



## Pension Board

Regular Meeting

~ Minutes ~

917B E. Fifth Ave.  
Knoxville, TN 37917  
[www.cokpension.org](http://www.cokpension.org)

THURSDAY, May 11, 2017

9:00 a.m.

Pension Board Conference Room

### ORDER OF BUSINESS

#### 1. CALL TO ORDER

Mayor Rogero called to order the May 11, 2017 meeting of the City of Knoxville Pension Board at 9:04 a.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. Savannah Maupin – City Recorder’s Office; Mr. Roger Byrd – Fire Department Uniformed Retired member; Mr. Phineas Troy and Mr. Matthew Jelinek – Summit Strategies. Mr. Sam Bills attended as an observer and as an upcoming replacement board member for Mr. Dennis Owen.

**3. APPROVAL OF REGULAR MEETING MINUTES FOR APRIL 13, 2017.**

Mr. Saunders made a motion to approve the minutes of the April 13, 2017 meeting. Mr. Owen 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. Owen seconded the motion. The motion passed 8-0.

**5. ADMINISTRATIVE MATTERS****Financial Plan 2017-2018 – Exhibit 2**

Ms. Paczkowski presented the Board the 2017-2018 proposed financial plan for the pension system for review.

**Motion: Mr. Saunders made a motion to approve the 2017-2018 financial plan. Mr. Owen seconded the motion. The motion passed 8-0.**

**Dennis Owen's replacement**

Mayor Rogero introduced Mr. Sam Bills to the Pension Board who will replace Mr. Owen beginning June 2017. Mayor Rogero and the Board welcomed Mr. Bills and thanked Mr. Owen for his service on the Board.

**Legal fee rate adjustments – Exhibit 3**

Attorney Aslinger reviewed with the Board a proposed legal fee rate adjustment for their review and approval. Ms. Aslinger advised the Board that the proposed rates were within the 2017-2018 budget.

**Motion: Mr. Saunders made a motion to approve the new legal fee schedule as presented by Attorney Aslinger. Mr. Owen seconded the motion. The motion passed 8-0.**

**6. EXECUTIVE DIRECTOR COMMENTS****Prospective Council Member Education Sessions**

Ms. Paczkowski discussed with the Board the need to schedule one or more education sessions with the candidates for City Council. Ms. Paczkowski advised the Board that she would coordinate with Mr. Paseur about scheduling the sessions at the Loraine Street facilities and report back to the Board when the dates and times are confirmed.

**7. CONTRACTS: None****8. ENROLLMENTS**

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

Jeffrey Bogden  
Jennifer Bolin

Justin Brown  
 Claudia Garcia-Rec  
 ShTuara Griffin  
 Tyler Hodge  
 Brooklyn Mason  
 Rick Morgan  
 April Reed  
 Nicole Sauls  
 Katherine Strickland  
 Robert Taylor III  
 Kristi Tunstall  
 Christopher Vaught

**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.

Jeffrey Quick, General Govt – Plan H, non-vested  
 Judy Walton, General Govt – Plan H; non-vested

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

## 10. APPLICATION FOR PARTICIPATION IN THE DELAYED RETIREMENT OPTION PROGRAM (DROP): PURSUANT TO CHARTER SECTION 1371.8 – PLAN G. The following employee has 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.

Terry Guyse, General Govt

Option A-9  
 100% with reinstatement

Date of birth, May 16, 1947: 69 years of age  
 Total credited service: 14 years 3 months 30 days  
 Average monthly salary for 2 highest 12 month periods,  $\$2,840.01 \times .021 =$   
 $\$59.64 \times 14.33219 = \$854.77$ . Mr. Guyse chose Option A-9 – 100% with reinstatement to Sandy G  
 Guyse, spouse.  $\$854.77 \times .7231 =$   
 $\$618.08$  pension effective May 1, 2017

**Motion: Mr. Paseur 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.**

Denny Thacker, General Govt

Option A-4  
 50% without reinstatement

Date of birth, June 1, 1957: 59 years of age  
 Total credited service: 20 years 9 months 14 days  
 Average monthly salary for 2 highest 12 month periods,  $\$4,541.50 \times .021 =$   
 $\$95.37 \times 20.78836 = \$1,982.59$ . Mr. Thacker chose Option A-4 – 50% without reinstatement to  
 Kathy S Thacker, spouse.  $\$1,982.59 \times .9404 =$

\$1,864.43 pension effective May 1, 2017

**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.**

## 11. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD
Bryan, Pendleton, Swats & McAllister – Actuary (March)	4,888	147,435
Kennerly, Montgomery & Finley – Attorney (General - Apr)	2,417	27,304
Wm Blair – Money Manager (1st Qtr 2017)	33,478	124,453
Eagle Capital – Money Manager (1st Qtr 2017)	98,403	361,941
IRM – Money Manager (1st Qtr 2017) – TIPS Fund)	1,582	6,310
IRM – Money Manager (1 <sup>st</sup> Qtr 2017 – Core Fund)	23,370	93,981
Northern Trust – Custodial/Benefit (1st Qtr – 2017)	41,556	169,801
Penn Capital – Money Manager (1 <sup>st</sup> Qtr 2017)	37,808	163,976
Schroders (Money Manager – 1st Qtr – 2017)	29,595	120,820
Standish – Money Manager (1st Qtr – 2017)	13,472	53,914
Tortoise Capital – Money Manager (1st Qtr 2017)	57,157	192,673
		1,462,608

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 8-0.**

## 12. INVESTMENT MATTERS:

### Phineas Troy & Matt Jelinek – Summit Strategies

1<sup>st</sup> Qtr 2017 Performance Report

Mr. Troy and Mr. Jelinek made a presentation of the 1st Quarter 2017 Performance Report. Copies of the report are on file in the Pension Office.

### Investment Recommendations

**Motion: Mr. York seconded a motion of the Investment Committee, based on the recommendation of the Investment Committee and Summit Strategies, to modify the Pension System's current target asset allocation by removing the 6% allocation to high yield and instead allocating 4% to a defensive equity strategy and adding an additional 2% allocation to core plus fixed income to be invested with Schroders, and to retain Parametric Portfolio Associates LLC to manage a defensive equity portfolio for the Pension System, 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.**

**13. OTHER:**

**Investment Committee Member**

**Motion: Mr. York made a motion to nominate Mr. Bills to serve on the Investment Committee as Mr. Owen's replacement, subject to City Council's confirmation of Mr. Bills as a Pension Board member. Mr. Saunders seconded the motion. The motion passed 8-0.**

**14. PUBLIC COMMENTS: None**

**15. ATTORNEY COMMENTS: None**

**16. ADJOURNMENT:**

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

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date