

KNOX COUNTY RETIREMENT AND PENSION BOARD

MAY 27, 2014

The Knox County Retirement and Pension Board met in regular session on Tuesday, May 27, 2014, 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, Commissioner Ed Shouse, Vice Chairman, Mr. Nick McBride, Secretary, Commissioner Richard Briggs, Commissioner Tony Norman, Mr. Chris Caldwell, representing Mayor Tim Burchett, Ms. Crystal Hill and Ms. Robin Moody. Also present at the meeting were: Mr. William Mason, Mr. Richard Beeler, Legal Counsel, Mr. Richard Overbey, Mr. Bob Cross, USICG, Mrs. Sharon P. Gentry and Mr. Nathan Langlois, Knox County Schools, and Retirement staff, Mrs. Kim Bennett and Mrs. Janet Rowan.

IN RE: APPROVAL OF MINUTES OF PREVIOUS MEETING

Consideration of approval of the minutes of the previous meeting of April 28, 2014 was presented. A motion was made by Mr. McBride that the minutes be approved as presented. The motion was seconded by Mr. Caldwell and unanimously carried.

**IN RE: REQUEST OF KNOX COUNTY SCHOOLS TO RE-EMPLOY THE FOLLOWING RETIREE:
SHARON P. GENTRY.**

Mrs. Bennett presented the request of Knox County Schools for approval for the following retiree to return to employment on a part-time basis:

Ms. Sharon P. Gentry – retired August 1, 2013.

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.

Mr. Langlois explained the special skills that are not readily available in the job market, supported the request for the retiree to return to work, and agreed to the terms of employment as explained by Mrs. Bennett.

After discussion, a motion was made by Ms. Hill to authorize Knox County Schools to employ Ms. Sharon P. Gentry on a part-time basis, for a period not to exceed 720 hours in a calendar year as provided by the Plan Document. The motion was seconded by Mr. Caldwell and approved.

The request of Knox County Schools to re-employ Mr. Lawrence Cogdill was deferred to the June Board Meeting.

**IN RE: SURVIVOR BENEFITS IN THE DEFINED BENEFIT PLAN AND UNIFORMED OFFICERS
PENSION PLAN**

After discussion by the Board of survivor benefits of the Defined Benefit Plan and Uniformed Officers Pension, it was determined there are no issues warranting any type of change. All defined

benefit plans of the system are closed. The beneficiary issue does not arise in deferred contribution plans. Mr. Cross said DB benefits are actuarially equivalent.

IN RE: BAMBI LOWE AND LEGAL COUNSEL ADDRESS PENSION BOARD

Mr. Mason advised that Mrs. Lowe through her attorney, Mr. Martin, has agreed to pay in full the amount owing from her Asset Accumulation Plan for the disability overpayment due to retroactive approval of Social Security disability benefits. He advised that the form authorizing payment has not been received yet.

Mrs. Bennett advised the Retirement Office will proceed with transfer of funds upon receipt. If there are any changes, Mrs. Bennett will present to the Board in June.

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

The following applications for retirement, as provided in the Defined Benefit Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Deborah K Ailor	Schools	26 years 2 months	June 1, 2014
Beverly G Allen	Schools	27 years	June 1, 2014
Reta D Baker	Schools	27 years	June 1, 2014
Patricia A Graves	Schools	27 years	June 1, 2014
Joyce A Hale	Schools	23 years 8 months	June 1, 2014
Laura J Majors	Schools	26 years 11 months	June 1, 2014

After review, a motion was made by Commissioner Shouse to approve the applications for retirement under the Defined Benefit Plan as presented and authorize the Master Trustee, State Street Bank, to make disposition of the benefits. The motion was seconded by Commissioner Norman 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>
Gerald R Beckwith	EPW	8 years 10 months	June 1, 2014
Deborah D Bozeman	Schools	14 years 1 month	June 1, 2014
Marcia J Campbell	Schools	26 years 11 months	June 1, 2014
Michael E Carberry	MPC	25 years 11 months	June 1, 2014
Margaret S Carpenter	Schools	11 years 6 months	June 1, 2014
Patricia M Clevenger	Schools	10 years	June 1, 2014
Roxie S Cope	Schools	15 years 1 month	June 1, 2014
Brenda S England	Schools	5 years 6 months	June 1, 2014
Nell E Majors	Schools	12 years 4 months	June 1, 2014
Thomas S Mullin	Law	7 years 9 months	June 1, 2014
Abla N Natour	Schools	5 years	June 1, 2014
Ruby L Page	Schools	5 years 8 months	June 1, 2014
Janet W Trew	Schools	20 years 3 months	June 1, 2014

