

KNOX COUNTY RETIREMENT AND PENSION BOARD

January 25, 2021

The Knox County Retirement and Pension Board met in an electronic session on Monday, January 25, 2021, at 3:00 P.M. via electronic means and broadcast live at: <https://knoxcounty.zoom.us/91972920048> (by phone: 1-646-558-8656, Meeting ID 919 7292 0048, passcode 697142).

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Larsen Jay, Vice Chairman, Commissioner Randy Smith, Secretary, Commissioner Kyle Ward, Commissioner Charles Busler, Ms. Jennifer Hemmelgarn, Ms. Janet Samar and Mr. Gabe Mullinax.

Also present at the meeting were:

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

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

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

Others in attendance: Mr. Rob Link, IT, Ms. Lysette Aviles, Sheriff, and Ms. Cindy Pionke, Human Resources

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: DETERMINATION OF ELECTRONIC MEETING

Chairman Caldwell read the official public notice for holding this electronic meeting, then asked for a motion determining the necessity of such meeting.

“A determination is needed by the Board regarding electronic meetings pursuant to the Governor’s Executive Order No. 16, executed on March 20, 2020, and recommendations from the Tennessee Comptroller of the Treasury, issued on March 20, 2020, and other applicable laws in effect. The Governor’s Order allows government agencies to amend or rescind portions of the Tennessee Open Meetings Act regarding electronic meetings in lieu of in-person attendance and participation. The Comptroller’s Office recommends that boards make a determination regarding the necessity of electronic meetings for continued function of government agencies and to protect public health, safety, and welfare during the outbreak of COVID-19. Such determination is to be placed on the record in the Board’s minutes. May I have a motion for this determination and to record this determination in the Board’s minutes?”

Commissioner Jay made a motion to approve the electronic meeting. The motion was seconded by Mr. Mullinax. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

IN RE: AMENDMENTS TO AGENDA

Ms. Schroeder stated that there were no amendments to the agenda.

IN RE: APPROVAL OF MINUTES OF DECEMBER 21, 2020

Chairman Caldwell presented the minutes for the board meeting held on December 21, 2020. Mr. Mullinax made a motion to approve the minutes for December 21, 2020, as written. The motion was seconded by Commissioner Jay. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

IN RE: APPLICATIONS FOR DISABILITY BENEFIT – EMPLOYEE DISABILITY PLAN

The following applications for disability were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>DATE OF RECOMMENDATION FROM REEDGROUP</u>
Nancy Calway	Schools	January 13, 2021

A motion was made by Ms. Hemmelgarn to approve the applications for disability. The motion was seconded by Commissioner Jay. A roll call vote was taken. 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>
Pamela Burgin	Schools	8 years 7 months	February 1, 2021
Marilyn Burroughs	Schools	22 years 5 months	February 1, 2021
Kathy Cogdill	Schools	14 years 2 months	February 1, 2021
Brenda Corum	Schools	31 years 3 months	February 1, 2021
Vera Davis	PBA	5 years 10 months	February 1, 2021
Sunny Day	Schools	15 years 7 months	February 1, 2021
Teleai Fine	Schools	22 years 5 months	February 1, 2021
Paulette Flowers	Schools	5 years 1 months	February 1, 2021
Robin Gentry	Schools	5 years 2 months	February 1, 2021
Mark Johnson	PropA	27 years 9 months	February 1, 2021
Vincent Meyer	Schools	13 years 3 months	February 1, 2021
Dennis Nations	EPW	19 years 3 months	February 1, 2021
Karen Roberts	Schools	16 years 9 months	February 1, 2021
Kathy Weaver	Schools	32 years 11 months	February 1, 2021

A motion was made by Commissioner Busler 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 Ms.

Hemmelgarn. A roll call vote was taken. All members present voted in favor. The motion passed unanimously.

