KNOX COUNTY RETIREMENT AND PENSION BOARD

MAY 26, 2015

The Knox County Retirement and Pension Board met in regular session on Monday, May 26, 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, Robin Moody, Secretary, Commissioner Ed Brantley, Commissioner Sam McKenzie, Commissioner Jeff Ownby, Commissioner Bob Thomas, Mr. Chris Caldwell, representing Mayor Tim Burchett and Ms. Crystal Fields. Also present at the meeting were: Mr. Bob Cross, Mr. Adam Davies, USCG, Mr. William Mason, Mrs. Stephanie Coleman, Legal Counsel, Mr. Ed Shouse, Knox County Trustee, Sheriff "J J" Jones, Chief Deputy Lee Tramel, KCSO 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 April 27, 2015 was presented. A motion was made by Mr. McBride that the minutes be approved as presented. The motion was seconded by Commissioner McKenzie and unanimously carried.

IN RE: APPLICATION FOR DISABILITY BENEFITS FOR JOYCE C MCGINLEY, A PARTICIPANT IN THE EMPLOYEE DISABILITY BENEFIT PLAN.

The application of JOYCE C MCGINLEY, employee of the Health Dept, and a participant in the Employee Disability Benefit Plan, for disability benefits was presented. Ms. McGinley has 22 years of credited service. Notification was received from UNUM dated May 19, 2015, recommending no long term disability benefits payable per the provisions of the plan.

After discussion, a motion was made by Commissioner McKenzie to accept the recommendation of UNUM and deny the request of Ms. McGinley for disability benefits as presented. The motion was seconded by Mr. Caldwell 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>Christopher A McNew</td>
<td>Sheriff</td>
<td>25 years (termed at 23 years 6 months)</td>
<td>June 1, 2015</td>
</tr>
</tbody>
</table>

After review, a motion was made by Mr. McBride 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 Mr. Caldwell 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>Janice F Beeler</td>
<td>Juv Svcs</td>
<td>22 years 8 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Nina A Billings</td>
<td>Schools</td>
<td>6 years 3 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Barbara P Chamberlain</td>
<td>Parks &amp; Rec</td>
<td>14 years</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Paul Devine</td>
<td>EPW</td>
<td>7 years 8 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Norma A Galford</td>
<td>Schools</td>
<td>21 years 3 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Lonnie S Hellard</td>
<td>EPW</td>
<td>20 years</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Charles A Lambert</td>
<td>Parks &amp; Rec</td>
<td>7 years 8 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Carol M Lattimer</td>
<td>Schools</td>
<td>9 years 5 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Elizabeth B Logan</td>
<td>Schools</td>
<td>10 years</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Hazen M Loy</td>
<td>Schools</td>
<td>20 years 10 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Nancy J O'Connor</td>
<td>Schools</td>
<td>21 years 8 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>James E Puckett</td>
<td>Schools</td>
<td>14 years 11 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Judy K Reeves</td>
<td>Schools</td>
<td>9 years 8 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Sally B Swanner</td>
<td>Juv Court</td>
<td>20 years</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Emma Taylor</td>
<td>Schools</td>
<td>7 years 2 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Nadine S Taylor</td>
<td>Schools</td>
<td>19 years 4 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Claudia E Wagoner</td>
<td>Schools</td>
<td>17 years 6 months</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Jack L Wakefield</td>
<td>Schools</td>
<td>13 years 6 months</td>
<td>June 1, 2015</td>
</tr>
</tbody>
</table>

After review, a motion was made by Mr. McBride 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. Caldwell 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 or the actuarial value of the death benefit, 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:**

- Janice F Beeler
- Barbara P Chamberlain
- Norma A Galford
- Charles A Lambert
- Elizabeth B Logan
- Nancy J O'Connor
- Judy K Reeves
- Emma Taylor
- Claudia E Wagoner
- Nina A Billings
- Paul Devine
- Lonnie S Hellard
- Carol M Lattimer
- Hazen M Loy
- James E Puckett
- Sally B Swanner
- Nadine S Taylor
- Jack L Wakefield

After review, a motion was made by Mr. Caldwell to approve the requests as presented as provided by the Plan. The motion was seconded by Commissioner McKenzie and unanimously approved.
IN RE: REPORT OF DOCUMENT COMMITTEE

Mrs. Bennett stated the Amendments to the Plans for UOPP and Non-UOPP retirees to return to work per recommendation by the Document Committee are included and will be presented for First Reading at today’s Board Meeting. Second Reading will be at the June Board Meeting.