Willie G Webb	Schools	7 years 5 months	June 1, 2014
David L Wren	Schools	11 years 10 months	June 1, 2014
Linda F Wilkerson	Schools	18 years 10 months	June 1, 2014

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 Master Trustee, Wells Fargo Bank, to make disposition of the benefits upon certification from USI. The motion was seconded by Commissioner Norman and approved.

IN RE: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE TEACHERS PLAN

The following applications for retirement, as provided in the Teachers Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Elizabeth R Houston	Schools	6 years 6 months	May 1, 2014

After review, a motion was made by Mr. Caldwell to approve the applications for retirement under the Teachers Plan as presented and authorize the Master Trustee, State Street Bank, to make disposition of the benefits. The motion was seconded by Mr. McBride and unanimously carried.

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:

CERTIFICATES:

Deborah K Ailor	Beverly G Allen
Reta D Baker	Patricia A Graves
Joyce A Hale	Laura J Majors
Marcia J Campbell	Michael E Carberry
Margaret S Carpenter	Patricia M Clevenger
Roxie S Cope	Brenda S England
Nell E Majors	Thomas S Mullin
Ruby L Page	Janet W Trew
Willie G Webb	David L Wren
Linda F Wilkerson	

ACTUARIAL VALUE:

Gerald R Beckwith	Deborah D Bozeman
Abla N Natour	

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 Norman and unanimously carried.

IN RE: APPLICATION FOR LUMP SUM DISTRIBUTION – DEFINED BENEFIT PLAN – BASED ON COMPLETED YEARS OF SERVICE

The request for authorization for payment of lump sum benefits as provided in the Defined Benefit Plan, based upon completed years of credited service at the date of termination, for the following participants was presented for consideration:

Deborah K Ailor	Beverly G Allen
Reta D Baker	Patricia A Graves
Joyce A Hale	Laura J Majors

After review, a motion was made by Mr. Caldwell that the Retirement Board approve the request for lump sum distributions as listed above and authorize the Master Trustee, State Street Bank, to make disposition of the benefits as provided by the Plan. The motion was seconded by Commissioner Norman and approved.

IN RE: MOTION TO ACCEPT FINAL VALUATION COST FOR FISCAL YEAR 2015

Mrs. Bennett advised the following was presented at the April Board Meeting but the Board failed to vote.

The Actuarial Valuation for the Uniformed Officers Pension Plan for the Plan Year beginning January 1, 2014. Mr. Cross reviewed the valuation in detail and reported the recommended employer contribution for the fiscal year ending June 30, 2015 is \$3,434,457.00, or 11.32% of covered payroll calculated as payable on July 1 2014.

The Actuarial Valuation for the Knox County Board of Education Retirement Plan as of January 1, 2014. Mr. Cross reviewed the valuation in detail and reported the recommended employer contribution for the fiscal year ending June 30, 2015, is \$1,134,241.00 calculated as payable on July 1, 2014.

The Actuarial Valuation for the Knox County Employee Benefit System Defined Benefit Plan as of January 1, 2014. Mr. Cross reviewed the valuation in detail and reported the recommended employer contribution for the fiscal year ending June 30, 2015 is \$2,659,851.00 calculated as payable on July 1, 2014.

The Actuarial Valuation for the Knox County Employee Disability Benefit Plan as of January 1, 2014. Mr. Cross reviewed the valuation in detail and reported the recommended employer contribution for the fiscal year ending June 30, 2015 is \$527,447.00 calculated as payable on July 1, 2014.

After review, a motion was made by Mr. Caldwell that the Retirement Board accept the final valuations for the fiscal year 2015 for each of the four plans. The motion was seconded by Ms. Hill and unanimously approved.

