

KNOX COUNTY RETIREMENT AND PENSION BOARD

June 22, 2020

The Knox County Retirement and Pension Board met in an electronic session on Monday, June 22, 2020, at 3:00 P.M. via electronic means and broadcast live at: <https://zoom.us/j/95968292480> (by phone: 1-646-558-8656, Meeting ID 959 6829 2480).

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

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Mr. Ralph Leeman, Mr. Austin Robinson and Ms. Brenda Trollope

Legal Counsel: Mr. Bill Mason, Ms. Ashley Trotto and Ms. Stephanie Coleman

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. Allen Sheets, Nationwide, Mr. Mike Steely, Knox Focus, Ms. Lysette Aviles, Sheriff, Ms. Jessica Rigney, Sheriff, and Mr. Mason Shelton, OWC

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order. Chairman Caldwell read the following:

“A determination is needed by the Board regarding electronic meetings pursuant to the Governor’s Executive Order No. 16, executed on March 20, 2020, and recommendations from the Tennessee Comptroller of the Treasury, issued on March 20, 2020, and other applicable laws in effect. The Governor’s Order allows government agencies to amend or rescind portions of the Tennessee Open Meetings Act regarding electronic meetings in lieu of in-person attendance and participation. The Comptroller’s Office recommends that boards make a determination regarding the necessity of electronic meetings for continued function of government agencies and to protect public health, safety, and welfare during the outbreak of COVID-19. Such determination is to be placed on the record in the Board’s minutes. May I have a motion for this determination and to record this determination in the Board’s minutes?”

Commissioner Jay made a motion to approve the electronic meeting. The motion was seconded by Commissioner Nystrom. A roll call vote was taken. The motion passed unanimously.

IN RE: AMENDMENTS TO AGENDA

Ms. Schroeder stated that there were no amendments to the agenda.

IN RE: APPROVAL OF MINUTES OF MAY 26, 2020

Chairman Caldwell presented the minutes for May 26, 2020. Mr. Mullinax made a motion to approve the minutes for May 26, 2020, as written. The motion was seconded by Ms. Hemmelgarn. A roll call vote was taken. The motion passed unanimously.

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 applications 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, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Bobby Walton	Schools	41 years 2 months	July 1, 2020

A motion was made by Ms. Hemmelgarn 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 Ms. Samar. A roll call vote was taken. The motion passed unanimously.

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>
Carolynn Bilbo	Schools	35 years 10 months	July 1, 2020
Terry Bright	Schools	11 years 3 months	July 1, 2020
Brenda Caldwell	Schools	18 years 10 months	July 1, 2020
John Chicoine	PBA	20 years 8 months	July 1, 2020
Kenneth Herbsttritt	Schools	8 years 0 months	July 1, 2020
Debra Herron	Schools	35 years 2 months	July 1, 2020
Clifford Rodgers	ElectComm	9 years 1 month	July 1, 2020
John Sizemore	Schools	13 years 3 months	July 1, 2020
Stephen Slice	Schools	7 years 0 months	July 1, 2020

A motion was made by Ms. Hemmelgarn 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 Anders. A roll call vote was taken. The motion passed unanimously.

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>
Chris Holloway	Sheriff	28 years 0 months	July 1, 2020
Frank Wolfe	Sheriff	17 years 0 months	June 1, 2020
William Webb Jr.	Sheriff	26 years 7 months	July 1, 2020

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 Anders. A roll call vote was taken. The motion passed unanimously.

IN RE: REEMPLOYMENT OF JESSICA RIGNEY, SHERIFF’S OFFICE

Ms. Schroeder presented Ms. Rigney’s history of employment as a nurse in the Sheriff’s Office, termination prior to retirement, and Asset Plan distribution. Ms. Rigney was rehired in 2020 before the required 4-month waiting period for reemployment. After a full distribution of retirement funds, employees are not permitted to gain employment with any affiliated Knox County facilities within 4 months of their distribution date. However, the plan document states in Section VI-1.02(c)(1):

“In unusual circumstances, upon petition of a Former Participant, the Board may grant an exception to the waiting periods described in Section VI-1.02(a)(1) or (b)(1), where that is found to be in the best interest of the Employer based on circumstances beyond the control of the Former Participant.”

