

KNOX COUNTY RETIREMENT AND PENSION BOARD

April 25, 2022

The Knox County Retirement and Pension Board met in regular session on Monday, April 25, 2022, at 3:00 P.M. in Room 640, City-County Building, Knoxville, Tennessee.

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, Mr. Chris Simons and Mr. Kevin Clark. Ms. Janet Samar and Mr. Jim Snowden were absent.

Also present at the meeting were:

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

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, Ms. Amanda Kitts, Sheriff, Ms. Lysette Aviles, Sheriff, and Ms. Allison Rogers, Sheriff

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA

Chairman Caldwell reported that there were no amendments to the agenda.

IN RE: APPROVAL OF MINUTES OF MARCH 28, 2022

Chairman Caldwell presented the minutes for the board meeting held on March 28, 2022. Commissioner Smith made a motion to approve the minutes for March 28, 2022, as written. The motion was seconded by Commissioner Busler. 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>
Brian Kerr	Sheriff	April 16, 2022

A motion was made by Commissioner Jay to approve the applications for disability. The motion was seconded by Commissioner Ward. 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>
Joyce Beeler	Schools	8 years	2 months	May 1, 2022
Martha Buchanan	Health	18 years	4 months	May 1, 2022
Pamela Capps	Schools	5 years	5 months	May 1, 2022
Deana Dillon	Parks&Rec	20 years	1 month	May 1, 2022
Joni Izzolena	JuvSvcs	15 years	1 month	May 1, 2022
Teresa Lawson	PropAss	28 years	0 months	May 1, 2022
Melissa McMahan	Schools	18 years	6 months	May 1, 2022
Mary Roberson	Schools	18 years	8 months	May 1, 2022
Martha Rosson	CommSvcs	24 years	5 months	May 1, 2022

A motion was made by Commissioner Smith to approve the applications for retirement under the Defined Contribution Plan as presented and to authorize the Directed Custodian, Charles Schwab, 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. All members present voted in favor. The motion passed unanimously.

IN RE: REQUEST BY SHERIFF’S OFFICE FOR PERMISSION TO REHIRE JERRY HARMON AS A RESERVE OFFICER

Ms. Schroeder reviewed the conditions of reemployment after retirement (attached). Ms. Aviles explained the circumstance of the request for Mr. Harmon to be rehired as a reserve officer prior to the completion of a four (4) month break in service. She explained that reserve officers are trained professionals for special events, transport, or any other responsibility to free up paid officers and that 90% of reserve officers are in unpaid voluntary positions that are bonded under the Sheriff’s Department. Commissioner Jay asked if the intent was to have a four-month break in service as a condition of re-employment in any compacity, even where unpaid. Mr. Mason responded that the four-month rule was adopted by the Board to comply with the IRS “bona fide” retirement rules, but that those rules do not specifically take into consideration voluntary employment like the kind being discussed. Commissioner Ward asked if this is an employment or a voluntary position and would this accrue credited years of service. Mr. Mason replied that this would not be accruing credited years of service and would technically be in a voluntary position even if bonded under the Sheriff’s Department. A motion was made by Commissioner Jay to approve the rehiring of Mr. Harmon and other future officers in the position of reserve officer (unpaid) without completion of the full four-month break in service. The motion was seconded by Commissioner Smith. All members present voted in favor. The motion passed unanimously.

IN RE: APPLICATIONS FOR RETIREMENT – UNIFORMED OFFICERS PENSION PLAN

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

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Daniel T. Davis II	Sheriff	9 years 6 months	March 1, 2022
Bene of Daniel Davis			
Jerry Harmon	Sheriff	29 years 10 months	May 1, 2022

A motion was made by Commissioner Jay 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 Mr. Simons. All members present voted in favor. The motion passed unanimously.

IN RE: RESOLUTION FOR PLAN AMENDMENT TO SHERIFF’S TOTAL ACCUMULATION PLAN

Ms. Schroeder conveyed that 70 correctional officer and 12 patrol officer positions were currently vacant. In an effort to recruit and retain officers, the Knox County Sheriff, in coordination with the Mayor's office, has proposed a reduction in the Employer contribution to STAR, to be implemented contemporaneously with STAR-eligible officer raises. The amendment would allow more flexibility over current wages versus retirement savings in sworn officer positions. The amendment would decrease the total employer contribution from 12% (10% base contribution and 2% supplemental contribution) to 6% (6% base contribution and no supplemental contribution). The proposed STAR amendment, including the incorporation of the prior CARES Act amendment, would be presented in a document committee meeting which will be scheduled for May or June. A motion was made by Commissioner Jay to authorize and direct the drafting of the STAR amendment and restatement, to be adopted on two readings. The motion was seconded by Commissioner Ward. All members present voted in favor. The motion passed unanimously.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Proposed Plan Amendment due to Knox County Schools Recommendation** – Ms. Schroeder informed the Board that the proposed plan amendment would be deferred until the School Board takes action on the proposed transfer to TCRS (scheduled for April 27th).
- **Schedule Document Committee Meeting** – Ms. Schroeder stated that the STAR amendment needed to be reviewed by the document committee. The document committee meeting will be held Wednesday, May 11th.
- **Schedule Disability Committee Meeting** – Ms. Schroeder stated that the disability committee meeting will be held Wednesday, May 18th at 1:00.
- **Schedule Special Board Meeting in June** – Ms. Schroeder stated that a special board meeting will be held Monday, June 6th at 3:00.
- **First Quarter Plan Summaries** – Ms. Schroeder presented the first quarter plan summaries.

