

KNOX COUNTY RETIREMENT AND PENSION BOARD

October 22, 2018

The Knox County Retirement and Pension Board met in regular session on Monday, October 22, 2018, at 1:30 P.M. in the Large Assembly Room, City-County Building, Knoxville, Tennessee.

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Hugh Nystrom, Vice Chairman, Ms. Tracy Foster, Secretary, Commissioner Brad Anders, Commissioner Larsen Jay, Ms. Jennifer Hemmelgarn, Mr. Zack Webb and Mr. Garrett Raiden.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Mr. Adam Davies and Ms. Brenda Fiddler

Legal Counsel: Mr. Bill Mason, Ms. Ashley Trotto, Ms. Stephanie Coleman, Mr. Charles Burks and Mr. John Owings

Attorneys: Ms. Melissa Carrasco, Mr. Jonathan Reed and Ms. Mary Ann Stackhouse

Retirement Staff: Ms. Kim Bennett, Ms. Jennifer Schroeder, Ms. Terri Chase, Ms. Mitzi Stooksbury, Mr. Zack Cole, Ms. Savannah Russell and Ms. Nyla Breshears

Others in attendance: Mr. Nick McBride, Register of Deeds Office, Mr. Ed Shouse, Trustees Office, Mr. John Warren, Trustees Office, Ms. Krysta Baaig, Benefits Office, Mr. Randy Smith, Knox County Commissioner, Mr. Tyler Whetstone, News Sentinel, and members of the public

IN RE: CALL TO ORDER

Chairman Caldwell presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA

Ms. Bennett stated there were no amendments to the agenda.

IN RE: RESIGNATION OF COMMISSIONER JOHN SCHOONMAKER FROM THE BOARD

Chairman Caldwell presented the resignation letter of Commissioner John Schoonmaker from the Board effective October 8, 2018. Commissioner Nystrom reported with the resignation being part of the official record, Commission will begin the process of selecting a replacement for his seat on the Board.

IN RE: APPROVAL OF MINUTES OF SEPTEMBER 24, 2018

Chairman Caldwell presented the minutes for September 24, 2018. Commissioner Anders made a motion to approve the minutes for September 24, 2018. The motion was seconded by Ms. Foster and unanimously approved.

IN RE: APPLICATIONS FOR RETIREMENT – UNIFORMED OFFICERS PENSION PLAN

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 Uniformed Officers Pension Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Julie A. Culver	Sheriff	23 years 10 months	September 1, 2018
Heather M. Gilbert	Sheriff	25 years 7 months	November 1, 2018

Ms. Carrasco asked to make a statement on a Motion to Intervene filed by Egerton McAfee and then iterated the history of UOPP and its funding. Mr. Owings asked Ms. Carrasco if the Mayor or

Commission asked for the attorneys of Egerton McAfee to appear before the Board and file the motion to intervene. Ms. Carrasco confirmed they did not. Mr. Owings responded due to the lack of request from the Mayor or Commission, the attorneys are before the Board *pro tem* when Knox County has not spoken; therefore, the motion to intervene is improper.

Chairman Caldwell allowed Ms. Carrasco to finish her statement. Ms. Carrasco addressed the legal authority and the motion to intervene.

Mr. Burks then gave the following synopsis of the UOPP. Chapter 246 of the Private Acts of 1967 established the Retirement Board and empowered it to define all terms within the plan documents including salary. The powers contained within this chapter were adopted when the County became a Charter government. The 2006 ballot question number 4 referred to ordinance O-06-4-101, but it did not state "salary" on the ballot. UOPP 2007 plan document section 1.14 defines compensation to include post severance compensation. Section 1.42 defines post severance compensation. A July 2007 IRS regulation stated that post severance compensation needed to be specified in the plan. UOPP was amended in 2009 to make the change to continue to comply as an IRS qualified plan. The 2009 amendment to UOPP, section 6.6, defines compensation in line with the IRS regulation stating that *leave cash out shall be included in compensation*. In 2012, the Charter review committee recommended closing the UOPP plan to new participants. The ballot question presented to voters in 2012 proposed to close the plan to new participants but continue the UOPP plan in its then existing form for all active participants. The ballot question passed, and UOPP was closed January 1, 2014, as a result of the 2012 ballot question number 1. Resolution R-13-8-901 to close UOPP to new participants was signed by the Law Director. The restated 2014 UOPP (passed by Knox County Commission) specifically sets out that under 1.75 Post-Severance Compensation includes: (b) Leave cash out for...unused accrued bona fide...vacation.

Following statements by counsel, Chairman Caldwell asked if there was a motion to accept the motion to intervene. Seeing no motion, no action was taken.

