

KNOX COUNTY RETIREMENT AND PENSION BOARD

December 21, 2020

The Knox County Retirement and Pension Board met in an electronic session on Monday, December 21, 2020, at 3:00 P.M. via electronic means and broadcast live at: <https://knoxcounty.zoom.us/95050232194> (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, Ms. Jennifer Hemmelgarn, Ms. Janet Samar and Mr. Gabe Mullinax. Commissioner Kyle Ward was absent.

Also present at the meeting were:

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

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. Nick McBride, Register of Deeds, Mr. Rob Link, IT, Mr. Ted Hotz, Pugh & Co., and Mr. Gary Mitchell, Pugh & Co.

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 Busler made a motion to approve the electronic meeting. 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: AMENDMENTS TO AGENDA

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

IN RE: APPROVAL OF MINUTES OF NOVEMBER 16, 2020

Chairman Caldwell presented the minutes for the board meeting held on November 16, 2020. Mr. Mullinax made a motion to approve the minutes for November 16, 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: 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>
Darrell Sprouse	Schools	33 years 6 months	January 1, 2021

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 Jay. A roll call vote was taken. All members present voted in favor. 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>
Jewell Chambers	Schools	33 years 6 months	January 1, 2021
Deborah Davis	ROD	17 years 3 months	January 1, 2021
David Kerkhoff	Health	29 years 9 months	January 1, 2021
Elinda Lovvorn	Health	13 years 3 months	January 1, 2021
Robert McBee	Sheriff	43 years 5 months	January 1, 2021
Mary Powers	ComSvcs	5 years 9 months	January 1, 2021
Peggy Province	CrmCrt	25 years 4 months	January 1, 2021
Beth Sheddian	Schools	30 years 0 months	January 1, 2021
Cheryl Sheridan	Schools	31 years 4 months	January 1, 2021
Leonard Warnack	EPW	17 years 6 months	January 1, 2021
Terisa Widener	Sheriff	16 years 2 months	January 1, 2021

A motion was made by Commissioner Jay 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 Ms. Hemmelgarn. A roll call vote was taken. All members present voted in favor. 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>
Charles Frankenburg	Sheriff	26 years 10 months	January 1, 2021
Mary Kennedy	Sheriff	29 years 6 months	January 1, 2021
Michelle Poteet	Sheriff	28 years 2 months	January 1, 2021

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

IN RE: REPORT OF FY19 AUDIT

Mr. Ted Hotz of Pugh and Company stated that the audit for the Retirement and Pension Board is complete and an electronic copy is available in the Retirement and Pension Board Office. Mr. Hotz presented an overview of the audit for period ending June 30, 2020. Mr. Hotz reviewed the governance letter and recapped the audit, stating overall the procedures and numbers are good and the audit ran smoothly. There were no audit findings in FY20.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Update of COVID-19 Distributions and Loans** – Ms. Schroeder reviewed the data of COVID-19 distributions and loans.
- **COLA's** – Ms. Schroeder updated the Board on the progress of 2021 COLAs. The City Teachers' Plan COLA is 1.4%. The UOPP, Defined Benefit Plan, and Disability Plan (pre-2014) COLAs are 3%.
- **Election** – Ms. Schroeder reported that the election for the school seat currently held by Jennifer Hemmelgarn and to fill the county seat vacated by Tracy Foster will be held on February 11th. There will be a mass email on January 28th informing participants of the election. Election voting will start at 4 p.m. on February 10th and runs until 4 p.m. on February 11th. This will accommodate 2nd and 3rd shift voters.
- **Valuation** – Ms. Schroeder anticipates necessary reports for completing the valuation to be sent to USI by February 1st.

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. Mr. Cross confirmed and touched on the differences between 2020 and 2019.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings reported on the status of the Etter's case. He anticipates the case to be on hold for at least another 30 days considering the recent record number of COVID-19 cases and Executive Order 70 issued by Governor Lee. The Supreme Court issued an order extending the State of Emergency and reinstating the suspension of in-person court proceedings.

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 DEC 2020 (Legal Invoices are approved for the previous Months Expense)	Fiscal 21 YTD Approved Invoices 11/30/2020	DEC Invoices For Approval	Fiscal 21 YTD Approved Invoices 12/31/2020	FY 21 Budget vs. Actual 12/31/2020
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 # 219064		\$500.00		Rec'd from Participa \$500.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$500.00	\$500.00	\$1,000.00	Expenses \$1,000.00 Remaining Budget \$1,500.00
Owings, Wilson & Coleman				Budget \$52,000.00
Invoice #9943M Gilman		\$0.00		
Invoice # 9947M Glenn		\$0.00		
Invoice # 9942M Knox County vs. Eiters		\$733.53		Expense -\$87,884.90
*** TOTAL OWINGS, WILSON & COLEMAN	\$87,151.37	\$733.53	\$87,884.90	Remaining Budget -\$35,884.90
USI CONSULTING GROUP				Budget \$475,000.00
Invoice # 90045664		\$6,365.25		Expense -\$211,113.25
Invoice #		\$0.00		
TOTAL USI CONSULTING GROUP	\$204,748.00	\$6,365.25	\$211,113.25	Remaining Budget \$263,886.75
Invoices for DEC 2020	\$292,399.37	\$7,598.78	\$299,998.15	
*** Retainer not included in approved billings for the Board			Fiscal 21 YTD	
Owings, Wilson & Coleman Retainer	\$4,000 per month		\$24,000.00	
Kennerly Montgomery Retainer	\$12,000 per month		\$72,000.00	
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 Jay 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. All members present voted in favor. The motion passed unanimously.

Commissioner Smith requested an analyzed report for the overall increase in the budget and a projection for the legal counsel account for FY2021.

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 1/25/2021

MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL

Randy Smith – Approved at Electronic Meeting held on 1/25/2021

COMMISSIONER RANDY SMITH, SECRETARY