

CITY OF MARIETTA/BLW PENSION BOARD MEETING

**Wednesday, May 9, 2018
9:00 AM – Fourth Floor City Hall Conference Room**

MEETING MINUTES (UNOFFICIAL UNTIL APPROVED)

Members Present: Rich Buss Cheryl Richardson
Yvonne Williams Bobby Moss
Rick Steffes Patina Brown
Bill Bruton Joseph Goldstein
Steve Kish

Absent: N/A

Ex Officio Members: Davy Godfrey – Pension Board Secretary and Director, Human Resources & Risk Management
Sam Lady – Pension Board Treasurer and Finance Director
Danny Rackley – Acting Fire Chief

Visitors / Guests Ian Janecek and Scott Arnwine – Gavion
Tony Kay – AndCo Consulting
Read Gignilliat and Patrick Lail – Elarbee Thompson
Fion Lau – Benefits Manager
Rhonda Richardson – HR Administrative Assistant
Herman Trautwein -- MFD

CALL TO ORDER:

Chairman Bobby Moss declared a quorum and called the meeting to order at 9:02am.

BUSINESS:

LEGAL MATTERS:

Chairman Moss recognized attorney Read Gignilliat, who gave an overview to the Board regarding the David Jenkins disability retirement application and his examination by a local neurologist. Mr. Gignilliat recommended sending Jenkins to a second opinion exam in re: neurology but detailed the other options for the Board. Secretary Godfrey stated that he had coordinated with Douglas Neurology, a Workers' Compensation panel member, regarding a second opinion exam. Chairman Moss reiterated that the Board pays for the exam.

A motion was made by Member Kish to send David Jenkins to the second opinion neurology exam and seconded by Member Bruton.

The motion carried by the following vote: 9-0-0.

After some discussion, a motion was made by Chairman Moss to approve benefits if the second opinion mirrors the first and have a special called meeting if they conflict or if there is a significant difference or discrepancy.

Discussion was held related to Secretary Godfrey and Mr. Gignilliat reviewing the second opinion to determine the next steps based on the Board's intent.

Member Goldstein clarified and restated the motion, stating that his motion is if the results are consistent with the first report then the benefits can be approved, but if there is any discrepancy between the reasoning and/or the results, then a special called meeting can be held and seconded by Member Williams.

*The motion carried by the following vote: **9-0-0.***

Chairman Moss recognized Mr. Gignilliat to notify and provide an overview to the Board regarding two vested former employees, Shantel Bowens and Debbie Bailey, and their convictions of a public employment-related crime. Notification memos were distributed to the Board, and a hearing was set at the Office of State Administrative Hearings for July 25, 2018.

Chairman Moss recognized Mr. Gignilliat to discuss the participant definition item. Secretary Godfrey advised the board members where the legal memo resided in the packet. Mr. Gignilliat explained to the board members that it appears there was an oversight when the plan was amended that kept a one-year waiting period for participation requirements for elected officials. Mr. Gignilliat stated that, while there was some concern regarding the amendment being construed as an increase in benefits to elected officials, this would not count as one of those cases because of existing case law. Member Goldstein stated that it would be better to address the definition of employee simultaneously with fixing the waiting period language. Discussion was held to table the motion.

A motion was made by Member Goldstein to table this item with direction to look at the plan's definition of employee and whether it also needs to be changed and seconded by Member Richardson.

*The motion carried by the following vote: **9-0-0.***

Chairman Moss recognized Secretary Godfrey, who advised the board members where the legal memos resided in the packet regarding investment manager contract review. Mr. Gignilliat then briefed the board members on various items, ranging from forum and venue to indemnification. He stated that it will require more review and requested more dialogue with Ian Janecek outside of board meetings. Treasurer Lady stated that contracts were previously acted upon outside of meetings pending legal approval.

A motion was made by Member Richardson to allow Mr. Gignilliat to continue to go through the contracts with the city attorney and once legally sufficient and recommended to move forward without a meeting subject to a concern of any Board member and seconded by Member Goldstein.

*The motion carried by the following vote: **9-0-0.***

A motion to reconsider was made by Member Goldstein to give Board members 24 hours to respond and seconded by Member Buss.

*The motion carried by the following vote: **8-0-1 (Member Williams abstained).***

After further discussion, Mr. Gignilliat clarified that, after legal recommendations, the contracts would be circulated among Board members. After 24 hours without objections, the contracts will be signed by the Chairman as-is. Member Williams asked a question regarding receipt on a Friday.

Member Goldstein made a motion to amend the previous motion to reflect one business day instead of 24 hours and seconded by Member Richardson.

*The motion carried by the following vote: **9-0-0.***

Chairman Moss then called for a vote on the full motion as amended, which was to allow Mr. Gignilliat to continue to go through the contracts with the city attorney and once legally sufficient and recommended to move forward without a meeting subject to a concern of any Board member, with each member having one business day to respond.

