ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Rogero called to order the February 9, 2017 meeting of the City of Knoxville Pension Board at 9:05 a.m. in the Pension Board Conference Room.

2. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Rogero</td>
<td>Mayor</td>
<td>Present</td>
</tr>
<tr>
<td>Linda Gay Blanc</td>
<td>Mayoral Appointment</td>
<td>Present</td>
</tr>
<tr>
<td>Mark Fortner</td>
<td>Police Representative</td>
<td>Absent</td>
</tr>
<tr>
<td>Jim York</td>
<td>Finance Director</td>
<td>Present</td>
</tr>
<tr>
<td>Dennis Owen</td>
<td>Mayoral Appointment</td>
<td>Present</td>
</tr>
<tr>
<td>Stephen King</td>
<td>General Government Representative</td>
<td>Present</td>
</tr>
<tr>
<td>Michael Paseur</td>
<td>General Government Representative</td>
<td>Present</td>
</tr>
<tr>
<td>Finbarr Saunders</td>
<td>City Council Representative</td>
<td>Present</td>
</tr>
<tr>
<td>John Tillett</td>
<td>Fire Representative</td>
<td>Present</td>
</tr>
<tr>
<td>Kathy Aslinger</td>
<td>Legal Counsel</td>
<td>Present</td>
</tr>
<tr>
<td>Kristi Paczkowski</td>
<td>Executive Director</td>
<td>Present</td>
</tr>
</tbody>
</table>

Others Present: Ms. Savannah Maupin – City Recorder’s Office; Mr. Roger Byrd – Fire Department Uniformed Retired member; Mr. Phineas Troy – Summit Strategies.

3. APPROVAL OF REGULAR MEETING MINUTES FOR JANUARY 12, 2017.

Mr. Saunders made a motion to approve the minutes of the January 12, 2017 meeting. Mr. Owen seconded the motion. The motion passed 7-0.
4. **APPROVAL OF REVISED AGENDA – Exhibit 1**

Mr. York made a motion to accept the Revised Agenda. Mr. Saunders seconded the motion. The motion passed 7-0.

5. **ADMINISTRATIVE MATTERS**

   Factor Tables – Exhibit 2

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

Ms. Paczkowski discussed with the Board the summary prepared by Mr. Pennington comparing the mortality tables adopted by the Board in January 2017 for purposes of determining the annual valuation of the System to the mortality tables currently used for determining actuarial equivalence in calculating benefit options. Ms. Paczkowski noted that the Board is not required to adopt the same tables for all purposes. Following review of the summary, the Board took no action.

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:

   - Miranda A Bowness
   - Thomas Cook
   - Timothy D Hester
   - Joshua LeClair
   - Tyler R Nicholson
   - Kevin A Perry
   - Adam Roberts
   - Katrise N Thompson

   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.

   - Tracy Derrick, General Govt – Plan G1, non-vested
   - Samuel McLane, Police Dept – Plan C, vested
   - Jessica Sammons, General Govt – Plan H, non-vested

   Motion: Mr. Paseur made a motion to approve this application for withdrawal of employee contributions. Ms. Blanc seconded the motion. The motion passed 8-0.
10. APPLICATION FOR NORMAL RETIREMENT: PLAN C
   CHARTER SECTION 1390.6

John P Knopf, Police Dept. - Uniformed
*Option A-4
50% without reinstatement

Date of birth, December 30, 1946: 70 years of age
Total credited service: 25 years 10 days
Average monthly salary for 2 highest 12 month periods, $4,709.13 x .025 =
$117.73 x 25.02740 = $2,946.48. Mr. Knopf chose Option A-4 – 50% without reinstatement to
Patricia A Knopf, spouse.
*$2,946.48 pension effective February 1, 2017

*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 Normal retirement payable
under Option A-4. Mr. Saunders seconded the motion. The motion passed 8-0.

11. 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) Brenda K Hicks, General Government – Plan G1
      No Option
      Date of birth, February 4, 1953: 63 years of age
      Total credited service: 15 years 9 months 1 day
      Average monthly salary for 2 highest 12 month periods, $3,547.56 x .0121 =
      $42.93 x 15.75274 =
      *$676.27 pension effective February 1, 2017.
      DROP complete January 31, 2019.

      *Defined benefit only – member chose to convert the value of the supplemental retirement account (defined contribution) into
      an additional, lifetime monthly annuity pending the 12/31/2016 account valuation.

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

   b) Terry L McBee, General Government – Plan G2
      No Option
      Date of birth, February 1, 1955: 62 years of age
      Total credited service: 14 years 3 months 18 days
      Average monthly salary for 2 highest 12 month periods, $3,137.40 x .021 =
      $65.89 x 14.29932 =
      $942.18 pension effective February 1, 2017.
      DROP complete January 31, 2019.

      Motion: Mr. Paseur made a motion to approve this application for DROP retirement. Mr.
      Saunders seconded the motion. The motion passed 8-0.
12. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>Inv. Amount</th>
<th>FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryan, Pendleton, Swats &amp; McAllister – Actuary (Dec)</td>
<td>30,830</td>
<td>110,593</td>
</tr>
<tr>
<td>Kennerly, Montgomery &amp; Finley – Attorney (General - Jan)</td>
<td>2,820</td>
<td>21,620</td>
</tr>
<tr>
<td>Acadian Asset Mgm. – Money Manager (4th Qtr – 2016)</td>
<td>62,248</td>
<td>179,736</td>
</tr>
<tr>
<td>Wm Blair – Money Manager (4th Qtr 2016)</td>
<td>33,231</td>
<td>90,975</td>
</tr>
<tr>
<td>Eagle Capital – Money Manager (4th Qtr 2016)</td>
<td>93,322</td>
<td>263,538</td>
</tr>
<tr>
<td>IRM – Money Manager (4th Qtr 2016) – TIPS Fund</td>
<td>1,574</td>
<td>4,728</td>
</tr>
<tr>
<td>IRM – Money Manager (4th Qtr. 2016 – Core Fund)</td>
<td>23,374</td>
<td>70,611</td>
</tr>
<tr>
<td>Northern Trust – Custodial/Benefit (4th Qtr – 2016)</td>
<td>41,609</td>
<td>128,245</td>
</tr>
<tr>
<td>Penn Capital – Money Manager (4th Qtr 2016)</td>
<td>42,938</td>
<td>126,168</td>
</tr>
<tr>
<td>Schroders (Money Manager – 4th Qtr – 2016)</td>
<td>29,221</td>
<td>91,225</td>
</tr>
<tr>
<td>Standish – Money Manager (4th Qtr – 2016)</td>
<td>13,447</td>
<td>40,442</td>
</tr>
<tr>
<td>Tortoise Capital – Money Manager (4th Qtr 2016)</td>
<td>51,157</td>
<td>135,516</td>
</tr>
</tbody>
</table>

1,262,669

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. Ms. Blanc seconded the motion. The motion passed 8-0.

13. INVESTMENT MATTERS:

Phineas Troy – Summit Strategies

4th Qtr 2016 Performance Report

Mr. Troy made a presentation of the 4th Quarter 2016 Performance Report. Copies of the report are on file in the Pension Office.

14. OTHER:

Educational Seminars

Ms. Paczkowski advised the Board that she would notify the Board members via e-mail regarding upcoming education seminars.

15. PUBLIC COMMENTS: None

16. ATTORNEY COMMENTS: None

17. ADJOURNMENT:

There being no further business, the meeting was adjourned by Mayor Rogero at 9:33 a.m.
Chair

Date