

**KNOX COUNTY RETIREMENT AND PENSION BOARD**

**January 28, 2019**

The Knox County Retirement and Pension Board met in regular session on Monday, January 28, 2019, at 3:00 P.M. in the County Commission Conference Room 640, City-County Building, Knoxville, Tennessee.

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Hugh Nystrom, Vice Chairman, Ms. Tracy Foster, Secretary, Commissioner Randy Smith, Commissioner Brad Anders, Ms. Jennifer Hemmelgarn, Mr. Garrett Raiden and Mr. Zack Webb. Commissioner Larsen Jay was absent.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Mr. Adam Davies, and Ms. Brenda Fiddler

Legal Counsel: Ms. Ashley Trotto, Ms. Stephanie Coleman, and Mr. John Owings

Retirement Staff: Ms. Kim Bennett, Ms. Jennifer Schroeder, Ms. Terri Chase, Mr. Zack Cole, Ms. Mitzi Stooksbury and Ms. Savannah Russell

Others in attendance: Commissioner Evelyn Gill, Mr. Mike Steely, Knox Focus, and Mr. Wayne Sellers, Nationwide

**IN RE: CALL TO ORDER**

Chairman Caldwell presided and called the meeting to order.

**IN RE: AMENDMENTS TO AGENDA**

Ms. Bennett stated there were amendments to the agenda.

**IN RE: APPROVAL OF MINUTES OF DECEMBER 17, 2018**

Chairman Caldwell presented the minutes for December 17, 2018. Commissioner Anders made a motion to approve the minutes for December 17, 2018. The motion was seconded by Commissioner Nystrom and approved.

**IN RE: APPLICATIONS FOR RETIREMENT – CLOSED DEFINED BENEFIT PLAN AND AUTHORIZATION OF LUMP SUM BENEFIT AND 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 Closed Defined Benefit Plan, were presented for consideration:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>CREDITED SERVICE</u></b>	<b><u>EFFECTIVE DATE</u></b>
Rebecca Lethco	Schools	31 years 7 months	February 1, 2019

A motion was made by Mr. Webb to approve the applications for retirement under the Closed 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 Ms. Hemmelgarn and approved.

**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>
John Ferguson	Sheriff	30 years 9 months	February 1, 2019

A motion was made by Commissioner Anders 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 Ms. Foster and approved.

**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>
Rhonda Alred	Schools	14 years 5 months	February 1, 2019
Leah Ashley	Schools	18 years 0 months	February 1, 2019
Anna Emert	Schools	16 years 6 months	February 1, 2019
Anita Fannin	Schools	8 years 9 months	February 1, 2019
John Griess III	Cnty Comm	12 years 4 months	February 1, 2019
Cheryl Griggs	Health	21 years 4 months	February 1, 2019
Elaine Grindle	Schools	13 years 7 months	February 1, 2019
Patricia Hale	EPW	15 years 8 months	February 1, 2019
Laura Hartwell	Schools	6 years 11 months	February 1, 2019
Becky Henson	Schools	25 years 6 months	February 1, 2019
Helen Jarrell	Schools	24 years 1 month	February 1, 2019
Kathy King	Schools	27 years 1 month	February 1, 2019
Janice Lamb	Schools	6 years 1 month	February 1, 2019
Peter Lin	Finance	15 years 7 months	February 1, 2019
Jimmie McMillian	Schools	10 years 10 months	February 1, 2019
Gary Messer	Health	21 years 3 months	February 1, 2019
Karen Micheletta	Schools	5 years 4 months	February 1, 2019
Vickie Napier	Schools	19 years 1 month	February 1, 2019
Amy Newby	Schools	11 years 1 month	February 1, 2019
Sally Polhemus	ComSvc	41 years 1 month	February 1, 2019
Linda Rolen	Schools	11 years 0 months	February 1, 2019
Larry Queener	PBA	15 years 11 months	February 1, 2019

<b>Debra Rush</b>	<b>Schools</b>	<b>16 years 6 months</b>	<b>February 1, 2019</b>
<b>Charlene Samples</b>	<b>Schools</b>	<b>16 years 9 months</b>	<b>February 1, 2019</b>
<b>Lynn Vander Naald</b>	<b>Schools</b>	<b>14 years 6 months</b>	<b>February 1, 2019</b>

A motion was made by Mr. Raiden 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 and approved.

