

KNOX COUNTY RETIREMENT AND PENSION BOARD

SEPTEMBER 22, 2016

The Knox County Retirement and Pension Board met in regular session on Thursday, September 22, 2016, at 1:00 P.M. in the County Commission Conference Room 640, City-County Building, Knoxville, Tennessee. Chairman Trott presided and called the meeting to order.

The following members were present: Mr. Rick Trott, Chairman, Mr. Nick McBride, Vice Chairman, Ms. Robin Moody, Secretary, Commissioner Ed Brantley, Commissioner Hugh Nystrom, Commissioner John Schoonmaker, Commissioner Bob Thomas, and Ms. Ashley Huffaker. Mr. Caldwell, representing Mayor Tim Burchett attended via conference call but did not vote nor make any motions. Also present at the meeting were: Mrs. Carissa Dunaway, USICG, Mr. William Mason, Mrs. Stephanie Coleman, Legal Counsel, Mr. Wayne Sellers, Nationwide and Retirement staff, Mrs. Kim Bennett, Mrs. Terri Chase, Mrs. Jennifer Schroeder, and Mrs. Janet Rowan.

IN RE: OATH OF OFFICE OF BOARD MEMBER HUGH NYSTROM

Mrs. Stephanie Coleman administered the following oath of office to newly elected Board Member Mr. Hugh Nystrom:

I, **HUGH NYSTROM**, having been duly elected to the Knox County Retirement and Pension Board, do solemnly swear that I will perform with fidelity the duties of a Board Member without prejudice, partiality or favor to the best of my skill and ability, so help me God.

Witness my hand this 22nd day of September, 2016.

/s/ Hugh Nystrom

HUGH NYSTROM

Subscribed and sworn to before me this 22nd day of September 2016.

/s/ Stephanie Coleman

STEPHANIE COLEMAN

Legal Counsel

IN RE: OATH OF OFFICE OF BOARD MEMBER JOHN SCHOONMAKER

Mrs. Stephanie Coleman administered the following oath of office to newly elected Board Member Mr. John Schoonmaker:

I, **JOHN SCHOONMAKER**, having been duly elected to the Knox County Retirement and Pension Board, do solemnly swear that I will perform with fidelity the duties of a Board Member without prejudice, partiality or favor to the best of my skill and ability, so help me God.

Witness my hand this 22nd day of September, 2016.

/s/ John Schoonmaker

JOHN SCHOONMAKER

Subscribed and sworn to before me this 22nd day of September 2016.

/s/ Stephanie Coleman

STEPHANIE COLEMAN

Legal Counsel

IN RE: RECOMMENDATION OF NOMINATING COMMITTEE

Mr. Chris Caldwell stated the Nominating Committee met and recommends the following officers for a one year term:

Mr. Rick Trott, Chairman

Mr. Nick McBride, Vice Chairman

Ms. Robin Moody, Secretary

A motion was made by Commissioner Thomas to elect the above members as officers. The motion was seconded by Commissioner Schoonmaker and unanimously carried.

IN RE: APPOINTMENTS OF COMMITTEES

Chairman Trott asked if any board member wished to change the Committee they were currently serving and no board member desired to change committees. Commissioner Thomas read the Committee members as matter of record to the board members. A motion wade made by Commissioner Thomas to continue with current membership of the committees. The motion was seconded by Mr. McBride and unanimously carried.

Chairman Trott made the following Committee appointments:

DISABILITY COMMITTEE: Commissioner Bob Thomas, Chairman
Commissioner Hugh Nystrom
Ms. Robin Moody
Mr. Rick Trott
Ms. Ashley Huffaker

DOCUMENT COMMITTEE: Mr. Chris Caldwell, Chairman

Commissioner Hugh Nystrom
Commissioner Bob Thomas
Mr. Nick McBride
Ms. Robin Moody

RETIREMENT AND INVESTMENT

EDUCATION

COMMITTEE: Commissioner Ed Brantley, Chairman
Commissioner Hugh Nystrom
Commissioner John Schoonmaker
Mr. Chris Caldwell
Ms. Ashley Huffaker
Mr. Nick McBride
Ms. Robin Moody
Mr. Rick Trott

TRUST INVESTMENT AND
ACTUARIAL STUDY

COMMITTEE: Mr. Nick McBride, Chairman
Commissioner Ed Brantley
Commissioner John Schoonmaker
Mr. Chris Caldwell

IN RE: APPROVAL OF MINUTES OF AUGUST 22, 2016

Consideration of approval of the minutes of the previous meeting of August 22, 2016, was presented. A motion was made by Mr. McBride that the minutes be approved as presented. The motion was seconded by Commissioner Brantley and unanimously approved.

IN RE: APPROVAL OF MINUTES OF SPECIAL CALLED BOARD MEETING OF AUGUST 30, 2016

Consideration of approval of the minutes of the previous meeting of August 30, 2016, was presented. A motion was made by Mr. McBride that the minutes be approved as presented. The motion was seconded by Commissioner Brantley and unanimously approved.

