



Pension Board
Regular Meeting
~ Minutes ~

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

Thursday, June 9, 2022

9:00 a.m.

Pension Board Conference Room

ORDER OF BUSINESS

1. CALL TO ORDER

Mr. Neubert called to order the June 9, 2022 meeting of the City of Knoxville Pension Board at 9:01 a.m. in the Pension Board Conference Room.

2. ROLL CALL

Attendee Name	Title	Status	
Mayor Kincannon	Mayor	Absent	Proxy
Lynne Fugate	City Council Representative	Present	
Susan Gennoe	Finance Director	Present	
James Kennedy	Police Representative	Present	
R. Phillip Reyes	General Government Representative	Present	
Jacob Mason	Fire Representative	Absent	
Alex Neubert	General Government Representative	Present	Chair
Dennis Owen	Mayoral Appointment	Present	
Twuanna Munroe Ward	Mayoral Appointment	Present	9:05
Kathy Aslinger	Legal Counsel	Present	
Kristi Paczkowski	Executive Director	Present	

Others present: Mr. Charles Swanson, Attorney – City Law Department and Proxy for Mayor Kincannon, Mr. Roger Byrd – Fire Department uniformed retired member

3. APPROVAL OF REGULAR MEETING MINUTES FOR May 11, 2022

Motion: Ms. Fugate made a motion to approve the minutes of the May 11, 2022 meeting. Mr. Owen seconded the motion. The motion passed 7 – 0.

4. APPROVAL OF REVISED AGENDA – Exhibit 2

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

5. EXECUTIVE DIRECTOR COMMENTS:

Knox County Plan A – Actuarial Valuation – Exhibit 3

Ms. Paczkowski presented the Board a copy of the Executive Summary of Knox County's annual actuarial valuation of its Board of Education Retirement Plan as of January 1, 2022. Ms. Paczkowski advised the Board that the County was actuarially funding its portion of the Plan A benefits for certified teachers.

Ms. Munroe Ward arrived at 9:05 a.m.

6. CONTRACTS: None

7. ENROLLMENTS

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

John DeLuca – HG
Jeremiah R. Good – HG
Angela A. McIntyre – HG
David M. Panter – HG
Benjamin Riddle – HG
Steven Ridner – HG

Motion: Mr. Reyes made a motion to approve these applications for enrollment in Plan HG or HU of the pension system. Ms. Fugate seconded the motion. The motion passed 8 – 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.

William C. Ferguson – HU
Daniel T. Fry – HG
Tatia M. Harris – HG

Jocelyn M. Rioux – HG
Joseph C. Roberts – HU

Motion: Mr. Kennedy made a motion to approve these applications for withdrawal of employee contributions. Mr. Owen seconded the motion. The motion passed 8 – 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.

Paul C. Booher, Jr., General Gov't. – Plan G2
66 years of age
Total Credited Service: 15 years 26 days
\$905.11 pension effective June 1, 2022
DROP complete May 31, 2024

Option A – 6
100% without reinstatement

Motion: Mr. Reyes made a motion to approve this application for DROP Retirement. Mr. Swanson seconded the motion. The motion passed 8 – 0.

Carol L. Runyan, General Gov't. – Plan G1
58 years of age
Total Credited Service: 24 years 3 months 23 days
*\$1,992.59 pension effective June 1, 2022
DROP complete May 31, 2024

Option A – 7
50% with reinstatement

**Defined benefit only – member chose to convert the value of the supplemental retirement account (defined contribution) into an additional, lifetime monthly annuity per the 3/31/2022 account valuation.*

Motion: Mr. Reyes made a motion to approve this application for DROP Retirement. Mr. Swanson seconded the motion. The motion passed 8 – 0.

**10. APPLICATION FOR DEFERRED RETIREMENT: PLAN G
CHARTER SECTION 1360.28**

Randall C. Kenner, General Gov't. – Plan G1
62 years of age
Total Credited Service: 5 years 3 months 26 days
Separation date: December 31, 2011
*\$372.43 pension effective June 1, 2022

No Option

**Defined benefit only*

Motion: Ms. Munroe Ward made a motion to approve this application for Deferred Retirement. Mr. Kennedy seconded the motion. The motion passed 8 – 0.