The motion carried by the following vote: **9-0-0**.

MINUTES:

February 14, 2018, Regular Meeting

A motion was made by Member Goldstein to approve the February 14, 2018, Regular Meeting minutes subject to an amendment to reflect that the vote on the retirement applications was 8-0-0 instead of 8-0-1 and seconded by Member Brown.

The motion carried by the following vote: **9-0-0**.

February 14, 2018, Executive Session

A motion was made by Member Buss to approve the February 14, 2018, Executive Session minutes seconded by Member Richardson.

The motion carried by the following vote: **9-0-0**.

GENERAL PENSION REPORT – Gavion, LLC:

Ian Janecek and Scott Arnwine from Gavion presented the General Pension Report for the 1st quarter of calendar year 2018. Discussion was held regarding any movements that may have to be made to stay within the limits established by the Investment Policy Statement and state law. Member Bruton mentioned that an additional \$500K is being put into the pension fund over and above what is required for the coming budget year of FY19. Ian Janecek announced that Scott Arnwine was appointed by the Tennessee governor to the Tennessee Human Rights Commission.

SUPPLEMENTAL PENSION REPORT – AndCo Consulting:

Tony Kay from AndCo Consulting presented the Supplemental Pension Report for the 1st quarter of calendar year 2018. Discussion was held regarding the overall satisfaction regarding the transition from Principal to ICMA-RC and that the fixed income funds are still with Principal until November. Member Williams inquired regarding a participant survey. Secretary Godfrey stated that he would work with AndCo on the survey.

Secretary Godfrey then directed the Board's attention to the KTMC Securities Monitoring Report for the 1st Quarter 2018.

RETIREMENT APPLICATIONS – Secretary Godfrey:

1. Effective 1/1/2018
Roderick Turner
Consolidated Plan, Terminated Vested Early Retirement
Joint and Survivor Option—100% Pop-up
Employed: 4/23/81 to 1/6/1982, 10/3/1990 to 3/31/1997, 7 Years 1 Month
Monthly Benefit: \$110.66
CSW II

2. Effective 1/1/2018
Susan Townsend
4022 Automatic Survivor Benefit (24 months)
Employed: N/A
Monthly Benefit: \$1,741.52
Survivor of Rick Townsend
3. Effective 2/1/2018
Calvin Jones
Consolidated Plan, Terminated Vested Early Retirement
Joint and Survivor Option—100% Pop-up
Employed: 6/5/1989 to 8/9/1996, 7 Years 1 Month
Monthly Benefit: \$198.26
Traffic Signal Technician
4. Effective 2/1/2018
J C Womack
4022, Terminated Vested Early Retirement
4022 Automatic Survivor Benefit
Employed: 5/31/77 to 3/6/85, 7 Years 9 Months
Monthly Benefit: \$95.57
Water & Sewer Equipment Operator
5. Effective 2/1/2018
William Wigginton
Consolidated Plan, Terminated Vested Early Retirement
Single Life Option
Employed: 5/17/1993 to 5/26/2006, 1/2/2007 to 1/31/2008, 13 Years 11 Months
Monthly Benefit: \$610.00
Collections Representative
6. Effective 2/1/2018
James Fleming
4022, Terminated Vested Early Retirement
4022 Automatic Survivor Benefit
Employed: 1/10/1980 to 4/24/1985, 5 Years 2 Months
Monthly Benefit: \$75.00
Apprentice Lineman
7. Effective 2/1/2018
Toney Langley
Consolidated Plan, Unreduced Early Retirement
Single Life Option.
Employed: 8/3/1989 to 1/31/2018, 28 Years 5 Months
Monthly Benefit: \$2,954.91
Police Officer

8. Effective 2/1/2018
Archie Joseph Duvall
4022, Alternate Retirement Benefit
Single Life Option
Military Service: 1/5/1983 to 1/4/1986
Employed: 2/20/1987 to 1/31/2018, 31 Years 11 Months
Monthly Benefit: \$4,925.14
Police Major
9. Effective 2/1/2018
Robert Simpson
Consolidated Plan, Terminated Vested Early Retirement
Single Life Option
Employed: 9/20/1984 to 7/17/2006, 21 Years and 9 Months
Monthly Benefit: \$1,539.57
Foreperson Electrical Line
10. Effective 3/1/2018
Clifford Brannon
Consolidated Plan, Terminated Vested Early Retirement
Single Life Option
Employed: 8/24/1979 to 6/12/1980, 9/19/1980 to 5/6/1986, 9/20/1994 to 11/21/1994, 6
Years 5 Months
Monthly Benefit: \$123.73
Refuse Collector
11. Effective 3/1/2018
Jackie Gibbs
4022, Delayed Retirement
4022 Automatic Survivor Benefit
Employed: 8/11/77 to 2/28/2018, 40 Years 6 Months
Monthly Benefit: \$10,693.11
Fire Chief
12. Effective 3/1/2018
Rodney Scarbro
Consolidated Plan, Unreduced Early Retirement
Joint and Survivor Option—50% Pop-up
Employed: 2/20/1986 to 2/28/2018, 32 Years
Monthly Benefit: \$4,049.18
Training and Safety Manager
13. Effective 4/1/2018
Tammie Tucker
4022, Terminated Vested Normal Retirement
4022 Automatic Survivor Benefit
Employed: 10/4/1985 to 5/13/1993, 7 Years 6 Months
Monthly Benefit: \$210.46
Police Officer

