

**KNOX COUNTY RETIREMENT AND PENSION BOARD**

**September 23, 2019**

The Knox County Retirement and Pension Board met in regular session on Monday, September 23, 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, Ms. Tracy Foster, Secretary, Commissioner Randy Smith, Commissioner Larsen Jay, Commissioner Brad Anders, Ms. Jennifer Hemmelgarn and Ms. Janet Samar. Mr. Gabe Mullinax was absent.

Also present at the meeting were:

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

Legal Counsel: Ms. Ashley Trotto, Mr. John Owings, Ms. Stephanie Coleman and Ms. Sarah Jarrard

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. Mike Steely, The Knoxville Focus, Ms. Cindy Pionke, Human Resources, Ms. Lysette Aviles, KCSO

**IN RE: CALL TO ORDER**

Chairman Caldwell presided and called the meeting to order.

**IN RE: AMENDMENTS TO AGENDA**

Ms. Schroeder stated there were no revisions to the meeting agenda.

**IN RE: APPROVAL OF MINUTES OF AUGUST 26, 2019**

Chairman Caldwell presented the minutes for August 26, 2019. Commissioner Nystrom made a motion to approve the minutes for August 26, 2019, as written. The motion was seconded by Commissioner Anders 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:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>CREDITED SERVICE</u></b>	<b><u>EFFECTIVE DATE</u></b>
<b>Teresa Ferguson</b>	<b>IT</b>	<b>37 years 10 months</b>	<b>October 1, 2019</b>
<b>Gary Jett</b>	<b>Schools</b>	<b>10 years 11 months</b>	<b>October 1, 2019</b>
<b>Clarence Norman Jr.</b>	<b>Schools</b>	<b>7 years 9 months</b>	<b>October 1, 2019</b>
<b>Ruth Pope</b>	<b>Schools</b>	<b>18 years 7 months</b>	<b>October 1, 2019</b>
<b>Angela Wesley</b>	<b>Schools</b>	<b>6 years 0 months</b>	<b>October 1, 2019</b>

A motion was made by Ms. Hemmelgarn 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. Samar 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>
Troy Cox	Sheriff	29 years 8 months	October 1, 2019
Miles Park	Sheriff	25 years 0 months	October 1, 2019

A motion was made by Ms. Foster 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 Nystrom and approved.

**IN RE: REPORT OF EXECUTIVE DIRECTOR**

- **Business Trip to USI in CT** – Ms. Schroeder reported that she and Ms. Chase took a trip to USI corporate on September 17 through September 19 to review process and learn about new administrative capabilities for the DC plans. She stated that in an effort to automate the retirement process, participants would now be able to go online, fill out basic information and be provided an estimate of retirement benefits. Also, participants will be able to go online to fill out distribution paperwork. She noted that there was potential for the DB plans to become similarly automated but that would require more robust communication of Participant information between Pension Office and USI systems. Ms. Schroeder noted other administrative efficiencies implemented as a result of the trip. Commissioner Jay requested to be provided a summary of the current versus the more streamlined process and Ms. Schroeder agreed to prepare one.

**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.
- **Special Investment Meetings** – Commissioner Nystrom informed the Board that the investment committee will be meeting October 15, 2019 in room 640 at 1:30.

**IN RE: REPORT OF LEGAL COUNSEL**

Mr. Owings requested that his report be deferred to the end of the meeting.  
 Ms. Trotto had no legal report.

**IN RE: REPORT OF ACTUARY**

Mr. Cross reviewed the GASB reports provided to the Board ahead of the meeting.

Mr. Cross reminded the Board that the due diligence investment meetings would be held October 3<sup>rd</sup> and 4<sup>th</sup>. He stated that select investment managers would be present and topics of discussion will include volatility, global politics, inflation rates and other driving forces for our economy.

**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 SEPT 2019 (Legal Invoices are approved for the previous Months Expense)	Fiscal 20 YTD Approved Invoices 08/31/2019	SEPT Invoice For Approval	Fiscal 20 YTD Approved Invoices 09/30/2019	FY 20 Budget vs. Actual 9/30/2019
BENXL Invoice #		\$0.00		Budget \$60,000.00
TOTAL BENXL	\$0.00	\$0.00	\$0.00	Expenses \$0.00 Remaining Budget \$60,000.00
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		Budget \$26,000.00
*** TOTAL OWINGS, WILSON & COLEMAN	\$5,284.25	\$0.00	\$5,284.25	Expense \$5,284.26 Remaining Budget \$19,735.76
USI CONSULTING GROUP Invoice # 90031576 Invoice #		\$31,691.25		Budget \$476,000.00
TOTAL USI CONSULTING GROUP	\$56,650.17	\$31,691.25	\$88,341.42	Expense \$88,341.42 Remaining Budget \$386,658.58
Invoices for SEPT 2019	\$61,914.42	\$31,691.25	\$93,606.67	

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

		Fiscal 20 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$12,000.00
Kennerly Montgomery Retainer	\$12,000 per month	\$36,000.00
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 Fee)	\$1,500.00 \$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 Ms. Foster that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Ms. Samar and approved.

**IN RE: REPORT OF LEGAL COUNSEL – DEFERRAL OF MR. OWINGS REPORT**

Mr. Owings asked for an executive session with the Board to advise on a litigation matter.

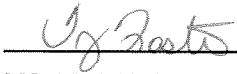
After the executive session, a motion was made by Commissioner Anders for the Board to appoint Mr. Owings to represent the Knox County Retirement and Pension Board's interest in the lawsuit brought against Knox County (docket number 198839-1). The motion was seconded by Ms. Hemmelgarn. The motion was unanimously approved.

**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.



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MAYOR GLENN JACOBS, CHAIRMAN  
BY PROXY, CHRIS CALDWELL



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MS. TRACY FOSTER, SECRETARY