IN RE: EXPENSE ALLOCATION BEGINNING JANUARY 1, 2015

Mrs. Bennett presented the expense allocation for operating expenses to the Defined Benefit Plans and the Disability Plan. She stated previous discussion of allocating Defined Contribution Plans expenses to the Disability Plan in 2015. She stated these allocation methods are based on 50% headcount and 50% asset value blend. These are projected percentages that would be allocated for indirect costs effective January 2015.

Ms. Bennett stated she recommends this allocation for the next 10 years but some concerns have been made that in order for the Disability Trust to build, the allocation should be phased in over the next three years as follows:

CALENDAR YEAR	COUNTY DB % EXPENSE	BOE % EXPENSE	UOPP % EXPENSE	DISABILITY % EXPENSE
2015*	23.5%	18.5%	38.0%	20.0%
2016*	16.5%	13.0%	29.5%	41.0%
2017	10.5%	8.0%	19.5%	62.0%
2018	9.5%	7.5%	19.5%	63.5%
2019	9.0%	7.0%	20.0%	64.0%
2020	8.5%	7.0%	20.0%	64.5%
2021	8.0%	6.5%	20.5%	65.0%
2022	7.5%	6.0%	20.5%	66.0%
2023	7.0%	5.5%	20.5%	67.0%
2024	6.5%	5.0%	20.5%	68.0%

- Phase in of expenses charged to Disability Trust over 2015 and 2016.

Forfeitures from the Asset Accumulation Plan and the STAR Plan will no longer offset the Employer contribution expense to both of these Defined Contribution Plans. Instead the amount of those forfeitures will be paid to the 501c9 Disability Trust housed with Wells Fargo Bank, and County Bank as Trustee. The Executive Director will direct USI to pay the amount of the forfeitures to the Disability Trust each quarter.

After review, a motion was made by Mr. Caldwell that the Retirement Board approve, as described by the Executive Director, the expense allocation with phase-in effective January 1, 2015, and that use of the amount of forfeitures from the defined contribution plans will be deposited in the Disability Trust. The motion was seconded by Mr. McBride and unanimously approved.

IN RE: REPORT OF EXECUTIVE DIRECTOR

Mrs. Bennett reported that the NAGDCA Conference in San Antonio, TX is in September and that she will email detailed information to the Board members.

Mrs. Bennett reported that the visit to State Street, Kansas City, was very productive and encouraging. Mrs. Bennett and Mrs. Jennifer Schroeder toured the facility, discussed issues, the RFP and advised they will be providing information on how to improve systems, processes and communications within the next couple of weeks. She will be presenting all information to the RFP Committee the first of June.

IN RE: RFP COMMITTEE REPORT

Mrs. Bennett stated she will be presenting all information to the RFP Committee the first of June.

Mrs. Bennett stated the Committee should have a recommendation for the Trustee/Custodian on the Defined Contribution Plans and the Defined Benefit Plans to the Board by July.

IN RE: DISABILITY COMMITTEE REPORT

Commissioner Briggs stated the Disability Committee has met and discussed the Return to Work process. The recommendation was made that Mrs. Bennett and Ms. Moody meet with department supervisors regarding the Return to Work process within the County and Schools to determine how to proceed with the program. Mrs. Bennett stated it is desirable to have the County and Schools in agreement to proceed. Commissioner Briggs stated UNUM does have a Return to Work process in place that we can use for this program.

IN RE: PUBLIC HEARING AND SECOND READING OF AMENDMENT NO. 3 TO THE 2014 RESTATEMENT OF THE KNOX COUNTY EMPLOYEE BENEFIT SYSTEM.

Mrs. Bennett presented Amendment No. 3 to the 2014 Restatement of the Knox County Employee Benefit System to the Board for consideration. Mrs. Bennett reviewed the amendment, effective January 1, 2015 and ending December 31, 2019 stating that it does not renew the retiree bonus and the Employer Matching Contribution will increase from 25% to 50% up to a maximum of \$208 per year. This Employer Matching Contribution will be funded by the County for the Medical Expense Retirement Plan. Mrs. Bennett stated the actuarial impact of the Amendment is a savings since the retiree bonus is not renewed.

After discussion by the Board Members, a motion was made by Mr. Caldwell to approve Amendment No. 3 to the 2014 Restatement of the Knox County Employee Benefit System on Second Reading. The motion was seconded by Ms. Hill and unanimously approved.