IN RE: REPORT OF EXECUTIVE DIRECTOR

Mrs. Bennett referred information regarding the new charter school, Emerald Charter School, to Mrs. Stephanie Coleman, Legal Counsel.

Mrs. Coleman stated her firm has received an Internal Revenue Service Advisory Notice covering charter schools in the Knox County Retirement Plan. She stated Tennessee Statute requires Knox County to include the charter school in the retirement plan and, according to the IRS notice, inclusion of the charter school does not disqualify the County Plan. Mrs. Coleman stated she has requested a copy of the agreement between Knox County Schools and Emerald Charter School to determine allocation of cost per employee for the Asset Plan and the Disability Plan. She stated once an understanding is negotiated with Emerald Charter School on allocation, then it can be used as a template for any new charter schools. Commissioner McKenzie asked if this would be performed on a pro bono basis. Mrs. Coleman stated the administration, retirement and disability cost would be charged back to Schools for the first, current employee that is being handled by the Retirement Board.

Mrs. Bennett presented the final fiscal year 2016 budget. Upon discussion with Board Members, she advised the Board that programming of Benx1 will be nominal with final return to work plan amendments. Mrs. Bennett expressed her appreciation to Mr. McBride and the IT Department for the time and expertise in helping conceptualize what is practically needed for the scanning of Pension Office historical records. She said the scope was less than originally envisioned and she stated she should have an estimate this week for imaging of files in July 2015 with the requirement of changing servers for Benx1 per the IT department. Mrs. Bennett stated the budget includes hiring of a new employee due to the changes in Disability Plan administration, Retirement Education Seminars, QDRO changes effective July 1, 2015 and scanning project.

After discussion, a motion was made by Commissioner McKenzie to approve the budget as presented. The motion was seconded by Commissioner Thomas and approved. Mr. McBride opposed the motion.

IN RE: ANNUAL REPORT OF RETIREES APPROVED TO WORK UP TO 720 HOURS ANNUALLY.

The annual report of retirees approved to work up to 720 hours annually was presented.

After discussion, a motion was made by Commissioner Ownby to accept the report. The motion was seconded by Commissioner Thomas and unanimously approved.

IN RE: PUBLIC HEARING AND SECOND READING OF AMENDMENT NO. 4 TO THE 2014 KNOX COUNTY EMPLOYEE DISABILITY BENEFIT PLAN.

Mr. Mason presented Amendment No. 4 to the 2014 Knox County Employee Disability Benefit Plan to the Board for consideration. Mr. Mason reviewed the amendment, effective June 1, 2015. Mr. Mason said the amendment adds clarification of Disability Date and Disability Benefit Payment Commencement Date, in line with the recommendations of the Disability Committee and the action the Board took in March. Mr. Mason recommended adopting the amendment on Second Reading.
Chairman Trott asked if anyone was present to speak at the public hearing. No one was recognized by the Chairman.

After discussion by the Board Members, a motion was made by Mr. McBride to approve Amendment No. 4 to the 2014 Knox County Employee Disability Benefit Plan on Second Reading. The motion was seconded by Commissioner Brantley and approved.

Amendment No. 4 is as follows:

**Notice of 4th 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 Disability Plan: (i) to clarify the definition of "Disability Date," consistent with the Board's intent to encourage Participants' attempts to continue to work and to return to work; and (ii), because Disability determinations can generally be made more effectively, accurately and efficiently if the application is filed soon after the Disability Date or Severance Date, to require a Participant to promptly apply for Disability Benefits; 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 for Disability Dates occurring on or after June 1, 2015, as follows:

1. **Article I, Section 1.23** is amended to read as follows:

   "Disability Date" shall mean, for each Participant, the earliest date the Participant is Disabled, as supported by a written statement from a medical doctor. The Board's determination of a Participant's Disability Date shall be final.

