

KNOX COUNTY RETIREMENT AND PENSION BOARD

July 27, 2020

The Knox County Retirement and Pension Board met in an electronic session on Monday, July 27, 2020, at 3:00 P.M. via electronic means and broadcast live at: <https://knoxcounty.zoom.us/2165259583> (by phone: 1-646-558-8656, Meeting ID 216 525 9583).

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 and Ms. Jennifer Hemmelgarn. Ms. Janet Samar and Mr. Gabe Mullinax were absent.

Also present at the meeting were:

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

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

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

Others in attendance: Mr. Allen Sheets, Nationwide, Mr. Mike Steely, Knox Focus, Ms. Lysette Aviles, Sheriff, Mr. Nick McBride, Register of Deeds, Ms. Evelyn Gill, Commissioner, and Mayor Glenn Jacobs

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

IN RE: AMENDMENTS TO AGENDA

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

IN RE: APPROVAL OF MINUTES OF JUNE 22, 2020

Chairman Caldwell presented the minutes for June 22, 2020. Commissioner Jay made a motion to approve the minutes for June 22, 2020, as written. The motion was seconded by Commissioner Anders. A roll call vote was taken. The motion passed.

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>
Mary Carey	Schools	12 years 1 month	August 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 Commissioner Nystrom. A roll call vote was taken. The motion passed.

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>
Marcella Adcock	Schools	28 years 7 months	August 1, 2020
Pamela Bailey	Schools	26 years 9 months	August 1, 2020
William Blanton	Schools	10 years 4 months	August 1, 2020
Clarence Bragg	Schools	6 years 0 months	August 1, 2020
Debbie Branam	Schools	16 years 4 months	August 1, 2020
Thomas Brechko	MPC	20 years 8 months	August 1, 2020
Sandra Carroll	Schools	8 years 0 months	August 1, 2020
Etta Carero	EPW	12 years 3 months	August 1, 2020
Mary Clubb	Schools	12 years 10 months	August 1, 2020
Steven Cox	Schools	33 years 1 month	August 1, 2020
Teresa Cox	Schools	33 years 0 months	August 1, 2020
Laurette Crippen	Schools	12 years 11 months	August 1, 2020
Jeannie Dulaney	Schools	5 years 4 months	August 1, 2020
Cynthia Dunsmore	Schools	28 years 0 months	August 1, 2020
Deborah Emery	Schools	26 years 0 months	August 1, 2020
Everett Green	MPC	5 years 1 month	August 1, 2020
Linda Hill	Schools	23 years 6 months	August 1, 2020

Mark Hill	Schools	6 years	11 months	August 1, 2020
Janet Josefowicz	Schools	11 years	10 months	August 1, 2020
Terry Lethgo	Schools	39 years	0 months	August 1, 2020
Kimberly Merrick	Schools	20 years	8 months	August 1, 2020
Joyce Miller	Schools	19 years	6 months	August 1, 2020
Tracy Moore	Schools	22 years	0 months	August 1, 2020
Glenda Owens	Schools	26 years	7 months	August 1, 2020
Tommy Seagle	Finance	28 years	4 months	August 1, 2020
Frank Sheadrick	Schools	31 years	3 months	August 1, 2020
Kathy Smith	Schools	33 years	7 months	August 1, 2020
Vicki Thompson	Schools	15 years	0 months	August 1, 2020
Karen Van Rij	ComSvcs	22 years	4 months	August 1, 2020
Josephine VanVleet	Schools	18 years	0 months	August 1, 2020
Theresa Watson	Schools	21 years	0 months	August 1, 2020
Carol Wedekind	Schools	13 years	0 months	August 1, 2020
Benjamin White	EPW	22 years	6 months	August 1, 2020
Vera Wood	Schools	5 years	0 months	August 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 Jay. A roll call vote was taken. The motion passed.

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>
David Henderson	Sheriff	26 years 0 months	August 1, 2020

Mr. Owings stated that Mr. Henderson was in the paper regarding a felony charge. Mr. Owings has had correspondence with Mr. Bud Armstrong, wherein Mr. Armstrong concluded that there is no evidence of a “substantial basis” to suspend his retirement. Mr. Owings stated that his application for retirement is ready for consideration by the Board. Mr. Owings stated that if Mr. Henderson was subsequently to be found guilty, the County Charter would require a forfeiture of certain retirement payments.

A motion was made by Commissioner Anders 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. A roll call vote was taken. The motion passed.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Fiduciary Insurance Renewal** – Ms. Schroeder reported that the fiduciary insurance was being renewed. Application was sent Friday.
- **CARES Act Update** – Ms. Schroeder reported that the IRS published new guidance on the administration of certain CARES Act provisions. Ms. Trotto briefly summarized the new guidance and reported that a more detailed summary was in the packet.
- **Update of COVID-19 Distributions and Loans**– Ms. Schroeder reviewed the data of COVID-19 distributions and loans.
- **Election** – Ms. Schroeder said the Board will hold elections for Tracy Foster's position in February.
- **Furlough** – Ms. Schroeder reported that any person on furlough will receive credited service through July 31, 2020.
- **Audit** – Ms. Schroeder reported that the auditors will be in the office starting August 10th and plan to complete their work around August 28th.

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 reported on the investment report in the packet.

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 JULY 2020 <small>(Legal Invoices are approved for the previous Months Expense)</small>	Fiscal 20 YTD Approved Invoices 06/30/2020	JUL Invoice For Approval	Fiscal 20 YTD Approved Invoices 07/31/2020	FY 20 Budget vs. Actual 6/30/2020
BENXL Invoice #		\$0.00		Budget \$50,000.00 Expense -\$12,800.00 Remaining Budget \$37,400.00
TOTAL BENXL	\$12,600.00	\$0.00	\$12,600.00	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 216688		\$0.00		\$0.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$3,000.00	\$0.00	\$3,000.00	-\$3,000.00
Owings, Wilson & Coleman Invoice #9943M Gilman Invoice # 9947M Glenn Invoice # 9942M Knox County vs. Etters *** TOTAL OWINGS, WILSON & COLEMAN		\$425.00 \$975.00 \$800.00 \$2,200.00		Budget \$25,000.00 Expense -\$109,902.20 Remaining Budget \$84,902.20
USI CONSULTING GROUP Invoice # 90039434 Invoice #		\$27,500.25 \$0.00		Budget \$475,000.00 Expense -\$460,393.85 Remaining Budget \$14,606.15
TOTAL USI CONSULTING GROUP	\$432,893.00	\$27,500.25	\$460,393.85	
Invoices for JULY 2020	\$556,195.80	\$29,700.25	\$585,896.05	

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

		Fiscal 20 YTD	Fiscal 21 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$48,000.00	\$4,000.00
Kennerly Montgomery Retainer	\$12,000 per month	\$144,000.00	\$12,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$148,000.00	\$0.00
Fees Received from QDRO* Participants	\$500 (DC Fee) \$2,000 (DB Fee)	\$3,000.00 \$0.00	\$0.00 \$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 Anders that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Commissioner Nystrom. A roll call vote was taken. The motion passed.

ADJOURNMENT

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

Chris Caldwell – Approved at Electronic Meeting held on 08/24/2020

MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL

Randy Smith – Approved at Electronic Meeting held on 08/24/2020

COMMISSIONER RANDY SMITH, SECRETARY