Amendment No. 3 is as follows:

**Notice of 3rd Amendment to the 2014 Restatement of the
Knox County Employee Benefit System**

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Employee Benefit System, as amended and restated in its entirety effective January 1, 2014 (the "System"); and,

WHEREAS, pursuant to Section VIII-1.20 of the System, the Knox County Retirement and Pension Board (the "Board") has the right at any time to modify, alter or amend the System, in whole or in part, by instrument in writing duly executed, but the Board does not have authority to adopt any such amendment which thereby would increase the funding or financial obligation of the Employer either at the time of the action or in the future without notification to and express consent and funding from the Knox County Commission by resolution; and,

WHEREAS, the Board wishes to further amend MERP, specifically section VII-2.01, to provide for the County to fund the Employer matching contribution of 50% of the first \$416 contributed by a participant, beginning January 1, 2015 and continuing thereafter through December 31, 2019; and,

WHEREAS, the Board has complied with the provisions of Section VIII-1.20.

NOW THEREFORE BE IT RESOLVED that the System shall be and is hereby amended, effective January 1, 2014, as follows:

1. **Article VII, Section 2.01(a)** is amended by inserting the following sentence after the 1st sentence:

Effective for the five Plan Year period beginning January 1, 2015 and ending December 31, 2019, the Employer shall contribute an Employer Matching Contribution equal to fifty percent (50%) of the first \$416 contributed by a Participant during each Plan Year, and this Employer Matching Contribution shall be funded by the County.

ADOPTED by the Knox County Retirement and Pension Board on first reading on the 28th day of April, 2014.

ADOPTED by the Knox County Retirement and Pension Board on second reading on the 27th day of May, 2014.

Following public notice as required by Subsection VIII-1.20 on April 6, April 13, and April 24, 2014.

We hereby certify that the above 3rd **Amendment** was duly adopted pursuant to the provisions of the System and shall be effective as stated above.

IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 4 TO THE 2014 RESTATEMENT OF THE KNOX COUNTY EMPLOYEE BENEFIT SYSTEM.

Mrs. Bennett presented Amendment No. 4 to the 2014 Restatement of the Knox County Employee Benefit System to the Board for consideration. Mrs. Bennett reviewed the amendment, stating this amendment will change the Plan Year to June 30.

After discussion by the Board Members, a motion was made by Commissioner Briggs to approve Amendment No. 4 to the 2014 Restatement of the Knox County Employee Benefit System on First Reading. The motion was seconded by Commissioner Norman and unanimously approved.

Amendment No. 4 is as follows:

Notice of 4th Amendment to the 2014 Restatement of the Knox County Employee Benefit System

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Employee Benefit System, as amended and restated in its entirety effective January 1, 2014 (the "System"); and,

WHEREAS, pursuant to Section VIII-1.20 of the System, the Knox County Retirement and Pension Board (the “Board”) has the right at any time to modify, alter or amend the System, in whole or in part, by instrument in writing duly executed, and the actuary has determined that this Amendment will not increase the funding or financial obligation of the County; and,

WHEREAS, the Board wishes to amend the definition of “Plan Year” for economy and efficiency to align the audit for the System with that of the County and to make certain conforming changes to the System document, attached hereto as Attachment A; and,

WHEREAS, the Board has complied with the provisions of Section VIII-1.20.

NOW THEREFORE BE IT RESOLVED that the System shall be and is hereby amended, effective June 30, 2014, as follows:

2. **Article I, Section 1.101** is amended to read as follows:

“Plan Year” shall mean the twelve (12) month period ending on each June 30. Provided, however, the period from January 1, 2014 to June 30, 2014 shall be a short Plan Year.

3. **Article IX, Section 1.08** is amended to read as follows:

The Plan Year for purposes of this Article IX shall be the twelve (12) month period ending on each June 30. Provided, however, the period from January 1, 2014 to June 30, 2014 shall be a short Plan Year.

4. The additional conforming changes set out in Attachment A shall be incorporated in the System.

ADOPTED by the Knox County Retirement and Pension Board on first reading on the 27th day of May, 2014.

ADOPTED by the Knox County Retirement and Pension Board on second reading on the 23rd day of June, 2014.

Following public notice as required by Subsection VIII-1.20 on May 4th, May 11th, and May 18, 2014.