Christopher M. Coyle, General Gov't. – Plan G2
62 years of age
Total Credited Service: 11 years 5 months 20 days
Separation date: September 23, 2016
\$684.78 pension effective May 1, 2022

Option B – 12
15 Year Certain & Life

Motion: Ms. Munroe Ward made a motion to approve this application for Deferred Retirement. Mr. Kennedy seconded the motion. The motion passed 8 – 0.

11. APPROVAL OF INVOICES FOR PROFESSIONAL SERVICES:

	Amount	FYTD
Kennerly, Montgomery & Finley (May legal services)	7,076	51,497
USI Consulting Group (April actuarial services)	32,360	<u>231,163</u>
		282,660

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. Reyes seconded the motion. The motion passed 8 – 0.

12. INVESTMENT MATTERS:

Fixed Income Waiver Update

Ms. Paczkowski provided an update on the fixed income waivers for IR&M and Schroders. The investment held by IR&M matured and is no longer being held in the System's portfolio. In 2017, the System exited the high yield space with a dedicated manager and expanded Schroders investment guidelines to include high yield. High yield investments are made up of below investment grade instruments. Going forward, Ms. Paczkowski will continue to receive downgrade notices from Schroders but will no longer bring them to the Board for a waiver unless Schroders exceeds the parameters set for the high yield bonds (20% for below BBB and 10% for below B).

13. OTHER: None

14. PUBLIC COMMENTS: None

15. ATTORNEY COMMENTS:

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

- Attorney Aslinger explained to the Board that the City Law Department has been reviewing the City Code and will be making recommendations to City Council to either delete or amend outdated City Code Ordinances. As part of the project, the Law Department has requested a recommendation on the deletion of Chapter 2, Article III, Division 5 of the City Code related to Retirement and Pensions. Attorney Aslinger and the City Law Department suggest the Board recommend deleting Division 5 entirely.

Motion: Mr. Kennedy made a motion to accept the recommendation made by Attorney Aslinger and the City Law Department to delete Division 5 entirely. Mr. Owen seconded the motion. The motion passed 8 – 0.

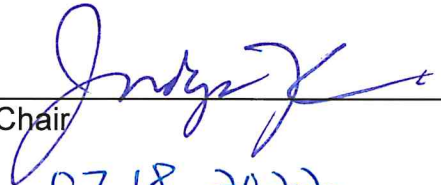
Legal Matters Update

- Ms. Paczkowski and Attorney Aslinger asked the Board for guidance on when they would like to take the Investment Policy Statement to City Council to update the language for references to LIBOR. The Board had previously discussed presenting a revised Investment Policy Statement to City Council at the same time as similar changes to City policies were presented. However, Ms. Gennoe plans to have the City's policies presented to Council by the time she leaves on July 15th. Rather than trying to rush the process, Ms. Paczkowski and Ms. Aslinger will prepare the revised and bring it to the Investment Committee at the July meeting and then to the Board thereafter.

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- Attorney Aslinger updated the Board on the Estate of Cristianne Ailor, beneficiary of deceased member Lillard Ailor. Mrs. Ailor died in July 2021, but the Pension Board was not notified and discovered her death in April 2022. Ms. Aslinger, on behalf of the Board, filed a claim against the estate for the amount of the overpayment. The time limit for a response from the family to object to the claim has expired, such that the claim operates as a judgement against the estate. Accordingly, the Pension Board should receive repayment of the funds that were overpaid before the estate is closed.
 - Attorney Aslinger updated the Board regarding the overpayment to Mr. Foglesong. Contact has continued with Mr. Foglesong along with his public defender. He has stated he plans to pay the full amount owed to the Board after he secures the funds to do so. However, he has not yet signed an Agreed Judgement.
 - Attorney Aslinger updated the Board regarding Bradley Miller's disability appeal. The contested hearing is tentatively scheduled for the August Board Meeting but may be pushed back to the September meeting.

16. ADJOURNMENT

There being no further business, the meeting was adjourned by Mr. Neubert at 9:24 a.m.


Chair
07.18.2022
Date

NOTICE: The next Pension Board Meeting is on Thursday, July 14, 2022