IN RE: APPLICATION FOR DISABILITY BENEFIT – EMPLOYEE DISABILITY PLAN

The application for disability benefits for JAMES B. PAGE, employee of the Sheriff's Dept, and a participant in the Uniformed Officers Pension Plan, was presented. Mr. Page has 18 years of credited service. Notification was received from UNUM dated September 21, 2016, recommending approval of a disability benefit for Mr. Page.

After discussion, a motion was made by Mr. McBride to accept the recommendation of UNUM to approve the request of Mr. Page for disability benefits as presented and to authorize the Directed Custodian, Wells Fargo Bank, to make disposition of the benefits in accordance with the terms of the Plan upon certification from USI. The motion was seconded by Commissioner Brantley and unanimously approved.

IN RE: APPLICATION FOR RETIREMENT – DEFINED BENEFIT PLAN, LUMP SUM DISTRIBUTION AND CREDITED SERVICE BENEFIT BASED ON COMPLETED YEARS OF SERVICE

The following applications for retirement along with 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>
Marilyn S Owens	Schools	28 years 9 months	October 1, 2016

After review, a motion was made by Commissioner Thomas to approve the application for retirement under the Defined Benefit Plan as presented and to authorize the Trustee, State Street Bank, to make disposition of the benefits. The motion was seconded by Commissioner Brantley and unanimously approved.

IN RE: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE ASSET ACCUMULATION 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 Asset Accumulation Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
<u>Teresa G Capps</u>	<u>Schools</u>	<u>20 years</u>	<u>October 1, 2016</u>
<u>Charles Cobb</u>	<u>Ppty Assessor</u>	<u>5 years 6 months</u>	<u>October 1, 2016</u>
<u>Earletta K Daniels</u>	<u>Schools</u>	<u>22 years 2 months</u>	<u>October 1, 2016</u>
<u>Vicki L Drane</u>	<u>Schools</u>	<u>11 years</u>	<u>October 1, 2016</u>
<u>Patricia Dunn</u>	<u>Schools</u>	<u>15 years</u>	<u>October 1, 2016</u>
<u>Karen Y French</u>	<u>Schools</u>	<u>24 years 9 months</u>	<u>October 1, 2016</u>
<u>Nancy L Hart</u>	<u>Schools</u>	<u>25 years 8 months</u>	<u>October 1, 2016</u>
<u>Timothy T Jones</u>	<u>EPW</u>	<u>31 years 5 month</u>	<u>October 1, 2016</u>
<u>Robert M Koho Jr</u>	<u>Ppty Assessor</u>	<u>17 years 9 months</u>	<u>October 1, 2016</u>
<u>Susan Meredith</u>	<u>Health</u>	<u>6 years 4 months</u>	<u>October 1, 2016</u>
<u>Mary A Miller</u>	<u>Sheriff</u>	<u>18 years 7 months</u>	<u>October 1, 2016</u>
<u>Terry H Nichols</u>	<u>EPW</u>	<u>5 years 7 months</u>	<u>October 1, 2016</u>
<u>Rebecca S Perry</u>	<u>Chancery Ct</u>	<u>19 years 7 months</u>	<u>October 1, 2016</u>
<u>Cele F Schaffer</u>	<u>Health</u>	<u>8 years</u>	<u>October 1, 2016</u>
<u>Linda D Turner</u>	<u>Ppty Assessor</u>	<u>7 years</u>	<u>October 1, 2016</u>
<u>James W Weaver</u>	<u>Ppty Assessor</u>	<u>7 years 5 months</u>	<u>October 1, 2016</u>

After review, a motion was made by Commissioner Thomas to approve the applications for retirement under the Asset Accumulation 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 Trustee, State Street Bank, to make payment of the credited service benefit. The motion was seconded by Commissioner Brantley and unanimously approved.

IN RE: CONSIDERATION OF ISSUANCE OF DEATH BENEFIT CERTIFICATES ON COMPLETED YEARS OF SERVICE

The request for issuance of certificates of death benefits as provided for in the Plan, based upon completed years of credited service at the date of retirement, for the following participant was presented for consideration:

Nancy L Hart

Mrs. Bennett stated retiree, Ms. Hart, had been on disability and had elected a death benefit at the time; therefore she was eligible for a revised death benefit at normal retirement.

After review, a motion was made by Commissioner Brantley to approve the request as presented and provided by the Plan. The motion was seconded by Mr. McBride and unanimously carried.

IN RE: REPORT OF EXECUTIVE DIRECTOR

Ms. Bennett stated the letters regarding the special one-time opportunity to receive prior Reserve Military Service credit were mailed to the Uniformed Officer's Pension Plan participants who timely applied for such credit. Each letter included specific details of each Officer's confirmed eligible service and cost of such service, if applicable. She stated the deadline to make an election to receive the confirmed service credit is October 31, 2016 and the deadline for payment is December 31, 2016. Mrs. Bennett stated some letters requested additional information for possible credited service and application deadlines for those participants will be handled on an individual basis depending on the timing of receipt of the information needed to make a determination. Mrs. Bennett gave a synopsis of the Uniformed Officers Pension Plan and credit for military service to assist the new Board Members with understanding the significance of the letters.

