

KNOX COUNTY RETIREMENT AND PENSION BOARD

September 26, 2022

The Knox County Retirement and Pension Board met in regular session on Monday, September 26, 2022, at 3:00 P.M. in Room 640, City-County Building, Knoxville, Tennessee.

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Larsen Jay, Vice Chairman, Commissioner Richie Beeler, Secretary, Commissioner Kyle Ward, Commissioner Terry Hill, Mr. Chris Simons, Ms. Janet Samar, Mr. Kevin Clark and Mr. Jim Snowden.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Mr. Ralph Leeman and Mr. Edward Bronkhorst

Legal Counsel: Ms. Ashley Trotto, Mr. Bill Mason, Mr. John Owings and Ms. Sarah Jarrard

Retirement Staff: Ms. Jennifer Schroeder, Ms. Terri Chase and Mr. Zack Cole

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: SWEARING IN OF NEW BOARD MEMBERS

Legal counsel, Mr. John Owings, swore in the following new Board members: Commissioner Richie Beeler and Commissioner Terry Hill.

NOMINATING COMMITTEE NOMINATIONS FOR OFFICERS AND VOTE

The Nominating Committee consisted of Commissioner Jay, Mr. Simons and Mr. Clark. Mr. Simons stated the Nominating Committee proposed the Executive Committee consist of Chris Caldwell, as proxy for Mayor Jacobs, Chair; Commissioner Larsen Jay, Vice Chair; and Commissioner Richie Beeler, Secretary. Commissioner Hill made a motion to approve the nominations. The motion was seconded by Mr. Clark. All members present voted in favor. The motion passed unanimously.

IN RE: AMENDMENTS TO AGENDA

Chairman Caldwell reported that there were amendments to the agenda and Ms. Schroeder summarized those changes.

IN RE: APPROVAL OF MINUTES OF AUGUST 22, 2022

Chairman Caldwell presented the minutes for the board meeting held on August 22, 2022. Commissioner Ward made a motion to approve the minutes for August 22, 2022, as written. The motion was seconded by Mr. Snowden. All members present voted in favor. The motion passed unanimously.

CHAIRMAN APPOINTMENT OF COMMITTEES

Mr. Caldwell appointed the committees as follows:

- **Disability Committee:** Commissioner Larsen Jay, Chairman of Disability Committee, Commissioner Terry Hill, Mr. Kevin Clark, Ms. Janet Samar, Mr. Chris Simons.
- **Document Committee:** Ms. Janet Samar, Chairman of Document Committee, Mr. Chris Caldwell, Commissioner Kyle Ward, Mr. Kevin Clark, and Mr. Jim Snowden.
- **Investment and Actuarial Committee:** Mr. Chris Simons, Chairman of Investment Committee, Mr. Chris Caldwell, Commissioner Larsen Jay, Commissioner Richie Beeler, and Mr. Jim Snowden.

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>
Curtis Cole	Schools	August 29, 2022
Tina Golden	Schools	August 24,2022

A motion was made by Ms. Samar to approve the applications for disability. The motion was seconded by Mr. Clark. 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>
William Barnes	EPW	9 years 2 months	October 1, 2022
Arthaniel Brown	Schools	5 years 7 months	October 1, 2022
Charles Busler	CoComm	8 years 0 months	October 1, 2022
Susan Carter	CoClk	28 years 1 month	October 1, 2022
Donna Corbitt	Judges	26 years 1 month	October 1, 2022
Lisa Daniels	Finance	21 years 9 months	October 1, 2022
Paul Dirl	CoClk	28 years 1 month	October 1, 2022
Jill Green	CommSvcs	7 years 5 months	October 1, 2022
Janet Hart	EPW	18 years 0 months	October 1, 2022
Howard Hogan	ChanCrt	24 years 1 month	October 1, 2022
Emilia Jungwirth	Schools	14 years 9 months	October 1, 2022
Gregory Kidd	Schools	25 years 8 months	October 1, 2022
Cynthia Poland	Schools	10 years 8 months	October 1, 2022
Patsy Rosenbalm	Schools	8 years 6 months	October 1, 2022
Edward Shouse	Trustee	14 years 2 months	October 1, 2022
William Skaggs III	CoClk	14 years 1 month	October 1, 2022
Dorothy Swann	Schools	16 years 11 months	October 1, 2022

A motion was made by Commissioner Ward to approve the applications for retirement under the Defined Contribution Plan as presented and to authorize the Directed Custodian, Charles Schwab, 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 Mr. Snowden. All members present voted in favor. The motion passed unanimously.

