

**KNOX COUNTY RETIREMENT AND PENSION BOARD**

**MARCH 27, 2017**

The Knox County Retirement and Pension Board met in regular session on Monday, March 27, 2017, at 1:30 P.M. in the County Commission Conference Room 640, City-County Building, Knoxville, Tennessee. Chair Moody presided and called the meeting to order.

The following members were present: Ms. Robin Moody, Chair *pro tempore*, Mr. Chris Caldwell, Mayor Burchett's designee as Vice Chairman *pro tempore*, Commissioner Hugh Nystrom, Secretary *pro tempore*, Commissioner Ed Brantley, Commissioner John Schoonmaker, Commissioner Bob Thomas, Mrs. Jennifer Hemmelgarn, Mrs. Tracy Foster and Mr. Zack Webb. Also present at the meeting were: Mr. Nick McBride, Chief Deputy Register of Deeds, Mr. Ed Shouse, Knox County Trustee, Mr. David Buuck, Chief Deputy Law Director, Mr. Evan Houser, Knox County Law Department, Mr. Bob Cross, Mrs. Carissa Dunaway, Mr. Adam Davies, USICG, Mr. William Mason, Mrs. Ashley Trotto, Mr. John Owings, Mrs. Stephanie Coleman, Legal Counsel, Mr. John Gustin, Knox County Information Technology, Mr. Rick Trott, Mr. Mark Young, Retirees of Knox County Sheriff's Office, Mr. Wayne Sellers, Nationwide, and Retirement staff, Mrs. Kim Bennett, Mrs. Jennifer Schroeder, Ms. Nyla Breshears, Mrs. Terri Chase, and Mrs. Janet Rowan. Also present at the meeting were: Mr. Michael Bartleson, Mrs. Amanda Bartleson with Legal Counsel, Drew McElroy; Mr. James Page, Mrs. Shelly Page, also represented by Legal Counsel Drew McElroy.

**IN RE: OATH OF OFFICE OF BOARD MEMBER TRACY FOSTER**

Mr. John Owings administered the following oath of office to newly elected Board Member Mrs. Tracy Foster:

I, **TRACY FOSTER**, having been duly elected to the Knox County Retirement and Pension Board, do solemnly swear that I will perform with fidelity the duties of a Board Member without prejudice, partiality or favor to the best of my skill and ability, so help me God.

Witness my hand this 27th day of March, 2017.

/s/ Tracy Foster

TRACY FOSTER

Subscribed and sworn to before me this 27th day of March 2017.

/s/ John Owings

JOHN OWINGS

Legal Counsel

**IN RE: OATH OF OFFICE OF BOARD MEMBER JENNIFER HEMMELGARN**

Mr. John Owings administered the following oath of office to newly elected Board Member Mrs. Jennifer Hemmelgarn:

I, **JENNIFER HEMMELGARN**, having been duly elected to the Knox County Retirement and Pension Board, do solemnly swear that I will perform with fidelity the

duties of a Board Member without prejudice, partiality or favor to the best of my skill and ability, so help me God.

Witness my hand this 27th day of March, 2017.

/s/ Jennifer Hemmelgarn

JENNIFER HEMMELGARN

Subscribed and sworn to before me this 27th day of March 2017.

/s/ John Owings

JOHN OWINGS

Legal Counsel

**IN RE: OATH OF OFFICE OF BOARD MEMBER ZACK WEBB**

Mr. John Owings administered the following oath of office to newly elected Board Member Mr. Zack Webb:

I, ZACK WEBB, having been duly elected to the Knox County Retirement and Pension Board, do solemnly swear that I will perform with fidelity the duties of a Board Member without prejudice, partiality or favor to the best of my skill and ability, so help me God.

Witness my hand this 27th day of March, 2017.

/s/ Zack Webb

ZACK WEBB

Subscribed and sworn to before me this 27th day of March 2017.

