

KNOX COUNTY RETIREMENT AND PENSION BOARD

May 26, 2020

The Knox County Retirement and Pension Board met in an electronic session on Tuesday, May 26, 2020, at 3:00 P.M. via electronic means and broadcast live at: <https://zoom.us/j/91126783588> (by phone: 1-253-215-8782, Meeting ID 911 2678 3588).

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Hugh Nystrom, Vice Chairman, Commissioner Randy Smith, Secretary, Commissioner Brad Anders, Commissioner Larsen Jay, Ms. Jennifer Hemmelgarn, Ms. Janet Samar and Mr. Gabe Mullinax.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Mr. Ralph Leeman and Ms. Brenda Trollope

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

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

Others in attendance: Mr. Allen Sheets, Nationwide, Mr. Nick McBride, Register of Deeds, Mr. Ted Hotz, Pugh and Company, and Ms. Evelyn Gills, Commissioner

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order. Chairman Caldwell read the following:

“A determination is needed by the Board regarding electronic meetings pursuant to the Governor’s Executive Order No. 16, executed on March 20, 2020, and recommendations from the Tennessee Comptroller of the Treasury, issued on March 20, 2020, and other applicable laws in effect. The Governor’s Order allows government agencies to amend or rescind portions of the Tennessee Open Meetings Act regarding electronic meetings in lieu of in-person attendance and participation. The Comptroller’s Office recommends that boards make a determination regarding the necessity of electronic meetings for continued function of government agencies and to protect public health, safety, and welfare during the outbreak of COVID-19. Such determination is to be placed on the record in the Board’s minutes. May I have a motion for this determination and to record this determination in the Board’s minutes?”

Commissioner Jay made a motion to approve the electronic meeting. The motion was seconded by Commissioner Nystrom. A roll call vote was taken. The motion passed unanimously.

IN RE: AMENDMENTS TO AGENDA

Ms. Schroeder stated that there were amendments to the agenda to include USI and Nationwide fund changes. Commissioner Smith made a motion to approve the change to the meeting agenda. The motion was seconded by Commissioner Jay. A roll call vote was taken. The motion passed unanimously.

IN RE: APPROVAL OF MINUTES OF APRIL 27, 2020

Chairman Caldwell presented the minutes for April 27, 2020. Ms. Hemmelgarn made a motion to approve the minutes for April 27, 2020, as written. The motion was seconded by Ms. Samar. A roll call vote was taken. The motion passed unanimously.

IN RE: APPLICATION FOR RETIREMENT – DEFINED BENEFIT PLAN, LUMP SUM DISTRIBUTION AND AUTHORIZATION OF 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 Defined Benefit Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Dennis Scates	Schools	32 years 11 months	June 1, 2020

A motion was made by Commissioner Anders to approve the applications for retirement under the 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. A roll call vote was taken. 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>
Bonnie Bolejack	Schools	6 years 6 months	June 1, 2020
Stephanie Butler	Schools	23 years 10 months	June 1, 2020
Debra Hartsfield	Schools	7 years 1 months	June 1, 2020
Michael Hood	JuvSvcs	24 years 7 months	June 1, 2020
Carolyn Turner	Schools	26 years 7 months	June 1, 2020

A motion was made by Ms. Hemmelgarn 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 Commissioner Jay. A roll call vote was taken. The motion passed unanimously.

IN RE: APPLICATION FOR RETIREMENT – UNIFORMED OFFICERS PENSION PLAN

The following application for retirement, as provided in the Uniformed Officers Pension Plan, was presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Randall Crisp	Sheriff	25 years 0 months	June 1, 2020

A motion was made by Mr. Mullinax 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. Samar. A roll call vote was taken. The motion passed unanimously.

IN RE: PLAN AMENDMENTS

For information only, Mr. Mason presented the language of the UOPP amendment and restatement. drafted in accordance with Commissioner Smith's request and Board approval at the previous meeting. The language of the amendment and restatement was clarified to limit the application of the provision to retired Officers reemployed in entry level, non-supervisory positions. No further action was taken.

IN RE: VALUATIONS

- **Board of Education Report** - Mr. Cross reviewed the final valuation results for the Board of Education.
- **Defined Benefit Report** - Mr. Cross reviewed the final valuation results for the Closed Defined Benefit Plan.
- **Uniformed Officers Pension Plan Report** - Mr. Cross reviewed the final valuation results for the Uniformed Officers Pension Plan.
- **Disability Report** - Mr. Cross reviewed the final valuation results for the Disability Plan.

