

KNOX COUNTY RETIREMENT AND PENSION BOARD

July 22, 2019

The Knox County Retirement and Pension Board met in regular session on Monday, July 22, 2019, at 2:30 P.M. in the County Commission Conference Room 640, City-County Building, Knoxville, Tennessee.

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

Also present at the meeting were:

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

Legal Counsel: Ms. Kathy Aslinger, Mr. John Owings and Sarah Jarrard.

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

Others in attendance: Ms. Lysette Avilis, KCSO, Ms. Kim Bennett, retiree, and Ms. Cindy Pionke, Human Resources.

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA

Ms. Schroeder stated there were revisions to the meeting agenda. The amended agenda was passed out to the Board.

IN RE: APPROVAL OF MINUTES OF JUNE 24, 2019

Chairman Caldwell presented the minutes for June 24, 2019. Commissioner Nystrom made a motion to approve the minutes for June 24, 2019, as written. The motion was seconded by Commissioner Jay and approved.

IN RE: CHAIRMAN'S RECOMMENDATION FOR EXECUTIVE DIRECTOR

Chairman Caldwell reviewed his recommendation for executive director. He recommended that the Board appoint Ms. Jennifer Schroeder as executive director due to her significant knowledge and experience and specific training for this role over the last four years. Ms. Hemmelgarn made a motion to approve the recommendation of executive director. The motion was seconded by Commissioner Nystrom and approved.

IN RE: APPLICATIONS 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>
John Branch	Schools	38 years 0 months	
Joyce Sumpter	Health	30 years 10 months	

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 Commissioner Nystrom and approved.

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>
Tim Atchley	Sheriff	30 years 1 month	
Cathy Brewer	Sheriff	28 years 9 months	
James Carson	Sheriff	30 years 11 months	
Thomas Finch	Sheriff	28 years 3 months	
Gary Frazier	Sheriff	28 years 10 months	
Richard Frazier	Sheriff	30 years 7 months	
Michael Hall	Sheriff	28 years 4 months	
David Harnett	Sheriff	25 years 0 months	
Joseph Henderson	Sheriff	30 years 0 months	
Jeffrey Jackson	Sheriff	27 years 1 month	
Walter Schmitt	Sheriff	27 years 1 month	
Mark Watson	Sheriff	25 years 7 months	
Valerie Wolfe	Sheriff	25 years 5 months	

A motion was made by Commissioner Nystrom 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 Anders and approved.

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>
Cathy Barrington	Schools	9 years 7 months	
Margaret Beal	Schools	19 years 6 months	

Deborah Bright	Schools	11 years	10 months
Joe Ann Buford	Schools	24 years	10 months
Pamela Condry	Schools	30 years	8 months
Katherine Eskridge	Schools	19 years	5 months
Vivian Ferguson	Schools	5 years	0 months
Deborah Fore	Schools	7 years	11 months
Gloria Hines	Schools	31 years	7 months
Barbara Hunter	Schools	10 years	11 months
Amy Johnson	Schools	12 years	9 months
Lynda Johnson	Schools	12 years	1 month
Tawnda Long	Schools	5 years	0 months
Melissa Luallen	Schools	21 years	0 months
Angela Lyons	Schools	26 years	8 months
Sheila Mayes	Schools	25 years	10 months
Leslie Poker	Schools	8 years	7 months
Ada Pratt	Schools	32 years	6 months
Jerilynn Price	Schools	15 years	11 months
Dorothy Sharon	Schools	6 years	3 months
Debra Shubiak	Schools	15 years	0 months
Joyce Treece	Schools	32 years	1 month
Charles Winkle	EPW	9 years	7 months
Jack Blackburn	Finance	17 years	10 months
Patricia Galvan	Finance	20 years	5 months
Lynn Kidd	EPW	19 years	9 months
Tracey Johnson	EPW	30 years	3 months
Johnny Hellard	EPW	13 years	0 months
Steven Loy	EPW	16 years	5 months
John Bailey	EPW	34 years	5 months
Jeffrey Edmonds	EPW	17 years	4 months
Jagade DeBurns	EPW	19 years	8 months
Leo LaCamera	EPW	21 years	0 months
Christopher Granju	EPW	23 years	10 months
Marshall Agee	EPW	23 years	10 months
Rick Mynatt	EPW	21 years	8 months
Kenneth Bell	EPW	9 years	7 months
Jimmie Humphrey	EPW	10 years	6 months
Billy Wilson	EPW	8 years	10 months