/s/ John Owings

JOHN OWINGS

Legal Counsel

**IN RE: REPORT OF NOMINATION AND ELECTION OF OFFICERS**

Chair Moody opened the floor for nominations for the Executive Committee of the Board. The following officers were elected by the Board:

Chairman – Commissioner Ed Brantley

Vice Chairman – Mr. Chris Caldwell, Proxy for Mayor Tim Burchett

Secretary – Commissioner Hugh Nystrom

Chairman Ed Brantley presided over the remainder of the meeting.

**IN RE: APPOINTMENT OF COMMITTEES**

Chairman Brantley made the following Committee assignments:

Disability Committee: Commissioner Bob Thomas, Chairman

Commissioner Hugh Nystrom

Ms. Tracy Foster

Ms. Jennifer Hemmelgarn

Ms. Robin Moody

Document Committee: Mr. Chris Caldwell, Chairman  
Commissioner Bob Thomas  
Commissioner Hugh Nystrom  
Ms. Robin Moody  
Mr. Zack Webb

Trust Investment & Actuarial Study Committee:  
Mr. Chris Caldwell, Chairman  
Commissioner Ed Brantley  
Commissioner Hugh Nystrom  
Commissioner John Schoonmaker  
Ms. Robin Moody

The Retirement/Investment Education Committee was dissolved.

**IN RE: AMENDMENTS TO THE AGENDA**

Mrs. Bennett stated an Amended Agenda has been distributed to everyone. A motion was made by Commissioner Brantley to approve the Amended Agenda. The motion was seconded by Mr. Caldwell and unanimously approved.

**IN RE: APPROVAL OF MINUTES OF OF THE WORKSHOP JANUARY 17, 2017 REGARDING SGT. GASS'S APPEAL**

Consideration of approval of the minutes of the Workshop held on January 17, 2017, regarding Sgt. Gass's appeal was presented. A motion was made by Mr. Caldwell that the Workshop minutes be approved as presented. The motion was seconded by Commissioner Thomas and unanimously approved.

**IN RE: APPROVAL OF MINUTES OF JANUARY 23, 2017**

Consideration of approval of the minutes of the previous meeting of January 23, 2017, was presented. A motion was made by Mr. Caldwell that the minutes be approved as presented. The motion was seconded by Commissioner Nystrom and unanimously approved.

**IN RE: APPROVAL OF MINUTES OF FEBRUARY 27, 2017**

Consideration of approval of the minutes of the previous meeting of February 27, 2017, was presented. A motion was made by Commissioner Thomas that the minutes be approved as presented. The motion was seconded by Commissioner Schoonmaker and unanimously approved.

**IN RE: REQUEST OF OFFICER MICHAEL BARTLESON, APPROVED FOR DISABILITY AND BEGAN RECEIVING MONTHLY BENEFITS JANUARY 1, 2016, TO ADDRESS THE BOARD REGARDING OFFSET FOR WORKER'S COMPENSATION SETTLEMENT.**

Mr. Mason, Legal Counsel, stated he had discussions with Mrs. Bennett, Mrs. Trotto, the County Law Department, and Attorney McElroy who represents Officer Michael Bartleson regarding the appeal of the offset of Workers' Compensation to the disability benefit and recommends the Board exercise its authority of the Plan to correct the error as follows:

Officer Bartleson's monthly offset for Workers' Compensation will be reduced from \$1,704.98 to \$468.87, commencing January 1, 2017, and ending on his UOPP normal retirement date (November 1, 2027). The gross monthly disability benefit will be \$1,722.48 starting May 1, 2017. In the event Officer

Bartleson elects to take his UOPP benefit prior to November 1, 2027, or dies prior to that date, his disability benefit and the subject offset will cease.

As an adjustment for payments made to Officer Bartleson from January 1, 2017 through April 1, 2017, the Retirement Office will also process a gross lump sum payment within two (2) weeks in the amount of \$4,944.44, mailed to Drew McElroy's office.