A motion was made by Commissioner Anders to approve the applications for retirement under the Uniformed Officers Pension Plan as presented and to authorize Trustee, State Street Bank, to make payment of the monthly benefits and credited service benefit. The motion was seconded by Mr. Webb and unanimously approved.

IN RE: APPLICATIONS FOR RETIREMENT – ASSET ACCUMULATION 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 Asset Accumulation Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>		<u>EFFECTIVE DATE</u>
Kathie Bemis	JuvSvcs	29 years	11 months	November 1, 2018
Colleen D'Amico	Schools	6 years	8 months	November 1, 2018

Ann Hurst	Schools	10 years	6 months	November 1, 2018
Glenda King	Health	5 years	10 months	November 1, 2018
Bonita Smith	Library	6 years	4 months	November 1, 2018
Beverly Walker	Schools	17 years	0 months	November 1, 2018
Nusret Zulovic	Schools	10 years	5 months	November 1, 2018

A motion was made by Mr. Raiden to approve the applications for retirement under the Asset Accumulation Plan as presented and to authorize the Directed Custodian, Wells Fargo Bank, to make disposition of the benefits upon certification from USI and to authorize the Trustee, State Street Bank, to make payment of the credited service benefit. The motion was seconded by Commissioner Jay and unanimously approved.

IN RE: REPORT OF EXECUTIVE DIRECTOR

Ms. Bennett reported on the following items:

- **FY18 Audit Status/ Internal Audit in progress** –The initial internal audit was completed and is being reviewed by the auditors.
- **Medical/Dental Insurance Open Enrollment for Retirees** – Open enrollment for 2019 is in progress. Medical and dental packets were sent out to retirees who have medical and dental insurance through the County to notify them to reenroll if they desire to continue.

IN RE: REPORT OF INVESTMENT COMMITTEE

- **Monthly Rates of Return** – Mr. Webb presented the rates of return for the Defined Contribution Plans and stated the overall rates of return are in line with the respective markets.
- **November 13 Investment Committee Meeting at 1:30 Rm 640**

IN RE: NOTICE (TO THE COURT) OF ACCEPTANCE OF SETTLEMENT PROPOSAL

Mr. Owings reported on the notice filed with the court regarding the settlement agreement in the declaratory judgement action. The class action defendants have filed a motion with the court to accept the settlement agreement. A court hearing regarding the settlement agreement related to the class is scheduled for October 29, 2018.

IN RE: FIRST READING FOR AMENDMENT TO THE UNIFORMED OFFICERS PENSION PLAN (UOPP)

Mr. Mason presented first reading for amendment to the Uniformed Officers Pension Plan to limit the number of days of unused vacation cash out included in UOPP Compensation to 43 days, effective January 1, 2018. There was discussion on what constitutes a “public meeting.” Mr. Cross explained the actuarial basis on retirement calculations, liabilities and cost increases to a plan. He stated the amendment to the UOPP plan does not have an actuarial impact. A motion was made by Commissioner Anders to approve the first reading for the amendment to the Uniformed Officers Pension Plan. The motion was seconded by Mr. Webb and unanimously approved.

IN RE: FIRST READING FOR AMENDMENT TO THE SHERIFF TOTAL ACCUMULATION PLAN (STAR)

Mr. Mason presented first reading for amendment to the Sheriff Total Accumulation Plan. A motion was made by Mr. Webb to approve the first reading for the amendment to the Sheriff Total Accumulation Plan. The motion was seconded by Ms. Foster and unanimously approved.

IN RE: FIRST READING FOR AMENDMENT TO THE SYSTEM

Mr. Mason presented first reading for amendment to the System. A motion was made by Commissioner Anders to approve the first reading for the amendment to the System. The motion was seconded by Mr. Webb and unanimously approved.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Owings had nothing further to report.

Mr. Burks had no report.

Mr. Mason had no report.

IN RE: REPORT OF ACTUARY

Mr. Cross had no report.

IN RE: APPROVAL OF PAYMENT – STATEMENT OF ACCOUNT

The following statement of accounts for professional services was presented for consideration and approval of payment, in accordance with agreements, audits and recommended for payment by Ms. Bennett:

FEE SCHEDULE

Invoices for OCT 2018 (Legal Invoices are approved for the previous Months Expense)	Fiscal 19 YTD Approved Invoices 09/31/2018	OCT Invoice For Approval	Fiscal 19 YTD Approved Invoices 10/31/2018
BENXL Invoice #		\$0.00	
TOTAL BENXL	\$0.00	\$0.00	\$0.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #		\$0.00	
***TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$0.00	\$0.00	\$0.00
Owings, Wilson & Coleman Invoice # 9917M - 09/30/2018 Invoice # 9918M - 09/30/2018 Invoice # 9924M - 09/30/2018 Invoice # 9927M - 09/30/2018		\$38,621.25 \$251.24 \$251.74 \$252.68	
*** TOTAL OWINGS, WILSON & COLEMAN	\$125,078.29	\$39,376.91	\$164,455.20
JUSTICE, NOEL & BURKS Invoice #		\$0.00	
TOTAL JUSTICE, NOEL & BURKS	\$18,256.00	\$0.00	\$18,256.00
LEWIS THOMASON (Mary Ann Stackhouse) Invoice # 337894		\$6,037.50	
TOTAL LEWIS THOMASON	\$18,837.60	\$6,037.50	\$24,875.00
USI CONSULTING GROUP Invoice # 90024434 Invoice # 90023641		\$39,378.75 \$32,225.00	
TOTAL USI CONSULTING GROUP	\$117,266.22	\$71,603.75	\$188,869.97
Invoices for OCT 2018	\$260,600.51	\$110,980.66	\$396,456.17

*** Retainer not included in approved billings for the Board

			<u>Fiscal 19 YTD</u>
Owings, Wilson & Coleman Retainer	\$4,000 per month		\$16,000
Kennerly Montgomery Retainer	\$12,000 per month		\$48,000
Court Reporter for Hearings	\$150.00	\$391.20	\$541.20
Fees Received from QDRO Participants	\$500 (DC Fee) \$2,000 (DB Fee)	\$500	\$500 \$0

*QDRO fee is Paid to Retirement Office which off sets the legal fee

After review of the statement of accounts and invoices, a motion was made by Mr. Webb that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Commissioner Nystrom and unanimously approved.

ADJOURNMENT

Chairman Caldwell asked if there was a motion to adjourn. Commissioner Anders made a motion to adjourn, which was seconded by Mr. Webb, and the meeting was adjourned.



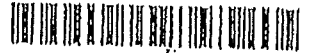
MAYOR TIM BURCHETT, CHAIRMAN
BY PROXY, CHRIS CALDWELL



MS. TRACY FOSTER, SECRETARY

Attachments:

1. UOPP Facts



Knox County, Tennessee
November 07, 2006

QUESTIONS PROPOSED AND APPROVED BY THE KNOX COUNTY CHARTER REVIEW COMMITTEE FOR THE AMENDMENT OF THE KNOX COUNTY CHARTER.

COUNTY CHARTER AMENDMENT

QUESTION 1

Question 1: Shall Section 3.09 of the Knox County Charter be repealed and the Charter be amended to add a new Article IV entitled "Other Officers" to provide for the duties of the Assessor of Property in the Knox County Property Assessor, the duties of the Sheriff in the Knox County Sheriff, the duties of the Register of Deeds in the Knox County Register of Deeds, the duties of the County Clerk in the Knox County County Clerk and the duties of the Trustee in the Knox County Trustee, all of whose elections, duties, qualifications, oaths of office, bond requirements and compensation are governed by the Constitution and laws of the State of Tennessee and the Charter of Knox County, unless otherwise amended by this charter, and whose appointment, in the event of a vacancy, shall be filled in accordance with the Constitution and laws of the State of Tennessee and the Charter of Knox County, as more fully set forth in the Charter Review Committee Proposed Amendments, as duly published and filed with the Office of County Clerk (such that current Article IV shall be renumbered Article V and the subsequent Articles shall be renumbered accordingly)?

YES
 NO

COUNTY CHARTER AMENDMENT

QUESTION 2

Question 2: Shall the Knox County Charter be amended to add a new Section 3.10 which shall create the County Code Commission, which shall have the responsibility of collecting and publishing in a bound volume the Knox

YES
 NO

CHARTER AMENDMENT SUBMITTED BY THE COMMISSION OF KNOX COUNTY, TENNESSEE PERTAINING TO ARTICLE VI, PENSIONS.

COUNTY CHARTER AMENDMENT

QUESTION 4

Question 4: Shall Article VI, Pensions, of the Knox County Charter be amended by adding a new section, Sec. 6.05, Uniformed Officers Pension Plan, which authorizes and directs the Knox County Retirement and Pension Board to establish, maintain and administer a plan of the system a separate, tax qualified, defined benefit pension plan and trust known and designated as the Uniformed Officers Pension Plan for sworn officers regularly employed by the Sheriff's Department, and which shall be funded on an actuarially sound and not necessarily actuarially funded, basis as of the date of commencement, July 1, 2007, the Officers Pension being specifically excepted from the "retroactively funded" requirement contained in Sections 6.02(C) and 6.04(B) of the Knox County Charter, and, provided further that, the Knox County Retirement System has projected the unfunded liability for the Pension to be approximately \$57.1 million as of July 1, 2007, and, in addition, the County's expected additional annual cost of the Pension has been projected to be about 5.9% of participant payroll, or \$1.5 million the first year, over and above the 6% of participant payroll currently contributed by the County to the existing defined contribution retirement plan, with the anticipated property tax impact to be 8 cents per year, all as more fully set forth in Ordinance No. 0-06-4-101 of the Commission of Knox County, Tennessee as duly published and filed with the Office of the County Clerk of Knox County, Tennessee?

