

**KNOX COUNTY RETIREMENT BOARD**

**October 28, 2024**

The Knox County Retirement Board met in regular session on Monday, October 28, 2024, 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, Mr. Zac Fullerton, Secretary, Commissioner Terry Hill, Commissioner Shane Jackson, Commissioner Damon Rawls, Mr. Jim Snowden and Mr. Chris Simons. Mr. Matthew Schlosshan was absent.

Also present at the meeting were:

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

Legal Counsel: Ms. Ashley Trotto and Ms. Stephanie Coleman

Retirement Staff: Ms. Jennifer Schroeder, Ms. Terri Chase, Ms. Savannah Russell, Mr. Zack Cole 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 SEPTEMBER 23, 2024**

Chairman Caldwell presented the Minutes for the Board meeting held on September 23, 2024. Commissioner Jay made a motion to approve the Minutes for September 23, 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:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>CREDITED SERVICE</u></b>		<b><u>EFFECTIVE DATE</u></b>
Frank Cameron	Schools	24 years	0 months	November 1, 2024
Lisa Groce	Schools	14 years	9 months	November 1, 2024
Darlene Gwaltney	Health	27 years	8 months	November 1, 2024
James Huber	Sheriff	7 years	6 months	November 1, 2024
Mark Ray	EPW	16 years	5 months	November 1, 2024
Allen Richards	Parks&Rec	25 years	5 months	November 1, 2024
Janet Samar	Schools	17 years	6 months	November 1, 2024
David Waddell	CommSvcs	17 years	7 months	November 1, 2024

A motion was made by Commissioner Jay 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. Snowden. 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>
Robert Sutton	Sheriff	25 years 10 months	November 1, 2024

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. Fullerton. All members present voted in favor. The motion passed unanimously.

**IN RE: REPORT OF EXECUTIVE DIRECTOR**

- **National Retirement Security Month** – A flyer has been emailed to all active employees regarding information highlighting retirement offerings.
- **Update on Plan Amendments** – Ms. Schroeder explained the public notice did not go into effect to have the first reading of the Plan Amendment in October. The first reading will now take place in November, second reading in December. If approved by the Board, the 457 Roth option will be effective January 1, 2025. Ms. Schroeder confirmed that Tyler Technologies will support employees contributing to both the pre-tax and Roth 457 accounts, while maintaining the proper limits. The special age 60 to 63 catch-up contribution permitted by the SECURE Act will also be implemented.
- **Board Meetings for 2025** – Ms. Schroeder informed the Board that the Charter specifically states the Retirement Board will meet monthly. To change this, there would need to be a Charter amendment. The next amendment to the Charter would be effective in January 2026. The Board discussed whether this provision of the Charter could be changed by ordinance passed by 2/3 vote of the Commission. Ms. Schroeder suggested revising the provision to require periodic meetings, so the Board can decide the appropriate meeting frequency. Commissioner Jay asked how the approval of retirees would work with a change in meeting frequency. Ms. Schroeder clarified that the Board can give her authority to approve the retirees and she could present a spread of record listing the retirees at the next Board meeting. Commissioner Jay expressed his support for the Board continuing to approve retirees.
- **Audit Update** – Gary Mitchell will present the full Audit report at the November meeting. Ms. Schroeder is expecting a draft within the next week.
- **Attempted Security Breach** - Ms. Schroeder informed the Board of an attempted security breach and how the procedures put in place were able to thwart the attempt. Ms. Schroeder explained that the attempt initially took place with trying to contact USI as the participant. USI was not able to verify a Social Security number or a date of birth. The person then reached back out to USI with the correct information. USI contacted Ms. Schroeder to explain the situation. Additionally, the person tried to log

into the participant's USI account, which was stopped through the authenticator set up with USI. The participant also reached out to Ms. Schroeder. The participant's account has been locked as a precaution and a report has been filed with the Sheriff's Office. Commissioner Jackson questioned what action a hacker would be able to take if they were able to get past security. Ms. Schroeder explained they could request a distribution, but the distributions must be approved by the Retirement office. She further explained they could generate a loan, but the loan goes to the address on file and participants can not change their addresses without going through the Retirement office.

