

**KNOX COUNTY RETIREMENT AND PENSION BOARD**

**JANUARY 21, 2014**

The Knox County Retirement and Pension Board met in regular session on Tuesday, January 21, 2014, at 1:00 P.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 Mike Hammond, 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 and Mrs. Stephanie Coleman, Legal Counsel, Mr. Bob Cross, Mrs. Carissa Dunaway, and Mr. Adam Davies, USICG, Mr. Fred Murphy, Countybank, Mrs. Rebecca Owens, Knox County Schools, Mr. Gerald Witt, News Media, and Retirement staff, Mrs. Kim Bennett, Ms. Della Ledford, Mrs. Janet Rowan, Mrs. Jennifer Schroeder, Mrs. Charlotte Welch, Mrs. Terri Chase and Ms. Debbie Slagle. Mr. Richard Beeler participated in the meeting by phone.

**IN RE: RECOGNITION OF RETIREMENT OF STAFF MEMBER DELLA LEDFORD**

Chairman Trott recognized Della Ledford for her years of service to the Board, her "heart of a servant," and presented her with a lovely engraved vase containing a beautiful arrangement of roses.

**IN RE: APPROVAL OF MINUTES OF PREVIOUS MEETING**

Consideration of approval of the minutes of the previous meeting of December 3, 2013, and December 16, 2013, was presented. A motion was made by Commissioner Shouse that the minutes be approved as presented. The motion was seconded by Mr. Caldwell and unanimously carried.

**IN RE: APPLICATION FOR DISABILITY BENEFITS FOR LAURA MAJORS, A PARTICIPANT IN THE DEFINED BENEFIT PLAN.**

The application of **LAURA MAJORS**, employee of Schools, and a participant in the Defined Benefit Plan, for disability benefits was presented. Ms. Majors has 26 years 4 months of credited service. Notification was received from UNUM dated December 18, 2013, recommending approval of a disability benefit for Ms. Majors.

After discussion, a motion was made by Mr. McBride to accept the recommendation of UNUM and approve the request of Ms. Majors for disability benefits. The motion was seconded by Commissioner Briggs and approved.

**IN RE: APPLICATION FOR DISABILITY BENEFITS FOR BILLY J. PYLES, A PARTICIPANT IN THE DEFINED CONTRIBUTION PLAN.**

The application of **BILLY J. PYLES**, employee of Schools, and a participant in the Defined Contribution Plan, for disability benefits was presented. Mr. Pyles has 19 years 1 month of credited service. Notification was received from UNUM dated December 18, 2013, recommending approval of a disability benefit for Mr. Pyles.

After discussion, a motion was made by Mr. McBride to accept the recommendation of UNUM and approve the request of Mr. Pyles for disability benefits. The motion was seconded by Commissioner Briggs and approved.

**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>
Bill L Breeden	Schools	27 years 6 months	February 1, 2014
Jonna M Green	Schools	28 years	February 1, 2014
Freda M Yearwood	Schools	24 years 6 months	February 1, 2014

After review, a motion was made by Commissioner Norman 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 Mr. Caldwell and unanimously carried.

**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>
Diane Dozier	County Clerk	18 years 3 months	January 1, 2014

William C Henderson	Health	12 years 3 months	January 1, 2014
Doris H Brady	County Clerk	16 years 5 months	February 1, 2014
Wilda J Childress	Chancery Court	29 years	February 1, 2014
Gary R Day	Schools	11 years 7 months	February 1, 2014
Jane Camfield	Schools	10 years	February 1, 2014
Brenda Cummings	Schools	16 years 5 months	February 1, 2014
Sharon A Godfrey	Schools	26 years 6 months	February 1, 2014
Daryl L Hopson	Schools	23 years 2 months	February 1, 2014
Steven C Keeton	Health	19 years 5 months	February 1, 2014
Mary T Kerr	Schools	20 years	February 1, 2014
Vivian H Walker	Sheriff	15 years 3 months	February 1, 2014

After review, a motion was made by Commissioner Norman 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 Mr. Caldwell and 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:**

Bill L Breeden	Jonna M Green
Freda M Yearwood	Diane Dozier
William C Henderson	Wilda J Childress
Gary R Day	Jane Camfield
Brenda Cummings	Sharon A Godfrey
Steven C Keeton	Mary T Kerr

**ACTUARIAL VALUE:**

Doris H Brady	Daryl L Hopson
Vivian H Walker	

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 Shouse 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:

**Bill L. Breeden**

**Jonna M. Green**

**Freda M. Yearwood**

After review, a motion was made by Mr. Caldwell that the Retirement Board approve the request for lump sum distribution 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 Shouse and approved.

**IN RE: CONSIDERATION OF INCOME AND MEDICAL REPORTS FOR 2013 FOR DISABILITY PARTICIPANTS AND SURVIVING BENEFICIARIES**

At the request of the Executive Director, the reports were deferred to the February meeting.

