

KNOX COUNTY RETIREMENT AND PENSION BOARD

FEBRUARY 23, 2015

The Knox County Retirement and Pension Board met in regular session on Monday, February 23, 2015, at 9:00 A.M. in the County Commission Conference Room 640, City County Building, Knoxville, Tennessee. Chairman Rick Trott, presided and called the meeting to order.

The following members were present: Mr. Rick Trott, Chairman, Mr. Nick McBride, Vice Chairman, Ms. Robin Moody, Secretary, Commissioner Ed Brantley, Commissioner Sam McKenzie, Commissioner Bob Thomas, and Mr. Chris Caldwell, representing Mayor Tim Burchett. Also present at the meeting were: Mr. William Mason, Mr. John Owings, Mrs. Stephanie Coleman, Legal Counsel, Mr. Bob Cross, Mrs. Carissa Dunaway, USICG, Gerald Witt, Knoxville News Sentinel and Retirement staff, Mrs. Kim Bennett, Mrs. Terri Chase, Mrs. Janet Rowan and Mrs. Jennifer Schroeder.

IN RE: APPROVAL OF MINUTES OF PREVIOUS MEETING

Consideration of approval of the minutes of the previous meeting of January 26, 2015 was presented. A motion was made by Mr. Caldwell that the minutes be approved as presented. The motion was seconded by Mr. McBride and unanimously carried.

IN RE: REQUEST OF KNOX COUNTY SCHOOLS TO RE-EMPLOY THE FOLLOWING RETIREES:

DIANE BALL, FRED BROWN AND JAMES E TAYLOR.

Mrs. Bennett presented the request of Knox County Schools for approval for the following retiree to return to employment on a part-time basis as discussed at the January 2015 meeting with the retiree and supervisor:

Ms. Diane Ball – retired December 1, 2014.

Mrs. Bennett explained that the employee would not be allowed to work over 720 hours in a calendar year without the loss of retirement benefits. She reviewed the Plan Document provisions that the employee must be paid on an hourly rate, with no benefits, and the hours worked must be certified to the Retirement Board as required annually.

After discussion, a motion was made by Mr. McBride that the request for the retiree to return to work be approved. The motion was seconded by Mr. Caldwell and unanimously approved.

Regarding the request of Knox County Schools to re-employ Mr. Fred Brown and Mr. James E Taylor, a motion was made by Mr. McBride that consideration of the request be deferred to the March Board Meeting since they were not present at the meeting. The motion was seconded by Mr. Caldwell and unanimously carried.

IN RE: APPLICATION FOR DISABILITY BENEFITS FOR DIANA G SWEET, A PARTICIPANT IN THE EMPLOYEE DISABILITY BENEFIT PLAN.

The application of **DIANA G SWEET**, employee of Human Resources Dept, and a participant in the Employee Disability Benefit Plan, for disability benefits was presented. Ms. Sweet has 14 years of credited service. Notification was received from UNUM dated February 20, 2015, recommending approval of a disability benefit for Ms. Sweet.

Mr. John Owings stated the law office he represents, Robertson Overbey, is abstaining as they have represented Ms. Sweet in a previous lawsuit for a car wreck.

Mr. Mason stated he had conversation with Ms. Sweet's legal representative to discuss the effective date of benefit payments.

After discussion, a motion was made by Mr. Caldwell to accept the recommendation of UNUM and approve the request of Ms. Sweet for disability benefits as presented and authorize the Directed Custodian, Wells Fargo Bank, to make disposition of the benefits in accordance with the terms of the Plan upon certification from USI. The motion was seconded by Commissioner Sam McKenzie and approved.