- **Disability – Return to Work** – Two disabled UOPP participants have returned to work, neither with Knox County. If the participants earn more than 20% of their pre-disability income, it will need to be offset. No offsets will occur for the first 12 months (consecutive or not) . Ms. Schroeder stated her plan to present a procedure for the offset at the November meeting. In response to Board questions, Ms. Schroeder stated that the annual recertification process should flag Participants with earnings while Disabled and Ms. Trotto explained the difference in the definition of Disability for Officers and general government participants.
- **Budget Amendment for Legal Fees** - Ms. Schroeder reminded the Board that both legal teams were approved to represent the Board at the previous meeting. There is an increase in retainer. An additional budget line item is needed for \$36,000. A motion was made by Commissioner Hill to approve the \$36,000 increase. The motion was seconded by Commissioner Jay. The motion passed. Mr. Jackson asked for a description of the increase. Ms. Schroeder explained neither firm has had an increase in retainer for almost eight years.

Ms. Schroeder notified the Board that Ms. Russell mailed 1,874 letters to participants that are not maximizing their 457 match.

**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** – Ms. Coleman informed the Board the Court has set the motion to dismiss the Ragon case for December 16, 2024. Both the County and Mayor have joined in the motion. Ms. Coleman summarized the case for the New Board members.
- **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 OCT 2024 For FY 25 (Legal Invoices are approved for the previous Months Expense)	Fiscal 25 YTD Approved 9/30/2024	Invoices For Approval	Fiscal 25 YTD Approved 10/31/2024	FY 25 Budget vs. Actual 10/31/2024
BENXL Invoice #				Budget \$50,000.00
TOTAL BENXL	\$5,200.00	\$0.00	\$5,200.00	Expenses -\$5,200.00 Remaining Budget \$44,800.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 236791 (A.G.) Invoice # 237683 (R.L.)				QDRO* \$2,000.00 Rec'd from Participan -\$3,000.00 Expenses \$1,500.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$1,500.00	\$0.00	\$1,500.00	\$3,500.00
Owings, Wilson & Coleman Invoice # 9038M Ragon Invoice # 9012M Stachey Invoice # 9011M Kitts *** TOTAL OWINGS, WILSON & COLEMAN		\$548.47 \$692.75 \$742.40 \$1,983.62		Budget \$100,000.00 Expense -\$27,635.09 Remaining Budget \$72,364.91
USI CONSULTING GROUP Invoice # 90101088 Invoice # Invoice #		\$47,360.50		Budget \$475,000.00 Expense -\$105,190.50 Remaining Budget \$369,809.50
TOTAL USI CONSULTING GROUP	\$57,830.00	\$47,360.50	\$105,190.50	
<b>Invoices for OCT 2024 For FY 25</b>	<b>\$90,181.47</b>	<b>\$49,344.12</b>	<b>\$139,525.59</b>	

*** Retainer not included in approved billings for the Board		Fiscal 25 YTD	
Owings, Wilson & Coleman Retainer	\$4,000 per month (July - Sept) \$5,000 per month (Oct - June)	\$12,000.00 \$5,000.00	\$17,000.00
Kennerly Montgomery Retainer	\$12,000 per month (July - Sept) \$15,000 per month (Oct - June)	\$36,000.00 \$15,000.00	\$51,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$74,000.00	
USI Disability Plan - Admin Fee	\$3,250 per quarter	\$7,500.00	
Fees Received from QDRO* Participants	\$500 (DC Fee) \$2,000 (DB & UOPP Fee)	-\$1,000.00 -\$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. Snowden that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Mr. Fullerton. All members present voted in favor. The motion passed unanimously.

**IN RE: PUBLIC COMMENT**

There was no public comment.

**ADJOURNMENT**

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



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MAYOR GLENN JACOBS, CHAIRMAN  
BY PROXY, CHRIS CALDWELL



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MR. ZAC FULLERTON, SECRETARY