No further adjustment for Workers' Compensation will be made to Officer Bartleson's disability benefit prior to his UOPP normal retirement date or death.

Mr. Mason stated given the circumstances, the settlement is in the best interest of the Board and the Knox County Retirement System.

After discussion, a motion was made by Commissioner Nystrom to accept Legal Counsel's recommendation of the settlement. The motion was seconded by Commissioner Thomas and unanimously approved.

**IN RE: REQUEST OF OFFICER JAMES PAGE, APPROVED FOR DISABILITY AND BEGAN RECEIVING MONTHLY BENEFITS SEPTEMBER 1, 2016, TO ADDRESS THE BOARD REGARDING OFFSET FOR WORKER'S COMPENSATION SETTLEMENT.**

Mr. Mason, Legal Counsel, stated he had discussions with Mrs. Bennett, Mrs. Trotto, the County Law Department, and Attorney McElroy who represents Officer James Page regarding the appeal of the offset of Workers' Compensation to the disability benefit and recommends the Board exercise its authority of the Plan to correct the error as follows:

Officer Page's monthly offset for Workers' Compensation will be reduced from \$2,311.05 to \$366.77, commencing January 1, 2017, and ending on his Asset Accumulation Plan normal retirement date (November 1, 2033). The gross monthly disability benefit will be \$2,091.69 starting May 1, 2017. In the event Officer Page elects to withdraw any part of his Asset Accumulation Plan account prior to November 1, 2033, or dies prior to that date, the disability benefit and the subject offset will cease.

As an adjustment for payments made to Officer Page from January 1, 2017 through April 1, 2017, the Retirement Office will process a gross lump sum payment within two (2) weeks in the amount of \$7,766.76, mailed to Drew McElroy's office.

No further adjustment for Workers' Compensation will be made to Officer Page's disability benefit prior to his Asset Accumulation Plan normal retirement date or death.

Mr. Mason stated given the circumstances, the settlement is in the best interest of the Board and the Knox County Retirement System

After discussion, a motion was made by Commissioner Thomas to accept Legal Counsel's recommendation of the settlement. The motion was seconded by Commissioner Nystrom and unanimously approved.

**IN RE: REQUEST OF RETIREE, MARK YOUNG, TO ADDRESS THE BOARD REGARDING ERROR IN PENSION BENEFIT**

Officer Young stated he retired January 1, 2015 under UOPP and adjusted his living based on his monthly retirement benefit. Then in January 1, 2017, when no cost of living adjustment was received, he contacted the Retirement Office and was informed of an error in the calculation of his monthly benefit. He

stated his benefit has been adjusted to the correct amount which is less than he received at retirement. Officer Young also stated he received a letter from the Retirement Office advising him of the adjustment and the request to repay the overpayment of \$9,307.91 which he stated he is unable to pay in full at this time. Officer Young asked the Board to "forgive" the overpayment since it was due to an error of the Retirement Office.

Mr. Mason, Legal Counsel, provided the following summary of the appeal of Officer Young:

Officer Young retired from UOPP and began receiving monthly retirement benefits on January 1, 2015.

The Retirement Office inadvertently calculated Officer Young's UOPP benefit using overstated compensation data. This error resulted in a higher monthly UOPP benefit. For each month in 2015, Officer Young was paid \$4,118.06 rather than the correct gross monthly benefit amount of \$3,746.90 and for each month in 2016, Officer Young was paid \$4,241.60 rather than \$3,859.31. The total overpayment amounts to \$9,307.91.

The Retirement Office, with the assistance of counsel, discovered this error during the most recent Plan audit. Officer Young was notified of the error by letter dated January 5, 2017, which stated that he would begin receiving his correctly calculated monthly benefit, effective February 1, 2017, and that he must repay the outstanding overpayment within 30 days. The letter informed Officer Young that if he did not make such payment in the time permitted, the overpayment would be deducted from his monthly benefit over a period of 25 months in accordance with the payment schedule included with the letter.

