

KNOX COUNTY RETIREMENT AND PENSION BOARD

December 18, 2023

The Knox County Retirement and Pension Board met in regular session on Monday, December 18, 2023, 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 Richie Beeler, Secretary, Commissioner Terry Hill, Commissioner Kyle Ward, Mr. Zac Fullerton, Mr. Matthew Schlosshan, Mr. Jim Snowden and Mr. Chris Simons.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Brett Bronkhorst and Mr. Ralph Lehman

Legal Counsel: Ms. Ashley Trotto and Ms. Sarah Jarrard

Retirement Staff: Ms. Jennifer Schroeder, Ms. Savannah Russell, Ms. Terri Chase, Mr. Zack Cole and Ms. Faith Sullivan

Pugh and Company: Mr. Ted Hotz and Mr. Gary Mitchell

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA

Chairman Caldwell reported there were amendments to the agenda: adding Renee Brown and Perry Parker.

IN RE: APPROVAL OF MINUTES OF NOVEMBER 20, 2023

Chairman Caldwell presented the minutes for the board meeting held on November 20, 2023. Commissioner Jay made a motion to approve the minutes for November 20, 2023, 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>
Diana Battenberg	Schools	29 years	2 months	January 1, 2024
Mary Boston	Schools	10 years	1 month	January 1, 2024
Renee Brown	Schools	21 years	0 months	January 1, 2024
Patricia Cooper	Schools	18 years	11 months	January 1, 2024
Anita Fortson	Health	27 years	4 months	January 1, 2024
Mary Natour	Schools	13 years	1 month	January 1, 2024
Vicky Overholster	Schools	6 years	2 months	January 1, 2024

Perry Parker	EPW	26 years	10 months	January 1, 2024
Robert Proctor	Health	11 years	9 months	January 1, 2024
Kelly Schwartz	CommSvcs	19 years	3 months	January 1, 2024
Shannon Sumner	Schools	10 years	5 months	January 1, 2024
David Twiggs	ElectComm	20 years	6 months	January 1, 2024
Sherra York	Schools	30 years	4 months	January 1, 2024

A motion was made by Mr. Snowden 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 Ward. 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>
James Atherton	Sheriff	25 years	2 months	January 1, 2024
Ernest Bowman	Sheriff	31 years	4 months	January 1, 2024
Todd Cook	Sheriff	26 years	9 months	January 1, 2024
Ricky Edwards	Sheriff	25 years	9 months	January 1, 2024
Michael Greene	Sheriff	30 years	0 months	January 1, 2024
Benjamin Gresham	Sheriff	29 years	6 months	January 1, 2024
Michael Ledbetter	Sheriff	29 years	0 months	January 1, 2024
Samuel Price	Sheriff	30 years	0 months	January 1, 2024
Kevin Williams	Sheriff	29 years	9 months	January 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. Schlosshan. All members present voted in favor. The motion passed unanimously.

IN RE: SECOND READING OF PLAN AMENDMENT AND RESTATEMENT OF THE EMPLOYEE BENEFIT SYSTEM

A motion was made by Commissioner Beeler to approve on Second Reading the Amendment and Restatement of the employee Benefit System. The motion was seconded by Mr. Simons. All members present voted. The motion passed.

IN RE: SECOND READING OF PLAN AMENDMENT AND RESTATEMENT OF THE UNIFORMED OFFICERS PENSION PLAN

A motion was made by Mr. Simons to approve on Second Reading the Amendment and Restatement of Uniformed Officers Pension Plan. The motion was seconded by Commissioner Ward. All members present voted. The motion passed.

IN RE: SECOND READING OF PLAN AMENDMENT AND RESTATEMENT OF THE SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN

A motion was made by Commissioner Hill to approve on Second Reading the Amendment and Restatement of the Sheriff's Total Accumulation Retirement Plan. The motion was seconded by Commissioner Ward. All members present voted. The motion passed.

Ms. Schroeder stated that she attended the Commission Workshop, and the System and STAR amendments and restatements are on the agenda for the upcoming Commission Meeting.

