

KNOX COUNTY RETIREMENT AND PENSION BOARD

SPECIAL CALLED MEETING

JANUARY 5, 2018

The Knox County Retirement and Pension Board met in Special Called Meeting on Friday, January 5, 2018, at 9:00 A.M. in the County Commission Conference Room 640, City-County Building, Knoxville, Tennessee.

The following members were present: Mr. Chris Caldwell, Proxy for Mayor Burchett, Chairman, Commissioner Hugh Nystrom, Vice Chairman, Ms. Tracy Foster, Secretary, Commissioner John Schoonmaker, Commissioner Bob Thomas, Ms. Jennifer Hemmelgarn, and Mr. Zack Webb (Commissioner Ed Brantley and Mr. Garrett Raiden were absent)

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross

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

Law Director's Office: Mr. Bud Armstrong, Mr. David Wigler

Attorney: Mr. John Lucas

Retirement Staff: Ms. Kim Bennett, Ms. Jennifer Schroeder and Mr. Zack Cole

Others: Andrew Tucker, Sarah Jarrard

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: CONSIDERATION OF LEGAL REPRESENTATION FOR THE RETIREMENT & PENSION BOARD IN REGARD TO RECENT LAWSUITS

Chairman Caldwell stated that the following Resolution (attached) was given to each Board Member and opened the floor for discussion. Mr. Webb stated that he had reviewed the Resolution as presented and that it was similar to the Resolution read at the last Board Meeting. Mr. Webb made a motion to accept the Resolution as presented. Ms. Foster seconded the motion. Mr. Caldwell opened the floor for discussion. Commissioner Thomas stated that he respects everyone in the meeting and has heard the various opinions about who the Commissioners represent on this Board. Commissioner Thomas said that when this issue goes before a chancellor one word will be defined for us, that will be it and that he is comfortable with that outcome. But as far as the resolution, since there are too many moving parts that he could not vote for it. Commissioner Schoonmaker asked General Counsel a few questions regarding responsibility of the Commissioners, the waiver of conflict and potential testimony of Mr. Owings. Mr. Owings replied that Ms. Bennett is putting together materials regarding fiduciary responsibilities to be available to Board Members. Mr. Owings stated that a waiver has been signed by the majority of the Board members and that co-counsel is stipulated in the resolution. Commissioner Nystrom stated that he did additional research, and is okay with the waiver of conflict and the addition of co-counsel.

Commissioner Schoonmaker stated that a motion was on the floor with a second, and made a substitute motion to amend the Resolution to retain one law firm, Justice, Noel & Burks. Chairman Caldwell asked for a second, and when there was none stated the substitute motion failed due to lack of a second. Chairman Caldwell asked for a vote on the original motion by Mr. Webb. A vote was taken and Mr. Webb asked for a clarifying roll call vote. During the roll call vote, Board Members voting yes were Commissioner Nystrom, Ms. Foster, Ms. Hemmelgarn, Mr. Webb and Chairman Caldwell. Voting no were Commissioner Schoonmaker and Commissioner Thomas. The motion passed with a vote of 5 to 2 (Commissioner Brantley and Mr. Raiden were absent).

ADJOURNMENT

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

*Hugh Nystrom
for.*

MAYOR TIM BURCHETT, CHAIRMAN
BY PROXY, CHRIS CALDWELL

Tracy Foster

MS. TRACY FOSTER, SECRETARY

**A RESOLUTION OF THE KNOX COUNTY RETIREMENT AND PENSION BOARD
REGARDING LAWSUITS FILED ON BEHALF OF KNOX COUNTY, TENNESSEE**

WHEREAS, Knox County, Tennessee, by and through its Law Director, filed a lawsuit against attorney William **E.** Mason and his law firm of Kennerly, Montgomery & Finley, P.C. (hereinafter "Kennerly Montgomery") on November 20, 2017, in the Circuit Court of Knox County, Tennessee, Docket No. 1-435-17; and

WHEREAS, said lawsuit alleges that the Knox County Retirement and Pension Board (hereinafter "the Board") has acted unlawfully and violated its fiduciary responsibilities; and

WHEREAS, Knox County has joined this Board as a party Plaintiff in said matter without the consent of the Board; and

WHEREAS, this Board declines to be a party Plaintiff and the Law Director is hereby directed to cease and desist in his efforts to do so; and

WHEREAS, on November 22, 2017, Knox County, through attorney Keith Burroughs of Egerton McAfee, in consultation with the Knox County Law Director, filed a lawsuit against the Board in the Chancery Court of Knox County, Tennessee, Docket No. 194873-1; and

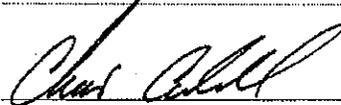
WHEREAS, the Board wishes to retain the law firms of Owings, Wilson & Coleman and Justice, Noel & Burks to jointly represent it in these two matters and to take all steps necessary to vigorously defend the Board and its staff therein; and

WHEREAS, the Board expressly waives any potential or alleged conflict of interest as noted in said lawsuits of attorney John Owings and provides its informed consent for his continued representation of the Board.

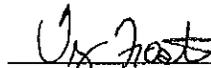
NOW THEREFORE BE IT RESOLVED that the Board declines to be a party Plaintiff in the Knox County Circuit case against attorney William E. Mason and Kennerly Montgomery and the Board directs the Law Director to cease and desist in his efforts to make the Board a party.

BE IT FURTHER RESOLVED that the Board retains Owings, Wilson & Coleman and Justice, Noel & Burks to jointly represent its interests in both *Knox County, Tennessee vs. William E. Mason and Kennerly Montgomery* and *Knox County, Tennessee vs. Knox County Retirement and Pension Board, et al.*, and to take all steps necessary to vigorously defend the Board and its staff therein, and the Board expressly waives any potential or alleged conflict of interest as noted in said lawsuits of attorney John Owings and provides its informed consent for his continued representation of the Board.

WE HEREBY CERTIFY that the foregoing Resolution was duly adopted pursuant to the provisions of the System and the Knox County Charter on January 5, 2018.



Chairman



Secretary

1/5/18
Date

1-5-18
Date