On January 9, 2017, Officer Young requested to appeal the Retirement Office's initial determination at the first Board meeting when all Board seats would be filled. The Executive Director notified Officer Young that he would be added to the March 27, 2017, Board meeting agenda. The Executive Director told Officer Young that although the correct monthly benefit would be paid going forward, no reduction to collect the overpayment would be made until a final determination is made by the Board.

Because the Board is required to administer the Plan in accordance with its terms, Mr. Mason stated his advice that the applicable UOPP benefit is the one provided for by the terms of the Plan and corrective action is necessary to remedy the overpayment. The only other decision for the Board is whether, in Officer Young's case, the proposed corrective action is appropriate.

Mrs. Bennett stated there was an error in earnings in the database system which was found by the auditors. She stated the Retirement Office has put into place checks and balances so that this does not happen in the future.

After discussion, the Board determined corrective action was appropriate and Officer Young must repay the overpaid amount. A motion was made by Commissioner Thomas to accept \$37.50 per month, to be deducted from Officer Young's monthly UOPP benefit over a period of twenty (20) years, beginning May 1, 2017. Officer Young's monthly benefit effective May 1, 2017, and for the remainder of the 2017 calendar year will be \$3,937.59. In future years, Officer Young will be eligible for the annual UOPP cost of living adjustment based on the correctly calculated benefit. The motion was seconded by Commissioner Nystrom and unanimously approved.

**IN RE: REQUEST OF ATTORNEY DUPREE REPRESENTING OFFICER RONALD "RAY" TREECE, APPROVED FOR DISABILITY AND BEGAN RECEIVING MONTHLY BENEFITS OCTOBER 1, 2011, TO ADDRESS THE BOARD REGARDING OFFSET FOR WORKER'S COMPENSATION SETTLEMENT.**

Mrs. Bennett stated neither Attorney Dupree nor Officer Treece are present at the meeting.

Mr. Mason, Legal Counsel, stated the appeal is still pending and awaiting a decision from the Board even without any additional information from Attorney Dupree. Mr. Mason recommended that the Board deny the appeal and for Mrs. Bennett to send a letter to Officer Treece and Attorney Dupree advising of such denial. He advised the Board that the law is clear in Tennessee that an employee has no vested or accrued right to a disability benefit prior to suffering a disability. When the Board amended UOPP in 2010 to include an offset for Social Security and Workers' Compensation benefits, Officer Treece had not yet suffered a Disability, and therefore, the 2010 amendment applies to Officer Treece. It did not deprive him of any benefit he was entitled to on the effective date of that amendment. Mr. Mason stated his opinion that Officer Treece's benefit was properly calculated using offsets for Social Security and Workers' Compensation and that the Board should deny Officer Treece's appeal. After discussion, a motion was made by Commissioner Nystrom to accept Legal Counsel's recommendation to deny the appeal on the bases stated and for Mrs. Bennett to send a letter to Officer Treece and Attorney Dupree advising of such denial. The motion was seconded by Mr. Webb and unanimously approved.

**IN RE: APPLICATION FOR DISABILITY BENEFIT – EMPLOYEE DISABILITY PLAN**

The application for disability benefits for **DONALD H SEAGLE**, employee of the Engineering & Public Works, and a participant in the Asset Accumulation Plan, was presented. Mr. Seagle has 16 years 10 months of credited service. Notification was received from UNUM dated March 22, 2017, recommending approval of a disability benefit for Mr. Seagle.

After discussion, a motion was made by Commissioner Schoonmaker to accept the recommendation of UNUM to approve the request of Mr. Seagle for disability benefits as presented and to 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 Ms. Moody and unanimously approved.

