

**KNOX COUNTY RETIREMENT AND PENSION BOARD**

**NOVEMBER 21, 2016**

The Knox County Retirement and Pension Board met in regular session on Monday, November 21, 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 Hugh Nystrom, Commissioner John Schoonmaker, Commissioner Bob Thomas, Mr. Chris Caldwell, representing Mayor Tim Burchett, and Ms. Ashley Huffaker. Also present at the meeting were: Mr. Bob Cross, Mrs. Carissa Dunaway, USICG, Mr. William Mason, Mr. John Owings, Mrs. Stephanie Coleman, Legal Counsel, Mr. David Buuck, Chief Deputy Law Director, Mr. Wayne Sellers, Nationwide, Mr. Tim Belcher, Knox County Sheriff's Office and Retirement staff, Mrs. Kim Bennett, Mrs. Jennifer Schroeder, Mrs. Terri Chase, and Mrs. Janet Rowan.

**IN RE: APPROVAL OF MINUTES OF OCTOBER 24, 2016**

Consideration of approval of the minutes of the previous meeting of October 24, 2016, was presented. A motion was made by Mr. Caldwell that the minutes be approved as presented. The motion was seconded by Commissioner Thomas and unanimously approved.

**IN RE: REQUEST FROM MIKE BARTLESON, OFFICER APPROVED FOR DISABILITY FROM THE SHERIFF'S DEPT TO SPEAK TO THE BOARD.**

Mr. Bartleson did not attend the Board Meeting.

**IN RE: REQUEST FROM JAMES PAGE, OFFICER APPROVED FOR DISABILITY FROM THE SHERIFF'S DEPT TO SPEAK TO THE BOARD.**

Mr. Page did not attend the Board Meeting.

**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>
Katherine N King	Schools	13 years	December 1, 2016
Laura W Love	Schools	29 years 5 months	December 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 Schoonmaker and unanimously approved.

**IN RE: APPLICATION 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>
Terry L Montgomery	Sheriff	28 years	December 1, 2016
Alfred S Branson, Beneficiary of Peggy Branson	Sheriff	27 years	December 1, 2016

After review, a motion was made by Commissioner Thomas to approve the applications for retirement under the Uniformed Officers Pension Plan as presented and authorize the Trustee, State Street Bank, to make disposition of the benefits. The motion was seconded by Commissioner Nystrom 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>
Mary K Atkins	Schools	15 years 9 months	December 1, 2016
Karen M Bacon	Trustee	10 years	December 1, 2016
Patricia Colfer	Schools	9 years	December 1, 2016
Joyce L Hodges	Schools	10 years 1 month	December 1, 2016
Hobart B Kropff	Schools	13 years 1 month	December 1, 2016
Pennie H Owen	Schools	21 years	December 1, 2016
Susan A Royster	Schools	15 years 5 months	December 1, 2016
Susan C Taylor	MPC	16 years 3 months	December 1, 2016

After review, a motion was made by Mr. Caldwell 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 Thomas 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:

**Laura W Love**

Mrs. Bennett stated retiree, Ms. Love, 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 Thomas to approve the request as presented and provided by the Plan. The motion was seconded by Mrs. Huffaker and unanimously carried.

**IN RE: REPORT OF EXECUTIVE DIRECTOR**

Mrs. Bennett reported open enrollment for County employees and retirees ended on Friday November 18<sup>th</sup>. She stated the office is contacting retirees that have not responded. Mrs. Bennett stated the open enrollment meetings went smoothly. Commissioner Nystrom complimented the team as he called late Friday and received assistance quickly. Mr. Caldwell reported less than 5% of employees did not complete requirements for the reduced insurance rate.

Mrs. Bennett reported the City Pension Board approved a 1.5% cost of living adjustment for the Teacher's Plan effective January 1, 2017.