YES
 NO

Precinct Sample Ballot

CITY CHARTER AMENDMENT

O-17-06

CHARTER AMENDMENTS SUBMITTED BY THE COUNCIL OF THE CITY OF KNOXVILLE PERTAINING TO THE CITY PENSION SYSTEM.

SHALL SECTION 709 OF ARTICLE VII OF THE CHARTER OF THE CITY OF KNOXVILLE ENTITLED "ELECTIONS" AND ARTICLE XII OF SAID CHARTER ENTITLED "PENSIONS", BE AMENDED TO REQUIRE THAT ALL PROPOSED CHARTER AMENDMENT ORDINANCES AFFECTING THE CITY OF KNOXVILLE PENSION SYSTEM BE SUBMITTED TO THE CITY OF KNOXVILLE PENSION BOARD FOR REVIEW AS TO FORM AND EFFECT AND THE ISSUANCE OF A WRITTEN REPORT TO THE COUNCIL OF THE CITY OF KNOXVILLE PRIOR TO THE PROPOSED ORDINANCES CONSIDERATION BY SAID COUNCIL AND THAT AN ACTUARIAL STUDY ALSO BE PROVIDED TO THE PENSION BOARD AND SAID COUNCIL FOR CERTAIN AMENDMENTS THAT ARE LIKELY TO HAVE A SIGNIFICANT COST IMPACT ON THE PENSION SYSTEM, ALL AS MORE FULLY SET FORTH IN ORDINANCE NO. O-17-06 OF THE CITY OF KNOXVILLE AS DULY PUBLISHED?

The Chief Financial Officer's cost estimate of the proposed charter amendments is \$0.

For the Amendment
 Against the Amendment

CITY CHARTER AMENDMENT

O-128-06

CITY OF KNOXVILLE CHARTER AMENDMENT SUBMITTED BY THE COUNCIL OF THE CITY OF KNOXVILLE PERTAINING TO THE CITY PENSION SYSTEM.

SHALL ARTICLE XII OF THE CITY OF KNOXVILLE CHARTER, ENTITLED "PENSIONS", BE AMENDED TO PROVIDE ADDITIONAL BENEFIT OPTION ELECTION RIGHTS TO CERTAIN MEMBERS OF THE

For the Amendment

CITY CHARTER AMENDMENT

O-127-06

CITY OF KNOXVILLE CHARTER AMENDMENT SUBMITTED BY THE COUNCIL OF THE CITY OF KNOXVILLE PERTAINING TO THE CITY PENSION SYSTEM.

SHALL ARTICLE XII OF THE CITY OF KNOXVILLE CHARTER, ENTITLED "PENSIONS", BE AMENDED TO ELIMINATE A COST OF LIVING SUNSET PROVISION FOR CERTAIN BOARD OF EDUCATION MEMBERS OF PLAN A, ALL AS MORE FULLY SET FORTH IN ORDINANCE NO. O-127-06 OF THE CITY OF KNOXVILLE AS DULY PUBLISHED?

The Chief Financial Officer's cost estimate of the proposed charter amendment is \$2,100,000. If this provision is passed, the City of Knoxville will fund the pension plan in the amount of approximately \$240,000 per year for the next 75 years.

For the Amendment
 Against the Amendment

CITY CHARTER AMENDMENT

O-128-06

CITY OF KNOXVILLE CHARTER AMENDMENTS SUBMITTED BY THE COUNCIL OF THE CITY OF KNOXVILLE PERTAINING TO THE CITY PENSION SYSTEM.

SHALL ARTICLE XII OF THE CITY OF KNOXVILLE CHARTER, ENTITLED "PENSIONS", BE AMENDED TO AMEND AND CLARIFY CERTAIN OPTION ELECTION AND CALCULATION PROVISIONS OF THE PENSION SYSTEM AND CLARIFY THE TRUST STATUS OF THE PENSION SYSTEM FUND, ALL AS MORE FULLY SET FORTH IN ORDINANCE NO. O-128-06 OF THE CITY OF KNOXVILLE AS DULY PUBLISHED?