We hereby certify that the above **4th Amendment** was duly adopted pursuant to the provisions of the System and shall be effective as stated above.

IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 2 TO THE 2014 RESTATEMENT OF THE KNOX COUNTY UNIFORMED OFFICERS PENSION PLAN.

Mrs. Bennett presented Amendment No. 2 to the 2014 Restatement of the Knox County Employee Benefit System to the Board for consideration. Mrs. Bennett reviewed the amendment, stating this amendment will change the Plan Year to June 30.

After discussion by the Board Members, a motion was made by Mr. Caldwell to approve Amendment No. 2 to the 2014 Restatement of the Knox County Uniformed Officers Pension Plan on First Reading. The motion was seconded by Commissioner Norman and unanimously approved.

Amendment No. 2 is as follows:

**Notice of 2nd Amendment to the 2014 Restatement of the
Knox County Uniformed Officers Pension Plan**

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Uniformed Officers Pension Plan, as amended and restated in its entirety effective January 1, 2014 (“UOPP”); and,

WHEREAS, pursuant to Article VII, Section 7.05 of the Knox County Charter (the “Charter”) and Section 7.1 of UOPP, the Knox County Retirement and Pension Board (the “Board”) has the right at any time to modify, alter or amend UOPP, in whole or in part, by instrument in writing duly executed, so long as such amendment is consistent with the terms of Section 7.05 of the Charter; and the Actuary has determined that this Amendment will have no measurable net cost to the County; and,

WHEREAS, the Board wishes to amend the definition of “Plan Year” for economy and efficiency to align the audit for UOPP with that of the County and to make certain conforming changes to the UOPP document, attached hereto as Attachment A; and,

WHEREAS, the Board has complied with the provisions of Section 7.1.

NOW THEREFORE BE IT RESOLVED that UOPP shall be and is hereby amended, effective June 30, 2014, as follows:

5. **Article I, Section 1.74** is amended to read as follows:

“Plan Year” shall mean the twelve (12) month period ending on each June 30. Provided, however, the period from January 1, 2014 to June 30, 2014 shall be a short Plan Year.

6. The additional conforming changes set out in Attachment A shall be incorporated in UOPP.

ADOPTED by the Knox County Retirement and Pension Board on first reading on the 27th day of May, 2014.

ADOPTED by the Knox County Retirement and Pension Board on second reading on the 23rd day of June, 2014.

Following public notice as required by Subsection VIII-1.20 on May 4th, May 11th, and May 18, 2014.

We hereby certify that the above **2nd Amendment** was duly adopted pursuant to the provisions of the System and shall be effective as stated above.

IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 2 TO THE 2014 RESTATEMENT OF THE KNOX COUNTY SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN.

Mrs. Bennett presented Amendment No. 2 to the 2014 Restatement of the Knox County Sheriff's Total Accumulation Retirement Plan to the Board for consideration. Mrs. Bennett reviewed the amendment, stating this amendment will change the Plan Year to June 30.

After discussion by the Board Members, a motion was made by Mr. McBride to approve Amendment No. 2 to the 2014 Restatement of the Knox County Sheriff's Total Accumulation Retirement Plan on First Reading. The motion was seconded by Mr. Caldwell and unanimously approved.

Amendment No. 2 is as follows:

**Notice of 2nd Amendment to the
Knox County Sheriff's Total Accumulation Retirement Plan**

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Sheriff's Total Accumulation Retirement Plan, effective January 1, 2014 ("STAR"); and,

WHEREAS, pursuant to Section 8.20 of STAR, the Knox County Retirement and Pension Board (the "Board") has the right at any time to freeze, suspend or modify STAR, 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 wishes to amend the definition of "Plan Year" for economy and efficiency to align the audit for STAR with that of the County and to make certain conforming changes to the STAR document, attached hereto as Attachment A; and,

WHEREAS, the Board has complied with the provisions of Section 8.20.

NOW THEREFORE BE IT RESOLVED that STAR shall be and is hereby amended, effective June 30, 2014, as follows:

7. **Article I, Section 1.73** is amended to read as follows:

"Plan Year" shall mean the twelve (12) month period ending on each June 30. Provided, however, the period from January 1, 2014 to June 30, 2014 shall be a short Plan Year.