**IN RE: APPLICATION FOR RETIREMENT – DEFINED BENEFIT PLAN, LUMP SUM DISTRIBUTION AND CREDITED SERVICE BENEFIT BASED ON COMPLETED YEARS OF SERVICE**

The following applications for retirement along with the lump sum benefit and the credited service benefit based upon completed years of credited service at the date of retirement, as provided in the Defined Benefit Plan, were presented for consideration:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>CREDITED SERVICE</u></b>	<b><u>EFFECTIVE DATE</u></b>
Amy S Rhea	Schools	29 years 9 months	April 1, 2017

After review, a motion was made by Commissioner Thomas to approve the application for retirement under the Defined Benefit Plan as presented and to authorize the Trustee, State Street Bank, to make disposition of the benefits. The motion was seconded by Commissioner Schoonmaker and unanimously approved.

**IN RE: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE ASSET ACCUMULATION 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 Asset Accumulation Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Glenda M Bright	Schools	19 years 8 months	April 1, 2017
Johnnie L Hurst	Sheriff	17 years 4 months	April 1, 2017
Karen F Lawson	ComSvc	25 years 8 months	April 1, 2017
Mitzi T Lewis	Sessions Ct	20 years 2 months	April 1, 2017
Thomas E Strickland Jr	Cnty Comm	11 years	April 1, 2017

After review, a motion was made by Mr. Caldwell to approve the applications for retirement under the Asset Accumulation 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 Trustee, State Street Bank, to make payment of the credited service benefit. The motion was seconded by Commissioner Thomas 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 retirement, for the following disability to retirement participants was presented for consideration:

**Kathryn Mitchell                      Naomi C Wynn**

After review, a motion was made by Ms. Moody to approve the requests as presented as provided by the Plan. The motion was seconded by Commissioner Schoonmaker and unanimously approved.

**IN RE: REPORT OF EXECUTIVE DIRECTOR**

Mrs. Bennett stated the Retiree Luncheon is Tuesday April 11<sup>th</sup> and all Board Members are invited to attend. She stated the letters soliciting donations and prizes have been mailed and donations are being received.

Ms. Bennett reported the following statistics for the **Loan Program**:

**Asset Accumulation Plan**

Total number of loans – as of March 24, 2017	189 (1 default last month)
Approximate number of participants eligible for loans	1,185
Percentage of Participants with loans processed	15.94%
Total value of all loans as of March 24, 2017	\$3,038,449
Average Loan Balance	\$16,076

**STAR** – No participants eligible for loans.

Mrs. Bennett stated there were 9 loans processed in the last month.

Mrs. Bennett reported the statistics for the **Defined Contribution Plans** as follows:

Distributions processed in March 52

Mrs. Bennett reported the annual income and medical reports for 2016 have been received from all disability participants.

Mrs. Bennett stated the Voluntary Work Reduction Plan has closed. She stated 79 applicants were approved and 70 of them are eligible to retire as of July 1, 2017.

Mrs. Bennett stated there are two Investment & Education Retirement Meetings for Knox County Schools Classified employees scheduled for April 10<sup>th</sup> and May 9<sup>th</sup>. She stated these meetings will cover the Asset Accumulation Plan Phase I and Phase II. Mrs. Bennett stated these meetings are not mandatory and employees must sign up online with a maximum of 50 employees per session.

**IN RE: REPORT OF DOCUMENT COMMITTEE**

Mr. Caldwell stated the Document Committee met on March 17<sup>th</sup> and recommends implementing a minimum \$5,000 threshold for partial lump sum distributions for retirees and their beneficiaries and limiting them to one (1) partial lump sum distribution per calendar quarter for the Asset Accumulation Plan, Deferred Compensation Plan and Sheriff's Total Accumulation Retirement Plan (STAR). The amendments would be presented at the April and May Board meetings and become effective July 1, 2017.

The Document Committee also recommends the following clarification of the credited service benefit be included in the amendment:

The Credited Service benefit provides vested Asset Plan (and Closed DB Plan) participants hired prior to January 1, 2014 and retiring on or after January 1, 2014, with an additional lump sum benefit based on length of service. The benefit was intended to apply solely to Credited Service earned by Asset Plan (or Closed DB Plan) participants. However, when STAR was adopted in 2013, mirror provisions were added to the Asset Plan and STAR providing that Credited Service under the Asset Plan would be counted under STAR, and vice versa, so long as that service is not duplicated. There are currently certain circumstances where a participant's subsequent STAR service could be included in the calculation of the Credited Service benefit for Asset Plan Participants.