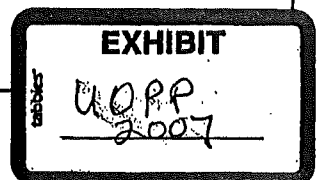
The Chief Financial Officer's cost estimate of the proposed charter amendments is \$0.

For the Amendment

EXHIBIT
2006 Ballot

**KNOX COUNTY
UNIFORMED OFFICERS
PENSION PLAN
Effective July 1, 2007**

2/2007



1.7 "Average Monthly Compensation" means the monthly Compensation of a Participant as an Officer averaged over any two (2) 12-month periods, whether or not consecutive but which do not overlap, from date of employment, including periods prior to the Effective Date of the Plan, which produce the highest monthly average. If a Participant has less than 24 months of Service as an Officer, Average Monthly Compensation will be based on the Participant's monthly Compensation during the Participant's entire Service as an Officer. Compensation subsequent to termination of participation pursuant to Section 3.4 shall not be recognized.

1.8 "Beneficiary" means the natural person designated by a Participant in writing filed with the Board prior to the Participant's death to receive any benefits payable under the Plan upon or after the death of the Participant. A Participant's designation of his or her spouse as Beneficiary shall be automatically revoked on the date a Participant is divorced, except that a Participant's Beneficiary under an optional form of benefit shall not be revoked by divorce after the Annuity Starting Date. A divorced Participant may name his or her ex-spouse as Beneficiary by filing a Beneficiary designation in writing with the Board after the date of divorce.

1.9 "Board" means the Knox County Retirement and Pension Board.

1.10 "Charter" means the Knox County Charter.

1.11 "Closed Defined Benefit Plan" means the retirement plan established by Article III of the System.

1.12 "Code" means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.13 "Commission" means the Knox County Commission.

1.14 "Compensation" with respect to any Participant means such Participant's total salary as an Officer, as determined and paid by the Employer, which is currently includible in gross income, which is attributable to the period of his or her participation in the Plan for each Plan Year.

For purposes of this Section, the determination of Compensation shall be made by:

- (a) excluding overtime.
- (b) including bonuses.
- (c) including longevity pay.
- (d) including amounts which are contributed by the Employer pursuant to a salary reduction agreement and which are not includible in the gross income of the Participant under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Employee Contributions described in Code §414(h)(2) that are treated as Employer contributions. For this purpose, effective January 1, 1998, amounts not includible in gross income under Code §125 shall be deemed to include any

amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that the Participant has other health coverage, provided the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

- (e) including Post-Severance Compensation.
- (f) excluding clothing allowances.
- (g) excluding (even if includible in gross income) commissions and reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, deferred compensation, and welfare benefits.
- (h) excluding any salary that is covered by any pension plan administered by the State of Tennessee.

Compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning on and after July 1, 2007, shall not exceed \$225,000 (or such other amount provided in the Code). Such amount shall be adjusted for increases in the cost of living in accordance with Code §401(a)(17)(B), except that the dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Years beginning with or within such calendar year. For any short Plan Year, the Compensation limit shall be an amount equal to the Compensation limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

1.15 "Contract" or "Policy" means any life insurance policy, retirement income policy or annuity contract (group or individual) issued pursuant to the terms of the Plan. In the event of any conflict between the terms of this Plan and the terms of any contract purchased hereunder, the Plan provisions shall control.

1.16 "Dependent Child" means any child of a Participant (or Former Participant) under the age of nineteen (19) years. A child who is a full-time student in an accredited institution of learning shall be considered a Dependent Child until he or she reaches the age of twenty-four (24) years. A Dependent Child also includes a Handicapped Child, regardless of age.

1.17 "Dependent Parent" means a parent of a Participant (or Former Participant) who is a dependent of the Participant or Former Participant within the meaning of Code §152.

1.18 "Disabled" or "Disability" means a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder which renders such Participant unable to perform the duties of the Participant's job as an Officer.

Disability shall not include any physical or mental condition or impairment resulting directly or indirectly from: (a) intentionally self-inflicted injury or disease; (b) injury or disease resulting from military service; or (c) injury or disease suffered or contracted prior to the last date of Employment as an Officer.

1.38 "One-Year Break in Service" means a continuous period of at least 12 consecutive months during which the Employee is not employed by the Employer. Except as provided in Section 3.6, such period begins on the date the Employee retires, quits or is discharged, or if earlier, the twelve (12) month anniversary of the date on which the Employee was otherwise first absent from service.

In the case of an individual who is absent from work for maternity or paternity reasons, the twelve (12) consecutive month period beginning on the first anniversary of the first day of such absence shall not constitute a 1-Year Break in Service. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the individual, (b) by reason of the birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

1.39 "Participant" means any Eligible Employee who participates in the Plan and has not for any reason become ineligible to participate further in the Plan.

