

KNOX COUNTY RETIREMENT AND PENSION BOARD

June 24, 2024

The Knox County Retirement and Pension Board met in regular session on Monday, June 24, 2024, at 3:00 P.M. in Room 575, City-County Building, Knoxville, Tennessee.

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Larsen Jay, Vice Chairman, Commissioner Terry Hill, Mr. Jim Snowden, Mr. Zac Fullerton, Mr. Matthew Schlosshan and Mr. Chris Simons. Commissioner Richie Beeler, Secretary and Commissioner Kyle Ward were absent.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Mr. Ralph Lehman and Ms. Jennier Reynolds

Legal Counsel: Ms. Ashley Trotto, Ms. Stephanie Coleman and Ms. Sarah Jarrad

Retirement Staff: Ms. Jennifer Schroeder, Ms. Terri Chase, Ms. Nyla Breshears, Mr. Zack Cole, Ms. Savannah Russell and Ms. Faith Sullivan

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA

Chairman Caldwell reported there were no amendments to the agenda.

IN RE: APPROVAL OF MINUTES OF May 20, 2024

Chairman Caldwell presented the minutes for the Board meeting held on May 20, 2024. Commissioner Jay made a motion to approve the minutes for May 20, 2024, as written. The motion was seconded by Mr. Snowden. 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>
Dorian Caron	MPC	12 years	5 months	July 1, 2024
Sandra Cessna	CoCik	10 years	8 months	July 1, 2024
Carlton Coram	Schools	46 years	7 months	July 1, 2024
Martha Flores Madrid	Schools	15 years	7 months	July 1, 2024
Brenda Freeman	Schools	16 years	7 months	July 1, 2024
Richard Hacker	Schools	11 years	6 months	July 1, 2024
Quintel Henry	Schools	7 years	9 months	July 1, 2024
Shiow Hung	Schools	9 years	7 months	July 1, 2024
Gordon Oliver	Schools	48 years	9 months	July 1, 2024

Fredrick Vito Sheriff 19 years 9 months July 1, 2024

A motion was made by Commissioner Hill 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 Mr. Schlosshan. 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>
Joseph Clevenger	Sheriff	25 years 0 months	July 1, 2024

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

IN RE: SECOND READING OF PLAN AMENDMENT AND RESTATEMENT FOR THE EMPLOYEE BENEFIT SYSTEM

Ms. Schroeder directed the Board to the summary of plan amendments included in the Board packet. A motion was made by Commissioner Jay to approve the second reading of the Plan amendment and restatement for the Employee Benefit System. The motion was seconded by Mr. Fullerton. All members present voted. The motion passed.

IN RE: SECOND READING OF PLAN AMENDMENT AND RESTATEMENT FOR THE SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN

A motion was made by Mr. Schlosshan to approve the second reading of the Plan amendment and restatement for the Sheriff's Total Accumulation Retirement Plan. The motion was seconded by Commissioner Jay. All members present voted. The motion passed.

IN RE: SECOND READING OF PLAN AMENDMENT AND RESTATEMENT FOR KNOX COUNTY EMPLOYEE DISABILITY BENEFIT PLAN

A motion was made by Commissioner Jay to approve the second reading of the Plan amendment and restatement for the Knox County Employee Disability Benefit Plan. The motion was seconded by Mr. Fullerton. All members present voted. The motion passed.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Retirement Seminars** – The Retirement office will continue hosting Retirement Seminars. Five seminars are scheduled in the next couple of weeks.
- **Update on RFQ for Legal Services** – The RFQ has been published with a close date of July 16, 2024.

- **Update Nationwide 457 transfer to USI** – All Nationwide accounts will transition to USI on September 25, 2024. All Contributions will be stopped June 30, 2024 to Nationwide and start into the USI 457 Plan on July 1, 2024. All participants with a Nationwide balance will receive a letter within the following weeks detailing the transfer.
- **TCRS Vesting**- Under the Political Subdivisions classification, elected officials in TCRS are vested after ten years. Several years ago, the state changed to a five-year vesting period. The County never adopted a resolution to change the vesting period from ten to five years. Because elected officials are often term limited, some TCRS participants are not meeting the ten-year vesting requirements. To close this gap, a resolution to reduce the vesting period to five years will be drafted by TCRS and presented to the Knox County Commission for approval. Once the associated cost is determined, there are options for payment, including paying the full amount up front, over a one-year rate increase, or over a 10-year rate increase.
- **UOPP Lawsuits** - Ms. Schroeder reported on the Ethers case, noting that the court agreed to reinstate the non-suit, thereby ending that litigation. However, a new suit has been filed against the Knox County Pension Board, Knox County, and the Mayor regarding the 3% salary cap. Ms. Schroeder asked the Board if Owings, Wilson, and Coleman will be retained to represent it on this suit, due to the current RFQ being completed. A motion was made by Commissioner Jay to retain Owings, Wilson, and Coleman as representation for the new lawsuit. The motion was seconded by Mr. Simons. All members present voted. The motion passed. Ms. Coleman stated that an executive session could be called following adjournment of the meeting to respond to any Board member questions regarding the new lawsuit.