After discussion, a motion was made by Commissioner Thomas to approve the cost of living adjustment as presented and provided by the Plan. The motion was seconded by Mrs. Huffaker and unanimously carried.

Mrs. Bennett stated per the plan design, the Defined Benefit and Uniformed Officers Pension Plan retirees will receive a 3% cost of living adjustment effective January 1, 2017.

Mrs. Bennett stated there will be an election in February 2017 to fill two employee elected positions (1 County and 1 Schools) currently served by Mr. McBride and Mrs. Huffaker. She stated notice of the election will be given to all employees, and they will have 30 days to present a petition with 25 signatures to run for office. Mrs. Bennett stated there has much success with online voting previously and she would recommend that again for this election. Mr. Caldwell, Chairman, will appoint members to the Election Committee.

Chairman Trott advised he is retiring January 1, 2017; therefore, there will be another vacant seat to fill at the election. He stated he would preside over the December Board Meeting then Vice Chairman McBride will serve until another member is elected as Chairman after the election.

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

**Asset Accumulation Plan**

Total number of loans September 1-November 18, 2016	146
Total number of participants eligible for loans	1,250
Percentage of loans processed	12%
Total value of all loans as of November 18, 2016	\$2,604,748.97
Average Loan Balance	\$17,841

**STAR** – No participants eligible for loans.

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

Distributions processed in October	71
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**IN RE: ADOPTION OF 2017 BOARD AND INVESTMENT COMMITTEE MEETING SCHEDULE**

Mrs. Bennett presented the Board and Investment Committee Meeting Schedule for 2017.

Mr. McBride requested to change the time of the meetings to 1:30 p.m. with the dates provided.

After discussion, a motion was made by Mr. McBride to change the meeting time to 1:30 p.m. and adopt the 2017 Retirement Board and Investment Committee Meeting Schedule. The motion was seconded by Commissioner Schoonmaker and unanimously approved.

The 2017 Meeting Schedule, as approved, is attached.

**IN RE: REPORT OF LEGAL REVIEW COMMITTEE**

Commissioner Schoonmaker reported the Legal Review Committee met on November 15<sup>th</sup> and reviewed alternatives for a solution to the fees such as consolidating to one firm and consolidating correspondence with the firm. He stated both legal firms are to present detailed proposals to the Committee by December 9<sup>th</sup>.

**IN RE: REPORT OF UOPP VACATION COMMITTEE**

Commissioner Nystrom reported the UOPP Vacation Committee will be meeting December 13<sup>th</sup> at 2:00 p.m. Mrs. Bennett stated she has been briefing individual members of the committee.

**IN RE: REPORT OF INVESTMENT COMMITTEE**

Mr. McBride stated the Investment Committee met on Tuesday, November 15<sup>th</sup> at 1:00 p.m. He stated Nationwide attended the meeting to discuss the Fixed Account interest guarantee and the withdrawal process. Mr. McBride reported Nationwide should be contacting him with detailed information.

Mr. McBride stated Wilshire Consultants recommends replacing Adelante (REIT manager) with CenterSquare which is an active manager. He stated that during the negotiations with the Pension Board, CenterSquare reduced fee amounts and the dollar amount required to join from its original proposal.

After discussion by the Board Members, a motion was made by Mr. McBride to accept the Investment Committee recommendation to replace Adelante with CenterSquare. The motion was seconded by Commissioner Schoonmaker and unanimously approved.

Mrs. Bennett stated the timing of the transfer is undetermined at this time as 30-day notice must be given to Adelante and then assets liquidated monthly before a transfer can be made.

Mr. McBride presented the rates of return for the Defined Contribution Plans as of October 31, 2016, from USI that were distributed to the Board Members.

**IN RE: REPORT OF LEGAL COUNSEL**

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

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

**IN RE: REPORT OF ACTUARY**

Mr. Cross stated the USI Consulting Group recommends changing the Trustee for the Defined Contribution Plans to First Tennessee Bank effective January 1, 2017 due to significant personnel changes at CountyBank. He stated USI Consulting Group pays the cost of the Trustee and the Trustee has no investment nor custodial responsibility.