1.40 "Plan" means this instrument, including all amendments thereto.

1.41 "Plan Year" means the Plan's accounting year of twelve (12) months commencing on January 1 of each year and ending the following December 31. The period from July 1, 2007 to December 31, 2007, shall constitute an initial short Plan Year.

1.42 "Post-Severance Compensation" means payments made within 2-1/2 months after severance from employment (within the meaning of Code §401(k)(2)(B)(i)(I)) if they are payments that, absent a severance from employment, would have been paid to the Employee while the Employee continued in employment with the Employer and are Compensation for services as an Officer. Any payments not described above are not considered Compensation if paid after severance from employment, even if paid within 2-1/2 months following severance from employment, except for payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code §414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

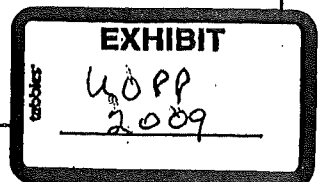
1.43 "Projected Service" means the Service a Participant would earn if the Participant remained continuously in Employment as an Officer until his or her Normal Retirement Date.

1.44 "Refund" means the amount payable pursuant to Section 5.4 in lieu of any and all other benefits that may be payable under this Plan.

1.45 "Regulation" means the Income Tax Regulations as promulgated by the Secretary of the Treasury or a delegate of the Secretary of the Treasury, and as amended from time to time.

**KNOX COUNTY
UNIFORMED OFFICERS
PENSION PLAN
Effective January 1, 2009**

1/2009



1.7 **"Average Monthly Compensation"** means the monthly Compensation of a Participant as an Officer averaged over any two (2) 12-month periods, whether or not consecutive but which do not overlap, from date of employment, including periods prior to the Effective Date of the Plan, which produce the highest monthly average. If a Participant has less than 24 months of Service as an Officer, Average Monthly Compensation will be based on the Participant's monthly Compensation during the Participant's entire Service as an Officer. Compensation subsequent to termination of participation pursuant to Section 3.4 shall not be recognized.

1.8 **"Beneficiary"** means the natural person designated by a Participant in writing filed with the Board prior to the Participant's death to receive any benefits payable under the Plan upon or after the death of the Participant. A Participant's designation of his or her spouse as Beneficiary shall be automatically revoked on the date a Participant is divorced, except that a Participant's Beneficiary under an optional form of benefit shall not be revoked by divorce after the Annuity Starting Date. A divorced Participant may name his or her ex-spouse as Beneficiary by filing a Beneficiary designation in writing with the Board after the date of divorce.

1.9 **"Board"** means the Knox County Retirement and Pension Board.

1.10 **"Charter"** means the Knox County Charter.

1.11 **"Closed Defined Benefit Plan"** means the retirement plan established by Article III of the System.

1.12 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.13 **"Commission"** means the Knox County Commission.

1.14 **"Compensation"** with respect to any Participant means such Participant's total salary as an Officer, as determined and paid by the Employer, which is currently includible in gross income, which is attributable to the period of his or her participation in the Plan for each Plan Year.

For purposes of this Section, the determination of Compensation shall be made by:

- (a) excluding overtime.
- (b) including bonuses.
- (c) including longevity pay.
- (d) including amounts which are contributed by the Employer pursuant to a salary reduction agreement and which are not includible in the gross income of the Participant under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Employee Contributions described in Code §414(h)(2) that are treated as Employer contributions. For this purpose, effective January 1, 1998, amounts not includible in gross income under Code §125 shall be deemed to include any

amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that the Participant has other health coverage, provided the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

- (e) including Post-Severance Compensation.
- (f) excluding clothing allowances.
- (g) excluding (even if includible in gross income) commissions and reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, deferred compensation, and welfare benefits.
- (h) excluding any salary that is covered by any pension plan administered by the State of Tennessee.

Compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning on and after July 1, 2007, shall not exceed \$225,000 (or such other amount provided in the Code). Such amount shall be adjusted for increases in the cost of living in accordance with Code §401(a)(17)(B), except that the dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Years beginning with or within such calendar year. For any short Plan Year, the Compensation limit shall be an amount equal to the Compensation limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

1.15 "Contract" or "Policy" means any life insurance policy, retirement income policy or annuity contract (group or individual) issued pursuant to the terms of the Plan. In the event of any conflict between the terms of this Plan and the terms of any contract purchased hereunder, the Plan provisions shall control.