8. The additional conforming changes set out in Attachment A shall be incorporated in STAR.

ADOPTED by the Knox County Retirement and Pension Board on first reading on the 27th day of May, 2014.

ADOPTED by the Knox County Retirement and Pension Board on second reading on the 23rd day of June, 2014.

Following public notice as required by Subsection VIII-1.20 on May 4th, May 11th, and May 18, 2014.

We hereby certify that the above **2nd Amendment** was duly adopted pursuant to the provisions of the STAR and shall be effective as stated above.

IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 2 TO THE 2014 RESTATEMENT OF THE KNOX COUNTY EMPLOYEE DISABILITY BENEFIT PLAN.

Mrs. Bennett presented Amendment No. 2 to the 2014 Restatement of the Knox County Employee Disability Benefit Plan to the Board for consideration. Mrs. Bennett reviewed the amendment, stating this amendment will change the Plan Year to June 30.

After discussion by the Board Members, a motion was made by Commissioner Briggs to approve Amendment No. 2 to the 2014 Restatement of the Knox County Employee Disability Benefit Plan on First Reading. The motion was seconded by Commissioner Norman and unanimously approved.

Amendment No. 2 is as follows:

**Notice of 2nd Amendment to the
Knox County Employee Disability Benefit Plan**

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Employee Disability Benefit Plan, effective January 1, 2014 (the “Disability Plan”); and,

WHEREAS, pursuant to Section 7.20 of the Disability Plan, the Knox County Retirement and Pension Board (the “Board”) has the right at any time to modify, alter or amend the Disability Plan, 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 wishes to amend the definition of “Plan Year” for economy and efficiency to align the audit for the Disability Plan with that of the County and to make certain conforming changes to the Disability Plan document, attached hereto as Attachment A ; and,

WHEREAS, the Board has complied with the provisions of Section 7.20.

NOW THEREFORE BE IT RESOLVED that the Disability Plan shall be and is hereby amended, effective June 30, 2014, as follows:

9. **Article I, Section 1.61** is amended to read as follows:

“Plan Year” shall mean the twelve (12) month period ending on each June 20. Provided, however, the period from January 1, 2014 and June 30, 2014 shall be a short Plan Year.

10. The additional conforming changes set out in Attachment A shall be incorporated in the Disability Plan.

ADOPTED by the Knox County Retirement and Pension Board on first reading on the 27th day of May, 2014.

ADOPTED by the Knox County Retirement and Pension Board on second reading on the 23rd day of June, 2014.

Following public notice as required by Subsection VIII-1.20 on May 4th, May 11th, and May 18, 2014.

We hereby certify that the above **2nd Amendment** was duly adopted pursuant to the provisions of the Disability Plan and shall be effective as stated above.

IN RE: REPORT OF LEGAL COUNSEL, RICHARD BEELER AND BILL MASON

Mr. Beeler stated the resolution for the Funding Policies and Amendments will be presented at the June Board Meeting.

Mr. Mason stated no legal issues to report.

IN RE: REPORT OF ACTUARY BOB CROSS

Mr. Cross stated no report.

IN RE: REPORT OF INVESTMENT COMMITTEE

Commissioner Shouse advised the Investment Committee met on Tuesday, May 20, 2014, at 1:00 p.m.

Commissioner Norman suggested Commissioner Shouse contact Wilshire to discuss red flags and benchmarks. Mr. Cross was in agreement they meet sooner than later to ask questions.

After discussion, a motion was made by Commissioner Shouse accept the recommendation of Wilshire to change the investment policy comparative index for PRISA from National Counsel of Real Estate Investment Funds to Open Ended Diversified Core Equities (Odyssey). The motion was seconded by Mr. McBride and unanimously approved.

Commissioner Shouse reviewed the rates of return as of April 30, 2014, that were previously distributed to the Board Members.

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:

Fee Schedule:

Kennerly, Montgomery & Finley, P.C. Invoice #187814	\$12,859.00
Kennerly, Montgomery & Finley, P.C. Invoice #187815	\$3,270.50
USI Consulting Group Invoice #90001452	\$37,258.25
Total For May 2014	\$53,387.75


After review of the statement of accounts and invoices, motion was made by Mr. Caldwell 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.

IN RE: ADJOURNMENT

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



RICK TROTT, CHAIRMAN



NICK McBRIDE, SECRETARY