**IN RE: DISCUSSION AND APPOINTMENT OF COMMITTEE FOR COMBINED REQUEST FOR PROPOSAL FOR DIRECTED TRUSTEESHIP AND CUSTODIAL SERVICES FOR THE ASSET ACCUMULATION PLAN, DEFINED BENEFIT PLANS, SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN AND DISABILITY PLAN**

Chairman Trott appointed a committee of Mrs. Bennett, Mrs. Rowan and himself, with non-voting support from USI and Legal Counsel Mr. Beeler and Mr. Mason. He said the Committee would make a recommendation to the Board.

Mrs. Bennett said the goal will be to prepare the bids to be presented in three separate ways:

Trustee Only on the Defined Contribution Plans.

Trustee and Custodian on the Defined Benefit Plans

Trustee on the Combined Plans.

She said she would like for the bid to be submitted prior to the next Board meeting and have the response returned by April 1 in order to bring the recommendation to the Board by July.

**IN RE: REPORT OF EXECUTIVE DIRECTOR**

Mrs. Bennett presented a revised FY14 Budget and discussed in detail. She said with the retirement of Della Ledford she is restructuring the staff duties within the office and it will require an impact on the budget. She said she would be hiring a new employee. She explained the increases in budgetary amounts for contracts with other agencies that had previously been approved by the Board.

After discussion, a motion was made by Commissioner Hammond to approve the revised FY14 Budget as presented. The motion was seconded by Commissioner Norman and approved.

**IN RE: PUBLIC HEARING AND SECOND READING OF AMENDMENT NO. 1 TO THE 2014 RESTATEMENT OF THE KNOX COUNTY EMPLOYEE BENEFIT SYSTEM**

Mr. Mason presented Amendment No. 1 to the 2014 Restatement of the Knox County Employee Benefit System to the Board for consideration. Mr. Mason reviewed the amendment, effective January 1, 2014. Mr. Mason said the amendment would grant pre-participation service credit for vesting and benefit accrual for employment with a prior non-governmental employer, on approval by the Board, where that prior employment is terminated on transfer of the position to Knox County or Knox County Schools. He said this provision would immediately apply to the employees presently in the Medical Examiner's Office. Mr. Mason recommended adopting the amendment on Second and Final 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 Commissioner Hammond to approve Amendment No. 1 to the 2014, Restatement of the Knox County Employee Benefit System on Second and Final Reading. The motion was seconded by Commissioner Norman and approved.

Amendment No. 1 is as follows:

**Notice of 1<sup>st</sup> 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 have no measurable net cost to the County; and,

**WHEREAS**, the Board wishes to further amend the System to allow for the granting of pre-participation service credit for vesting and benefit accrual for employment with a prior non-governmental employer where that prior employment is terminated on transfer of the position to Knox County or Schools; and,

**WHEREAS**, the Board has complied with the provisions of Subsection VIII-1.20 of Article VIII.

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

**Article I, Section I-1.25** of the System is amended by adding the following new subsection (h):

(h) Subject to approval of the Board and provision of funding to the System, Credited Service shall include a Participant’s period of continuous employment with a prior non-governmental employer where the Participant’s employment with that prior employer is terminated due to the transfer of the Participant’s position and employment to the Employer. The provisions of this Section I-1.25(h) shall not apply to Participants in the Closed Defined Benefit Plan, the Employee Medical Expense Retirement Plan, the Teachers Plan or the Deferred Compensation Plan.

**ADOPTED** by the Knox County Retirement and Pension Board on first reading on the 16th day of December, 2013.

**ADOPTED** by the Knox County Retirement and Pension Board on second reading on the 21<sup>st</sup> day of January, 2014.

Following public notice as required by Subsection VIII-1.20 on November 24<sup>th</sup>, December 1, and December 8, 2013.

**We hereby certify** that the above **1<sup>st</sup> 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 EMPLOYEE BENEFIT SYSTEM.**

Mr. Mason presented Amendment No. 2 to the 2014 Restatement of the Knox County Employee Benefit System to the Board for consideration. Mr. Mason reviewed the amendment, effective January 1, 2014. Mr. Mason said the amendment would clarify the Board’s intention that positions held with the Employer, in which the Employee works less than 18 1/2 hours per week, are to be excluded from the definitions of “Compensation” and “Credited Service”, and to

make certain conforming and correcting changes. Mr. Mason 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 Commissioner Hammond to approve Amendment No. 2 to the 2014 Restatement of the Knox County Employee Benefit System on First Reading. The motion was seconded by Commissioner Norman and approved.

