

KNOX COUNTY RETIREMENT AND PENSION BOARD

November 16, 2020

The Knox County Retirement and Pension Board met in an electronic session on Monday, November 16, 2020, at 3:00 P.M. via electronic means and broadcast live at: <https://knoxcounty.zoom.us/99095690899> (by phone: 1-646-558-8656, Meeting ID 990 9569 0899, passcode 879411).

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Larsen Jay, Vice Chairman, Commissioner Randy Smith, Secretary, Commissioner Charles Busler, Commissioner Kyle Ward, Ms. Jennifer Hemmelgarn and Ms. Janet Samar. Mr. Gabe Mullinax was absent.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross and Mr. Ralph Leeman

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

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, Ms. Lysette Aviles, Sheriff's Office, Mr. Nick McBride, Register of Deeds and Mr. Rob Link, IT

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: DETERMINATION OF ELECTRONIC MEETING

Chairman Caldwell read the official public notice for holding this electronic meeting, then asked for a motion determining the necessity of such meeting.

"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 Smith. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

IN RE: AMENDMENTS TO AGENDA

Ms. Schroeder stated that there were amendments to the agenda and described the same.

IN RE: APPROVAL OF MINUTES OF OCTOBER 26, 2020

Chairman Caldwell presented the minutes for the board meeting held on October 26, 2020. Commissioner Smith made a motion to approve the minutes for October 26, 2020, as written. The motion was seconded by Ms. Hemmelgarn. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

IN RE: APPLICATIONS FOR DISABILITY BENEFIT – EMPLOYEE DISABILITY PLAN

The following applications for disability were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>DATE OF RECOMMENDATION FROM REEDGROUP</u>
Mark Ray	EPW	November 16, 2020

A motion was made by Commissioner Jay to approve the applications for disability. The motion was seconded by Ms. Hemmelgarn. A roll call vote was taken. All members present voted in favor. 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>
Sharon Baker	Schools	23 years 1 months	December 1, 2020
Janice King	Schools	10 years 0 months	December 1, 2020
Tresa Osborn	Schools	7 years 3 months	December 1, 2020
Tamara Ownby	Trustee	7 years 8 months	December 1, 2020
Susan Poorbaugh	ComSvcs	12 years 0 months	December 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 Busler. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Update of COVID-19 Distributions and Loans** – Ms. Schroeder reviewed the data of COVID-19 distributions and loans.
- **Board Meeting Schedule for 2021** – Ms. Schroeder reviewed the 2021 board meeting schedule.
- **Election Procedures and Committee** – Ms. Schroeder reported on a proposed election procedure. The procedure formalizes the current election process and reduces the number of signatures required to be obtained from potential candidates to 15. Commissioner Smith made a motion to approve the proposed election procedure. The motion was seconded by Ms.

Hemmelgarn. A roll call vote was taken. All members present voted in favor. The motion passed unanimously. The election committee will consist of Mr. Gabe Mullinax, Ms. Janet Samar, Ms. Kristin Parrott, Mr. Marcus Kennedy, Ms. Jennifer Schroeder, Mr. Jon Guymon and Ms. Brandy Lane.

IN RE: REPORT OF INVESTMENT COMMITTEE

- **Monthly Rates of Return** – Commissioner Smith 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.
- **Investment Policy Statements for the Defined Benefit & Defined Contribution Plans** – Investment policy statements for the DB and DC plans were presented to the Board. The policy statements were reviewed and recommended by the Investment Committee.

A motion was made by Chairman Caldwell to approve the Investment Committee's recommendation for the Defined Benefit plans (Closed DB Plan, UOPP, and Teacher's Plan). The motion was seconded by Ms. Samar. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

A motion was made by Chairman Caldwell to approve the Investment Committee's recommendation for the Defined Contribution plans (Asset Accumulation Plan, Deferred Compensation Plan, MERP, STAR base contribution, STAR supplemental contribution, and the Disability Plan). The motion was seconded by Ms. Hemmelgarn. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

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 NOV 2020 (Legal Invoices are approved for the previous Months Expense)	Fiscal 21 YTD Approved Invoices 10/31/2020	NOV Invoices For Approval	Fiscal 21 YTD Approved Invoices 11/30/2020	FY 21 Budget vs. Actual 11/30/2020
BENXL				Budget \$50,000.00
Invoice #		\$0.00		Expenses \$0.00
TOTAL BENXL	\$0.00	\$0.00	\$0.00	Remaining Budget \$50,000.00
KENNERLY, MONTGOMERY & FINLEY, P.C.				\$2,000.00
Invoice #		\$0.00		Rec'd from Participa \$500.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$500.00	\$0.00	\$500.00	\$2,500.00
Owings, Wilson & Coleman				Budget \$52,000.00
Invoice #9943M Gilman		\$150.00		
Invoice # 9947M Glenn		\$575.00		
Invoice # 9942M Knox County vs. Etters		\$34,858.25		Expense -\$87,151.37
*** TOTAL OWINGS, WILSON & COLEMAN	\$51,568.12	\$35,583.25	\$87,151.37	Remaining Budget -\$35,151.37
USI CONSULTING GROUP				Budget \$475,000.00
Invoice # 90044433		\$48,947.91		Expense -\$204,748.00
Invoice # 90045046		\$18,007.25		Remaining Budget \$270,252.00
TOTAL USI CONSULTING GROUP	\$137,792.84	\$66,955.16	\$204,748.00	
Invoices for NOV 2020	\$189,860.96	\$102,538.41	\$292,399.37	
*** Retainer not included in approved billings for the Board			Fiscal 21 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)		\$500.00	
	\$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 Smith that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Commissioner Jay. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

ADJOURNMENT

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

Chris Caldwell – Approved at Electronic Meeting held on 12/21/2020

MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL

Randy Smith – Approved at Electronic Meeting held on 12/21/2020

COMMISSIONER RANDY SMITH, SECRETARY