**IN RE: REPORT OF EXECUTIVE DIRECTOR**

Ms. Bennett reported on the following:

- **E911 Closing Current Plan and Transferring to TCRS** – A meeting was held with E911 to discuss the termination of services. The termination letter stated an end date for Board services of March 31, 2019. Billing for fees in FY19 to be \$6,750.
- **Legal Fees** – The legal fee report was delayed to the next Board meeting.

**IN RE: FIRST READING FOR AMENDMENT AND RESTATEMENT OF UNIFORMED OFFICERS PENSION PLAN (UOPP)**

Chairman Caldwell presented first reading for amendment and restatement of the Uniformed Officers Pension Plan. A motion was made by Commissioner Anders to approve the first reading for the amendment and restatement of the Uniformed Officers Pension Plan. The motion was seconded by Ms. Foster and approved.

**IN RE: FIRST READING FOR AMENDMENT AND RESTATEMENT OF SHERIFF'S TOTAL ACCUMULATION PLAN (STAR)**

Chairman Caldwell presented first reading for amendment and restatement of the Sheriff's Total Accumulation Plan. A motion was made by Commissioner Nystrom to approve the first reading for the amendment and restatement of the Sheriff's Total Accumulation Plan. The motion was seconded by Mr. Raiden and approved.

**IN RE: FIRST READING FOR AMENDMENT AND RESTATEMENT OF EMPLOYEE BENEFIT SYSTEM**

Chairman Caldwell presented first reading for amendment and restatement of the Employee Benefit System. A motion was made by Commissioner Anders to approve the first reading for the amendment and restatement of the Employee Benefit System. The motion was seconded by Commissioner Nystrom and approved.

**IN RE: FIRST READING FOR AMENDMENT AND RESTATEMENT OF EMPLOYEE DISABILITY BENEFIT PLAN**

Chairman Caldwell presented first reading for amendment and restatement of the Employee Disability Benefit Plan. A motion was made by Commissioner Nystrom to approve the first reading for the amendment and restatement of the Employee Disability Benefit Plan. The motion was seconded by Mr. Webb and approved.

**IN RE: REPORT OF DISABILITY COMMITTEE**

Ms. Bennett discussed the disability committee meeting from January 22, 2019 by reviewing the Summary and Recommendations signed by Commissioner Jay, Chair of the Committee.

A motion was made by Mr. Raiden to approve the recommendations of the disability committee. The motion was seconded by Commissioner Nystrom and approved.

**IN RE: REPORT OF INVESTMENT COMMITTEE**

Mr. Webb reported on the following items:

- **Monthly Rates of Return** – Mr. Webb presented the rates of return for the Defined Contribution Plans and stated the overall rates of return are in line with the respective markets.
- **Blackout period for Investment Changes in the DC Plans, week of February 25, 2019** – Mr. Webb stated the blackout period for investment changes will be February 25, 2019.
- **Investment Committee meeting February 12<sup>th</sup> at 1:30 in room 640**

**IN RE: PENSION BOARD ELECTION FOR COUNTY AND SCHOOL EMPLOYEE REPRESENTATIVES**

- **Date of Election February 14, 2019** – Chairman Caldwell reported the date of the election will be held on Tuesday, February 14, 2019. Petitions for the election are due on January 31, 2019.

**IN RE: REPORT OF LEGAL COUNSEL**

Mr. Owings had no report.

Ms. Trotto had no report.

**IN RE: REPORT OF ACTUARY**

Mr. Cross had no report.