IN RE: REPORT OF DISABILITY COMMITTEE

Commissioner Jay informed the Board of the Disability Committee's meeting prior to the Board Meeting. He stated a recommendation will be presented at the July meeting regarding a specific participant overpayment.

IN RE: REPORT OF INVESTMENT COMMITTEE

- **Monthly Rates of Return** – Mr. Simons 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

- **Owings, Wilson, & Coleman** – There was no report
- **Kennerly, Montgomery** – There was no report

IN RE: REPORT OF ACTUARY

There was 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 JUNE 2024 For FY 24 (Legal Invoices are approved for the previous Months Expense)	Fiscal 24 YTD Approved 5/31/2024	Invoices For Approval	Fiscal 24 YTD Approved 6/30/2024	FY 24 Budget vs. Actual 6/30/2024
BENXL Invoice # 103038		\$24,000.00		Budget \$50,000.00
TOTAL BENXL	\$19,200.00	\$24,000.00	\$43,200.00	Expenses -\$43,200.00 Remaining Budget \$6,800.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 234606 Invoice #		\$0.00 \$0.00		QDRO* \$2,000.00 Rec'd from Participant -\$2,500.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$1,800.00	\$0.00	\$1,800.00	Expenses \$1,800.00 Remaining Budget \$2,700.00
Owings, Wilson & Coleman Invoice # 9993M Rathbone Invoice # 9021M Ragon Invoice # 9942M Eilers Invoice # 9012M Stachey Invoice # 9011M Kitts		\$0.00 \$0.00 \$637.50 \$0.00 \$0.00		Budget \$125,000.00
*** TOTAL OWINGS, WILSON & COLEMAN	\$48,408.12	\$637.50	\$49,045.62	Expense -\$49,045.62 Remaining Budget \$75,954.38
USI CONSULTING GROUP Invoice # 90096737 Invoice # Invoice #		\$500.00 \$0.00 \$0.00		Budget \$475,000.00 Expense -\$278,571.25
TOTAL USI CONSULTING GROUP	\$278,071.25	\$500.00	\$278,571.25	Remaining Budget \$196,428.75
Invoices for JUNE 2024 For FY 24	\$347,479.37	\$25,137.50	\$372,616.87	

*** Retainer not included in approved billings for the Board		Fiscal 24 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$48,000.00
Kennerly Montgomery Retainer	\$12,000 per month	\$144,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$148,000.00
Fees Received from QDRO* Participants	\$500 (DC Fee) \$2,000 (DB & UOPP Fee)	-\$500.00 -\$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 Mr. Fullerton that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Mr. Simons. All members present voted in favor. The motion passed unanimously.

IN RE: PUBLIC COMMENT

There was no public comment.

**Summary of Proposed
Amendment and Restatement of the System, STAR, and Disability Plan**

The following summarizes the proposed amendments to the System, STAR, and Disability Plan as anticipated by the Board's adoption of the Document Committee's recommendation on February 26, 2024, and additional discussion at the Board's April meeting:

System:

- Amend definition of "Employee" to include individuals employed by the Knoxville-Knox County Office of Housing Stability, effective for payrolls on and after January 1, 2024.
- Clarify that an employee of an office jointly established by the City of Knoxville and Knox County who is covered by any other retirement plan is not a member of the Eligible Class.
- Reflect new name of the Metropolitan Planning Commission (Knoxville-Knox County Planning Commission)

STAR: Adjust Normal Retirement Age from age 57 and 10 years of service to age 55 and 5 years of service.

As an additional housekeeping amendment to the System and STAR, we propose removing references to outside 457 Plan providers, effective July 1, 2024.

Disability Plan: To conform the Disability Plan definition to that reflected in the January 1, 2024 valuation presented and approved at the Board's April meeting, we also propose an amendment to the definition of Compensation to maintain consistency with UOPP and the BENXL recordkeeping system.

Revised redline drafts of the changes proposed above were included in the May Board packet.

ADJOURNMENT

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



MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL



COMMISSIONER RICHIE BEELER, SECRETARY

1. Second Reading of Plan Amendment and Restatement for the Employee Benefit System
2. Second Reading of Plan Amendment and Restatement for the Sheriff's Total Accumulation Retirement Plan
3. Second Reading of Plan Amendment and Restatement for the Knox County Employee Disability Benefit Plan