Amendment No. 2 is as follows:

**Notice of 2<sup>nd</sup> 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 have no measurable net cost to the County; and,

**WHEREAS**, the Board wishes to further amend the System to clarify the Board's intention that positions held with the Employer, in which the Participant or Employee works less than 18-½ hours per week, are to be excluded from the definitions of "Compensation" and "Credited Service"; and to make certain conforming and correcting changes; and

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

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

1. **Article I, Section I-1.23** of the System is amended by adding the following new subsection (h):

(h) Compensation shall not include any amounts paid to an Employee for employment with the Employer in any one or more positions, where the

Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that pay for such position(s) shall not count for benefit accrual under any Plan of the System, STAR, Disability Plan or UOPP, and that the Employee will be entitled to no benefit under the System, STAR, Disability Plan or UOPP with regard to pay for such position(s).

2. **Article I, Section I-1.25** of the System is amended by adding the following new subsection (i):

(i) Credited Service shall not include any period of employment by an Employee in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that service in such position(s) shall not count for eligibility, vesting or benefit accrual under any Plan of the System, STAR, Disability Plan or UOPP, and that the Employee will be entitled to no benefit under the System, STAR, Disability Plan or UOPP with regard to service in such position(s).

3. **Article VI, Section 4.07(d)** of the System is amended by adding the following new subsection (5):

(5) Notwithstanding Sections VI-4.07(d)(1) through (4), if the Participant is not fully Vested in the Matching Employer Contributions and Prior Plan Employer Accounts, the other forms of distribution under Section VI-5 shall not be available, and the distribution of the Participant's entire interest in the Plan shall be paid only as a single lump sum distribution, or at the Participant's election rolled over to another eligible retirement plan.

4. **Article VI, Section 4.09(a)** of the System is amended to correct the reference to "Section VI-4.09(b)."

5. **Article X, Section X-1.01** of the System is amended to complete the reference to "STAR Section 3.02(c)"; and the Section on "absence in Military Service" is re-numbered "X-1.03."

**IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 1 TO THE 2014 RESTATEMENT OF THE KNOX COUNTY UNIFORMED OFFICERS PENSION PLAN.**

Mr. Mason presented Amendment No. 1 to the 2014 Restatement of the Knox County Uniformed Officers Pension Plan to the Board for consideration. Mr. Mason reviewed the amendment, effective January 1, 2014. Mr. Mason said the amendment would clarify the

Board's intention that positions held with the Employer, in which the Employee works less than 18 1/2 hours per week, are to be excluded from the definitions of "Compensation" and "Credited Service". Mr. Mason 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 Commissioner Hammond to approve Amendment No. 1 to the 2014 Restatement of the Knox County Uniformed Officers Pension Plan on First Reading. The motion was seconded by Commissioner Norman and approved.

Amendment No. 1 is as follows:

**Notice of 1<sup>st</sup> 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 further amend UOPP to clarify the Board's intention that positions held with the Employer, in which the Employee works less than 18-1/2 hours per week, are to be excluded from the definitions of "Compensation" and "Credited Service"; 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 January 1, 2014, as follows:

6. **Article I, Section 1.19** is amended by adding the following new subsection (h):

(h) Compensation shall not include any amounts paid to an Employee for employment with the Employer in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that pay for such position(s) shall not count for benefit accrual under UOPP, any Plan of the System, Disability Plan or STAR, and that the Employee will be entitled to no benefit under UOPP, System, Disability Plan or STAR with regard to pay for such position(s).

7. **Article I, Section 1.21** is amended by adding the following new subsection (l):

(l) Credited Service shall not include any period of employment by an Employee in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that service in such position(s) shall not count for eligibility, vesting or benefit accrual under UOPP, any Plan of the System, Disability Plan or STAR, and that the Employee will be entitled to no benefit under UOPP, System, Disability Plan or STAR with regard to service in such position(s).

**IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 1 TO THE 2014 RESTATEMENT OF THE KNOX COUNTY SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN**

Mr. Mason presented Amendment No. 1 to the 2014 Restatement of the Knox County Sheriff's Total Accumulation Retirement Plan to the Board for consideration. Mr. Mason reviewed the amendment, effective January 1, 2014. Mr. Mason said the amendment would clarify the Board's intention that positions held with the Employer, in which the Employee works less than 18 1/2 hours per week, are to be excluded from the definitions of "Compensation" and "Credited Service".

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 Commissioner Hammond to approve Amendment No. 1 to the 2014 Restatement of the Knox County Sheriff's Total Accumulation Retirement Plan on First Reading. The motion was seconded by Commissioner Norman and approved.