Jann Owens	Fire Prevention	11 years	10 months
Ronald Mauer	Codes	34 years	9 months
Rodger Ayers	Codes	32 years	4 months
S. Mark Cawood	Sheriff	32 years	11 months
Deborah Van Norstran	Sheriff	17 years	5 months
Judy Mayes	Sheriff	27 years	3 months
Sandra Scott	Sheriff	19 years	11 months
Lisa Nance	Sheriff	19 years	11 months
Julie Bond	Sheriff	24 years	9 months
Norman Cawood	Sheriff	33 years	8 months
Kathleen Holmes	Sheriff	21 years	3 months
Dona McLaughlin	Sheriff	12 years	5 months
Estella Miniz	Sheriff	24 years	5 months
Mary Carlson	Sheriff	34 years	5 months
Mark Jones	HR	24 years	10 months
Richard Julian	HR	8 years	2 months
Rhonda Chadwick	PropA	36 years	0 months
Charles Brown	PropA	21 years	2 months
Randal Lilly	Procurement	29 years	9 months
Tony Crowe	Purchasing	25 years	8 months
Laurence Rochat	Health	27 years	11 months
Vera Polite	Health	14 years	8 months
Noleka Shelby	Health	24 years	4 months
Nina Garton	Health	20 years	0 months
Connie Cronley	Health	23 years	0 months
Lynne Liddington	Health	38 years	3 months
Kim Bennett	Retirement	20 years	7 months
Debra Slagle	Retirement	6 years	6 months
Robert Swan	GenSess Judge	26 years	6 months
Karen Schansman	ChanCrt	5 years	8 months
Patricia Cate	AttrnyGen	15 years	5 months
Donna Langston	Library	15 years	8 months
Jackquelyn McSwain	Library	20 years	0 months
Linda Carlini	Library	14 years	9 months
Sandra Martin	Library	43 years	5 months
Emily Ellis	Library	11 years	3 months
Judith Mizell	Library	14 years	10 months

Richard Sulfridge	Parks&Rec	13 years	9 months
Todd Oglesby	Parks&Rec	32 years	10 months
Michael Kidwell	Parks&Rec	17 years	1 month
Sandra Burton	Parks&Rec	12 years	5 months
Rosemary Kite	CrnCrt	14 years	7 months
Ginger LaRoy	CrnCrt	45 years	6 months
Donna Thompson	IT	39 years	5 months
Frankie Holt	JuvCrt	10 years	8 months
Pamela Netherland	CirCrt	23 years	0 months
Sandra Sexton	Clerk	11 years	1 month

Ms. Schroeder stated that 63 people were taking part in the voluntary reduction in workforce and only 1 had not turned in the required paperwork. Due to deadlines, she asked the Board if they would entertain a revised motion subject to the completion and the finalization of the paperwork by August 1, 2019.

A motion was made by Commissioner Nystrom 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 with the contingency that the one retiree who has not yet completed the paperwork return all necessary paperwork to the retirement office to be finalized by August 1, 2019. In the event no paperwork is received and finalized by August 1, 2019, the retiree will be carried over to the next Board meeting agenda. The motion was seconded by Commissioner Jay and approved.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Voluntary Workforce Reduction Program** – Ms. Schroeder reported there were a total of 92 people who participated in the voluntary reduction in workforce. Out of the 92 retirees, there were 1 DB, 22 UOPP and 69 Asset Plan participants.
- **Death Benefit** – Commissioner Jay questioned the status of the error in a death benefit. Ms. Schroeder replied that the issue has been resolved.