IN RE: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE DEFINED CONTRIBUTION PLAN

The following applications for 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> |
|--------------------|--------------------------|--------------------------------|------------------------------|
| Samuel R Hopkins | Schools | 16 years 10 months | March 1, 2015 |
| Ray E Jones | Schools | 5 years | March 1, 2015 |
| James H Moore | Schools | 20 years 1 month | March 1, 2015 |
| Mary L Pointon | Schools | 5 years 7 months | March 1, 2015 |
| Deborah W Porter | Mayor | 6 years 9 months | March 1, 2015 |
| Jean C Smathers | Criminal Court | 32 years 6 months | March 1, 2015 |
| Raymond Smith Jr | Schools | 8 years 4 months | March 1, 2015 |
| Donald E Wells | Schools | 24 years 6 months | March 1, 2015 |
| Dian B Williams | Com Svcs | 22 years 5 months | March 1, 2015 |

After review, a motion was made by Mr. Caldwell to approve the applications for retirement under the Defined Contribution Plan as presented and authorize the Directed Custodian, Wells Fargo Bank, to make disposition of the benefits upon certification from USI. The motion was seconded by Mr. McBride and unanimously approved.

IN RE: CONSIDERATION OF ISSUANCE OF DEATH BENEFIT CERTIFICATES ON COMPLETED YEARS OF SERVICE

The request for issuance of certificates of death benefits as provided for in the Plan, based upon completed years of credited service at the date of termination or retirement, for the following participants was presented for consideration:

ACTUARIAL VALUE:

| | |
|-------------------------|------------------------|
| Samuel R Hopkins | Ray E Jones |
| James H Moore | Mary L Pointon |
| Deborah W Porter | Jean C Smathers |
| Raymond Smith Jr | Donald E Wells |
| Dian B Williams | |

After review, a motion was made by Mr. McBride to approve the requests as presented as provided by the Plan. The motion was seconded by Commissioner Sam McKenzie and unanimously approved.

IN RE: CONSIDERATION OF INCOME REPORTS FOR 2014 FOR DISABILITY PARTICIPANTS AND SURVIVING BENEFICIARIES

The report on annual income for 2014 for disability participants deferred from the February Board Meeting was reviewed.

Mrs. Bennett told the Board that Ms. Cassandra Myers verbally stated she has been working since the beginning of 2014 and is no longer eligible for disability benefits. Ms. Bennett reported that the Retirement Office has stopped Ms. Myers benefit payments but is unable to calculate the amount to be repaid at this time. Mrs. Bennett stated the Retirement Office is awaiting written confirmation from Ms. Myers on her work history to calculate the amount of repayment due to overpayment of disability benefits.

After review, a motion was made by Commissioner McKenzie to approve the annual income report for 2014 for those participants with the exception of Ms. Myers. The motion was seconded by Mr. McBride and unanimously approved.

IN RE: CONSIDERATION OF ANNUAL PHYSICIANS' MEDICAL REPORTS FOR 2014 FOR DISABLED PARTICIPANTS.

The annual physicians' medical reports for 2014 for disability participants deferred from the February Board Meeting were reviewed by the Board. After review, a motion was made by Commissioner McKenzie to approve the annual physicians' medical reports for 2014 for those participants with the exception of Ms. Myers. The motion was seconded by Mr. McBride and unanimously approved.

IN RE: CONSIDERATION OF ANNUAL REPORT FOR 2014 ON STATUS OF SURVIVING BENEFICIARIES AND DEPENDENT CHILDREN.

The annual report on the status of surviving beneficiaries and dependent children for 2014 for disability participants deferred from the February Board Meeting was reviewed by the Board. After review, a motion was made by Commissioner McKenzie to approve the annual report on status of surviving beneficiaries and dependent children with the exception of Ms. Myers. The motion was seconded by Mr. McBride and unanimously approved.

IN RE: REPORT OF EXECUTIVE DIRECTOR

Mrs. Bennett reminded the Board Members of the Healthcare Conference March 1-3, 2015 and the Wilshire Conference April 19-21, 2015.

Mrs. Bennett announced the 15th annual Retiree Luncheon is Tuesday, April 7, 2015 and invited all members of the Board to attend if possible. She also advised donations are being accepted for door prizes and the deadline is the end of March for contributors to be listed in the Retiree Luncheon Program.

IN RE: REPORT OF DISABILITY COMMITTEE

Commissioner Bob Thomas stated he will be scheduling a meeting of the committee to discuss the disability process and procedures so that all cases will be handled consistently under the Disability Plan.