Amendment No. 1 is as follows:

**Notice of 1<sup>st</sup> 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 STAR to clarify the Board's intention that positions held with the Employer, in which the Employee works less than 18-1/2 hours per week, are to be excluded from the definitions of "Compensation" and "Credited Service"; 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 January 1, 2014, as follows:

8. **Article I, Section 1.15** is amended by adding the following new subsection (h):

(h) Compensation shall not include any amounts paid to an Employee for employment with the Employer in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that pay for such position(s) shall not count for benefit accrual under STAR, any Plan of the System, Disability Plan or UOPP, and that the Employee will be entitled to no benefit under STAR, System, Disability Plan or UOPP with regard to pay for such position(s).

9. **Article I, Section 1.17** is amended by adding the following new subsection (g):

(g) Credited Service shall not include any period of employment by an Employee in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and

irrevocable waiver in form satisfactory to the Board that service in such position(s) shall not count for eligibility, vesting or benefit accrual under STAR, any Plan of the System, Disability Plan or UOPP, and that the Employee will be entitled to no benefit under STAR, System, Disability Plan or UOPP with regard to service in such position(s).

**IN RE: PUBLIC HEARING AND FIRST READING OF AMENDMENT NO. 1 TO THE KNOX COUNTY EMPLOYEE DISABILITY BENEFIT PLAN**

Mr. Mason presented Amendment No. 1 to the 2014 Restatement of the Knox County Employee Disability Benefit Plan to the Board for consideration. Mr. Mason reviewed the amendment, effective January 1, 2014. Mr. Mason said the amendment would clarify the Board's intention that positions held with the Employer, in which the Employee works less than 18 1/2 hours per week, are to be excluded from the definitions of "Compensation" and "Credited Service", and would grant pre-participation service credit for vesting and benefit accrual for employment with a prior non-governmental employer, on approval by the Board, where that prior employment is terminated on transfer of the position to Knox County or Knox County Schools.. Mr. Mason 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 Commissioner Hammond to approve Amendment No. 1 to the 2014 Restatement of the Knox County Employee Disability Benefit Plan on First Reading. The motion was seconded by Commissioner Norman and approved.

Amendment No. 1 is as follows:

**Notice of 1st 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 to clarify the Board's intention that positions held with the Employer, in which the Employee works less than 18-1/2 hours per week, are to be excluded from the definitions of "Compensation" and "Credited Service"; and to allow for the granting of pre-participation service credit for vesting and benefit accrual for employment with a prior non-governmental employer where that prior employment is terminated on transfer of the position to Knox County or Schools; 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 January 1, 2014, as follows:

10. **Article I, Section 1.14** is amended by adding the following new subsection (h):

(h) Compensation shall not include any amounts paid to a an Employee for employment with the Employer in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that pay for such position(s) shall not count for benefit accrual under the Disability Plan, any Plan of the System, STAR or UOPP, and that the Employee will be entitled to no benefit under the Disability Plan, System, STAR or UOPP with regard to pay for such position(s).

11. **Article I, Section 1.18** is amended by adding the following new subsection (f):

(f) Credited Service shall not include any period of employment by an Employee in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that service in such position(s) shall not count for eligibility, vesting or benefit accrual under the Disability Plan, any Plan of the System, STAR or UOPP, and that the Employee will be entitled to no benefit under the Disability Plan, System, STAR or UOPP with regard to service in such position(s).

12. **Article I, Section 1.18** is amended by adding the following new subsection (g):

(g) Subject to approval of the Board and provision of funding to the Disability Plan, Credited Service shall include a Participant's period of continuous employment with a prior non-governmental employer where the Participant's employment with that prior employer is terminated due to the transfer of the Participant's position and employment to the Employer.

**IN RE: REPORT OF ACTUARY BOB CROSS**

Mr. Cross presented a valuation and report as of July 1, 2013, of the City of Knoxville Pension System. He referred to a recent article in U.S. Government Magazine relating to the cost of pension systems in the US. He said the article said the cost to the taxpayers of the City of Knoxville Pension System was one of the ten lowest in the United States. Mr. Cross said he had attempted to make contact with the writer of the article to discuss the information contained in the article, and the methodology used to reach this conclusion. Mr. Cross reviewed the funding of the system as outlined in the report.

**IN RE: REPORT OF INVESTMENT COMMITTEE**

Commissioner Shouse reviewed the rates of return as of December 31, 2013, 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	
Invoice # 077807	\$ 14,981.00
USICG	
Invoice # 077807	\$ 62,315.75
Invoice # 90000001	\$ 33,978.14
BENXL	
Invoice # 102784	\$ 19,000.00
Total for January 2014	\$130,274.89

After review of the statement of accounts and invoices, motion was made by Commissioner Hammond 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 approved.

**IN RE: ADJOURNMENT**

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

A handwritten signature in cursive script, appearing to read "Rick Trott", written over a horizontal line.

RICK TROTT, CHAIRMAN

A handwritten signature in cursive script, appearing to read "Nick McBride", written over a horizontal line.

NICK McBRIDE, SECRETARY