Mr. Owings, of Robertson Overbey, requested to review the proposed Trust Agreements with First Tennessee Bank.

After discussion, Commissioner Thomas made a motion to approve Mrs. Bennett to sign the Trust Agreements, after legal review and approval by Mr. Owings of Robertson Overbey, to change the Trustee for the Defined Contribution Plans to First Tennessee Bank per recommendation of USI Consulting Group. The motion was seconded by Commissioner Nystrom and unanimously carried.

**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:

	<b>Fiscal YTD Approved Invoices 10/31/2016</b>	<b>November Invoice For Approval</b>	<b>Fiscal YTD Approved Invoices 11/30/2016</b>
<b>Invoices for November 2016</b>			
BENXL Invoice #		\$0.00	
<b>TOTAL BENXL</b>	<b>\$30,400.00</b>	<b>\$0.00</b>	<b>\$30,400.00</b>
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #		\$0.00	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 199532		\$2,476.50	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 199534		\$3,711.00	
<b>***TOTAL KENNERLY, MONTGOMERY &amp; FINLEY, P.C.</b>	<b>\$39,731.50</b>	<b>\$6,187.50</b>	<b>\$45,919.00</b>
ROBERTSON, OVERBEY Invoice #		\$0.00	
<b>*** TOTAL ROBERTSON, OVERBEY</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
USI CONSULTING GROUP Invoice # 90013305		\$12,741.50	
USI CONSULTING GROUP Invoice #		\$0.00	
<b>TOTAL USI CONSULTING GROUP</b>	<b>\$164,650.14</b>	<b>\$12,741.50</b>	<b>\$177,391.64</b>
<b>Invoices through November 2016</b>	<b>\$234,781.64</b>	<b>\$18,929.00</b>	<b>\$253,710.64</b>
*** Retainer not included in approved billings for the Board			Fiscal YTD
Robertson, Overbey Retainer	\$4,000 per month		\$20,000
Kennerly Montgomery Retainer	\$5,000 per month		\$25,000

Fees Received from QDRO Participants

\$500 (DC Fee)  
\$2,000 (DB Fee)

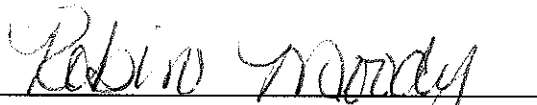
\$2,000  
\$0

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 Mrs. Huffaker and unanimously approved.

**ADJOURNMENT**

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

  
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RICK TROTT, CHAIRMAN

  
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ROBIN MOODY, SECRETARY

**2017  
KNOX COUNTY  
RETIREMENT & PENSION BOARD  
MEETING SCHEDULE**

Meetings listed below are held at the City-County Building, Room #640.

<b>BOARD MEETING SCHEDULE</b>		
<b>DAY</b>	<b>DATE</b>	<b>TIME</b>
Monday	January 23rd	1:30 p.m.
Monday	February 27th	1:30 p.m.
Monday	March 27th	1:30 p.m.
Monday	April 24th	1:30 p.m.
Monday	May 22nd	1:30 p.m.
Monday	June 26th	1:30 p.m.
Monday	July 24th	1:30 p.m.
Monday	August 28th	1:30 p.m.
Monday	September 25th	1:30 p.m.
Monday	October 23rd	1:30 p.m.
Monday	November 20th	1:30 p.m.
Monday	December 18th	1:30 p.m.

<b>INVESTMENT COMMITTEE MEETINGS</b>		
<b>DAY</b>	<b>DATE</b>	<b>TIME</b>
Tuesday	February 14th	1:30 p.m.
Tuesday	May 16th	1:30 p.m.
Tuesday	August 15th	1:30 p.m.
Tuesday	November 14th	1:30 p.m.