

**KNOX COUNTY RETIREMENT AND PENSION BOARD**

**July 26, 2021**

The Knox County Retirement and Pension Board met in regular session on Monday, July 26, 2021, at 3:00 P.M. in Room 640, City-County Building, Knoxville, Tennessee.

The following members were present: Commissioner Larsen Jay, Vice Chairman, Commissioner Randy Smith, Secretary, Commissioner Charles Busler, Ms. Janet Samar, Mr. Jim Snowden and Mr. Chris Simons. Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Kyle Ward and Mr. Gabe Mullinax were absent.

Also present at the meeting were:

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

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

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

Others in attendance: Mr. Allen Sheets, Nationwide, and Mr. Mike Steely, Knox Focus.

**IN RE: CALL TO ORDER**

Vice Chairman Jay presided and called the meeting to order.

**IN RE: AMENDMENTS TO AGENDA**

Commissioner Jay reported an amended agenda had been provided prior to the meeting.

**IN RE: APPROVAL OF MINUTES OF JUNE 28, 2021**

Commissioner Jay presented the minutes for the board meeting held on June 28, 2021. Commissioner Busler made a motion to approve the minutes for June 28, 2021, as written. The motion was seconded by Ms. Samar. All members present voted in favor. 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:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>CREDITED SERVICE</u></b>	<b><u>EFFECTIVE DATE</u></b>
<b>Sherri Owens</b>	<b>Schools</b>	<b>32 years 0 months</b>	<b>August 1, 2021</b>
<b>Phyllis Stewart</b>	<b>Schools</b>	<b>34 years 1 month</b>	<b>August 1, 2021</b>

A motion was made by Mr. Snowden to approve the applications for retirement under the Defined Benefit 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 and lump sum benefit. The motion was seconded by Mr. Simons. 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>
Anita Abbott	Schools	25 years	1 month	August 1, 2021
Renee Aeschlimann	Schools	15 years	11 months	August 1, 2021
Cynthia Archer	Schools	31 years	7 months	August 1, 2021
Davenna Baumgartner	Schools	20 years	6 months	August 1, 2021
Teresa Bryant	Schools	19 years	0 months	August 1, 2021
Patsy Burkhart	Schools	36 years	0 months	August 1, 2021
Nancy Clark	Schools	19 years	4 months	August 1, 2021
Brenda Galaska	Schools	14 years	0 months	August 1, 2021
David Griffin	PBA	20 years	6 months	August 1, 2021
Sherrie Hamby	Schools	15 years	10 months	August 1, 2021
Sheryl Hamrick	Schools	23 years	11 months	August 1, 2021
Sandra Hill	Schools	34 years	1 month	August 1, 2021
Patsy Johnson	Schools	18 years	9 months	August 1, 2021
Teresa Jones	Schools	35 years	9 months	August 1, 2021
Kimberly Keily	Schools	24 years	0 months	August 1, 2021
Cynthia Kitts	Schools	22 years	7 months	August 1, 2021
Karla Koontz	Schools	28 years	6 months	August 1, 2021
Kathy Lawson	Sheriff	33 years	9 months	August 1, 2021
Yosham Middleton	Schools	21 years	0 months	August 1, 2021
Lisa Moore	PBA	9 years	0 months	August 1, 2021
Teresa Morgan	Schools	8 years	0 months	August 1, 2021
Samuel Neale	Schools	5 years	1 month	August 1, 2021
Gus Paidousis	Schools	8 years	3 months	August 1, 2021
Merlyn Palmer	Schools	24 years	0 months	August 1, 2021
Sandra Palmer	Schools	15 years	10 months	August 1, 2021
Carolyn Perry-Burst	Schools	38 years	11 months	August 1, 2021
Brenda Puckett	Schools	23 years	11 months	August 1, 2021
Todd Rule	Schools	15 years	0 months	August 1, 2021
Sharon Russell	Schools	6 years	0 months	August 1, 2021
Janice Snyder	Schools	19 years	6 months	August 1, 2021

Jennie Sullivan	Schools	15 years	8 months	August 1, 2021
Donnia Tullock	Schools	19 years	9 months	August 1, 2021
Ruby Warner	Schools	33 years	0 months	August 1, 2021
Sonja Wood	Schools	24 years	1 month	August 1, 2021
Angela Yoder	Schools	17 years	2 months	August 1, 2021

A motion was made by Ms. Samar 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. Simons. All members present voted in favor. 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>
Mitchell Buckner	Sheriff	21 years 0 months	August 1, 2021

