KNOX COUNTY RETIREMENT AND PENSION BOARD

DECEMBER 15, 2014

The Knox County Retirement and Pension Board met in regular session on Monday, December 15, 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, Ms. Robin Moody, Secretary, Commissioner Sam McKenzie, Commissioner Bob Thomas, Mr. Chris Caldwell, representing Mayor Tim Burchett and Crystal Fields. Also present at the meeting were: Mr. William Mason, Mr. John Owings, Mrs. Stephanie Coleman, Sarah Jarrard, Legal Counsel, Mrs. Carissa Dunaway, USICG, Mr. David Buuck, Chief Deputy Law Dept, Mr. Ed Shouse, Trustee, Knox County, Mr. Gerald Witt, Knoxville News Sentinel and Retirement staff, Mrs. Kim Bennett, Mrs. Terri Chase, Mrs. Janet Rowan, Ms. Debbie Slagle, Mrs. Mitzi Stocksbury, Mrs. Jennifer Schroeder, Mrs. Janet Rowan and Mrs. Charlotte Welch.

IN RE: OATH OF OFFICE OF BOARD MEMBER BOB THOMAS

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

I, BOB THOMAS, 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 15th day of December, 2014.

/lis/ Bob Thomas

BOB THOMAS

Subscribed and sworn to before me this 15th day of December 2014.

/lis/ John Owings

JOHN OWINGS

Legal Counsel

IN RE: APPROVAL OF MINUTES OF PREVIOUS MEETING

Consideration of approval of the minutes of the previous meeting of November 17, 2014 was presented. A motion was made by Mr. Caldwell that the minutes be approved as presented. The motion was seconded by Commissioner McKenzie and unanimously carried.

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:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
<th>CREDITED SERVICE</th>
<th>EFFECTIVE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donald R Cox</td>
<td>Schools</td>
<td>27 years 6 months</td>
<td>January 1, 2015</td>
</tr>
</tbody>
</table>

After review, a motion was made by Ms. Fields to approve the applications for retirement under the Defined Benefit Plan as presented and authorize the Trustee, State Street Bank, to make disposition of the benefits. The motion was seconded by Commissioner McKenzie and unanimously approved.
IN RE: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE UNIFORMED OFFICERS PENSION PLAN

The following applications for retirement, as provided in the Uniformed Officers Pension Plan, were presented for consideration:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
<th>CREDITED SERVICE</th>
<th>EFFECTIVE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pete J Garza</td>
<td>Sheriff</td>
<td>25 years 3 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Johnny Green</td>
<td>Sheriff</td>
<td>26 years 2 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Harold K Hayes</td>
<td>Sheriff</td>
<td>31 years 3 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Carol R Kirkland</td>
<td>Sheriff</td>
<td>30 years 8 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Judy W Lett</td>
<td>Sheriff</td>
<td>37 years</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Glenda B Mount</td>
<td>Sheriff</td>
<td>25 years 1 month</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Jeffrey S Palmer</td>
<td>Sheriff</td>
<td>36 years 6 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>George W Webster</td>
<td>Sheriff</td>
<td>32 years 7 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>David L Wood</td>
<td>Sheriff</td>
<td>25 years 5 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Mark A Young</td>
<td>Sheriff</td>
<td>31 years 4 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Edward E Young</td>
<td>Sheriff</td>
<td>39 years 4 months</td>
<td>January 1, 2015</td>
</tr>
</tbody>
</table>