1.16 "Dependent Child" means any child of a Participant (or Former Participant) under the age of nineteen (19) years. A child who is a full-time student in an accredited institution of learning shall be considered a Dependent Child until he or she reaches the age of twenty-four (24) years. A Dependent Child also includes a Handicapped Child, regardless of age.

1.17 "Dependent Parent" means a parent of a Participant (or Former Participant) who is a dependent of the Participant or Former Participant within the meaning of Code §152.

1.18 "Disabled" or "Disability" means a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder which renders such Participant unable to perform the duties of the Participant's job as an Officer.

Disability shall not include any physical or mental condition or impairment resulting directly or indirectly from: (a) intentionally self-inflicted injury or disease; (b) injury or disease resulting from military service; or (c) injury or disease suffered or contracted prior to the last date of Employment as an Officer.

has any authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan.

1.27 "Fiscal Year" means the Employer's accounting year of 12 months commencing on July 1 of each year and ending the following June 30.

1.28 "Former Participant" means a person who has been a Participant, but who has ceased to be a Participant for any reason.

1.29 "415 Compensation" with respect to any Participant means such Participant's wages as defined in Code §3401(a) and all other payments of compensation by the Employer (in the course of the Employer's trade or business) for a Plan Year for which the Employer is required to furnish the Participant a written statement under Code §§6041(d), 6051(a)(3) and 6052. "415 Compensation" must be determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

Notwithstanding the above, the determination of 415 Compensation shall be made by:

(a) including any elective deferral (as defined in Code §402(g)(3)), and any amount which is contributed by the Employer at the election of the Participant pursuant to a salary reduction agreement and which is not includible in the gross income of the Participant by reason of Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Employee Contributions described in Code §414(h)(2) that are treated as Employer contributions. For this purpose, effective January 1, 1998, amounts not includible in gross income under Code §125 shall be deemed to include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that the Participant has other health coverage, provided the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

(b) including Post-Severance Compensation.

1.30 "Handicapped Child" means a child, over age nineteen (19), who satisfies the following requirements:

(a) The child is severely, permanently handicapped, either mentally or physically, so as to be unable to engage in self-supporting compensable activities and is otherwise dependent on care and support from the Participant or Former Participant; and

(b) The Participant or Former Participant is the natural parent of the child; and

(c) The child has been, is and likely always will be dependent on the Participant or Former Participant, or the Participant's or Former Participant's spouse or parents for more than half of the financial support required for the child's care; and

park patrol officers, the Sheriff and Sheriff's Office executive officers, persons not covered by the Knox County Merit System are not Officers.

1.38 "One-Year Break in Service" means a continuous period of at least 12 consecutive months during which the Employee is not employed by the Employer. Except as provided in Section 3.6, such period begins on the date the Employee retires, quits or is discharged, or if earlier, the twelve (12) month anniversary of the date on which the Employee was otherwise first absent from service.

In the case of an individual who is absent from work for maternity or paternity reasons, the twelve (12) consecutive month period beginning on the first anniversary of the first day of such absence shall not constitute a 1-Year Break in Service. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the individual, (b) by reason of the birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

1.39 "Participant" means any Eligible Employee who participates in the Plan and has not for any reason become ineligible to participate further in the Plan.

1.40 "Plan" means this instrument, including all amendments thereto.

1.41 "Plan Year" means the Plan's accounting year of twelve (12) months commencing on January 1 of each year and ending the following December 31. The period from July 1, 2007 to December 31, 2007, shall constitute an initial short Plan Year.

1.42 "Post-Severance Compensation" means payments made within 2-1/2 months after severance from employment (within the meaning of Code §401(k)(2)(B)(i)(I)) if they are payments that, absent a severance from employment, would have been paid to the Employee while the Employee continued in employment with the Employer and are Compensation for services as an Officer. Any payments not described above are not considered Compensation if paid after severance from employment, even if paid within 2-1/2 months following severance from employment, except for payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code §414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

1.43 "Projected Service" means the Service a Participant would earn if the Participant remained continuously in Employment as an Officer until his or her Normal Retirement Date.

1.44 "Reemployed Retiree" shall have the meaning stated in Section 3.5(k).

1.45 "Refund" means the amount payable pursuant to Section 5.4 in lieu of any and all other benefits that may be payable under this Plan.

6.4 Annual Benefit Not in Excess of \$10,000

This Plan may pay an "annual benefit" to any Participant in excess of the Participant's maximum "annual benefit" if the "annual benefit" derived from Employer contributions under this Plan and all other defined benefit plans maintained by the Employer does not in the aggregate exceed \$10,000 for the "limitation year" or for any prior "limitation year" and the Employer has not at any time maintained a defined contribution plan, a welfare benefit fund under which amounts attributable to post-retirement medical benefits are allocated to separate accounts of key employees (as defined in Code §419(A)(d)(3)), or an individual medical account in which the Participant participated. For purposes of this paragraph, mandatory Employee contributions will not be considered a separate defined contribution plan maintained by the Employer.

