

KNOX COUNTY RETIREMENT AND PENSION BOARD

November 18, 2019

The Knox County Retirement and Pension Board met in regular session on Monday, November 18, 2019, at 2:30 P.M. in the County Commission Conference Room 640, City-County Building, Knoxville, Tennessee.

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Hugh Nystrom, Vice Chairman, Ms. Tracy Foster, Secretary, Commissioner Randy Smith, Commissioner Larsen Jay, Ms. Janet Samar and Mr. Gabe Mullinax. Commissioner Brad Anders and Ms. Jennifer Hemmelgarn were absent.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross and Ms. Brenda Trollope

Legal Counsel: Ms. Ashley Trotto and Mr. John Owings

Retirement Staff: Ms. Jennifer Schroeder, Ms. Terri Chase, Mr. Zack Cole, Ms. Mitzi Stooksbury, Ms. Nyla Breshears and Ms. Savannah Russell

Others in attendance: Mr. Mike Steely, The Knoxville Focus

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA

Ms. Schroeder stated that an amended agenda was handed out.

IN RE: APPROVAL OF MINUTES OF OCTOBER 28, 2019

Chairman Caldwell presented the minutes for October 28, 2019. Ms. Foster made a motion to approve the minutes for October 28, 2019, as written. The motion was seconded by Ms. Samar and approved.

IN RE: APPLICATION FOR RETIREMENT – DEFINED BENEFIT PLAN, LUMP SUM DISTRIBUTION AND AUTHORIZATION OF CREDITED SERVICE BENEFIT BASED ON COMPLETED YEARS OF SERVICE

The following application for retirement, the lump sum benefit, and the credited service benefit based upon completed years of credited service at the date of retirement, as provided in the Defined Benefit Plan, was presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Patricia Williams	Juvenile Services	38 years 8 months	December 1, 2019

A motion was made by Ms. Samar to approve the applications for retirement under the Defined Benefit Plan as presented and to authorize the Directed Custodian, Wells Fargo Bank, to make disposition of the benefits upon certification from USI and to authorize the Trustee, State Street Bank, to make payment of the credited service benefit and lump sum benefit. The motion was seconded by Commissioner Jay and approved.

IN RE: APPLICATIONS FOR RETIREMENT – DEFINED CONTRIBUTION PLAN AND AUTHORIZATION OF CREDITED SERVICE BENEFIT BASED ON COMPLETED YEARS OF SERVICE

The following applications for retirement and the credited service benefit based upon completed years of credited service at the date of retirement, as provided in the Defined Contribution Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>		<u>EFFECTIVE DATE</u>
Laura Chambers	PD	41 years	4 months	December 1, 2019
Betty Edsell	Schools	20 years	1 month	December 1, 2019
Kathy Mixon	Schools	15 years	2 months	December 1, 2019
Kim Renfro	Schools	21 years	10 months	December 1, 2019
Sarah Vaden	Schools	9 years	6 months	December 1, 2019
Nelle Watson	Schools	25 years	4 months	December 1, 2019
Vickie Woods	CrnCrt	22 years	8 months	December 1, 2019

A motion was made by Mr. Mullinax to approve the applications for retirement under the Defined Contribution Plan as presented and to authorize the Directed Custodian, Wells Fargo Bank, to make disposition of the benefits upon certification from USI and to authorize the Trustee, State Street Bank, to make payment of the credited service benefit. The motion was seconded by Commissioner Jay and approved.

IN RE: APPLICATION FOR RETIREMENT – UNIFORMED OFFICERS PENSION PLAN

The following application for retirement, as provided in the Uniformed Officers Pension Plan, was presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>		<u>EFFECTIVE DATE</u>
Robert Lawson	Sheriff	25 years	2 months	December 1, 2019

A motion was made by Mr. Mullinax to approve the application for retirement under the Uniformed Officers Pension Plan as presented and to authorize Trustee, State Street Bank, to make payment of the monthly benefits. The motion was seconded by Commissioner Nystrom and approved.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **USI Distribution Flow Charts** – Ms. Schroeder reviewed the current distribution process versus the simplified online distribution process.
- **Office Furniture** – Ms. Schroeder deferred the office furniture discussion until January.
- **Board Meeting Schedule 2020** – Ms. Schroeder presented a preliminary schedule to the Board and inquired on the best time for the meeting. Commissioner Jay made a motion to move the Board meetings to 3 o'clock unless a meeting is expected to exceed an hour. The motion was seconded by Commissioner Nystrom and approved.
- **USIRA Custodian Change**– Ms. Schroeder reported on the USIRA custodian change. In response to questions from the Board, Mr. Cross stated that the change is being proposed due to the current

custodian's replacement of key staff and deterioration in service. A motion was made by Commissioner Smith to approve the custodian change. The motion was seconded by Commissioner Nystrom and approved.