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:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Ellan Nauss	Sheriff	25 years 0 months	February 1, 2021

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 Jay. A roll call vote was taken. All members present voted in favor. The motion passed.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Update of COVID-19 Distributions and Loans** – Ms. Schroeder reviewed the data of COVID-19 distributions and loans and notified the Board that the provisions for both COVID distributions and loans had now expired.
- **Election** – Ms. Schroeder reported that the election for the school seat currently held by Jennifer Hemmelgarn and to fill the county seat vacated by Tracy Foster will be held on February 11th. There will be a mass email on January 28th informing participants of the election. Election voting will start at 4 p.m. on February 10th and runs until 4 p.m. on February 11th. This will accommodate 2nd and 3rd shift voters.
- **Budget Legal Expenses** – Ms. Schroeder reviewed the legal expenses with the Board. In response to questions regarding the current lawsuit, she stated that due to unprecedented circumstances of COVID, the courts have been on hold which will likely result in a reduction of related legal expenses until the courts resume.

Commissioner Smith inquired about the estimated cost of FY21 legal expenses and whether additional funds would be needed. Mr. Owings responded that he expects legal expenses to be stagnate for the rest of the fiscal year while courts remain closed or at limited capacity, but that is subject to change if courts were to resume normal activity.

Commissioner Jay asked whether the case could move forward electronically if no in person hearings were permitted. Mr. Owings briefed the Board about the status of the case and stated that an electronic hearing was requested, but Plaintiff's counsel objected on the basis that he was not equipped to participate in an electronic hearing.

- **Plan Summaries** – Ms. Schroeder reviewed the updated plan summaries with the Board.

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 the respective markets.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings had no report.

Mr. Mason had no report.

IN RE: REPORT OF ACTUARY

Ms. Trollope reported on the transition to the enhanced platform with Schwab that would take place beginning February 5th. She noted that the website would be available to all participants throughout the transition. However, no trading transactions (e.g., distributions, loans, investment changes) would be permitted on February 5th. She stated that communications were sent out to all active and term-vested participants about the change and the February 5th restrictions. Starting Monday, February 8th, the platform is expected to be up and running at full capacity.

Commissioner Smith asked about the risk management and security of the updated website. Mr. Cross responded that it will have an updated security base.

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 JAN 2021 (Legal Invoices are approved for the previous Months Expense)	Fiscal 21 YTD Approved Invoices 12/31/2020	JAN Invoices For Approval	Fiscal 21 YTD Approved Invoices 01/30/2021	FY 21 Budget vs. Actual 1/30/2021
BENXL				Budget \$50,000.00
Invoice #		\$0.00		Expenses \$0.00
TOTAL BENXL	\$0.00	\$0.00	\$0.00	Remaining Budget \$50,000.00
KENNERLY, MONTGOMERY & FINLEY, P.C.				\$2,000.00
Invoice #		\$0.00		Rec'd from Participa \$500.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$1,000.00	\$0.00	\$1,000.00	Expenses \$1,000.00 \$1,500.00
Owings, Wilson & Coleman				Budget \$52,000.00
Invoice #9943M Gilman		\$0.00		
Invoice # 9947M Glenn		\$0.00		
Invoice # 9942M Knox County vs. Etters		\$0.00		Expense -\$87,884.90
*** TOTAL OWINGS, WILSON & COLEMAN	\$87,884.90	\$0.00	\$87,884.90	Remaining Budget -\$35,884.90
USI CONSULTING GROUP				Budget \$475,000.00
Invoice # 90046586		\$14,656.75		Expense -\$225,770.00
Invoice #		\$0.00		Remaining Budget \$249,230.00
TOTAL USI CONSULTING GROUP	\$211,113.25	\$14,656.75	\$225,770.00	
Invoices for JAN 2021	\$299,998.15	\$14,656.75	\$314,654.90	
*** Retainer not included in approved billings for the Board			Fiscal 21 YTD	
Owings, Wilson & Coleman Retainer	\$4,000 per month		\$28,000.00	
Kennerly Montgomery Retainer	\$12,000 per month		\$84,000.00	
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter		\$74,000.00	
Fees Received from QDRO* Participants	\$500 (DC Fee)		\$500.00	
	\$2,000 (DB 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 Mr. Mullinax. A roll call vote was taken. 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 Jay, and the meeting was adjourned.

Chris Caldwell – Approved at Electronic Meeting held on 02/22/2021

MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL

Randy Smith – Approved at Electronic Meeting held on 02/22/2021

COMMISSIONER RANDY SMITH, SECRETARY