KNOX COUNTY RETIREMENT AND PENSION BOARD

November 18, 2019

The Knox County Retirement and Pension Board met in regular session on Monday, November 18, 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, Ms. Janet Samar and Mr. Gabe Mullinax. Commissioner Brad Anders and Ms. Jennifer Hemmelgarn were absent.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross and Ms. Brenda Trollope
Legal Counsel: Ms. Ashley Trotto and Mr. John Owings
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. Mike Steely, The Knoxville Focus

IN RE: CALL TO ORDER
Chairman Caldwell presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA
Ms. Schroeder stated that an amended agenda was handed out.

IN RE: APPROVAL OF MINUTES OF OCTOBER 28, 2019
Chairman Caldwell presented the minutes for October 28, 2019. Ms. Foster made a motion to approve the minutes for October 28, 2019, as written. The motion was seconded by Ms. Samar and approved.

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 application 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, was presented for consideration:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
<th>CREDITED SERVICE</th>
<th>EFFECTIVE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patricia Williams</td>
<td>Juvenile Services</td>
<td>38 years 8 months</td>
<td>December 1, 2019</td>
</tr>
</tbody>
</table>

A motion was made by Ms. Samar 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 Jay 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:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
<th>CREDITED SERVICE</th>
<th>EFFECTIVE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laura Chambers</td>
<td>PD</td>
<td>41 years 4 months</td>
<td>December 1, 2019</td>
</tr>
<tr>
<td>Betty Edsell</td>
<td>Schools</td>
<td>20 years 1 month</td>
<td>December 1, 2019</td>
</tr>
<tr>
<td>Kathy Mixon</td>
<td>Schools</td>
<td>15 years 2 months</td>
<td>December 1, 2019</td>
</tr>
<tr>
<td>Kim Renfro</td>
<td>Schools</td>
<td>21 years 10 months</td>
<td>December 1, 2019</td>
</tr>
<tr>
<td>Sarah Vaden</td>
<td>Schools</td>
<td>9 years 6 months</td>
<td>December 1, 2019</td>
</tr>
<tr>
<td>Nelle Watson</td>
<td>Schools</td>
<td>25 years 4 months</td>
<td>December 1, 2019</td>
</tr>
<tr>
<td>Vickie Woods</td>
<td>CrmCrt</td>
<td>22 years 8 months</td>
<td>December 1, 2019</td>
</tr>
</tbody>
</table>

A motion was made by Mr. Mullinax 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. The motion was seconded by Commissioner Jay and approved.

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:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
<th>CREDITED SERVICE</th>
<th>EFFECTIVE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Lawson</td>
<td>Sheriff</td>
<td>25 years 2 months</td>
<td>December 1, 2019</td>
</tr>
</tbody>
</table>

A motion was made by Mr. Mullinax 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

- **USI Distribution Flow Charts** – Ms. Schroeder reviewed the current distribution process versus the simplified online distribution process.
- **Office Furniture** – Ms. Schroeder deferred the office furniture discussion until January.
- **Board Meeting Schedule 2020** – Ms. Schroeder presented a preliminary schedule to the Board and inquired on the best time for the meeting. Commissioner Jay made a motion to move the Board meetings to 3 o’clock unless a meeting is expected to exceed an hour. The motion was seconded by Commissioner Nystrom and approved.
- **USIRA Custodian Change** – Ms. Schroeder reported on the USIRA custodian change. In response to questions from the Board, Mr. Cross stated that the change is being proposed due to the current
custodian’s replacement of key staff and deterioration in service. A motion was made by
Commissioner Smith to approve the custodian change. The motion was seconded by
Commissioner Nystrom and approved.

**IN RE: REPORT OF INVESTMENT COMMITTEE**

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

- **USI Fund Changes** – Commissioner Nystrom reported on the proposed USI fund changes then
  reviewed the options for changes. He described the recommendation from the Investment
  Committee with respect to each. As Chairman of the Investment Committee, Commissioner
  Nystrom made a motion to approve the Investment Committee’s recommendation as documented
  in the attached *Investment Committee Summary and Recommendations*. The motion was
  seconded by Commissioner Smith and was approved.

**IN RE: REPORT OF LEGAL COUNSEL**

Mr. Owings had no legal report.

Ms. Trotto 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**

<table>
<thead>
<tr>
<th>Invoices for NOV 2019</th>
<th>Fiscal 20 YTD Approved Invoices 10/31/2019</th>
<th>NUV Invoice For Approval</th>
<th>Fiscal 20 YTD Approved Invoices 11/30/2019</th>
<th>FY 20 Budget vs. Actual 11/30/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BENXL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invoice #</td>
<td></td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL BENXL</td>
<td>$50,000.00</td>
<td>$0.00</td>
<td>$6,000.00</td>
<td>$44,000.00</td>
</tr>
<tr>
<td>KENNERLY, MONTGOMERY &amp; FINLEY, P.C.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invoice #</td>
<td></td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL KENNERLY, MONTGOMERY &amp; FINLEY, P.C.</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Owings, Wilson &amp; Coleman</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invoice # 9942M</td>
<td></td>
<td>$9.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invoice # 9942M 103119</td>
<td></td>
<td>$9,228.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL OWINGS, WILSON &amp; COLEMAN</strong></td>
<td>$17,440.63</td>
<td>$9,228.35</td>
<td>$20,708.88</td>
<td>$1,700.68</td>
</tr>
<tr>
<td>USI CONSULTING GROUP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invoice # 99032915</td>
<td></td>
<td>$26,775.25</td>
<td>$167,013.18</td>
<td>$475,000.00</td>
</tr>
<tr>
<td>Invoice #</td>
<td></td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL USI CONSULTING GROUP</strong></td>
<td>$26,775.25</td>
<td>$167,013.18</td>
<td>$475,000.00</td>
<td>$367,980.82</td>
</tr>
<tr>
<td>Invoices for NOV 2019</td>
<td>$163,715.46</td>
<td>$36,000.00</td>
<td>$190,722.10</td>
<td></td>
</tr>
</tbody>
</table>

*** Retainer not included in approved billings for the Board
Owings, Wilson & Coleman Retainer $4,000 per month $20,000.00
Kennedy Montgomery Retainer $12,000 per month $80,000.00
USI Quarterly Fee for DB Advisory Services $37,000 per quarter $174,000.00
Fees Received from CDRO Participants $500 (DC Fee) $1,500.00
$2,000 (DB Fee) $0.00

*CDRO 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 and approved.
ADJOURNMENT

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

MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL

MS. TRACY FOSTER, SECRETARY

Attachments:
1.) Investment Committee Summary and Recommendations
Knox County Investment Committee Meeting
11/12/2019

**Knox County Closed Defined Benefit Plan, Teacher’s Plan, & Uniformed Officer’s Pension Plan**

Current Investment: Invesco Oppenheimer International Gr R6

Recommendation: MFS Instl International Equity

Current Investment: Invesco Oppenheimer Senior FI RrR6

Recommendation: Merger Institutional

Transamerica Short-Term Bond R6

**Knox County Employee Retirement and Asset Accumulation 401(a), 457 & MERP Plans and STAR**

Current Investment: Invesco Oppenheimer International Gr A

Recommendation: BNY Mellon International Stock Fund A

Current Investment: Franklin Adjustable US Govt Secs A

Recommendation: Lord Abbett Short Duration Income A