Ms. Aviles, Sheriff’s Human Resources, stated that the Sheriff’s department was struggling to find qualified individuals to fill nursing positions, particularly in light of the COVID-19 pandemic. Ms. Rigney had an exceptional employment record with the Sheriff’s department. Ms. Aviles stated that it was in the employer’s best interest to waive the waiting period in this case.

After discussion, Commissioner Anders made a motion to approve the reemployment of Jessica Rigney. The motion was seconded by Mr. Mullinax. A roll call vote was taken. The motion passed unanimously.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Nationwide CARES Act Benefit** – Ms. Schroeder reported that Nationwide has the ability to implement the special procedures available under the CARES Act for their 457 plans. However, this would be difficult to administer due to the differences in withdrawal limits between Nationwide and Knox County Retirement. Therefore, no CARES Act distributions will be permitted from the Nationwide 457 plan. Ms. Schroeder noted that there had not been any requests for CARES Act distributions from the Nationwide 457 Plan to date, but that if there was such a request in the future, this topic could be revisited.
- **Update of COVID-19 Distributions and Loans**– Ms. Schroeder reviewed the data of COVID-19 distributions and loans. The average distribution is \$16,417 of 85 administered. There have been 10 secondary loans and 10 approved requests to suspend loan repayments since the CARES ACT has been put into effect.

- **Office Return** – Ms. Schroeder stated that the staff is planning to return to work in the office on July 6, 2020.
- **Election** – Ms. Schroeder said she would begin working with the Election Committee next month.

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.

IN RE: REPORT OF LEGAL COUNSEL

Ms. Coleman had no report.

Mr. Mason had no report.

IN RE: REPORT OF ACTUARY

Mr. Cross had no report.

IN RE: APPROVAL OF PAYMENT – STATEMENT OF ACCOUNTS

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:

Invoices for JUNE 2020 <small>(Legal Invoices are approved for the previous Months Expense)</small>	Fiscal 20 YTD Approved Invoices 05/31/2020	JUN Invoice For Approval	Fiscal 20 YTD Approved Invoices 06/30/2020	FY 20 Budget vs. Actual 6/30/2020
BENXL				Budget \$50,000.00
Invoice #		\$0.00		
TOTAL BENXL	\$12,600.00	\$0.00	\$12,600.00	Expenses -\$12,600.00 Remaining Budget \$37,400.00
KENNERLY, MONTGOMERY & FINLEY, P.C.				\$0.00
Invoice # 216688		\$500.00		
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$2,500.00	\$500.00	\$3,000.00	-\$3,000.00
Owings, Wilson & Coleman				Budget \$25,000.00
Invoice #9943M Gilman		\$0.00		
Invoice # 9947M Glenn		\$658.00		
Invoice # 9942M Knox County vs. Etters		\$623.80		Expense -\$107,702.20
*** TOTAL OWINGS, WILSON & COLEMAN	\$106,420.40	\$1,281.80	\$107,702.20	Remaining Budget -\$82,702.20
USI CONSULTING GROUP				Budget \$475,000.00
Invoice # 90038751		\$21,937.50		
Invoice #		\$0.00		Expense -\$432,893.60
TOTAL USI CONSULTING GROUP	\$410,956.10	\$21,937.50	\$432,893.60	Remaining Budget \$42,106.40
Invoices for JUNE 2020	\$532,476.50	\$23,719.30	\$556,195.80	
*** Retainer not included in approved billings for the Board			Fiscal 20 YTD	
Owings, Wilson & Coleman Retainer	\$4,000 per month		\$48,000.00	
Kennerly Montgomery Retainer	\$12,000 per month		\$144,000.00	
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter		\$148,000.00	
Fees Received from QDRO* Participants	\$500 (DC Fee)		\$3,000.00	
	\$2,000 (DB Fee)		\$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 Nystrom that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Mr. Mullinax. A roll call vote was taken. The motion passed unanimously.

ADJOURNMENT

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

Chris Caldwell – Approved at Electronic Meeting held on 07/27/2020

MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL

Randy Smith – Approved at Electronic Meeting held on 07/27/2020

COMMISSIONER RANDY SMITH, SECRETARY