IN RE: REPORT OF ELECTION COMMITTEE

Mrs. Bennett stated the Retirement Election held Thursday, February 12, 2015 in coordination with the Human Resources Insurance Committee election was handled efficiently. She stated the cost was \$240 shared between the two departments plus communication costs. Mrs. Bennett stated the results are as follows:

- Rick Trott, Knox County Government Employee Representative, Seat B.
- Robin Moody, Knox County Schools Employee Representative, Seat A.

Mrs. Bennett stated the successful candidates will be sworn in at the March Board Meeting.

IN RE: INVESTMENT AND RETIREMENT EDUCATION COMMITTEE

Mrs. Bennett stated the Investment and Retirement Education seminars are in process. She stated five days of seminars have been completed at the City/County Building which included employees from Finance, Criminal Court and Register of Deeds.

Mr. Nick McBride stated approximately 90% of the employees in the Register of Deeds office have attended and it is money well spent.

Commissioner Ed Brantley stated the seminars have been well received by the employees.

Mrs. Bennett stated numerous new enrollments for the 457 Deferred Compensation Plan have been received by the Retirement Office. She also stated there are three days of four meetings each scheduled at the Health Department in March.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings stated he spoke with Ms. Carrie Mills and gave her information to contact brother's attorney, Mr. Joseph H White, Jr. He stated Ms. Mills has agreed to split the retirement funds with her brother, Mr. Dustin Mills. Mr. Owings reported the request of Mr. Mill's attorney, Joseph H White, Jr, has been withdrawn. He stated no distribution forms have been received to date.

Mr. Mason stated there was no business to report at this time.

IN RE: REPORT OF ACTUARY

Mr. Cross reminded the Board that the rate of return is set by the Board for the defined benefit plans and that 7% has been used in valuations and in connection with GASB requirements. Mr. Cross also reminded the Board that the rate of return needs to be reasonably related to actual investment returns in the long-term. The Board discussed Wilshire's most recent 10-year analysis which resulted in a 6.75% expected rate of return. The Board discussed the difference between USI's long term expected rate of return (7%) and Wilshire's 10-year expected rate of return (6.75%). Mr. Mr. Cross told the Board that when Mr. Lindbergh is in town for the Investment Committee meeting on Thursday, February 26, 2015 at 1:00 p.m., the Committee will discuss a recommendation to the Board for the March meeting on the actuarial expected rate of return for the 2015 pension valuation.

Mr. Cross stated he will discuss actuarial estimates at the March Board Meeting.

IN RE: REPORT OF INVESTMENT COMMITTEE

Mr. McBride presented the rates of return as of January 31, 2015, that were previously distributed to the Board Members.

Mr. McBride stated the next Investment Committee is Thursday, February 26, 2015 at 1:00 p.m. and invited all Board Members to attend if possible.

IN RE: STATEMENT OF ACCOUNTS AS AUDITED AND RECOMMENDED FOR PAYMENT BY KIM BENNETT, EXECUTIVE DIRECTOR

The following statement of accounts for professional services was presented for consideration of approval of payment, as in accordance with agreements and audited and recommended for payment by Mrs. Bennett:

INVOICES FOR FEBRUARY 2015

KENNERLY, MONTGOMERY & FINLEY, P.C.

Invoice #191426

\$4,464.00

| | |
|-------------------------------------|-------------|
| KENNERLY, MONTGOMERY & FINLEY, P.C. | |
| Invoice #191428 | \$814.00 |
| USI CONSULTING GROUP | |
| Invoice #9004878 | \$5,652.75 |
| TOTAL FOR FEBRUARY 2015 | \$10,930.75 |

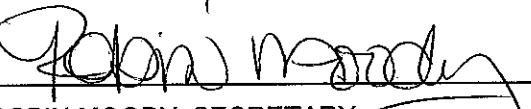
After review of the statement of accounts and invoices, a motion was made by Commissioner McKenzie that the Board authorize the payment indicated above to be paid from the designated State Street funds. The motion was seconded by Mr. McBride and unanimously approved.

.ADJOURNMENT

As there was no further business to come before the Board, the meeting was adjourned in order.



RICK TROTT, CHAIRMAN



ROBIN MOODY, SECRETARY