After review, a motion was made by Mr. Caldwell to approve the applications for retirement under the Uniformed Officers Pension Plan as presented and authorize the Trustee, State Street Bank, to make disposition of the benefits. The motion was seconded by Commissioner McKenzie and unanimously 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:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
<th>CREDITED SERVICE</th>
<th>EFFECTIVE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandra D Barker</td>
<td>Schools</td>
<td>14 years</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Richard M Briggs</td>
<td>Commission</td>
<td>6 years 10 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Margaret L Carpenter</td>
<td>Sheriff</td>
<td>12 years 1 month</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Patricia M Cox</td>
<td>Civil Sessions</td>
<td>13 years 6 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Melissa Cupp</td>
<td>Juv Ct</td>
<td>6 years 9 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Neloma E Foust</td>
<td>Welfare</td>
<td>15 years 7 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Fabian Frank</td>
<td>Schools</td>
<td>5 years 9 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Steven L Green</td>
<td>Schools</td>
<td>29 years 5 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Epsie M Jackson</td>
<td>Schools</td>
<td>12 years</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Phyllis M Johnson</td>
<td>Schools</td>
<td>11 years</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Judy A Morrison</td>
<td>Sheriff</td>
<td>13 years 5 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Candra E Phillips</td>
<td>ComSvc</td>
<td>32 years</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Betty R Shelton</td>
<td>Sheriff</td>
<td>6 years 11 months</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>Bobby J Sweet</td>
<td>EP&amp;W</td>
<td>29 years 5 months</td>
<td>January 1, 2015</td>
</tr>
</tbody>
</table>

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 Ms Fields 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:

**CERTIFICATES:**
- Donald R Cox
- Neloma E Foust

**ACTUARIAL VALUE:**
- Sandra D Barker
- Richard M Briggs
- Margaret L Carpenter
- Patricia M Cox
- Melissa Cupp
- Fablan Frank
- Steven L Green
- Epsie M Jackson
- Phyllis M Johnson
- Judy A Morrison
- Candra E Phillips
- Betty R Shelton
- Bobby J Sweet

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

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:

Donald R Cox

After review, a motion was made by Ms. Fields 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 McKenzie and unanimously approved.

IN RE: REPORT OF EXECUTIVE DIRECTOR

Mrs. Bennett stated the signed, executed amendments to the Defined Benefit Plan Trust Agreements and the business service contracts with State Street Bank have now be received.

Mrs. Bennett stated the Protocol Related to Payment of Operating Expenses has been prepared and given to Mr. Caldwell, Finance Director for review.

Mrs. Bennett advised there is a Healthcare Reform and Retirement Conference in Washington, DC January 24-27 which is the same time as the January Board Meeting. Mr. Bill Mason and Mr. Bob Cross may attend. She requested any interested Board Members please contact the Retirement Office to register before the end of the year.

Mrs. Bennett reminded the Board Members of the Healthcare Conference in March and advised the Wilshire Conference will be April 19-21.

Mrs. Bennett stated she met with Pugh & Co to review the final report of the December 31, 2013, and June 30, 2014 audit, which will be presented at the January Board Meeting.

IN RE: REPORT OF ELECTION COMMITTEE
Mrs. Bennett stated the Election Committee met on Wednesday, December 10th and is recommended handling the election through online voting with four additional locations with computers and personnel for those needing assistance. The four locations are Engineering & Public Works, 7 a.m. to 10 a.m.; Knox County Schools Maintenance, 7 a.m. to 9 a.m. and 2 p.m. to 4 p.m.; City/County Building, 9 a.m. to 3 p.m. and Knox County Sheriff's Detention Center, times to be determined.

Mr. Trott stated the Information Technology Dept would preload the online system with authorized voters based on the Retirement Plan in which they participate. Therefore, when the employee logs on, the online system brings up the specific ballot for them to vote.

Mrs. Bennett stated the Election Committee has recommended the following calendar of events:

1) First week in January - Newsletter announcing election to employees. Employees will be required to pick up petitions and acquire 25 signatures for support for them to run for office. The signatures will be verified by the Retirement Office as eligible based on Retirement Plan.

2) First week of February - Newsletter announcing candidates.

3) Both newsletters will state the election results will be available online or at the Retirement Office.

Mrs. Bennett stated this would decrease the mailings, eliminate use of voting machines and poll workers for a savings of $8-10,000.