IN RE: REPORT OF INVESTMENT COMMITTEE

- **Monthly Rates of Return** – Commissioner Nystrom presented the rates of return for the Defined Contribution and Defined Benefit Plans and stated the overall rates of return are in line with the respective markets.
- **USI Fund Changes** – Commissioner Nystrom reported on the proposed USI fund changes then reviewed the options for changes. He described the recommendation from the Investment Committee with respect to each. As Chairman of the Investment Committee, Commissioner Nystrom made a motion to approve the Investment Committee's recommendation as documented in the attached *Investment Committee Summary and Recommendations*. The motion was seconded by Commissioner Smith and was approved.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings had no legal report.

Ms. Trotto had no legal report.

IN RE: REPORT OF ACTUARY

Mr. Cross had no report.

IN RE: APPROVAL OF PAYMENT – STATEMENT OF ACCOUNT

The following statement of accounts for professional services was presented for consideration and approval of payment, in accordance with agreements, audits and recommended for payment by Ms. Schroeder:

FEE SCHEDULE

Invoices for NOV 2019 (Legal Invoices are approved for the previous Months Expense)	Fiscal 20 YTD Approved Invoices 10/31/2019	NOV Invoice For Approval	Fiscal 20 YTD Approved Invoices 11/30/2019	FY 20 Budget vs. Actual 11/30/2019
BENXL Invoice #		\$0.00		Budget \$50,000.00
TOTAL BENXL	\$6,000.00	\$0.00	\$6,000.00	Expenses -\$6,000.00 Remaining Budget \$44,000.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #				\$0.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$0.00	\$0.00	\$0.00	\$0.00
Owings, Wilson & Coleman Invoice # 9943M Invoice # 9942M 103119 *** TOTAL OWINGS, WILSON & COLEMAN		\$0.00 \$9,228.35 \$9,228.35		Budget \$25,000.00 Expense -\$26,708.98 Remaining Budget -\$1,708.98
USI CONSULTING GROUP Invoice # 90032916 Invoice #		\$26,775.25 \$0.00		Budget \$475,000.00 Expense -\$167,013.18 Remaining Budget \$307,986.82
TOTAL USI CONSULTING GROUP	\$140,237.93	\$26,775.25	\$167,013.18	
Invoices for NOV 2019	\$163,718.56	\$36,003.60	\$199,722.16	

*** Retainer not included in approved billings for the Board

		Fiscal 20 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$20,000.00
Kennerly Montgomery Retainer	\$12,000 per month	\$60,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$74,000.00
Fees Received from QDRO* Participants	\$500 (DC Fee) \$2,000 (DB Fee)	\$1,500.00 \$0.00

*QDRO fee is Paid to Retirement Office which offsets the legal fee

After review of the statement of accounts and invoices, a motion was made by Commissioner Jay that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Ms. Samar and approved.

ADJOURNMENT

Chairman Caldwell asked if there was a motion to adjourn. Commissioner Jay made a motion to adjourn, which was seconded by Ms. Samar, and the meeting was adjourned.



MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL



MS. TRACY FOSTER, SECRETARY
Hugh Nystrom

Attachments:

- 1.) Investment Committee Summary and Recommendations

Knox County Investment Committee Meeting
11/12/2019

Knox County Closed Defined Benefit Plan, Teacher's Plan, & Uniformed Officer's Pension Plan

Current Investment: Invesco Oppenheimer International Gr R6

Recommendation: MFS Intl International Equity

Current Investment: Invesco Oppenheimer Senior FI RtR6

Recommendation: Merger Institutional

Transamerica Short-Term Bond R6

Knox County Employee Retirement and Asset Accumulation 401(a), 457 & MERP Plans and STAR

Current Investment: Invesco Oppenheimer International Gr A

Recommendation: BNY Mellon International Stock Fund A

Current Investment: Franklin Adjustable US Govt Secs A

Recommendation: Lord Abbett Short Duration Income A