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 respective markets.

IN RE: REPORT OF LEGAL COUNSEL

Ms. Coleman reported on the hearing held April 14th.

Mr. Mason had no report.

IN RE: REPORT OF ACTUARY

Mr. Cross reported that actuarial reports will be present at the next Board meeting and experience studies will be published soon.

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 APR 2022 For FY 22 (Legal Invoices are approved for the previous Months Expense)	Fiscal 22 YTD Approved Invoices 03/31/2022	APR Invoices For Approval	Fiscal 22 YTD Approved 4/30/2022	FY 22 Budget vs. Actual 4/30/2022
BENXL Invoice #		\$0.00		Budget \$50,000.00 From FY21 \$50,000.00 Expenses \$0.00 Remaining Budget \$100,000.00
TOTAL BENXL	\$0.00	\$0.00	\$0.00	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 225243		\$0.00		QDRO* \$2,000.00 Rec'd from Participle \$2,550.00 Expenses \$1,800.00 Remaining Budget \$2,750.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$1,800.00	\$0.00	\$1,800.00	
Owings, Wilson & Coleman Invoice # Invoice # Invoice # 9942M Knox County vs. Etters *** TOTAL OWINGS, WILSON & COLEMAN		\$0.00 \$0.00 \$3,305.00 \$3,305.00		Budget \$100,000.00 Expense -\$49,225.38 Remaining Budget \$50,774.62
*** TOTAL OWINGS, WILSON & COLEMAN	\$45,920.38	\$3,305.00	\$49,225.38	
USI CONSULTING GROUP Invoice # 90064881 Invoice #		\$41,433.25 \$0.00		Budget \$475,000.00 Expense -\$191,909.25 Remaining Budget \$283,090.75
TOTAL USI CONSULTING GROUP	\$150,476.00	\$41,433.25	\$191,909.25	
Invoices for APR 2022 For FY 22	\$198,196.38	\$44,738.25	\$242,934.63	

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

		Fiscal 22 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$40,000.00
Kennerly Montgomery Retainer	\$12,000 per month	\$120,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$111,000.00
Fees Received from QDRO* Participants	\$500 (DC Fee)	\$550.00
	\$2,000 (DB & UOPP Fee)	\$2,000.00

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

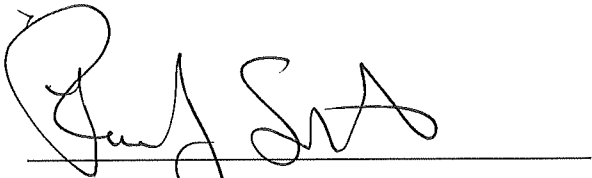
After review of the statement of accounts and invoices, a motion was made by Commissioner Jay that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Mr. Clark. All members present voted in favor. The motion passed unanimously.

ADJOURNMENT

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



MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL



COMMISSIONER RANDY SMITH, SECRETARY

Attachments:

- 1.) Conditions of Reemployment UOPP

Conditions of Reemployment Following Retirement from the Knox County Uniformed Officer's Pension Plan

Important Information for Your Consideration Before You Retire

The Uniformed Officer's Pension Plan (UOPP) contains restrictions on your ability to earn additional retirement benefits if you return to employment with any employer covered by the Knox County Retirement System (KCRS) after you retire. You need to understand these restrictions before you retire, so that you will know your responsibilities if you do decide to come back to work.

You will be UOPP Retiree when you have severed Knox County employment, have applied to receive and have been approved by the Pension Board to receive retirement benefits under UOPP.

Conditions of reemployment:

- At the time of your retirement, you cannot have any prearranged agreement whether verbal, written, express or implied to be reemployed in any capacity by any employer covered by KCRS. This includes part-time work to train, coach or mentor your successor.
- You cannot be reemployed in any position that is covered by KCRS (Government, Schools or Fee Offices; See attached for a complete list of employers covered by KCRS) until you have been retired and off the payroll for at least 4 full calendar months. There is an exception if you are elected or appointed to public office.
- If you are receiving benefits from UOPP and are reemployed between July 1, 2015 and June 30, 2025 (including elected or appointed to public office), your UOPP benefits will continue without suspension and without additional benefit accrual under UOPP.
- Even if you are reemployed in what would otherwise be the Eligible Class of the Asset Plan or STAR you will not accrue benefits under either of those plans during your period of reemployment.
- You may participate in the Knox County 457(b) Plan during your period of reemployment but you will not be eligible for any employer matching contribution.

Other Benefits:

If you have questions about retiree medical coverage, employee health plan coverage, disability plan coverage, employee life insurance or other benefit eligibility upon reemployment following retirement, please ask your supervisor or the Human Resources Department prior to accepting reemployment.

I hereby acknowledge that I received and read a copy of this Conditions on Reemployment Following Retirement and certify that I have not entered into any prearranged agreement, whether verbal, written, express, or implied, to be reemployed in any capacity by any employer covered by the Knox County Retirement System.

UOPP Applicant

Signature

Printed Name

Date: _____