



Pension Board
Regular Meeting
~ Minutes ~

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

Wednesday, May 11, 2022

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mayor Kincannon called to order the May 11, 2022 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 Kincannon	Mayor	Present	
Lynne Fugate	City Council Representative	Present	
Susan Gennoe	Finance Director	Present	
James Kennedy	Police Representative	Absent	
R. Phillip Reyes	General Government Representative	Present	
Jacob Mason	Fire Representative	Present	
Alex Neubert	General Government Representative	Present	
Dennis Owen	Mayoral Appointment	Present	
Twuanna Munroe Ward	Mayoral Appointment	Absent	
Kathy Aslinger	Legal Counsel	Present	
Kristi Paczkowski	Executive Director	Present	

Others present: Ms. Savannah Kirk – City Recorder's Office, Mr. Roger Byrd – Fire Department uniformed retired member, Ben Wright – Marquette, appeared by video conference

3. APPROVAL OF REGULAR MEETING MINUTES FOR April 13, 2022.

Motion: Mr. Mason made a motion to approve the minutes of the April 13, 2022 meeting. Mr. Neubert seconded the motion. The motion passed 7 – 0.

4. APPROVAL OF REVISED AGENDA

Motion: Mr. Owen made a motion to accept the Revised Agenda. Ms. Fugate seconded the motion. The motion passed 7 – 0.

5. EXECUTIVE DIRECTOR COMMENTS:

2022 – 2023 Proposed Budget

Ms. Paczkowski presented to the Board the 2022 – 2023 proposed financial plan for the Pension System. Ms. Paczkowski noted an increase in Personnel and Administrative costs due to the Mayor's proposed salary increases with a decrease in Professional Services costs due to implementation of the Bluefin software. Ms. Fugate pointed out that the proposed administrative budget for the Pension System is funded through the Pension trust fund administered by the Pension Board and is not part of the City's budget.

Motion: Ms. Fugate made a motion to approve the 2022 – 2023 Financial Plan. Mr. Mason seconded the motion. The motion passed 7 – 0.

6. CONTRACTS: None

7. ENROLLMENTS

The following employees have filed applications to become members of the Plan HG or HU pension system:

Adam Bohanan – HG	Justin Johnson – HG
Darrin Cinnamon – HG	Matthew Kenealy – HG
Mark Coons – HG	Skyler Rocher – HG
Samantha DeTavernier -HG	Austin Stocker – HG
Austin Garner – HG	Reid Thomason – HG
Logan Harrington – HG	

Motion: Mr. Owen made a motion to approve these applications for enrollment in Plan HG or HU of the pension system. Mr. Reyes seconded the motion. The motion passed 7 – 0.

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.

Taylor Childress – HG
Kalif Mobley – HG

Motion: Mr. Mason made a motion to approve these applications for withdrawal of employee contributions. Mr. Neubert seconded the motion. The motion passed 7 – 0.

9. 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.

Jeffrey J. McCarter, General Gov't. – Plan G1
60 years of age
Total Credited Service: 41 years 7 months 16 days
*\$2,215.77 pension effective May 1, 2022
DROP complete March 31, 2024

Option A – 4
50% without reinstatement

**Defined benefit only – member chose to receive the value of the supplemental retirement account (defined contribution) in a one-time lump sum payment which is pending the 3/31/2022 account valuation.*

Motion: Mr. Neubert made a motion to approve this application for DROP Retirement. Mr. Reyes seconded the motion. The motion passed 7 – 0.

10. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Amount	FYTD
Acadian Asset Management – Investment Manager (Q1 2022)	74,801	326,450
Eagle Capital Management – Investment Manager (Q1 2022)	107,284	464,541
Income Research + Management – Investment Manager (Q1 2022)	46,740	144,004
Kennerly Montgomery & Finley – Legal fees (April)	4,281	49,121
Ninety-One North America – Investment Manager (Q1 2022)	28,229	132,084
Pinnacle Associates Ltd. - Investment Manager (Q1 2022)	39,350	165,333
Schroders Investment Management – Investment Manager (Q1 2022)	43,726	136,962
USI Consulting Group – Actuarial services (March)	46,020	204,833
William Blair – Investment Manager (Q1 2022)	37,260	<u>151,922</u>
		1,775,250

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: Ms. Fugate made a motion to pay the invoices as presented. Mr. Owen seconded the motion. The motion passed 7 – 0.

11. INVESTMENT MATTERS:

Marquette Representatives – Ben Wright

1st Quarter 2022 Performance Report

Mr. Wright made a presentation of the 1st Quarter 2022 Performance Report. Copies of the report are on file in the Pension Office.

12. OTHER: None

13. PUBLIC COMMENTS: None

14. ATTORNEY COMMENTS:

Recommendation to repeal Chapter 2, Article III, Division 5 of the Knoxville City Code relating to retirement and pension matters (Law Department)


- After the City Law Department brought certain outdated sections of the City Code to her attention, Attorney Aslinger recommends that the old City Code provisions related to pension be repealed because the City Code provisions have been superseded by later amendments to the Charter. Attorney Aslinger and Ms. Paczkowski will provide the Board with a memo summarizing the relevant City Code and Charter provisions before the June meeting. At that time, there will be an actionable recommendation made to the Board on this matter.

Update on pending legal matters

- Attorney Aslinger updated the Board on the status of the Foglesong case and stated that a resolution may not be reached. Mr. Foglesong has until May 31st to provide an answer to the civil lawsuit filed on behalf of the Pension Board.
- Attorney Aslinger updated the Board on the Bradley Miller disability case. A contested case hearing will be set for the July or August meeting.
- Attorney Aslinger informed the Board about the recent discovery of a benefit overpayment to a deceased beneficiary who passed away in July 2021. The Pension Office was not notified of her death until April 2022. The Pension Board has filed a claim against her estate to recover the overpayment.

15. ADJOURNMENT

There being no further business, the meeting was adjourned by Mayor Kincannon at 9:32 a.m.


Chair
06.13. 2022
Date

NOTICE: The next Pension Board Meeting is on Thursday, June 9, 2022