A motion was made by Commissioner Anders to accept the final valuation results. The motion was seconded by Mr. Mullinax. A roll call vote was taken. The motion passed unanimously.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Pugh & Company Audit Contract** – Ms. Schroeder presented the Pugh & Company audit contract. After discussion, Commissioner Nystrom made a motion to approve the Pugh & Company audit contract subject to review by legal counsel for the Knox County Retirement and Pension Office. The motion was seconded by Commissioner Jay. A roll call vote was taken. The motion passed unanimously.
- **Nationwide CARES Act Benefit** – Ms. Schroeder reported that Nationwide can implement the same governing CARES Act procedures for their 457 plans. There are still meetings to be held with Nationwide and attorneys to establish limitations and administrative procedures. This will have to be communicated effectively between Nationwide, USI and the Retirement Office. Mr. Mason highlighted the importance of treating the participant's accounts as if they were aggregated to ensure conformity across all plan balances. Mr. Owings stated that administrative meetings can take place and the information for those processes can be reviewed by the Board.
- **Update of COVID-19 Distributions and Loans**– Ms. Schroeder reviewed the data of COVID-19 distributions and loans.
- **Plan Summaries** – Ms. Schroeder reported on the plan summaries provided to the Board every quarter.

IN RE: REPORT OF INVESTMENT COMMITTEE

- **Monthly Rates of Return** – Commissioner Nystrom presented the rates of return for the Defined Contribution and Defined Benefit Plans and stated the overall rates of return are in line with the respective markets.
- **USI and Nationwide Fund Changes** – Mr. Cross and Mr. Allen Sheets reported on recommended fund changes within the plans.

Commissioner Nystrom made a motion to approve the USI recommended fund changes. The motion was seconded by Commissioner Jay. A roll call vote was taken. The motion passed unanimously.

Commissioner Nystrom made a motion to approve the Nationwide recommended fund changes. The motion was seconded by Mr. Mullinax. A roll call vote was taken. The motion passed unanimously.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings reported that courts are open with limitations. The motion to dismiss in the Etters case is scheduled for July 16, 2020, at 9:30 a.m. in Chancellor Weaver's court.

Mr. Mason had no report.

IN RE: REPORT OF ACTUARY

Mr. Cross had 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 MAY 2020 <small>(Legal Invoices are approved for the previous Months Expense)</small>	Fiscal 20 YTD Approved Invoices 04/30/2020	MAY Invoice For Approval	Fiscal 20 YTD Approved Invoices 05/31/2020	FY 20 Budget vs. Actual 5/31/2020
BENXL				Budget \$50,000.00
Invoice # 102965		\$6,600.00		Expenses -\$12,600.00
TOTAL BENXL	\$6,000.00	\$6,600.00	\$12,600.00	Remaining Budget \$37,400.00
KENNERLY, MONTGOMERY & FINLEY, P.C.				\$0.00
Invoice # 215480		\$0.00		
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$2,500.00	\$0.00	\$2,500.00	-\$2,500.00
Owings, Wilson & Coleman				Budget \$25,000.00
Invoice #9943M Gilman		\$212.50		
Invoice # 9947M Glenn		\$1,075.00		
Invoice # 9942M Knox County vs. Etters		\$0.00		Expense -\$106,420.40
*** TOTAL OWINGS, WILSON & COLEMAN	\$105,132.90	\$1,287.50	\$106,420.40	Remaining Budget -\$81,420.40
USI CONSULTING GROUP				Budget \$475,000.00
Invoice # 90038277		\$5,947.50		Expense -\$410,956.10
Invoice # 90036652		\$41,404.92		Remaining Budget \$64,043.90
TOTAL USI CONSULTING GROUP	\$363,603.68	\$47,352.42	\$410,956.10	
Invoices for MAY 2020	\$477,236.58	\$55,239.92	\$532,476.50	
*** Retainer not included in approved billings for the Board			Fiscal 20 YTD	
Owings, Wilson & Coleman Retainer	\$4,000 per month		\$44,000.00	
Kennerly Montgomery Retainer	\$12,000 per month		\$132,000.00	
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter		\$148,000.00	
Fees Received from QDRO* Participants	\$500 (DC Fee)		\$3,000.00	
	\$2,000 (DB Fee)		\$0.00	
*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 Commissioner Nystrom that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Ms. Hemmelgarn. A roll call vote was taken. The motion passed unanimously.

ADJOURNMENT

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

Chris Caldwell – Approved at Electronic Meeting held on 06/22/2020

MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL

Randy Smith – Approved at Electronic Meeting held on 06/22/2020

COMMISSIONER RANDY SMITH, SECRETARY