



Pension Board
Regular Meeting
~ Minutes ~

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

Thursday, April 9, 2020

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Kincannon called to order the April 9, 2020 meeting of the City of Knoxville Pension Board at 9:02 a.m. via video conference.

2. ROLL CALL

Attendee Name	Title	Status	
Mayor Kincannon	Mayor	Present	
Linda Gay Blanc	Mayoral Appointment	Present	
Mark Fortner	Police Representative	Present	
Boyce Evans	Deputy Finance Director	Present	
Dennis Owen	Mayoral Appointment	Present	
Stephen King	General Government Representative	Present	
Alex Neubert	General Government Representative	Present	
Lynne Fugate	City Council Representative	Present	
Jacob Mason	Fire Representative	Present	
Kathy Aslinger	Legal Counsel	Present	
Kristi Paczkowski	Executive Director	Present	

Others present: Savannah Maupin – City Recorder’s Office, Gar Chung – Financial Investment News

3. APPROVAL TO HOLD MEETINGS OF THE PENSION BOARD VIA VIDEO CONFERENCE IN ACCORDANCE WITH THE GOVERNOR’S EMERGENCY ORDER

Motion: Ms. Blanc made a motion for approval to hold the Board Meeting via video conference because such video conference is necessary for continued function of the City of Knoxville Employee's Pension System to protect public health, safety, and welfare during the outbreak of COVID-19 under the Governor's Executive Order No. 16. Mr. Fortner seconded the motion. The motion passed 9-0.

4. APPROVAL OF REGULAR MEETING MINUTES FOR March 12, 2020.

Motion: Mr. Neubert made a motion to approve the minutes of the March 12, 2020 meeting. Mr. King seconded the motion. The motion passed 9-0.

5. APPROVAL OF AGENDA

Motion: Mr. Evans made a motion to accept the Revised Agenda. Mr. King seconded the motion. The motion passed 9-0.

6. EXECUTIVE DIRECTOR COMMENTS: None

7. CONTRACTS: None

8. WITHDRAWALS

The following employees have filed applications to withdraw employee pension contributions plus interest and the supplemental retirement account as applicable to each participant's respective plan.

Brandon L. Bevers – Plan H
David L. Roncska – Plan C

Motion: Mr. Mason made a motion to approve these applications for withdrawal of employee contributions. Mr. Owen seconded the motion. The motion passed 9-0.

**9. APPLICATION FOR NORMAL RETIREMENT: PLAN G
CHARTER SECTION 1371.3**

Terry S. Alexander, General Gov't. – Plan G1
64 years of age
Total credited service: 8 years 2 months 21 days
*\$673.89 pension effective April 1, 2020

No Option

*Defined benefit only – member chose to withdraw the value of the supplemental retirement account based on the quarter ending 12/31/2019 valuation.

Motion: Mr. Neubert made a motion to approve this application for Normal Retirement. Mr. King seconded the motion. The motion passed 9-0.

James R. Hagerman, General Gov't. – Plan G1
63 years of age
Total credited service: 8 years 2 months 23 days
*\$854.42 pension effective April 1, 2020

Option A-9
100% with reinstatement

*Defined benefit only – member chose to withdraw the value of the supplemental retirement account based on the quarter ending 12/31/2019 valuation.

Motion: Mr. Neubert made a motion to approve this application for Normal Retirement. Mr. King seconded the motion. The motion passed 9-0.

Russell L. Richard, General Gov't. – Plan G2
62 years of age
Total credited service: 32 years 8 months 18 days
\$3,441.71 pension effective April 1, 2020

Option A-5
75% without reinstatement

Motion: Mr. Neubert made a motion to approve this application for Normal Retirement. Mr. King seconded the motion. The motion passed 9-0.

10. 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.

Robert C. Moyers, General Gov't. – Plan G1
53 years of age
Total credited service: 29 years 8 months 4 days
*\$2,002.98 pension effective April 1, 2020
DROP complete March 31, 2022

No Option

*Defined benefit plus defined contribution – member chose to convert the value of the supplemental retirement account (defined contribution) into an additional, lifetime monthly annuity per the 12/31/2019 account valuation.