Thus, consistent with the intent and the Pension Office's consistent administration of the Credited Service benefit, the Asset Plan should be amended to clarify that STAR service is excluded for purposes of calculating the Credited Service benefit.

After discussion, the Board approved the following resolution to establish additional distribution options for the Knox County Defined Contribution Retirement Plans and to clarify the calculation of the Credited Service benefit.

**WHEREAS**, Knox County Government has adopted the Knox County Employee Benefit System ("System"), including the Asset Accumulation Plan and the Deferred Compensation Plan, and the Sheriff's Total Accumulation Plan ("STAR") (collectively the "Plans"), as each has been subsequently amended; and

**WHEREAS**, the Knox County Retirement and Pension Board (the "Board") has the right at any time to modify, alter or amend the Plans, in whole or in part, by instrument in writing duly executed; and the Actuary has determined that this Amendment will have no measurable net cost to the County; and



**WHEREAS**, the Board, upon the recommendation of the Document Committee, wishes to amend the Plans to allow Participants to take partial lump sum distributions from the Plans; and

**WHEREAS**, the Board and Document Committee have discussed concepts including, implementing a minimum \$5,000 threshold for partial lump sum distributions and limiting participants to one (1) partial lump sum distribution per calendar quarter; and

**WHEREAS**, certain conforming distribution procedures and forms are required to be established to implement such concepts; and

**NOW THEREFORE BE IT RESOLVED** that the Board hereby authorizes and directs the Executive Director to prepare proposed amendments and suitable distribution procedures and forms to accomplish the foregoing purpose and other proposed housekeeping amendments, such proposed amendments to be considered by the Board, after public notice, for adoption on two readings at regularly scheduled Board meetings.

**BE IT FURTHER RESOLVED** that the Board hereby authorizes and directs the Executive Director to include an additional System amendment clarifying that STAR service is not counted for purposes of calculating the Credited Service Benefit.

**IN RE: REPORT OF INVESTMENT COMMITTEE**

Mr. Caldwell presented the rates of return for the Defined Contribution Plans as of February 28, 2017, from USI that were distributed to the Board Members.

Mr. Caldwell also presented the rates of return for the Defined Benefit Plans as of February 28, 2017, from Wilshire Consulting Group that were distributed to the Board Members and he voiced concerns of the Investment Committee of the numbers in "red" and the reference to a 6% return on investments.

After discussion, a motion was made by Mr. Caldwell to prepare a request for proposals for the Board to contract for investment advisory consulting services for the defined benefit plans. Mr. Caldwell also moved that the request for proposals be accomplished using Knox County Procurement, allowing both Wilshire and USI Consulting Group, as well as other firms, the chance to submit a proposal. He also requested the Investment Committee along with Mrs. Bennett oversee the process with Procurement. Mr. Caldwell suggested the request for proposal be for 60 to 90 days with services under the new contract to begin September 2017 or January 2018. He also elected to recuse himself from this work of the Investment Committee, due to his role as County Finance Director. The motion was seconded by Mr. Webb and unanimously approved.

**IN RE: REPORT OF LEGAL COUNSEL**

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

Mr. Owings stated that Mr. Greg Gass has filed a complaint against the Knox County Retirement & Pension Board in Chancery Court seeking review of the decision of the Board at the January 23<sup>rd</sup> Meeting regarding his excess vacation leave cash-out not being pensionable for purposes of calculating his UOPP retirement benefit. Mrs. Kim Bennett asked about any potential conflict of interest. Mr. Owings stated he has represented Mr. Gass in preparation of his will and other similar matters and he will request a waiver from Mr. Gass regarding any potential conflict of interest.