2. **Article V, Section 5.01** is amended by adding the following new subsection (g):

   (g) A Participant shall furnish to the Board an application for Disability Benefits on a form prescribed by the Board.

   (1) A Participant's Disability Benefit Payment Commencement Date shall not be established retroactive more than three (3) full calendar months prior to the date the Disability application was filed, unless the Board determines otherwise, for good cause shown.

   (2) A Disability benefit shall not be paid to a Former Participant who attempts to file a Disability application more than three (3) full calendar months after his or her Severance Date.

IN RE: Public Hearing and First Reading of Amendment No. 5 to the 2014 Knox County Employee Disability Benefit Plan.

Mrs. Bennett presented Amendment No. 5 to the 2014 Knox County Employee Disability Benefit Plan to the Board for consideration. Mrs. Bennett reviewed the amendment, effective July 1, 2015. She
said the amendment defines eligible class, changes the limitation for reemployment, previously set at 720 hours in a calendar year, and provides that reemployed UOPP retirees are not eligible for benefits under the Plan. Mrs. Bennett recommended adopting the amendment on First Reading.

Chairman Trott asked if anyone was present to speak at the public hearing. No one was recognized by the Chairman.

After discussion by the Board Members, a motion was made by Mr. McBride to approve Amendment No. 5 to the 2014 Knox County Employee Disability Benefit Plan on First Reading. The motion was seconded by Mr. Caldwell and approved.

Amendment No.5 is as follows:

Notice of 5th 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 further amend the Disability Plan to coordinate with the reemployment provisions of the System, STAR and UOPP; 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 July 1, 2015, as follows:

3. Article I, Section 1.29 is amended by replacing the first sentence with the following:

"Eligible Class" shall mean those Employees designated by the Employer as regularly scheduled to work at least 18-1/2 hours per week, being Employees whose employment is status coded by the Employer as A-1 or A-2 (or the equivalent). Employees designated by the Employer as temporary, seasonal, casual or the equivalent, or designated by the Employer as regularly scheduled to work less than 18-1/2 hours per week, being Employees whose employment is status coded by the Employer as A-3 (or the equivalent), are not in the Eligible Class regardless of the number of hours actually worked. Employees who are assigned by the Knox County School System to the job types of substitute or timecard (or the equivalent) are not in the Eligible Class regardless of the number of hours actually worked. Notwithstanding the foregoing, the following Employees are excluded from the Eligible Class:

4. Article I, Section 1.29(e) is amended to read as follows:

(e) For reemployment occurring on or after July 1, 2015 and on or before June 30, 2020, a reemployed UOPP Retiree.

5. Article I, Section 1.52(f) is amended by deleting the phrase "with the approval of the Board, for a period not exceeding 720 hours in any calendar year,"
6. **Article I** is amended by adding the following new Section 1.66A:

   **1.66A** "Retiree" shall mean a Participant who has had a Severance and who is eligible to receive and has applied to the Board and been approved by the Board to receive Retirement benefits under a component plan of the System, STAR or UOPP.

7. **Article I, Section 1.68** is amended by deleting the phrase "including without limitation on" from the last sentence thereof.

**IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 7 TO THE 2014 KNOX COUNTY EMPLOYEE BENEFIT SYSTEM.**

Mrs. Bennett presented Amendment No. 7 to the 2014 Knox County Employee Benefit System to the Board for consideration. Mrs. Bennett reviewed the amendment, effective July 1, 2015. She said the amendment defines eligible class, states that retirees must have a 4-month break in service prior to reemployment, except for UOPP retirees who are reemployed, monthly benefits will stop for reemployed retirees and they will continue to contribute to the System and receive County match and accrue credited service while reemployed. Mrs. Bennett recommended adopting the amendment on First Reading.

Chairman Trott asked if anyone was present to speak at the public hearing. No one was recognized by the Chairman.

After discussion by the Board Members, a motion was made by Mr. McBride to approve Amendment No. 7 to the 2014 Knox County Employee Benefit System on First Reading. The motion was seconded by Commissioner McKenzie and approved.

