

KNOX COUNTY RETIREMENT AND PENSION BOARD

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JACOBS, Chairman
COMMISSIONER HUGH NYSTROM, Vice-
Chairman
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COMMISSIONER BRAD ANDERS
COMMISSIONER LARSEN JAY
COMMISSIONER RANDY SMITH
MS. JENNIFER HEMMELGARN
MR. GABE MULLINAX
MS. JANET SAMAR



CITY-COUNTY BUILDING
ROOM 371
400 MAIN STREET
KNOXVILLE, TENNESSEE 37902
865/215-2323
865/215-2421-FAX

AMENDED AGENDA

The KNOX COUNTY RETIREMENT AND PENSION BOARD will meet in regular session on MONDAY, April 22, 2019 at 3:00 P.M. in ROOM 640, City-County Building, Knoxville, Tennessee.

1. CALL TO ORDER
2. AMENDMENTS TO AGENDA
3. APPROVAL OF MINUTES OF MARCH 25, 2019
4. DISCUSSION OF CHANGE IN PENSION BOARD MEETING TIME
5. APPLICATIONS FOR RETIREMENT – UNIFORMED OFFICERS PENSION PLAN

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Anthony A. Strickland	Sheriff	25 years 0 months	May 1, 2019

6. APPLICATIONS FOR RETIREMENT – DEFINED CONTRIBUTION PLAN AND AUTHORIZATION OF CREDITED SERVICE BENEFIT BASED ON COMPLETED YEARS OF SERVICE

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Floyd Archer	Parks & Rec	21 years 9 months	May 1, 2019
Michael Cogburn	EPW	42 years 11 months	June 1, 2019
Roy Haun	Parks & Rec	36 years 0 months	May 1, 2019
Parnick Shelton	EPW	26 years 9 months	May 1, 2019
William Sullivan	Ctny Clk	8 years 0 months	May 1, 2019
Jackie Yearwood	Sheriff	18 years 2 months	May 1, 2019

7. REPORT OF EXECUTIVE DIRECTOR
 - Retiree Luncheon April 10th at Rothchild Conference Center
8. PROPOSED OPERATING BUDGET FY 20
9. PROPOSED RESOLUTION FOR AMENDMENTS ON THE SUNSET BENEFITS
10. AUDIT LETTER FOR FY 19 AUDIT FROM PUGH & CO
11. DISABILITY COMMITTEE
 - Recommendation Procedure
 - Next meeting in July 2019

12. REPORT OF INVESTMENT COMMITTEE

- Monthly Rates of Return
- Quarterly meeting May 14, 2019 @ 1:30

13. REPORT OF LEGAL COUNSEL

- Owings, Wilson & Coleman
- Kennerly, Montgomery

14. REPORT OF ACTUARY BOB CROSS

- UOPP Updated Funding Policy
- Final Valuation Results
- Invesco Fund Change

15. APPROVAL FOR PAYMENT – STATEMENT OF ACCOUNT

16. ADJOURNMENT

Spread of Record

For Information Only – No Action Required

- **RETIREES DECEASED:**

Grace Arter died April 7, 2019. Retired & W/D (DC)

J.W. Frye died March 20, 2019. Benefits Cease (DB)

Carolyn Goodman died March 6, 2019. Benefits Cease (Teachers)

Imogene O'Neal died March 31, 2019. Benefits Cease (DB)

Sarah Price died April 12, 2019. Benefits Cease (DB)

Bobbie Troutt died March 22, 2019. Retired & W/D (DC)

- **ACTIVE DECEASED:**

Carolyn Jones died March 26, 2019. Benefits to survivor (DC)

- **DEATH BENEFITS PAID:**

Timothy J. Frye, beneficiary of J.W. Frye

Edythe K. Helton, beneficiary of James H. Helton

Joseph B. Hewell, beneficiary of Doris Hewell

Mark A. Ludwig, beneficiary of Jessie Ludwig

Deborah McCleary, beneficiary of Cornelia Fisher

Mary S. Peroulas, beneficiary of Frank Peroulas

Diane Vick, beneficiary of Gary Leake

- **LUMP SUM DB BENEFIT:**

Michael E. Hill

Dennis R. Jean

- **CREDITED SERVICE BENEFITS PAID:**

John D. Autry

Michael B. Brown

Gene T. Farmer

Linda B. Helms

Michael E. Hill

Dennis R. Jean

Blanca E. Simonian

- **UOPP CONTRIBUTIONS PLUS 4% INTEREST PAID:**

Justin N. Keefer

- **MINIMUM REQUIRED DISTRIBUTIONS:**

Robert Minter, Jr.

John Autry

Gene Farmer

Dave Wright

- **DISTRIBUTIONS PROCESSED MARCH 2019:**

56

- **LOAN STATUS AS OF MARCH 31, 2019:**

	<u># of Loans</u>	<u>\$ Amount</u>
Loans added November	4	\$36,813
Loans Closed/Defaulted	2	
Ending March 31, 2019	268	\$2,716,071

**KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY RETIREMENT PLAN**

VALUATION AS OF 1/1/2019

PRINCIPAL RESULTS OF THE VALUATION

Below is a summary of the principal results of this year's valuation compared with the previous valuation. Amounts for each valuation period reflect the actuarial cost method, assumptions and plan benefits in effect at that time.