Ms. Bennett reported the following statistics for the **Loan Program**:

Asset Accumulation Plan

Total number of loans September 1-21, 2016	81 (which is 6.7% of eligible participants)
Total number of participants eligible for loans	1,216
Percentage of loans processed	6.7%
Number of Loans at Maximum Amount	46 or 56.8%
Number of Loans for Maximum Time	71 or 87.7%
Average Loan Balance	\$19,897

STAR – No participants eligible for loans.

Ms. Bennett reported the statistics for the Defined Contribution Plans as follows:

Distributions processed in August	70
New Hires processed August 1st through September 15 th	140

Mrs. Bennett presented a revised fee schedule format that would show the current fiscal year to date paid, the amount of invoices to be approved at the Board Meeting and the fiscal year to date including the invoices to be approved so that Board Members can see the status of fees at any given time during the fiscal year. She stated the new fee schedule format does include retainers for legal counsel as a separate line item in a different section, but does not include the quarterly contract cost for Benxl.

Mr. McBride stated that it was important for all Board Members to be aware of the total year to date expenses paid.

IN RE: REPORT OF INVESTMENT COMMITTEE

Mr. McBride presented the rates of return for the Defined Contribution Plans as of August 31, 2016, from USI that were distributed to the Board Members. He stated the federal fund rate remains unchanged.

Mr. McBride stated the Investment Committee should review the Medical Expense Retirement Plan and consider revising the employer match. Mr. Mason stated the current match continues through December 31, 2019 but could be amended.

Mr. McBride reported there are several funds on the watch list to be discussed at the November Investment Committee meeting. He advised if action needs to be taken prior to the November meeting, there would be a special called Investment Committee meeting.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Mason stated there was no business to report at this time.

Mrs. Coleman welcomed the new Commissioners to the Board and stated appreciation for their attendance at new Board Member orientation. She stated there was no other business to report at this time.

IN RE: REPORT OF ACTUARY

Mrs. Dunaway stated the GASB 67 and 68 reports will be deferred to the October meeting in the absence of Mr. Cross. She stated there was no other business to report at this time.

IN RE: STATEMENT OF ACCOUNTS AS AUDITED AND RECOMMENDED FOR PAYMENT BY KIM BENNETT, EXECUTIVE DIRECTOR

The following statement of accounts for professional services was presented for consideration of approval of payment, in accordance with agreements and audited and recommended for payment by Mrs. Bennett:

<u>Invoices for September 2016</u>	<u>Fiscal YTD Approved Invoices 9/30/2016</u>	<u>September Invoice For Approval</u>	<u>Fiscal YTD Approved Invoices 10/31/2016</u>
BENXL			
Invoice #102878	\$0.00	\$30,400.00	\$30,400.00
KENNERLY, MONTGOMERY & FINLEY, P.C.			
Invoice #198591		\$8,191.00	
KENNERLY, MONTGOMERY & FINLEY, P.C.			
Invoice #198593		\$1,167.50	
KENNERLY, MONTGOMERY & FINLEY, P.C.			
Invoice #198594		\$833.50	
KENNERLY, MONTGOMERY & FINLEY, P.C.			
Invoice #198595		\$500.00	
***Total Kennerly Montgomery	\$18,407.00		\$29,099.00
ROBERTSON, OVERBEY ***	\$0.00		\$0.00
USI CONSULTING GROUP			
Invoice #1000298	\$79,603.75	\$41,794.50	\$121,398.25
Invoices for September 2016	<u>\$98,010.75</u>	<u>\$82,886.50</u>	<u>\$180,897.25</u>

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

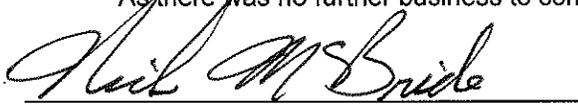
			<u>Fiscal YTD</u>
Robertson, Overbey Retainer	\$4,000 per month	\$	12,000.00
Kennerly Montgomery	\$5,000 per month	\$	15,000.00

After review of the statement of accounts and invoices, a motion was made by Commissioner Thomas that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Ms. Moody and unanimously approved.

Commissioner Brantley requested Chairman Trott to appoint a committee to review the Knox County Retirement & Pension Board legal fees and how they compare to others. Chairman Trott stated he will review and appoint a committee at the October Board meeting.

ADJOURNMENT

As there was no further business to come before the Board, the meeting was adjourned in order.



~~RICK TROTT, CHAIRMAN~~

Nick M^o Beide, V Chmn



ROBIN MOODY, SECRETARY