Amendment No. 7 is as follows:

**Notice of 7th Amendment to the 2014 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 entirely 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 have no measurable net cost to the County; and

**WHEREAS,** the Board wishes to further amend the System to clarify that the Retirement Benefits of a Retiree who is subsequently reemployed in the Eligible Class will be suspended and such Retiree will accrue benefits under the System for such period of reemployment, except that an Officer who is Retired under the Uniform Officers' Pension Plan who is subsequently reemployed on or after July 1, 2015 and on or before June 30, 2020, will not accrue benefits under the System for such period of reemployment; to provide that an Employee whose position is transferred to TCRS shall be fully Vested and entitled to receive his or her Individual Account; to change the name of the death benefit provided under the Closed DB Plan; and to make certain other clarifying and 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 July 1, 2015, as follows:

1. **Article I** is amended by adding the following new Section 1.22A:

   **1-1.22A** "Terminate" or "Termination" shall mean, when referring to a Participant, a Severance from Employment that is not due to Retirement, death or Disability.

2. The first paragraph of **Article I, Section 1-1.49** is amended to read as follows:
"Eligible Class" shall mean those Employees designated by the Employer as regularly scheduled to work at least 18-1/2 hours per week, being Employees whose employment is status coded by the Employer as A-1 or A-2 (or the equivalent). Employees designated by the Employer as temporary, seasonal, casual or the equivalent, or designated by the Employer as regularly scheduled to work less than 18-1/2 hours per week, being Employees whose employment is status coded by the Employer as A-3 (or the equivalent), are not in the Eligible Class regardless of the number of hours actually worked. Employees who are assigned by the Knox County School System to the job types of substitute or timecard (or the equivalent) are not in the Eligible Class regardless of the number of hours actually worked. The Employer's designation of status codes may take account of particular conditions of employment (e.g., the Knox County School System schedule). Notwithstanding the foregoing, the following Employees are excluded from the Eligible Class:

3. **Article I, Section 1.84(f)** is amended by replacing the second sentence thereof with the following:

   "Months of Service for a Participant, other than a Retired Participant, who is reemployed in the Asset Plan Eligible Class having withdrawn the Participant's entire Vested Individual Account under STAR shall not include Months of Service previously credited under STAR."

4. **Article I, Section 1.84(g)** is amended by replacing the second sentence thereof with the following:

   "Months of Service for a Participant, other than a Retired Participant, who is reemployed in the Asset Plan Eligible Class having withdrawn the Participant's entire Vested Individual Account under the Asset Plan shall not include Months of Service previously credited under the Asset Plan."

5. **Article I, Section I-1.112** is amended to read as follows:

   I-1.112 "Retired Participant" or "Retiree" shall mean a Participant who has had a Severance and who is eligible to receive and has applied to the Board and been approved by the Board to receive Retirement benefits under a component plan of the System.

6. **Article III, Section III-3.01(b)** is amended to read as follows:

   (b) In the event a Retiree who is receiving benefits from the Plan becomes reemployed by the Employer in the Ineligible Class of any other Plan of the System or STAR, such payments shall not be suspended. No additional benefits shall be accrued under this Plan, any other Plan of the System or STAR as a result of such reemployment.

7. **Article III, Section III-3.01(c)** is amended to replace the reference to "ninety (90) days" with "four full calendar (4) months."

8. **Article III, Section III-3.06.** is amended by replacing all references to "death benefit" with "credited service benefit."

9. **Article VI, Section VI-1.02** is amended to read as follows:

   (a) **Reemployment following Termination**

      (1) An Employee who Terminates Employment, who is subsequently reemployed in the Eligible Class shall become a Participant and enter the Plan on his or her Reemployment Date.
Such an Employee’s Credited Service shall be determined in accordance with Sections I-1.25 and I-1.84.

(b) Reemployment following Retirement

(1) No Employment with the Employer or any entity covered by this System is permitted after Retirement from any position that is covered by any Knox County qualified plan for a period of at least four (4) full calendar months subsequent to the Employee’s Retirement. At no time and under no circumstance shall an Employee have or enter into a prearranged agreement, whether verbal or written, express or implied, to be reemployed, or guaranteed reemployment, after Retirement in any capacity with Employer or any entity covered by this Plan, U OPP, STAR or any other Plan of the System (including any part-time, temporary or casual employment).