	As of <u>January 1, 2018</u>	As of <u>January 1, 2019</u>
<u>CONTRIBUTION LIMITATIONS</u>		
Actuarially Determined Contribution	\$ 3,152,602	\$ 3,610,832
Expected Employee Contribution	\$ 79,265	\$ 73,845
<u>SUPPORTING INFORMATION</u>		
Market Value of Assets	\$ 44,844,849	\$ 39,585,206
Actuarial Value of Assets	\$ 43,432,774	\$ 41,300,635
EAN Accrued Liability	\$ 71,460,923	\$ 72,312,595
Present Value of Accumulated Benefits	\$ 69,695,134	\$ 70,551,698
Funding Ratio - Market Value of Assets as a Percentage of Present Value of Accumulated Benefits	64.3%	56.1%
Funding Ratio - Actuarial Value of Assets as a Percentage of Present Value of Accumulated Benefits	62.3%	58.5%
Funding Ratio Discount Rate	7.00%	7.00%
Number of Lives Included in the Valuation	4,937	4,642
Present Value of all Future Benefits	\$ 72,372,120	\$ 73,071,085

**KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
UNIFORMED OFFICERS PENSION PLAN**

VALUATION AS OF 1/1/2019

PRINCIPAL RESULTS OF THE VALUATION

Below is a summary of the principal results of this year's valuation compared with the previous valuation. Amounts for each valuation period reflect the actuarial cost method, assumptions and Plan benefits in effect at that time.

	<u>As of</u> <u>January 1, 2018</u>	<u>As of</u> <u>January 1, 2019</u>
<u>CONTRIBUTION LIMITATIONS</u>		
Actuarially Determined Contribution	\$ 5,674,613	\$ 6,941,767
Percentage of Payroll	24.60%	30.54%
Expected Employee Contribution	\$ 1,383,810	\$ 1,363,904
<u>SUPPORTING INFORMATION</u>		
Market Value of Assets	\$ 182,831,364	\$ 167,384,128
Actuarial Value of Assets	\$ 174,809,422	\$ 180,646,531
EAN Accrued Liability	\$ 215,497,970	\$ 245,493,745
Present Value of Accumulated Benefits	\$ 186,435,628	\$ 216,478,035
Funding Ratio - Market Value of Assets as a Percentage of Present Value of Accumulated Benefits	98.07%	77.32%
Funding Ratio - Actuarial Value of Assets as a Percentage of Present Value of Accumulated Benefits	93.76%	83.45%
Funding Ratio Discount Rate	7.25%	7.25%
Number of Lives Included in the Valuation	725	709
Present Value of all Future Benefits	\$ 235,494,220	\$ 266,056,088

**KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN**

VALUATION AS OF 1/1/2019

PRINCIPAL RESULTS OF THE VALUATION

Below is a summary of the principal results of this year's valuation compared with the previous valuation. Amounts for each valuation period reflect the actuarial cost method, assumptions and plan benefits in effect at that time.

	<u>As of January 1, 2018</u>	<u>As of January 1, 2019</u>
<u>CONTRIBUTION LIMITATIONS</u>		
Actuarially Determined Contribution	\$ 475,234	\$ 754,318
Expected Employee Contribution	\$ 0	\$ 0
<u>SUPPORTING INFORMATION</u>		
Market Value of Assets	\$ 59,949,534	\$ 50,487,546
Actuarial Value of Assets	\$ 57,828,525	\$ 54,125,329
Entry Age Normal Accrued Liability	\$ 67,176,971	\$ 66,008,487
Present Value of Accumulated Benefits	\$ 67,176,971	\$ 66,008,487
Funding Ratio – Actuarial Value of Assets as a Percentage of Present Value of Accumulated Benefits	86.1%	82.0%
Funding Ratio – Market Value of Assets as a Percentage of Present Value of Accumulated Benefits	89.2%	76.5%
Funding Ratio Discount Rate	7.0%	7.0%
Number of Lives Included in the Valuation	425	410
Present Value of All Future Benefits	\$ 67,176,971	\$ 66,008,487

**KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY EMPLOYEE DISABILITY BENEFIT PLAN**

VALUATION AS OF 1/1/2019

PRINCIPAL RESULTS OF THE VALUATION

Below is a summary of the principal results of this year's valuation compared with the previous valuation. Amounts for each valuation period reflect the actuarial cost method, assumptions and Plan benefits in effect at that time.

	<u>As of January 1, 2018</u>	<u>As of January 1, 2019</u>
<u>CONTRIBUTION LIMITATIONS</u>		
Annual Required Contribution	\$503,685	\$579,290
<u>SUPPORTING INFORMATION</u>		
Market Value of Assets	\$1,613,772	\$1,185,935
Actuarial Value of Assets	\$1,580,887	\$1,278,154
Entry Age Normal Accrued Liability	\$3,450,463	\$3,560,145
Funding Ratio Discount Rate	7.00%	7.00%
Number of Lives Included in the Valuation	5,049	5,165
Present Value of All Future Benefits	\$4,994,479	\$5,178,305