

KNOX COUNTY RETIREMENT AND PENSION BOARD

June 29, 2023

The Knox County Retirement and Pension Board met in special session on Thursday, June 29, 2023, at 11:30 A.M. in the Main Assembly Room, City-County Building, Knoxville, Tennessee.

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Larsen Jay, Vice Chairman, Commissioner Kyle Ward, Secretary, Commissioner Terry Hill, Mr. Chris Simons, Mr. Zac Fullerton, Mr. Matthew Schlosshan and Mr. Jim Snowden. Commissioner Richie Beeler was absent.

Also present at the meeting were:

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

Legal Counsel: Ms. Ashley Trotto, Ms. Stephanie Coleman, Ms. Sarah Jarrard, and Mr. Kevin Escalona

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

Sheriff's Department: Ms. Allison Rogers, KCSO Finance Director, Mr. Jeb Carpenter, UOPP active, Mr. Toby Champion, Mr. Bernie Lyon, UOPP active, Mr. Lee Strzelecki, UOPP active

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: SECOND READING OF PLAN AMENDMENT FOR UNIFORMED OFFICERS PENSION PLAN

A motion was made by Commissioner Jay to approve the second reading of plan amendment for the Uniformed Officers Pension Plan. The motion was seconded by Commissioner Hill.

Chairman Caldwell clarified that the County is not using funds from UOPP to pay for Officer salary raises. Mr. Cross added that under Tennessee State Law, money is not able to be taken from a pension trust. Once funds are deposited into the trust, the County would not have access to the trust's funds.

Ms. Schroeder asked Ms. Trotto to summarize the amendment. Ms. Trotto stated that the proposed amendment would cap UOPP Compensation growth at 3% per year but that such cap would not apply to retirees, percentage increases for promotions, or the determination of the amount of vacation cash out included in UOPP Compensation.

Mr. Fullerton commented that these decisions are difficult, and he presented his own concerns. However, he understood the fiduciary responsibility of the Board and the obligation to protect the plan.

The meeting was opened for public comment.

Mr. Jeb Carpenter, Knox County Sheriff's Office, reiterated his comments from prior Board meetings, noting his concern that the proposed amendment will have a negative impact on his retirement. He expressed that he made life/career decisions based on UOPP, as currently written.

There being no further public comments, the comment period was closed.

All members present voted in favor of Commissioner Jay's motion. The motion was passed unanimously.

Notice of 1st Amendment to the 2023 Restatement of the
Knox County Uniformed Officers Pension Plan

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Uniformed Officers Pension Plan, as amended and restated in its entirety effective January 1, 2023 ("UOPP"); and,

WHEREAS, the Knox County Retirement and Pension Board ("Board") has the right at any time to modify, alter or amend UOPP, in whole or in part, by instrument in writing duly executed, in accordance with the provisions of the Knox County Charter and UOPP; and

WHEREAS, as required by UOPP, the Actuary has advised that this Amendment will have no adverse actuarial impact on the County, the System or UOPP, and based on that advice the Board has concluded that this action will not increase the funding or financial obligations of the County within the meaning of Charter Section 7.04E; and

WHEREAS, to maintain and enhance the fiscal soundness and stability of UOPP, having considered the agreement of the Mayor and the Sheriff as to Officer pay for fiscal year 2024 and following the Board's review of a range of options, the Board wishes to further amend UOPP, prior to any Officer earning an incremental pay increase for fiscal year 2024, to restore the original expectation that UOPP Compensation would increase over time at a rate of not more than 3% per year and to clarify that such limitation does not apply for purposes of determining the amount of vacation cashout included in Post-Severance Compensation;

NOW THEREFORE BE IT RESOLVED that UOPP shall be and is hereby amended, effective July 1, 2023, as follows:

1. **Article I, Section 1.19**, is amended by adding the following new subsection (j) to the end thereof:

(j) On and after July 1, 2023, Compensation shall not include incremental increases paid to an Officer in excess of 3% per year applied position-by-position on a base fixed as of December 31, 2022, as designated by the Sheriff's Office and recorded in the County payroll system.

2. **Article I, Section 1.75(b)**, is amended to read as follows:

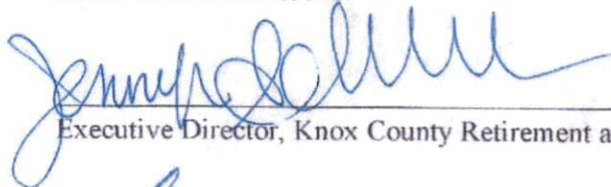
(b) Leave cashouts shall be included in Post-Severance Compensation, if those amounts would have been included in the definition of Compensation without application

of Section 1.19(j), if they were paid prior to the Participant's Severance, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if Employment had continued. Section 1.19(j) shall not apply for purposes of determining the amount of leave cashout included in Post-Severance Compensation.

ADOPTED by the Knox County Retirement and Pension Board on first reading on the 26th day of June 2023.


29th **ADOPTED** by the Knox County Retirement and Pension Board on second reading on the day of June 2023.

Following public notice on June 4, 2023, June 11, 2023, and June 18, 2023, the above 1st **Amendment** was duly adopted pursuant to the provisions of the Charter and UOPP and shall be effective as stated above.



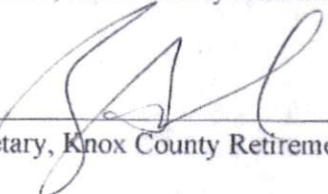
Executive Director, Knox County Retirement and Pension Board

6/29/2023
Date



Chairman, Knox County Retirement and Pension Board

6/29/23
Date



Secretary, Knox County Retirement and Pension Board

6/29/23
Date



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Tel: 865.523.8353

June 19, 2023

Ms. Jennifer Schroeder, Executive Director
Knox County Retirement and Pension Board
City County Building, Room 371
400 S. Main Street
Knoxville, TN 37902

RE: Uniformed Officers Pension Plan ("UOPP")

Dear Ms. Schroeder:

Per the request of the Retirement and Pension Board, USI Consulting Group has evaluated the actuarial impact of the 1st Amendment to the 2023 Restatement of the Knox County Uniformed Officers Pension Plan.

The referenced 1st Amendment will not have an adverse actuarial impact to the Knox County Uniformed Officers Pension Plan.

Sincerely,

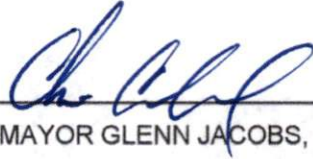
USI CONSULTING GROUP

A handwritten signature in black ink, appearing to read "Bob Cross", with a long horizontal flourish extending to the right.

Bob Cross, ASA, FCA, MAAA
President, Central and Southern Regions

ADJOURNMENT

Chairman Caldwell asked if there was a motion to adjourn. Commissioner Jay made a motion to adjourn, and the meeting was adjourned.



MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL



COMMISSIONER RICHIE BEELER, SECRETARY

Attachments:

1. 1st Amendment to UOPP
2. UOPP Impact Letter of Plan Amendment