IN RE: REPORT OF INVESTMENT COMMITTEE

- **Monthly Rates of Return** – Commissioner Nystrom presented the rates of return for the Defined Contribution Plans and stated the overall rates of return are in line with the respective markets.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings reported on a legal case regarding the employment of an individual who filed suit against the County. The case has been resolved. Mr. Owings reported that the Board's current fiduciary insurance carrier, Chubb, was notified about a possible claim, the details of which were provided to each Board member. Commissioner Jay requested an executive session to hear more information about the possible claim. Mr. Cross reported on Chubb's nonrenewal of the fiduciary insurance policy, which expires August 31, 2019. Applications have been submitted to other carriers and another provider will be found. Ms. Kathy Aslinger had no legal report.

IN RE: REPORT OF ACTUARY

Mr. Cross had no report.

IN RE: APPROVAL OF PAYMENT – STATEMENT OF ACCOUNT

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:

FEE SCHEDULE

Invoices for JUL 2019 (Legal Invoices are approved for the previous Months Expense)	Fiscal 19 YTD Approved Invoices 06/30/2019	JULY Invoice For Approval	Fiscal 19 YTD Approved Invoices 06/30/2019	FY 19 Budget vs. Actual 6/30/2019
BENXL Invoice # 102950		\$3,000.00		Budget \$50,000.00
TOTAL BENXL	\$9,400.00	\$3,000.00	\$12,400.00	Expenses -\$12,400.00 Remaining Budget \$37,600.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #				\$0.00
***TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$0.00	\$0.00	\$0.00	\$0.00
Owings, Wilson & Coleman Invoice #		\$0.00		Additional Legal Costs Budget \$250,000.00
*** TOTAL OWINGS, WILSON & COLEMAN	\$263,124.34	\$0.00	\$263,124.34	Expense -\$263,124.34 Expense -\$46,613.23 Expense -\$41,290.00 Reimb \$379,954.90 Remaining Budget \$278,927.33
JUSTICE, NOEL & BURKS Invoice #		\$0.00		
TOTAL JUSTICE, NOEL & BURKS	\$46,613.23	\$0.00	\$46,613.23	
LEWIS THOMASON (Mary Ann Stackhouse) Invoice # 341604		\$0.00		
TOTAL LEWIS THOMASON	\$41,290.00	\$0.00	\$41,290.00	
USI CONSULTING GROUP Invoice # 1000298 Invoice #		\$18,932.00 \$0.00		Budget \$475,000.00
TOTAL USI CONSULTING GROUP	\$531,416.19	\$18,932.00	\$550,348.19	Expense -\$550,348.19 Remaining Budget -\$75,348.19
Invoices for JUL 2019 REIMBURSEMENT FROM FIDUCIARY INSURANCE	\$891,843.76	\$21,932.00	\$913,775.76	
YTD TOTAL			(\$379,954.90)	
			\$533,820.86	

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

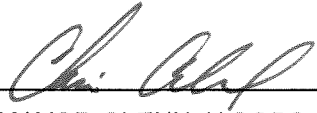
Owings, Wilson & Coleman Retainer	\$4,000 per month	<u>Fiscal 19 YTD</u>
Kennerly Montgomery Retainer	\$12,000 per month	\$48,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$144,000.00
Court Reporter for Hearings		\$1,503.20
Fees Received from QDRO Participants	,\$500 (DC Fee)	\$1,500.00
	\$2,000 (DB Fee)	\$0.00

*QDRO fee is Paid to Retirement Office which off sets 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 Commissioner Anders and approved.

ADJOURNMENT

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



MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL



MS. TRACY FOSTER, SECRETARY