(2) For reemployment occurring on or after July 1, 2015 and on or before June 30, 2020, a U OPP Retiree who is reemployed in the Eligible Class shall not become a Participant or enter the Plan. Any other Retiree who is reemployed in the Eligible Class shall become a Participant and enter the Plan on his or her Reemployment Date. Except as provided in Sections VI-1.02(b)(3) and Section 5.08 of the Disability Plan, if such an Employee is receiving or is eligible to receive payments from the Plan, U OPP, STAR, MERP or the Closed Defined Benefit Plan as of his or her Reemployment Date, such payments shall cease as soon as is administratively feasible from and after the Reemployment Date during the period of reemployment.

(3) In the event a Retiree who is receiving or is eligible to receive payment from the Plan, U OPP, STAR, MERP or the Closed Defined Benefit Plan becomes reemployed in the Ineligible Class, such payments shall not be suspended. No additional benefits shall be accrued under this Plan, U OPP, STAR or any other Plan of the System as a result of such reemployment.

10. Article VI, Section VI-4.07(c) is deleted in its entirety and is “Reserved.”

11. Article VI, Section VI-4.07 is amended to add the following new subsection (f):

(f) An Employee who becomes ineligible to Participate in the Plan due to the transfer of the Employee’s position to the Tennessee Consolidated Retirement System (“TCRS”), where such transfer otherwise prevents Vesting of Employer Contributions, shall be fully Vested and entitled to receive, or have transferred for his or her benefit, the Individual Account regardless of the requirements this Section VI-4.07 subject to application to, and review and approval by, the Board and the appropriation of any necessary funding by Knox County or provision of funding to the System.

IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 4 TO THE 2014 UNIFORMED OFFICERS PENSION PLAN.

Mrs. Bennett presented Amendment No. 4 to the 2014 Uniformed Officers Pension Plan to the Board for consideration. Mrs. Bennett reviewed the amendment, effective July 1, 2015. She said the amendment states that retirees must have a 4 month break in service prior to reemployment and will continue to receive monthly benefits but will not accrue any retirement benefits upon reemployment. Reemployed U OPP retirees will be eligible to contribute to any 457 Deferred Compensation Plan but will not accrue County match. Mrs. Bennett recommended adopting the amendment on First Reading.
Chairman Trott asked if anyone was present to speak at the public hearing. No one was recognized by the Chairman.

After discussion by the Board Members, a motion was made by Mr. McBride to approve Amendment No. 4 to the 2014 Uniformed Officers Pension Plan on First Reading. The motion was seconded by Ms. Fields and approved.

Amendment No. 4 is as follows:

Notice of 4th Amendment to the 2014 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 further amend UOPP to provide that during the five year period between July 1, 2015 and June 30, 2020, Retired Officers will continue to receive retirement benefits following subsequent Reemployment and to make certain conforming changes to the UOPP document; 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 July 1, 2015, as follows:

1. The first paragraph of Article I, Section 1.40 is amended to read as follows:

   “Eligible Class” shall mean those Employees who are Officers hired or re-hired on or after the Effective Date, excluding, however:

2. Article I, Section 1.65(a) is amended to delete the phrase “with the approval of the Board, for a period not exceeding 720 hours in any calendar year,”

3. Article I, Section 1.66 is amended to read as follows:

   1.66 “Retired Participant” or “Retiree” shall mean a Participant who has had a Severance and who is eligible to receive and has applied to the Board and been approved by the Board to receive Retirement benefits under the Plan.

4. Article I, Section 1.88 is amended by deleting the phrase “including without limitation on” from the last sentence thereof.

5. Article III, Section 3.05 is amended to read as follows:

   (a) No Employment with the Employer or any entity covered by this Plan, STAR, or any Other Plan of the System is permitted after retirement from any position that is covered by any Knox County qualified plan for a period of at least four (4) full calendar months subsequent to the Employee’s retirement. At no time and under no circumstance shall an Employee have or enter into a prearranged agreement, whether verbal or written, express or implied, to be reemployed, or guaranteed reemployment, after retirement in any capacity with Employer or any entity covered by this Plan, STAR, or any Other Plan of the System (including any part-time, temporary or casual employment).

