

**KNOX COUNTY RETIREMENT AND PENSION BOARD**

**February 21, 2023**

The Knox County Retirement and Pension Board met in regular session on Tuesday, February 21, 2023, 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, Mr. Kevin Clark, Ms. Janet Samar and Mr. Jim Snowden.

Also present at the meeting were:

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

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

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

Others in Attendance: Mr. Kerry Williams, candidate for City Mayor

**IN RE: CALL TO ORDER**

Chairman Caldwell presided and called the meeting to order.

**IN RE: AMENDMENTS TO AGENDA**

Chairman Caldwell reported that there were amendments to the agenda.

**IN RE: APPROVAL OF MINUTES OF JANUARY 23, 2023**

Chairman Caldwell presented the minutes for the board meeting held on January 23, 2023. Mr. Snowden made a motion to approve the minutes for January 23, 2023, as written. The motion was seconded by Commissioner Beeler. 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:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>DATE OF RECOMMENDATION FROM REEDGROUP</u></b>
Lisa Thomas	Schools	January 24, 2023
Mitzi Stooksbury	Retirement	February 21, 2023

A motion was made by Commissioner Jay to approve the application for disability for Lisa Thomas. The motion was seconded by Commissioner Beeler. All members present voted in favor. The motion passed unanimously.

Ms. Schroeder informed the Board there was an approval email from ReedGroup regarding Ms. Stooksbury and that the formal approval letter is in process and would be issued after the Board meeting. At the request of Commissioner Jay, Ms. Trotto reviewed the eligibility provisions of the Disability Plan, concluding that a participant is eligible for benefits so long as he or she was living on his or her determined Disability Date. Following discussion, a motion was made by Commissioner Jay to approve the application for disability for Mitzi Stooksbury, pending receipt and legal/actuarial review of the formal ReedGroup approval letter. The motion was seconded by Commissioner Hill. 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>
Dennis Archer	Schools	18 years 1 month	March 1, 2023
Sharon Cole	Health	20 years 1 month	March 1, 2023
James Heaton	EPW	7 years 4 months	March 1, 2023
James King	Schools	4 years 5 months	March 1, 2023

A motion was made by Mr. Snowden 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 Ms. Samar. 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>
David Cunningham	Sheriff	25 years 1 month	March 1, 2023
Angela Nickerson	Sheriff	25 years 0 months	March 1, 2023
Kenneth Errington	Sheriff	25 years 0 months	March 1, 2023

A motion was made by Commissioner Jay 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. Snowden. 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 the finalized communication pieces were sent to current classified employees in the Asset plan. All current Schools employees in the Asset plan made an irrevocable election to either stay in the Asset plan or move to TCRS before January 31, 2023. 1040 elected to stay in the Asset plan and 170 elected to transfer to TCRS. Elections will be effective July 1, 2023.
- **Valuation Update** – Ms. Schroeder reported that the valuations were sent to USI. The valuations are still in progress.
- **Medical Subsidy Policy** – Ms. Schroeder reported on Knox County's retiree medical subsidy plan. The retiree medical subsidy is a Knox County program that the Retirement Office helps to administer. It is based on the participant's years of credited service. If the retiree elects to participate in the County

medical plan, the County will subsidize 35% of the insurance premium. This policy has been in effect since 2016 and is currently set to sunset on September 30, 2023. After discussion with the County financial director and benefits department, the recommendation is for the County to extend the medical subsidy policy for another 5 years. A motion was made by Mr. Snowden to authorize the Retirement Office to take any and all action necessary or appropriate to extend the medical subsidy policy sunset date and revise associated participant communication pieces, consistent with the County's action regarding the same. The motion was seconded by Mr. Simons. All members present voted in favor. The motion passed unanimously. The extended policy will go before Commission for final approval.

- **Board Appeal Form** – Ms. Schroeder reported on the appeal process. Participants can request to appeal a decision to the Board by submitting a written request for an appeal within 60 days of the Executive Director's initial denial. A form was drafted to provide a template for the participant to fill out and submit to request an appeal. Ms. Schroeder would then assign the appeal to be heard by the appropriate Committee, resulting in a recommendation to the full Board.
- **Election Results and Review** – Ms. Schroeder stated that the employee election has concluded and that Mr. Clark and Ms. Samar were leaving the Board. The new employee representatives would be Mr. Zac Fullerton and Mr. Matthew Schlosshan. There was discussion regarding adding qualifications for future candidates. A motion was made by Commissioner Jay to add that a prospective employee representative must have at least 3 years of Knox County employment to serve on the Retirement and Pension Board. The motion was seconded by Commissioner Ward. All members present voted in favor. The motion passed unanimously.
- **Staffing Update** – Ms. Schroeder deferred to the next meeting.