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

**IN RE: REPORT OF EXECUTIVE DIRECTOR**

- **Fiduciary Insurance Application** – Ms. Schroeder stated the application for fiduciary insurance was submitted on July 14, 2021.
- **Pugh & Company Audit Contract for FY21** – Ms. Schroeder presented the Pugh & Co contract for FY21 and reported that the contract was approved and submitted to the State Comptroller's Office on July 8, 2021.
- **Auditors in Retirement Office** – Ms. Schroeder reported that the auditors will be in the retirement office from August 16 through September 3, 2021.
- **Bluefin Update/Cost Allocation** – Ms. Schroeder stated that a contract was signed and was sent to USI.
- **Schedule Document Committee Meeting** – Ms. Schroeder announced changes are being considered for the MERP plan and the loan programs. A Document Committee meeting will be held August 4, 2021, at 2 p.m. in the City County Building to discuss.
- **KCRPB Plan Summaries** – Ms. Schroeder presented the plan summaries for quarter end 06/30/2021.
- **Disability Report** - Ms. Schroeder presented the pending approvals for disability, as shown on the attached chart. There were 9 applicants in May 2021. The normal number of applicants range from 1 to 2 at a time, and, historically, the average number of applicants approved ranges from 3

to 5 per year. Five employees have already been approved for disability in 2021. Following discussion of this information, Ms. Schroeder informed the board that she could request a report from ReedGroup to further analyze the increase in applications and approvals. In response to questions by Commissioner Smith, Ms. Schroeder reminded the Board that ReedGroup became the independent administrator of disability claims as of July 2018 and, to qualify as disabled in the county, a participant must be disabled in any position, but in the Sheriff's department they only have to be disabled in an officer position. Mr. Snowden requested a flowchart for the disability process.

**IN RE: REPORT OF INVESTMENT COMMITTEE**

- **Monthly Rates of Return** – Commissioner Smith 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.
- **Investment Committee Meeting** – Commissioner Smith reported on the investment committee meeting, which report required no board action at this meeting.

**IN RE: REPORT OF LEGAL COUNSEL**

Ms. Coleman 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 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 JUN 2021 (Legal Invoices are approved for the previous Months Expense)	Fiscal 21 YTD Approved Invoices 5/31/2021	JUN Invoices For Approval	Fiscal 21 YTD Approved Invoices 6/30/2021	FY 21 Budget vs. Actual 6/30/2021
BENXL				Budget \$50,000.00
Invoice #		\$0.00		Expenses \$0.00
<b>TOTAL BENXL</b>	\$0.00	\$0.00	\$0.00	Remaining Budget \$50,000.00
KENNERLY, MONTGOMERY & FINLEY, P.C.				\$2,000.00
Invoice #		\$0.00		Rec'd from Particips \$1,000.00
<b>TOTAL KENNERLY, MONTGOMERY &amp; FINLEY, P.C.</b>	\$1,000.00	\$0.00	\$1,000.00	Expenses \$1,000.00
				\$2,000.00
Owings, Wilson & Coleman				Budget \$52,000.00
Invoice #		\$0.00		
Invoice # 9947M Glenn		\$0.00		
Invoice # 9942M Knox County vs. Etters		\$3,421.78		Expense -\$97,653.70
<b>*** TOTAL OWINGS, WILSON &amp; COLEMAN</b>	\$94,231.92	\$3,421.78	\$97,653.70	Remaining Budget -\$45,653.70
USI CONSULTING GROUP				
Invoice # 99052761		\$818.25		Budget \$475,000.00
Invoice #		\$0.00		Expense -\$456,254.82
<b>TOTAL USI CONSULTING GROUP</b>	\$455,436.57	\$818.25	\$456,254.82	Remaining Budget \$18,745.18
<b>Invoices for JUN 2021</b>	<b>\$550,668.49</b>	<b>\$4,240.03</b>	<b>\$554,908.52</b>	
<b>*** Retainer not included in approved billings for the Board</b>			<b>Fiscal 21 YTD</b>	
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)		\$1,000.00	
	\$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 Smith that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Commissioner Busler. All members present voted in favor. The motion passed unanimously.

**ADJOURNMENT**

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

  
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MAYOR GLENN JACOBS, CHAIRMAN  
BY PROXY, CHRIS CALDWELL

  
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COMMISSIONER RANDY SMITH, SECRETARY

Attached: Number of Disability Applicants Chart