**IN RE: APPROVAL OF PAYMENT – STATEMENT OF ACCOUNT**

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. Bennett:

FEE SCHEDULE

Invoices for JAN 2019 (Legal Invoices are approved for the previous Months Expense)	Fiscal 19 YTD Approved Invoices 12/31/2018	JAN invoice For Approval	Fiscal 19 YTD Approved Invoices 01/31/2019
BENXL Invoice #  <b>TOTAL BENXL</b>	  <b>\$0.00</b>	  <b>\$0.00</b>	  <b>\$0.00</b>
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #  <b>***TOTAL KENNERLY, MONTGOMERY &amp; FINLEY, P.C.</b>	  <b>\$0.00</b>	  <b>\$0.00</b>	  <b>\$0.00</b>
Owings, Wilson & Coleman Invoice # 9917M - 12/31/2018  <b>*** TOTAL OWINGS, WILSON &amp; COLEMAN</b>	  <b>\$243,140.35</b>	 <b>\$11,778.08</b>  <b>\$11,778.08</b>	  <b>\$254,918.41</b>
JUSTICE, NOEL & BURKS Invoice #  <b>TOTAL JUSTICE, NOEL &amp; BURKS</b>	  <b>\$46,613.23</b>	 <b>\$0.00</b>  <b>\$0.00</b>	  <b>\$46,613.23</b>
LEWIS THOMASON (Mary Ann Stackhouse) Invoice # 341604  <b>TOTAL LEWIS THOMASON</b>	  <b>\$41,290.00</b>	 <b>\$0.00</b>  <b>\$0.00</b>	  <b>\$41,290.00</b>
USI CONSULTING GROUP Invoice # 90026306  <b>TOTAL USI CONSULTING GROUP</b>	  <b>\$243,661.17</b>	 <b>\$41,196.50</b>  <b>\$41,196.50</b>	  <b>\$284,857.67</b>
<b>Invoices for JAN 2019</b>	<b>\$563,539.45</b>	<b>\$52,974.56</b>	<b>\$627,679.31</b>

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

		<u>Fiscal 19 YTD</u>
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$28,000.00
Kennerly Montgomery Retainer	\$12,000 per month	\$84,000.00
USI Quarterly Fee	\$37,000 per quarter	\$74,000.00
Court Reporter for Hearings		\$1,503.20
Fees Received from QDRO Participants	\$500 (DC Fee) \$2,000 (DB Fee)	\$1,500.00 \$0.00

\*QDRO fee is Paid to Retirement Office which off sets the legal fee

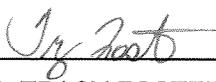
After review of the statement of accounts and invoices, a motion was made by Commissioner Nystrom that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Mr. Raiden and approved.

**ADJOURNMENT**

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



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MAYOR GLENN JACOBS, CHAIRMAN  
BY PROXY, CHRIS CALDWELL



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MS. TRACY FOSTER, SECRETARY

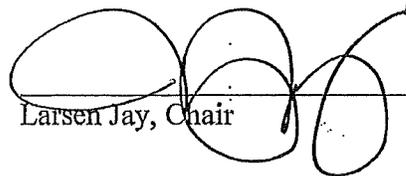
Attachments:

1. Summary and Recommendations of the Disability Committee

**Disability Committee  
Summary and Recommendations**

1. Procedure for suspending a Participant's benefit for non-responsiveness
  - a. Participants are required to provide evidence of continued disability annually
  - b. After 3 attempts (both by phone and in writing) to obtain the required documentation, Reed Group will recommend denial of the claim and the Executive Director will direct Reed Group to send a final letter notifying the Participant that his/her benefit will be suspended on the first day of the month following 30 days from the date of the letter
  - c. Benefits reinstated when the required information is received and paid retroactively, as necessary
  - d. All suspensions to be reported to the Board in the Executive Director's report
  
2. Definition of "Physician"
  - a. Participants are required to provide a physician's statement evidencing disability
  - b. Physician means any medical doctor, as currently defined in the Plans (excludes nurses, physicians' assistants, nurse practitioners, psychologists, etc.)
  - c. Physicians must be licensed in the United States
  
3. Definition of "Exhaust"
  - a. Participants must "exhaust" all leave, of whatever kind, before disability benefits commence
  - b. To exhaust means to use in the normal course, not including cash-out of leave, as currently administered
  
4. Reed Group Reports
  - a. Committee has requested a semi-annual report from Reed Group showing, among other things, the number of disability applications received, number of approval vs. denial recommendations, and best practices or changes in the disability landscape.

**Committee Recommendation:** Disability Committee recommends that the Board approve the above-described procedure for suspending a Participant's benefit for non-responsiveness, the definition of Physician and the definition of "exhaust."

  
Larsen Jay, Chair