#### **IN RE: REPORT OF INVESTMENT COMMITTEE**

- **Summary of Investment Meeting from 02/14/2023 With Fund Change Recommendations from USI and Nationwide** – Mr. Simons presented the investment committee's summary and recommendations, which is attached hereto.

A motion was made by Mr. Simons to approve the USI Stable Value Consolidation proposal, as recommended by the Investment Committee. The motion was seconded by Ms. Samar. All members present voted in favor. The motion passed unanimously.

A motion was made by Mr. Simons to approve the Nationwide 457(b) Plan Investment Line-up proposal, as recommended by the Investment Committee. The motion was seconded by Ms. Samar. All members present voted in favor. The motion passed unanimously.

- **Monthly Rates of Return** – Mr. Simons 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. Bronkhorst reported on the current market and future expectations in accordance with regional, national and global markets.

**IN RE: REPORT OF LEGAL COUNSEL**

Mr. Owings had no report.

Mr. Mason had no report

**IN RE: REPORT OF ACTUARY**

Mr. Cross had no report.

**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 Feb 2023 For FY 23 (Legal Invoices are approved for the previous Months Expense)	Fiscal 23 YTD Approved Invoices 1/31/2023	Invoices For Approval	Fiscal 23 YTD Approved 2/28/2023	FY 23 Budget vs. Actual 2/28/2023
BENXL Invoice #				Budget: \$50,000.00
TOTAL BENXL	\$12,000.00	\$0.00	\$12,000.00	Expenses: -\$12,000.00 Remaining Budget: \$38,000.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #				QDRO* \$2,000.00 Rec'd from Parties: \$4,000.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$1,600.00	\$0.00	\$1,600.00	Expenses: -\$1,600.00 Remaining Budget: \$3,600.00
Owings, Wilson & Coleman Invoice # 9993M Invoice # 9942M Invoice #		\$2,713.68 \$12,375.67 \$0.00		Budget: \$125,000.00
*** TOTAL OWINGS, WILSON & COLEMAN	\$37,504.85	\$15,089.25	\$52,594.10	Expense: -\$52,594.10 Remaining Budget: \$72,405.90
USI CONSULTING GROUP Invoice # 90078192 Invoice # 90077222 Invoice # 90078191		\$3,750.00 \$54,000.00 \$2,000.00		Budget: \$475,000.00
TOTAL USI CONSULTING GROUP	\$149,073.00	\$59,750.00	\$208,823.00	Expense: -\$208,823.00 Remaining Budget: \$266,177.00
Invoices for Feb 2023 For FY 23	\$200,177.85	\$74,839.25	\$275,017.10	

*** Retainer not included in approved billings for the Board		Fiscal 22 YTD
Owings, Wilson & Coleman Retainer	\$4,000 per month	\$32,000.00
Kennerly, Montgomery Retainer	\$12,000 per month	\$96,000.00
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter	\$111,000.00
Fees Received from QDRO* Participants	\$500 (DC Fee) \$2,000 (DB & UOPP Fee)	\$0.00 \$4,000.00

\*QDRO fee is Paid to Retirement Office which offsets the legal fee

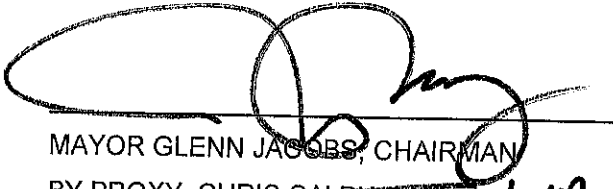
After review of the statement of accounts and invoices, a motion was made by Commissioner Beeler that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Mr. Snowden. All members present voted in favor. The motion passed unanimously.

**IN RE: RECOGNITION OF OUTGOING BOARD MEMBERS**

Chairman Caldwell recognized the service of Mr. Kevin Clark and Ms. Janet Samar on the Retirement and Pension Board.

**ADJOURNMENT**

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



MAYOR GLENN JACOBS, CHAIRMAN  
BY PROXY, CHRIS CALDWELL

LARSEN JAY, VICE-CHAIR



COMMISSIONER RICHIE BEELER, SECRETARY

- 1.) Investment Committee Summary and Recommendation