   (b) A Participant who is reemployed after a period of Disability may establish credit for Credited Service under Section 5.05(c)(5), but in no event shall a Participant receive duplicative Credited Service for the same period of service.

   (c) For reemployment occurring on or after July 1, 2015 and on or before June 30, 2020, any Retiree who is receiving or is eligible to receive payments from the Plan and is subsequently reemployed by the Employer in the Eligible Class of any Other Plan of the System or STAR, shall
continue receiving such benefits from and after his or her Reemployment Date during the period of reemployment. Such a reemployed Retiree shall not become a Participant or enter the Plan, STAR, MERP or the Asset Plan and shall not accrue any additional benefits under the Plan, STAR, MERP or the Asset Plan as a result of such reemployment.

(1) Any other Retiree who is reemployed in the Eligible Class of any Other Plan of the System or STAR shall become a Participant and enter such Other Plan of the System or STAR on his or her Reemployment Date. Except as provided in Sections VI-1.02(b)(3) of the System and Section 5.08 of the Disability Plan, if such an Employee is receiving or is eligible to receive payments from the Plan as of his or her Reemployment Date, such payments shall cease as soon as is administratively feasible from and after the Reemployment Date during the period of reemployment.

(d) A Retiree who is subsequently reemployed in the Eligible Class of the Asset Plan or STAR shall be eligible to make Employee contributions to the Knox County 457 Plan. No Employer contributions will be made on such Retiree's behalf.

6. **Article V, Section 5.06(a)** is amended by adding the following sentence to the end thereof:

Any Survivor Benefit payable under this section shall be determined without regard to the eligibility date set out in Section 5.05.

7. **Article XI, Section 11.03** is amended by replacing the second sentence thereof with the following:

A Retired Participant who is reemployed in the Ineligible Class shall not be eligible for life insurance benefits under this Article XI.

**IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 3 TO THE 2014 SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN.**

Mrs. Bennett presented Amendment No. 3 to the 2014 Sheriff's Total Accumulation Retirement Plan to the Board for consideration. Mrs. Bennett reviewed the amendment, effective July 1, 2015. She said the amendment states that retirees must have a 4 month break in service prior to reemployment, except for UOPP retirees, monthly benefits of reemployed retirees will stop and they will continue to contribute to the Plan and receive County match and accrue credited service while reemployed. Mrs. Bennett recommended adopting the amendment on First Reading.

Chairman Trott asked if anyone was present to speak at the public hearing. No one was recognized by the Chairman.

After discussion by the Board Members, a motion was made by Mr. McBride to approve Amendment No. 3 to the 2014 Sheriff's Total Accumulation Retirement Plan on First Reading. The motion was seconded by Commissioner McKenzie and approved.

**Amendment No. 3 is as follows:**

**Notice of 3rd 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 modify, alter or amend 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 further amend STAR to clarify that the Retirement Benefits of a Retiree who is subsequently reemployed in the Eligible Class will be suspended and such Retiree will continue to accrue benefits under the System or STAR for such period of reemployment and to make certain other clarifying and 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 1, 2015, as follows:

1. **Article I** is amended by adding the following new Section 1.87A:

   1.87A “Terminate” or “Termination” shall mean a Severance from Employment that is not due to Retirement, death or Disability.

2. **Article I** is amended by adding the following new Section 1.81A:

   1.81A “Retired Participant” or “Retiree” shall mean a Participant who has had a Severance and who is eligible to receive and has applied to the Board and been approved by the Board to receive Retirement benefits under STAR, any Other Plan of the System or UOPP.

3. **Article I, Section 1.83** is amended by deleting the phrase “including without limitation on” from the last sentence thereof.

4. **Article III, Section 3.02** is amended to read as follows:

   (a) **Reemployment following Termination**

   (1) An Employee who Terminates Employment, who is subsequently reemployed in the Eligible Class shall become a Participant and enter the Plan on his or her Reemployment Date.