Motion: Mr. King made a motion to approve this application for DROP Retirement. Mr. Neubert seconded the motion. The motion passed 9-0.

11. APPLICATION FOR DEFERRED RETIREMENT: PLAN C CHARTER SECTION 1390.16

Anthony C. Guida, Police Dept - Uniformed
52 years of age
Total credited service: 8 years 6 months

Option A-6
100% without reinstatement

(last employed September 2003)
\$423.28 pension effective April 1, 2020

Motion: Mr. Fortner made a motion to approve this application for Deferred Retirement payable under Option A-6. Ms. Blanc seconded the motion. The motion passed 9-0.

Brian K Moran, Police Dept - Uniformed
50 years of age
Total credited service: 19 years 10 months 10 days
(last employed January 2015)
\$1,776.54 pension effective April 1, 2020

No Option

Motion: Mr. Fortner made a motion to approve this application for Deferred Retirement. Ms. Blanc seconded the motion. The motion passed 9-0.

12. 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.

Michael W Chase, Police Dept. – Uniformed
50 years of age
Total Credited Service: 25 years 4 months 17 days
\$3,278.32 pension effective April 1, 2020
DROP complete March 31, 2022

Option A-4
50% without reinstatement

Motion: Mr. Fortner made a motion to approve this application for DROP Retirement payable under Option A-4. Mr. Owen seconded the motion. The motion passed 9-0.

James E Gadd, Police Dept. – Uniformed
59 years of age
Total Credited Service: 25 years 12 days
\$2,800.75 pension effective April 1, 2020
DROP complete March 31, 2022

Option A-6
100% without reinstatement

Motion: Mr. Fortner made a motion to approve this application for DROP Retirement payable under Option A-6. Mr. Owen seconded the motion. The motion passed 9-0.

13. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Inv. Amount	FYTD
Kennerly, Montgomery & Finley – Attorney (March)	3,800	36,450
Northern Trust Company – Money Manager (1st Qtr 2020)	4,974	<u>18,519</u>
		54,969

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. Evans made a motion to pay the invoices as presented. Mr. Owen seconded the motion. The motion passed 9-0.

14. INVESTMENT MATTERS:

Ms. Paczkowski noted that three of the System's money managers brought investment guideline issues to her attention. She then brought these issues to the Investment Committee in the April 7, 2020 meeting, and the Investment Committee recommended that the Board grant waivers to the managers to permit them to maintain certain current investments.

After some discussion, Ms. Fugate made a motion to take the recommendation of the Investment Committee to allow the System's managers IR&M and Schrodgers to maintain bonds in several energy companies that the bond rating agencies have downgraded due to the significant drop in oil prices and to grant a waiver to allow William Blair to maintain the current position in Brady Corp even if it exceeds the 3% threshold for a single user. These waivers are based on manager and Marquette's recommendations and will be revisited in 6 months to review the status of the investments in the portfolio. Mr. Evans seconded the motion. The motion passed 9-0.

15. OTHER:

- Mayor Kincannon commended the stewardship of the Investment Committee.

- Mr. King acknowledged recent retiree Russell L. Richard for his many years of service with the City of Knoxville, as well as being a great employee.

- Mr. Evans requested that Ms. Paczkowski give a percentage of drop in the Pension Board's portfolio. Ms. Paczkowski offered the information that Marquette provided as of March 31, 2020 for the System's estimated market return. As of March 31, 2020, Marquette estimates that the investment loss for the month is 7.7% which translates to a quarterly loss of 10.3% and fiscal year loss of 6.3%. These losses are approximately half for the estimated losses for the respective indices.

16. PUBLIC COMMENTS: None

17. ATTORNEY COMMENTS: None

18. ADJOURNMENT

There being no further business, the meeting was adjourned by Mayor Kincannon at 9:27 a.m.

Chair

Date