Mrs. Bennett also stated the County Insurance Committee will also be holding an election at the same time.

After discussion by the Board Members, a motion was made by Mr. Caldwell to approve the recommendations of the Election Committee. The motion was seconded by Commissioner McKenzie and approved.

**IN RE: INVESTMENT AND RETIREMENT EDUCATION COMMITTEE**

Mrs. Bennett stated the Investment and Retirement Education met on Friday, December 12th and after discussion determined to further focus the initial presentation on specific retirement benefits available to employees, with the goal of helping them understand their retirement savings options. The Committee recommends the Investment and Education Program be presented in phases as follows:

1) What are your specific retirement benefits; understanding your options

2) Investments, define and educate

3) Specifics such as
   a. Advanced Investment
   b. Retirement Counseling
   c. Social Security
   d. Medicare

Mrs. Bennett stated the Committee plans to roll out the first class in the first quarter of 2015.

**IN RE: REPORT OF LEGAL COUNSEL**

Mr. Owings reported on the letter received from Law Office of Joseph H White, Jr., representing Dustin Mills, son of deceased employee, Tammy Mills, requesting payment of Asset Accumulation Plan death benefit.
Mr. Owings stated the Retirement office has followed the procedures for notification of death benefit to the beneficiary designated on file. To date, the office has been unable to locate beneficiary, Karie Mills, Ms. Mills' daughter.

Mr. Owings stated that on August 12, 2004, Ms. Tammy Mills designated Karie Mills as her sole beneficiary of her retirement. Ms. Tammy Mills died July 5, 2014. Mr. Mills is requesting the death benefit be paid to him as Ms. Karie Mills whereabouts are unknown at this time and he and Karie are the only survivors of Ms. Tammy Mills.

Mr. Owings stated after numerous conversations between Dustin Mills, Mrs. Bennett and Legal Counsel, Stephanie Coleman, the claims procedure was sent to Mr. Mills. He stated the letter dated December 2nd from Mr. Mills attorney, Mr. White, is being considered by the Retirement Office as a claim for the benefits. He stated a written response with option to appeal will be sent to Mr. White.

Mr. Owings stated the information from Mr. Mills regarding Karie Mills is that she is living on the street somewhere in Orlando, Florida, and has abandoned her child. Mr. Owings stated one of the next steps is to contact Florida DCS as they may have an interest in the death benefits on behalf of Karie Mills' child.

Mrs. Bennett stated Mr. Mills advised her that Ms. Tammy Mills had revised her will to include Mr. Mills. Mr. Owings advised the Retirement & Pension Board is not guided by the will and Ms. Tammy Mills did not change her beneficiary on file.

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

**IN RE: REPORT OF ACTUARY**

Mrs. Dunaway stated there was no business to report at this time.

**IN RE: REPORT OF INVESTMENT COMMITTEE**

Mrs. Bennett stated the rates of return as of November 30, 2014 will be emailed upon receipt. Mrs. Bennett advised the Board Members there is an Investment Committee Workshop scheduled for January 7th at 2:00 p.m. to discuss investments and 457 issues.

**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 DECEMBER 2014**

KENNERLY, MONTGOMERY & FINLEY, P.C.
Invoice #190741 $8,876.50

KENNERLY, MONTGOMERY & FINLEY, P.C.
Invoice #190743 $790.00

USI CONSULTING GROUP
Invoice #90003977 $9,384.50

**TOTAL OF INVOICES FOR DECEMBER 2014** $19,051.00

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After review of the statement of accounts and invoices, 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. Caldwell and unanimously approved.

**IN RE: CHAIRMAN OF DISABILITY COMMITTEE**

Mr. Trott appointed Commissioner Bob Thomas as Chairman of the Disability Committee.

Mrs. Bennett gave an overview of that committee’s duties.

**ADJOURNMENT**

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

RICK TROTT, CHAIRMAN

ROBIN MOODY, SECRETARY