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>
Benjamin Hibbert	Sheriff	24 years 7 months	October 1, 2022

A motion was made by Ms. Samar 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 Mr. Clark. All members present voted in favor. The motion passed unanimously.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Update on Schools Communication for Classified Employees in the Asset Plan** – Ms. Schroeder stated that communication pieces have been drafted in coordination with Schools and TCRS and will be sent to current classified employees in the Asset plan. Group presentations will be held in the next few months. One-on-one meetings can be requested by the employees with representatives from the retirement office, Schools, USI and TCRS. All current Schools employees in the Asset plan will need to make an irrevocable election to either stay in the Asset plan or move to TCRS by January 31, 2023. Elections will be effective July 1, 2023.
- **Update on Audit with Pugh and Company** – Ms. Schroeder gave an update on the recent audit performed by Pugh and Company. This audit is still in process and updates will be provided as soon as available.
- **Open Enrollment Update** - Ms. Schroeder discussed open enrollment for retiree medical and dental benefits and explained that the open enrollment for 2023 calendar year will be coming up and documents are ready to be mailed to eligible retirees.
- **Retirement Benefit Fraud Case** - Ms. Schroeder explained a situation the retirement office recently encountered involving receipt of a fraudulent direct deposit change form, resulting in a monthly retirement payment being deposited into an unauthorized account. The situation has been passed on to the Knox County Sheriff's Office and information regarding the account, which has now been closed, is being researched. Ms. Schroeder stated that State Street has reissued the retiree's installment payment to the correct account. Commissioner Ward suggested that additional checks and balances be added to the process for changing a retiree's banking account and Ms. Schroeder agreed to consider options.
- **Retiree Medical Administration** - Ms. Schroeder explained a situation involving spouses who both worked for Knox County and their eligibility for retiree medical insurance. One spouse retired a year ago and would now like to revoke an irrevocable election to decline retiree medical insurance to save on premiums. Ms. Schroeder asked the Board whether it had interest in approving an exception to the consistently applied procedure for retiree medical eligibility in this case. Commissioner Jay stated that the Committees and Board work hard on their policies and procedures and that an exception should

not be granted. The Board agreed and did not take further action.

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 respective markets. Mr. Cross provided an update on the experience studies.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings gave an overview of the pending cases and explained that new Board members will be hearing more at their orientation. Mr. Owings reported that the class action lawsuit that the Board entered into has gone into mediation, which is progress. Mr. Owings explained there should be news soon.

Ms. Jarrard explained that there should be an order issued on the Etters case with respect to our request for appeal. It is possible new counsel will need to be obtained by plaintiffs in this case since the current counsel has been elected to public office.

Ms. Trotto updated the Board on the Secure Act, reporting that the amendment deadline was extended to 2026, but that counsel is recommending updating the plans in 2023 while the provisions are still fresh. She stated that Ms. Schroeder would be scheduling a Document Committee meeting in October to discuss the proposed amendments. Ms. Trotto then gave an overview of the current reporting requirements for the disability trust and stated that a request for waiver of the Form 990 filing requirement is being submitted to the IRS. If approved, the Board would save ~\$1,500 per year. The filing fee for the request is \$550. Ms. Trotto explained that she would provide updates as they become available.

IN RE: REPORT OF ACTUARY

Mr. Cross reviewed the GASB reports for each of the Defined Contribution Plans.

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 SEPT 2022 For FY 23 (Legal Invoices are approved for the previous Months Expense)	Fiscal 23 YTD Approved Invoices 08/31/2022	SEPT Invoices For Approval	Fiscal 23 YTD Approved 9/30/2022	FY 23 Budget vs. Actual 9/30/2022
BENXL Invoice #		\$0.00		Budget \$50,000.00 From FY21 \$50,000.00 Expenses \$0.00 Remaining Budget \$100,000.00
TOTAL BENXL	\$0.00	\$0.00	\$0.00	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 227540		\$800.00		QDRO* \$2,000.00 Rec'd from Participant \$4,000.00 Expenses \$800.00 Remaining Budget -\$2,800.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$0.00	\$800.00	\$800.00	
Owings, Wilson & Coleman Invoice # Invoice # Invoice # 9942M Knox County vs. Eiters *** TOTAL OWINGS, WILSON & COLEMAN		\$0.00 \$0.00 \$705.00 \$705.00		Budget \$125,000.00 Expense -\$855.00 Remaining Budget \$124,145.00
USI CONSULTING GROUP Invoice # 90071320 Invoice # TOTAL USI CONSULTING GROUP		\$57,479.75 \$0.00 \$57,479.75		Budget \$475,000.00 Expense -\$80,972.00 Remaining Budget \$394,028.00
Invoices for SEPT 2022 For FY 23	\$23,642.25	\$58,984.75	\$82,627.00	

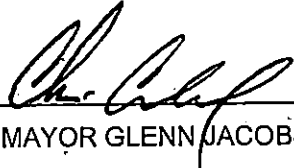
*** Retainer not included in approved billings for the Board	Fiscal 22 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month \$12,000.00
Kennerly Montgomery Retainer	\$12,000 per month \$36,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter \$37,000.00
Fees Received from QDRO* Participants	\$500 (DC Fee) \$0.00 \$2,000 (DB & UOPP Fee) \$4,000.00

*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 Ms. Samar. All members present voted in favor. The motion passed unanimously.

ADJOURNMENT

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



MAYOR GLENN JACOBS, CHAIRMAN
BY PROXY, CHRIS CALDWELL



COMMISSIONER RICHIE BEELER, SECRETARY