14. Effective 4/1/2018
Ronald Abrams
Consolidated Plan, Terminated Vested Early Retirement
Joint and Survivor Option—100% Pop-up
Employed: 8/2/1979 to 7/9/1987, 7 Years 10 Months
Monthly Benefit: \$139.45
Meter Reader

15. Effective 4/1/2018
Richard Hall
4022, Terminated Vested Early Retirement
4022 Automatic Survivor Benefit
Employed: 4/11/1974 to 5/6/1975, 7/28/1977 to 10/17/1986, 10 Years 2 Months
Monthly Benefit: \$168.36
Route Driver

Member Brown pointed out that, regarding application number one (Roderick Turner), the credited service was verified by the calculation committee.

A motion was made by Vice Chairman Steffes to approve the retirement applications and seconded by Member Brown.

The motion carried by the following vote: 9-0-0.

OLD BUSINESS:

UNREDUCED EARLY RETIREMENT ELIGIBILITY:

Chairman Moss opened the discussion regarding un-reduced early retirement eligibility at 35 years of service regardless of age. The cost to conduct the study separately is \$2,000. Chairman Moss stated that the actuary's experience study was coming up, and this item could be rolled into it. Treasurer Lady clarified that the study is recommended rather than required, and the "every 10 years" idea is related to how long it has been until the pension became a 10-year vesting period. He also stated that the Board should probably have the actuary provide a quote for the experience study plus the additional items requested and have the Board approve it. No one on the Board objected to asking the actuary to add ad hoc items.

MONTHLY MEETINGS AND TELECONFERENCING:

Vice Chairman Steffes has requested that the Board consider monthly meetings and teleconferencing. Discussion was held regarding pros and cons, as well as how to shorten the meetings. Discussion centered on whether the longer legal items need to be dealt with separately from normal business. Further discussion related to whether the meetings should be held in the 4th Floor Conference Room or in the Council Chamber as per the Council's recent action. Chairman Moss asked the members to bring back ideas regarding either keeping things the same, keeping things the same except for having a legal meeting in between the quarterly meetings, or having bi-monthly meetings.

NEW BUSINESS:

GAPPT ANNUAL CONFERENCE:

Chairman Moss stated that a motion is needed to authorize Treasurer Lady to release expenses for the purposes of the September GAPPT Conference. He directed all who are interested to submit the travel and training forms directly to Sam. Member Williams asked Secretary Godfrey if he was going to register everyone, and he answered in the affirmative.

A motion was made by Member Bruton to approve the retirement applications and seconded by Member Goldstein.

The motion carried by the following vote: **9-0-0**.

CREDITING MILITARY SERVICE:

Chairman Moss opened discussion regarding how military service is credited. He stated that the code does not differentiate between active duty while in a reserve status or active duty while in a regular status. Secretary Godfrey stated that a DD Form 214 has always been the document required to prove active duty service, and typically the service must have been consecutive. Herman Trautwein, an applicant for retirement, has a Retirement Points Accounting System (RPAS) statement that shows points indicating active duty, but does not have a DD Form 214, and the RPAS statement does not indicate if the service was consecutive. Discussion centered around the vagueness of the current code related to full or whole months. Member Richardson stated that the applicant should not pay the price for the code being vague. Chairman Moss stated that a motion was needed to allow the applicant to retire with 12 months of active military service credit for the retirement calculation, and that more discussion was needed regarding whether the current code should be clarified.

A motion was made by Member Buss to include the service provided by Mr. Trautwein and seconded by Member Bruton.

The motion carried by the following vote: **9-0-0**.

Chairman Moss stated that he and Secretary Godfrey could review this section and come back with a future amendment recommendation.

FUTURE ESTABLISHED MEETINGS:

August 8, 2018, 9:00am: Regular Meeting

ADJOURNMENT:

A motion was made by Member Williams to adjourn the meeting and seconded by Member Brown.

The motion carried by the following vote: **9-0-0**. Meeting was adjourned at 12:01pm.

CITY OF MARIETTA/BLW PENSION BOARD MEETING

**Wednesday, May 9, 2018
9:00 AM – Fourth Floor Conference Room**

APPROVED THIS _____ DAY OF _____, 2018

Bobby Moss, Pension Board Chairman

ATTEST:

Davy Godfrey, Pension Board Secretary