

KNOX COUNTY RETIREMENT AND PENSION BOARD

October 25, 2021

The Knox County Retirement and Pension Board met in regular session on Monday, October 25, 2021, 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, Commissioner Randy Smith, Secretary, Commissioner Charles Busler, Commissioner Kyle Ward, Mr. Jim Snowden, Mr. Chris Simons and Ms. Janet Samar. Mr. Gabe Mullinax was absent.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross and Mr. Ralph Leeman

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

Retirement Staff: Ms. Jennifer Schroeder, Ms. Terri Chase, Ms. Mitzi Stooksbury and Ms. Savannah Russell

Others in attendance: Mr. Nick McBride, Register of Deeds

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA

Chairman Caldwell reported that there were no amendments to the agenda.

IN RE: APPROVAL OF MINUTES OF SEPTEMBER 27, 2021

Chairman Caldwell presented the minutes for the board meeting held on September 27, 2021. Commissioner Busler made a motion to approve the minutes for September 27, 2021, as written. The motion was seconded by Commissioner Ward. 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>
Jacquelyn Beckner	PBA	18 years 7 months	November 1, 2021
Ronnie Berrier	Schools	22 years 2 months	November 1, 2021
Ancil Collett	PBA	5 years 8 months	November 1, 2021
Shelia Dyer	Sheriff	8 years 5 months	November 1, 2021
Wendy Gresham	CntyClk	22 years 0 months	November 1, 2021
Wanda Hamilton	Schools	15 years 5 months	November 1, 2021
Donna Harrison	Schools	21 years 9 months	November 1, 2021

Danita Norris	Schools	16 years	5 months	November 1, 2021
Nancy Ownby	PBA	10 years	0 months	November 1, 2021
Kelly Rhines	Schools	34 years	8 months	November 1, 2021
Karen Ridenour	Sheriff	17 years	5 months	November 1, 2021
Dennis Sharp	Schools	11 years	4 months	November 1, 2021

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

IN RE: FIRST READING OF MERP ENHANCEMENT

Following review of the proposed action by Ms. Schroeder and Mr. Caldwell, Ms. Samar made a motion to approve the 2nd Amendment to the July 1, 2019 Restatement of the System, increasing the annual MERP employer matching contribution, on first reading. The motion was seconded by Commissioner Smith. All members present voted in favor. The motion passed unanimously. Ms. Schroeder noted that this amendment would need to be approved by the County Commission following the Board’s second reading in November.

IN RE: FIRST READING OF SYSTEM AMENDMENT AND RESTATEMENT

Following review of the proposed action by Ms. Schroeder, Ms. Samar made a motion to approve the Amendment and Restatement of the System document, making the changes described in the Summary of Proposed Amendments, attached to these minutes, on first reading. The motion was seconded by Commissioner Smith. All members present voted in favor. The motion passed unanimously.

IN RE: RESTATEMENT OF LOAN PROGRAM

Following review of the proposed action by Ms. Schroeder, Ms. Samar made a motion to approve the Amended and Restated Participant Loan Programs for the Asset Plan and STAR, removing the 12-month waiting period between loans, adopting a default rule for repayment following a leave of absence, opening up the loan program to classified Schools employees, and making other conforming and clarifying changes. The motion was seconded by Commissioner Busler. All members present voted in favor. The motion passed unanimously.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Plan Summaries as of 09/30/2021** – Ms. Schroeder presented the plan summaries for quarter end 09/30/2021.

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.

- **Re-Cap Due Diligence Meetings** - Mr. Cross and Commissioner Smith reported on the due diligence investment manager meetings which occurred October 19th through October 20th.

IN RE: REPORT OF LEGAL COUNSEL

Ms. Coleman reported on the UOPP litigation. An order was entered in court sealing the proceedings, and the Board is currently awaiting another ruling regarding the complaint.

Mr. Mason had no report.

IN RE: REPORT OF ACTUARY

Mr. Cross had no report.

Mr. Caldwell reported on the State's decrease of the assumed rate of return for TCRS. The discount rate will be going from 7.25% to 6.75% for FY 2022. Mr. Caldwell reminded the Board that the assumed rate of return for governmental plans can be no more than 50 basis points higher than that of TCRS.

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 2021 For FY 22 (Legal Invoices are approved for the previous Months Expense)	Fiscal 22 YTD Approved Invoices 09/30/2021	OCT Invoices For Approval	Fiscal 22 YTD Approved 10/31/2021	FY 22 Budget vs. Actual 10/31/2021
BENXL Invoice #		\$0.00		Budget \$50,000.00 From FY21 \$50,000.00 Expenses \$0.00 Remaining Budget \$100,000.00
TOTAL BENXL	\$0.00	\$0.00	\$0.00	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #		\$0.00		QDRO* \$2,000.00 Rec'd from Participa \$0.00 Expenses \$0.00 Remaining Budget \$2,000.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$0.00	\$0.00	\$0.00	
Owings, Wilson & Coleman Invoice #		\$0.00		Budget \$100,000.00
Invoice # 9947M Glenn		\$0.00		
Invoice # 9942M Knox County vs. Etters	\$0.00	\$17,970.75		Expense -\$22,360.75
*** TOTAL OWINGS, WILSON & COLEMAN	\$4,390.00	\$17,970.75	\$22,360.75	Remaining Budget \$77,639.25
USI CONSULTING GROUP Invoice # 90057370		\$13,351.00		Budget \$475,000.00
Invoice #		\$0.00		Expense -\$66,983.50
TOTAL USI CONSULTING GROUP	\$53,632.50	\$13,351.00	\$66,983.50	Remaining Budget \$408,016.50
Invoices for OCT 2021 For FY 22	\$58,022.50	\$31,321.75	\$89,344.25	

***** Retainer not included in approved billings for the Board**

		Fiscal 22 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$16,000.00
Kennerly Montgomery Retainer	\$12,000 per month	\$48,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$74,000.00
Fees Received from QDRO* Participants	\$500 (DC Fee)	\$0.00
	\$2,000 (DB & UOPP 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 Jay that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Ms. Samar. All members present voted in favor. The motion passed unanimously.

ADJOURNMENT

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



MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL



COMMISSIONER RANDY SMITH, SECRETARY