IN RE: AUDIT REPORT – PUGH AND COMPANY

Mr. Gary Mitchell presented the Retirement Board Audit opinion. Mr. Mitchell stated the final report is expected to be released within the next few days with added comments from USI and Legal. Mr. Mitchell presented a clean audit opinion of the Retirement Office's financial statements.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **2024 Board Meeting Schedule** – The Board received a copy of the 2024 Board Meeting Schedule. The schedule mimics the Commission's schedule. Commissioner Hill made a motion to accept the 2024 Board Meeting Schedule. The motion was seconded by Commissioner Ward. The motion passed.
- **Communications for Plan Amendments with Commission Approval** – Communications will be emailed to all participants by December 22, 2023
- **Communications for Prior Military Service Credit for UOPP Update** – Communications will be emailed by December 22, 2023 and all applications need to be returned by April 1, 2024.
- **Employees in Public Defenders Office transferring to TCRS Effective January 1, 2024**– Employees in the Public Defender's Office will be switched to TCRS.
- **State Street Potential Data Breach**– One of State Street's third-party vendors that handles physical checks was the subject of a recent cyber-attack. We are waiting for additional details about whether and to what extent our participant information was accessed.
- **RFQ Update**– The RFQ closes December 19, 2023 at 2pm. The final bid from procurement is expected to be returned after the holidays.
- **Retirement Office Phone Systems**– The Retirement office will be converting to a cloud version of the phone system during the first quarter of 2024. A fee of \$2,300 is associated with the switch. The monthly costs will be similar to the current costs.

IN RE: REPORT OF INVESTMENT COMMITTEE

- **Nationwide Smart Alliance Contracts and IPS** – The investment committee recommended adoption of a new investment policy statement and addendum to the contract with Nationwide for the 457 voluntary contribution plan. A motion was made by Mr. Simon's to approve on Second Reading the Amendment and Restatement of the Sheriff's Total Accumulation Retirement Plan. The motion was

seconded by Commissioner Jay. All members present voted. The motion passed.

- **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** – On the taxpayer suit, the Court of appeal released its opinion this week remanding the matter back to the Chancery Court. Counsel stated that if there was no further desire to appeal in this matter she would begin working toward final resolution. Chairman Caldwell asked if any Board member wished to state a desire for further appeal. Hearing none, Counsel stated she would proceed in working with Knox County's counsel to resolve the matter.
- **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 NOV 2023 For FY 24 (Legal Invoices are approved for the previous Months Expense)	Fiscal 24 YTD Approved 10/31/2023	Invoices For Approval	Fiscal 24 YTD Approved 11/30/2023	FY 24 Budget vs. Actual 11/30/2023
BENXL Invoice #				Budget \$50,000.00
TOTAL BENXL	\$19,200.00	\$0.00	\$19,200.00	Expenses -\$19,200.00 Remaining Budget \$30,800.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #		\$0.00		QDRO* \$2,000.00
Invoice #		\$0.00		Rec'd from Participan -\$1,000.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$500.00	\$0.00	\$500.00	Expenses \$500.00 \$2,500.00
Owings, Wilson & Coleman Invoice # 9993M Rathbone		\$501.25		Budget \$125,000.00
Invoice # 9942M Etters		\$0.00		
Invoice # 9012M Stachey		\$2,719.25		
Invoice # 9011M Kitts		\$2,915.50		
*** TOTAL OWINGS, WILSON & COLEMAN	\$14,115.57	\$6,136.00	\$20,251.57	Expense -\$20,251.57 Remaining Budget \$104,748.43
USI CONSULTING GROUP Invoice # 90088269		\$7,385.00		Budget \$475,000.00
Invoice # 90088609		\$250.00		Expense -\$117,693.50
Invoice # 90088610		\$3,250.00		
TOTAL USI CONSULTING GROUP	\$106,808.50	\$10,885.00	\$117,693.50	Remaining Budget \$357,306.50
Invoices for NOV 2023 For FY 24	\$140,624.07	\$17,021.00	\$157,645.07	

*** Retainer not included in approved billings for the Board		Fiscal 24 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$20,000.00
Kennerly Montgomery Retainer	\$12,000 per month	\$60,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$37,000.00
Fees Received from QDRO* Participants	\$500 (DC Fee) \$2,000 (DB & UOPP Fee)	-\$1,000.00 \$0.00

*QDRO fee is Paid to Retirement Office which offsets the legal fee

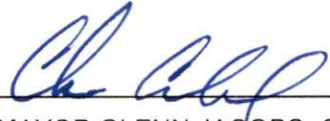
After review of the statement of accounts and invoices, a motion was made by Commissioner Ward that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Commissioner Beeler. All members present voted in favor. The motion passed unanimously.

IN RE: PUBLIC COMMENT

There was no public comment.

ADOURNMENT

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



MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL



COMMISSIONER RICHIE BEELER, SECRETARY