

KNOX COUNTY RETIREMENT AND PENSION BOARD

October 26, 2020

The Knox County Retirement and Pension Board met in an electronic session on Monday, October 26, 2020, at 3:00 P.M. via electronic means and broadcast live at: <https://knoxcounty.zoom.us/95311275689> (by phone: 1-646-558-8656, Meeting ID 953 1127 5689, passcode 936643).

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

Also present at the meeting were:

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

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

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, Ms. Cindy Pionke, Human Resources, Mike Steely, Knox News, Lysette Aviles, Sheriff's Office, Nick McBride, Register of Deeds and Rob Link, IT

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 Smith made a motion to approve the electronic meeting. The motion was seconded by Commissioner Jay. A roll call vote was taken. The motion passed.

IN RE: AMENDMENTS TO AGENDA

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

IN RE: APPROVAL OF MINUTES OF SEPTEMBER 28, 2020

Chairman Caldwell presented the minutes for the board meeting held on September 28, 2020. Ms. Hemmelgarn made a motion to approve the minutes for September 28, 2020, as written. The motion was seconded by Mr. Mullinax. A roll call vote was taken. The motion passed.

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>
Carol Jennings	Schools	25 years 3 months	November 1, 2020
Mary McDaniel-Harvey	Schools	34 years 3 months	November 1, 2020
Mark Miller	Health	40 years 5 months	November 1, 2020
Judy Shiflet	Finance	31 years 6 months	November 1, 2020
J. Dirk Weddington	JuvSvcs	30 years 4 months	November 1, 2020

A motion was made by Ms. Hemmelgarn 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. Samar. A roll call vote was taken. The motion passed.

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>
Dennis Mills, Jr.	Sheriff	19 years 0 months	November 1, 2020

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 Ms. Hemmelgarn. A roll call vote was taken. 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.
- **Plan Summaries 09/30/20** – Ms. Schroeder reviewed the plan summary information and explained written copies had been provided to the board members.
- **Election** – Ms. Schroeder reported that an election procedure is being finalized with legal counsel and present at the November board meeting for approval by the board.

- **Locations for November Investment Meeting and November and December Board Meeting**
– Ms. Schroeder stated that the meetings in November and December are subject to change from online meetings to in-person meetings. Some discussion ensued regarding whether to move the meeting location. The board consensus was that the meeting should continue to be held in an online setting for the remainder of the calendar year.

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.

Mr. Cross presented to the Board the impact of the gains and losses from the pandemic to the balance sheet.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings reported on the case of Officer Kidd and his eligibility for benefits and forfeiture of a portion of the same under provisions of the Knox County Charter and the Retirement System.

Mr. Mason had no report.

IN RE: REPORT OF ACTUARY

Mr. Cross reported that USI is doubling in size with the acquisition of Finley. As a result of the internal consolidation of systems, USI is moving to the Schwab platform which will result in a change in Knox County's custodian from Wells Fargo to Schwab, on approval by the Board. Mr. Cross stated that the change would occur over a weekend and that there would be no additional paperwork for Knox County to sign to document the change. A motion was made by Commissioner Jay to approve the custodian change. The motion was seconded by Mr. Mullinax. A roll call vote was taken. The motion passed.

Ms. Trollope reported on the progress of the enhancement of the website which will give Participants the capability of running estimates and requesting distributions online. She stated that the program will be similar to the current online loan process and would go live November 1, 2020. Ms. Schroeder stated that her team had tested the new system and that she was proud of this new offering for Participants.

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 OCT 2020 (Legal Invoices are approved for the previous Months Expense)	Fiscal 21 YTD Approved Invoices 09/30/2020	OCT Invoices For Approval	Fiscal 21 YTD Approved Invoices 10/31/2020	FY 21 Budget vs. Actual 10/31/2020
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.	\$500.00	\$0.00	\$500.00	\$2,500.00
Owings, Wilson & Coleman				Budget \$52,000.00
Invoice #9943M Gilman		\$2,037.50		
Invoice # 9947M Glenn		\$724.54		
Invoice # 9942M Knox County vs. Etters		\$1,772.90		Expense -\$51,568.12
*** TOTAL OWINGS, WILSON & COLEMAN	\$47,033.18	\$4,534.94	\$51,568.12	Remaining Budget \$431.88
USI CONSULTING GROUP				Budget \$475,000.00
Invoice # 90042681		\$49,597.50		Expense -\$137,792.84
Invoice #		\$0.00		Remaining Budget \$337,207.16
TOTAL USI CONSULTING GROUP	\$88,195.34	\$49,597.50	\$137,792.84	
Invoices for OCT 2020	\$135,728.52	\$54,132.44	\$189,860.96	
*** Retainer not included in approved billings for the Board			Fiscal 21 YTD	
Owings, Wilson & Coleman Retainer	\$4,000 per month		\$16,000.00	
Kennerly Montgomery Retainer	\$12,000 per month		\$48,000.00	
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter		\$37,000.00	
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 Ms. Hemmelgarn that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Ms. Samar. A roll call vote was taken. The motion passed.

ADJOURNMENT

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

Chris Caldwell – Approved at Electronic Meeting held on 11/16/2020

MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL

Randy Smith – Approved at Electronic Meeting held on 11/16/2020

COMMISSIONER RANDY SMITH, SECRETARY