   (2) Such an Employee’s Credited Service shall be determined in accordance with Sections 1.17 and 1.63.

   (b) **Reemployment following Retirement**

   (1) No Employment with the Employer or any entity covered by this Plan, or any Other Plan of the System is permitted after retirement from any position that is covered by any Knox County qualified plan for a period of at least four (4) full calendar months subsequent to the Employee’s retirement. At no time and under no circumstance shall an Employee have or enter into a prearranged agreement, whether verbal or written, express or implied, to be reemployed, or guaranteed reemployment, after retirement in any capacity with Employer or any entity covered by this Plan or any other Plan of the System (including any part-time, temporary or casual employment).

   (2) For reemployment occurring on or after July 1, 2016 and on or before June 30, 2020, a UOPP Retiree who is reemployed in the Eligible Class shall not become a Participant or enter the Plan. Any other Retiree who is reemployed in the Eligible Class shall become a Participant and enter the Plan on his or her Reemployment Date. Except as provided in Section 3.02(b)(3) or Section 5.08 of the Disability Plan, if such an Employee is receiving or is eligible to receive payments from the Plan or any Other Plan of the System as of his or her Reemployment Date, such payments shall cease as soon as administratively feasible from and after the Reemployment Date during the period of reemployment.

   (3) In the event a Retiree who is receiving or is eligible to receive payment from the Plan or any Other Plan of the System becomes reemployed in the Ineligible Class, such
payments shall not be suspended. No additional benefits shall be accrued under this Plan or any Other Plan of the System as a result of such reemployment.

5. Article VI, Section 6.05(c) is deleted in its entirety and is "Reserved."

IN RE: INVESTMENT AND RETIREMENT EDUCATION COMMITTEE

Mrs. Bennett stated the Investment and Retirement Education seminars are continuing and the first session for employees of the Asset Accumulation Plan should be complete by July. She stated the second session will cover Investment Education. Mrs. Bennett stated the UOPP and STAR presentations are also close to complete to start presenting to employees. She stated the educational seminars for the Schools will begin in 2016.

IN RE: REPORT OF LEGAL COUNSEL

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

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

IN RE: REPORT OF ACTUARY

Mr. Cross presented the Actuarial Valuation for the Knox County Employee Disability Plan for the Plan Year beginning January 1, 2015. He reviewed the valuation in detail and reported the recommended employer contribution for the fiscal year ending June 30, 2016 is $530,426 calculated as payable on July 1, 2015.

Mr. Cross also presented the Actuarial Valuation for the Knox County Defined Benefit Plan as of January 1, 2015. He reviewed the valuation in detail and reported the recommended employer contribution for the fiscal year ending June 30, 2016, is $3,111,479.00 calculated as payable on July 1, 2015.

After discussion by the Board Members, a motion was made by Mr. McBride to accept the Actuarial Valuation Reports for the Knox County Employee Disability Plan and the Knox County Defined Benefit Plan as presented. The motion was seconded by Commissioner Ownby and approved.

IN RE: REPORT OF INVESTMENT COMMITTEE

Mr. McBride stated the Investment Committee will meet in Special Meeting on Wednesday, June 10th, 2015 to discuss Wilshire Consulting firm and replacing Columbia Alcorn A that has been placed on the watch list per the recommendation of USICG. He stated there was a request at the Investment Committee Meeting on May 19th to add a socially responsible fund but no action was taken by the Investment Committee. This will be discussed again at the June meeting.

Mr. McBride presented the rates of return as of April 30, 2015, 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:

INVOICES FOR MAY 2015

BENXL
Invoice #102836 $10,000.00
KENNERLY, MONTGOMERY & FINLEY, P.C.  
Invoice #192594  $14,474.00

KENNERLY, MONTGOMERY & FINLEY, P.C.  
Invoice #192605  $1,249.50

KENNERLY, MONTGOMERY & FINLEY, P.C.  
Invoice #192606  $247.50

USI CONSULTING GROUP  
Invoice #90006039  $15,810.25

TOTAL FOR MAY 2015  $41,781.25

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