific allocations to Global Bonds, Core Plus Bonds, Long Bonds, and TIPS and combining these all under one allocation to Core/Core Plus Bonds, and eliminating the specific Barclays Global Aggregate USD Hedged Index and adding that 5% allocation to the Barclays Capital Aggregate Index; and reallocate the 5% targeted allocation to Standish amongst the System's existing fixed income managers as follows: 2% each to IR&M Core and to Schroders/STW, and 1% to IR&M TIPS. The motion passed 8-0.

18. OTHER: None

19. PUBLIC COMMENTS: None

20. ATTORNEY COMMENTS: None

21. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mr. Paseur at 9:07 a.m.

Chair

Date