After discussion, a motion was made by Commissioner Brantley for Robertson/Overbey Law Firm to represent the Board in this litigation and authorizing the firm to proceed in defense of the Board. The motion was seconded by Ms. Moody and unanimously approved.

**IN RE: REPORT OF ACTUARY**

Mr. Cross presented the Actuarial Valuation for the Knox County Board of Education Retirement Plan as of January 1, 2017. He reviewed the valuation in detail and reported the recommended employer actuarially determined contribution for the fiscal year ending June 30, 2018 is \$551,669 calculated as payable on July 1, 2017.

Mr. Cross presented the Actuarial Valuation for the Defined Benefit Pension Plan for the Plan Year beginning January 1, 2017. He reviewed the valuation in detail and reported the recommended employer actuarially determined contribution for the fiscal year ending June 30, 2018 is \$2,956,053 calculated as payable on July 1, 2017.

Mr. Cross presented the Actuarial Valuation for the Employee Disability Benefit Plan for the Plan Year beginning January 1, 2017. He reviewed the valuation in detail and reported the recommended employer actuarially determined contribution for the fiscal year ending June 30, 2018 is \$453,466 calculated as payable on July 1, 2017.

After discussion by the Board Members, a motion was made by Mr. Caldwell to accept the Actuarial Valuation Reports for the Knox County Board of Education Retirement Plan, the Defined Benefit Pension Plan and the Employee Disability Benefit Plan. The motion was seconded by Mr. Webb and unanimously approved.

Mr. Cross presented the "DRAFT" Actuarial Valuation for the Uniformed Officers Pension Plan for the Plan Year beginning January 1, 2017, and commented on the additional work that needed to be finished before a final valuation could be delivered. He reviewed the draft valuation and reported the current draft recommended employer actuarially determined contribution for the fiscal year ending June 30, 2018 is \$5,298,465 or 21.66% of covered payroll calculated as payable on July 1, 2017.

After discussion by the Board Members, a motion was made by Mr. Caldwell to defer the "DRAFT" Actuarial Valuation Report for the Uniformed Officers Pension Plan to the April Board Meeting, pending the final report. The motion was seconded by Mr. Webb and unanimously approved.

**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 and approval of payment, in accordance with agreements and audited and recommended for payment by Mrs. Bennett:

Invoices for MARCH 2017	Fiscal YTD Approved Invoices 02/28/2017	March Invoice For Approval	Fiscal YTD Approved Invoices 03/31/2017
BENXL Invoice #		\$0.00	
TOTAL BENXL	\$33,600.00	\$0.00	\$33,600.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 201112		\$2,798.50	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 201110		\$8,665.00	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #		\$0.00	
***TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$74,015.50	\$11,463.50	\$85,479.00
ROBERTSON, OVERBEY Invoice #		\$0.00	
*** TOTAL ROBERTSON, OVERBEY	\$0.00	\$0.00	\$0.00
USI CONSULTING GROUP Invoice # 1000298		\$24,699.00	
USI CONSULTING GROUP Invoice #		\$59,383.00	
TOTAL USI CONSULTING GROUP	\$292,838.14	\$84,082.00	\$376,920.14
Invoices for MARCH 2017	\$400,453.64	\$95,545.50	\$495,999.14
*** Retainer not included in approved billings for the Board			Fiscal YTD
Robertson, Overbey Retainer	\$4,000 per month		\$36,000
Kennerly Montgomery Retainer	\$5,000 per month		\$45,000
Fees Received from QDRO Participants	\$500 (DC Fee) \$2,000 (DB Fee)		\$2,500 \$0


After review of the statement of accounts and invoices, a motion was made by Mr. Caldwell that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Ms. Moody and unanimously approved.

**ADJOURNMENT**

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



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COMMISSIONER ED BRANTLEY, CHAIRMAN

  
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HUGH NYSTROM, SECRETARY