KNOX COUNTY RETIREMENT AND PENSION BOARD

DECEMBER 21, 2015

*REVISED*

The Knox County Retirement and Pension Board met in regular session on Monday, December 21, 2015, at 1:00 P.M. in the County Commission Conference Room 640, City County Building, Knoxville, Tennessee. Chairman Trott, presided and called the meeting to order.

The following members were present: Mr. Rick Trott, Chairman, Mr. Nick McBride, Vice Chairman, Commissioner Ed Brantley, Commissioner Sam McKenzie, Commissioner Jeff Ownby, Commissioner Bob Thomas, and Mr. Chris Caldwell, representing Mayor Tim Burchett. Also present at the meeting were: Mr. Bob Cross and Mrs. Carissa Dunaway, USICG, Mr. William Mason, Ms. Ashley Trotto, Mr. John Owings and Mrs. Stephanie Coleman, Legal Counsel, Mr. Ed Shouse, Knox County Trustee, Mr. David Buuck, Knox County Chief Deputy Law Director, Mr. Greg Gass, Knox County Sheriff’s Office, Mr. Ted Holtz and Mr. John Sutton, Pugh & Co and Retirement staff, Mrs. Kim Bennett, Mrs. Terri Chase, Mrs. Janet Rowan, Mrs. Jennifer Schroeder, Ms. Debbie Slagle, Mrs. Mitzi Stockbury and Mrs. Charlotte Welch.

IN RE: APPROVAL OF MINUTES OF PREVIOUS MEETING

Consideration of approval of the minutes of the previous meeting of November 16, 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: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE DEFINED BENEFIT PLAN AND AUTHORIZATION OF LUMP SUM BENEFIT AND CREDITED SERVICE BENEFIT BASED ON COMPLETED YEARS OF SERVICE

The following application 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, was 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>Iva C Hayes</td>
<td>Schools</td>
<td>39 years</td>
<td>January 1, 2016</td>
</tr>
</tbody>
</table>

After review, a motion was made by Commissioner Thomas to approve the application for retirement under the Defined Benefit Plan, along with the lump sum benefit and credited service benefit, 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>Donald K Bivens</td>
<td>Sheriff</td>
<td>30 years</td>
<td>January 1, 2016</td>
</tr>
</tbody>
</table>
Timothy C Hicks  Sheriff  30 years  January 1, 2016
Robert M Howard  Sheriff  26 years 4 months  January 1, 2-16
Jesse R Hurst  Sheriff  30 years  January 1, 2016
Jimmy E Hurst  Sheriff  28 years 4 months  January 1, 2016
Gary W Lawson  Sheriff  25 years  January 1, 2016
Raymond E McElvea  Sheriff  30 years  January 1, 2016
Nancy A Wooster  Sheriff  28 years  January 1, 2016

After review, a motion was made by Commissioner Brantley 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 Thomas and unanimously approved.

IN RE: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE DEFINED CONTRIBUTION 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 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>Michael K Brown</td>
<td>EPW</td>
<td>23 years 8 months</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>James Buffaloe</td>
<td>Mayor</td>
<td>25 years</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>Jeffrey K Coffey</td>
<td>Sheriff</td>
<td>13 years 9 months</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>Martha G Danford</td>
<td>Schools</td>
<td>28 years 6 months</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>Judy L Hickman</td>
<td>Schools</td>
<td>28 years 2 months</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>Teresa Kelley</td>
<td>Schools</td>
<td>6 years 8 months</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>Paula A King</td>
<td>Schools</td>
<td>5 years 11 months</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>Paul W Lewis</td>
<td>Juv Svcs</td>
<td>40 years</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>Bernestine Lopes</td>
<td>Schools</td>
<td>5 years 2 months</td>
<td>January 1, 2016</td>
</tr>
</tbody>
</table>

After review, a motion was made by Commissioner Brantley 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 Commissioner McKenzie and unanimously approved.

IN RE: REPORT OF EXECUTIVE DIRECTOR

Mrs. Bennett reported the Investment & Retirement Educational Sessions for the Uniformed Officers’ Pension Plan (UOPP) will begin the week of January 11th and continue weekly for 4 to 6 weeks. She stated Phase II of the Asset Accumulation Plan and Sheriff’s Total Accumulation Plan will begin the end of January. These sessions should be completed by summer.

Mrs. Bennett stated the QDRO Procedures approved in October are being revised to allow the fee to be deducted from the Asset Accumulation Plan. She stated there have been four QDRO’s received by the Retirement Office in various stages and one that has been completed which was an Asset Accumulation Plan lump sum distribution.
IN RE: REPORT OF DOCUMENT COMMITTEE

Mrs. Bennett requested a Document Committee Meeting be held in January to discuss possible amendments to the Plans, including the County Voluntary 457(b) Plan as there are no specific payment options for the officers who are eligible under the Uniformed Officers’ Pension Plan and participating in the Knox County Deferred Compensation Plan when they retire.

IN RE: REPORT OF ELECTION COMMITTEE

Ms. Bennett stated the deadline for petitions for the election was December 17th. She stated there are two candidates. Mrs. Bennett stated the election will be held online on January 14, 2016 and the newly elected Board Member will be sworn in at the January Board Meeting.

IN RE: REPORT OF PUGH & COMPANY

Mr. Holtz presented the audit report on the Knox County Retirement & Pension Board as of June 20, 2015 and the six months ended June 30, 2014. A copy of the report was distributed to the Board Members and is included in the official record of the minutes of the meeting. He stated there were no material adjustments or findings and that the auditors encountered no difficulties in completing their work.

A motion was made by Mr. McBride to accept Pugh & Company’s audit report. The motion was seconded by Mr. Caldwell and unanimously approved.

IN RE: REPORT OF LEGAL COUNSEL

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

Mrs. Coleman stated the Charter School Memorandum of Understanding has been signed by Emerald Schools and the Knox County Law Department and is on the Knox County Board of Education agenda for January for final approval.

Mr. Owings stated in the divorce case of Justin Stafford, the parties have worked out the details of an agreement. He stated that the Pension Board did not become a party to the case or subject to order of the court in this divorce action. Pursuant to an existing statutory exception, the court issued an assignment of a portion of the participant’s funds for payment of child support. The Board is awaiting a certified copy of the final order from the court clerk notifying the Board of such assignment and will distribute the funds accordingly once the letter is received.

Mr. Owings announced that Mrs. Coleman will become a partner of Robertson Overbey law firm effective January 1, 2016.

IN RE: REPORT OF ACTUARY

Mr. Cross presented a copy of the Pension Task Force Proposed Suggestions to the members of the Board. Mr. Caldwell asked, in light of the current funded status of the Closed DB Plan, that as part of USI Consulting Group’s upcoming January 1, 2016 valuation, Mr. Cross compute and provide information to the Board on the annual contributions in addition to the ADC that would be required to increase that Plan’s funded status to 70-75% over a reasonable period of years.
IN RE: REPORT OF INVESTMENT COMMITTEE

Mr. McBride presented the rates of return as of November 30, 2015, from USI that were 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 December 2015

KENNERLY, MONTGOMERY & FINLEY, P.C.
Invoice #195415
$13,845.00

KENNERLY, MONTGOMERY & FINLEY, P.C.
Invoice #195417
$558.00

ROBERTSON OVERBEY
Account #9861M
$980.00

USI CONSULTING GROUP
Invoice #90008694
$9,836.50

Totals for December 2015
$25,219.50

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

ADJOURNMENT

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

RICK TROTT, CHAIRMAN

NICK MCBRIDE, VICE CHAIRMAN