6.5 Participation or Service Reductions

If a Participant has less than ten (10) years of participation in the Plan at the time the Participant begins to receive benefits under the Plan, the limitations in Sections 6.2(a) and 6.3 shall be reduced by multiplying such limitations by a fraction (a) the numerator of which is the number of years of participation (or part thereof) in the Plan and (b) the denominator of which is ten (10), provided, however, that said fraction shall in no event be less than 1/10th. The limitation of Section 6.4 shall be reduced in the same manner except the preceding sentence shall be applied with respect to years of Service with the Employer rather than years of participation in the Plan.

For purposes of this Section 6.5, "year of participation" means each accrual computation period for which the following conditions are met: (a) the Participant is credited with a Service for benefit accrual purposes, required under the terms of the Plan to accrue a benefit for the accrual computation period, and (b) the Participant is included as a Participant under the eligibility provisions of the Plan for at least one day of the accrual computation period. If these two conditions are met, the portion of a year of participation credited to the Participant shall equal the amount of Service credited to the Participant for such accrual computation period. A Participant who is permanently and totally disabled within the meaning of Code §415(e)(3)(C)(i) for an accrual computation period shall receive a year of participation with respect to the period. In addition, for a Participant to receive a year of participation (or part thereof) for an accrual computation period, the Plan must be established no later than the last day of such accrual computation period. In no event will more than one year of participation be credited for any 12-month period.

6.6 Final §415 Regulations

(a) This Section is effective as of July 1, 2007, shall apply to Limitation Years and Plan Years beginning on and after July 1, 2007, and supersedes the provisions of the Plan to the extent inconsistent with this Section.

(b) The Section 1.29 definition of 415 Compensation shall be modified by: (1) including payments for unused sick, vacation or other leave pursuant to Section 6.6(c)(2); (2) including payments from nonqualified unfunded deferred compensation plans pursuant to Section 6.6(c)(2); (3) including salary continuation payments for participants on military service pursuant

to Section 6.6 (c)(3); and (4) including salary continuation payments for Disabled Participants pursuant to Section 6.6(c)(4). The Section 1.14 definition of Compensation shall be modified to provide for the same adjustments that are made to 415 Compensation pursuant to this Section, except as provided in Section 6.6(c)(1)(A) and except the term "Limitation Year" shall be replaced with the term "Plan Year" and the term "415 Compensation" shall be replaced with the term "Compensation."

(c) 415 Compensation shall be adjusted for the following types of Compensation paid after a Participant's severance from employment with the Employer maintaining the Plan (or any other entity that is treated as the Employer pursuant to Code §414(b), (c), (m) or (o)). However, amounts described in Sections 6.6(c)(1) and (2) below may only be included in 415 Compensation to the extent such amounts are paid by the later of 2-1/2 months after severance from employment or by the end of the Limitation Year that includes the date of such severance from employment. Any other payment of Compensation paid after severance of employment that is not described in the following types of Compensation is not considered 415 Compensation within the meaning of Code §415(c)(3), even if payment is made within the time period specified above.

- (1) 415 Compensation shall include regular pay after severance of employment if:
 - (A) The payment is regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; provided however Compensation shall not include overtime; and
 - (B) The payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.
- * (2) Leave cashouts shall be included in 415 Compensation, if those amounts would have been included in the definition of 415 Compensation if they were paid prior to the Participant's severance from employment, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued. In addition, deferred compensation shall be included in 415 Compensation, if the Compensation would have been included in the definition of 415 Compensation if it had been paid prior to the Participant's severance from employment, and the Compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.
- (3) 415 Compensation includes payments to an individual who does not currently perform services for the Employer by reason of qualified military service (as that term is used in Code §414(u)(1)) to the extent those payments do not exceed the

amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

- (4) 415 Compensation includes Compensation paid to a Participant who is Disabled.
- (5) Payments awarded by an administrative agency or court or pursuant to a bona fide agreement by an Employer to compensate an Employee for lost wages are 415 Compensation for the Limitation Year to which the back pay relates, but only to the extent such payments represent wages and compensation that would otherwise be included in 415 Compensation.
- (d) 415 Compensation for a Limitation Year shall not include amounts earned but not paid during the Limitation Year solely because of the timing of pay periods and pay dates.
- (e) 415 Compensation shall include amounts that are includible in the gross income of a Participant under the rules of Code §409A or Code §457(f)(1)(A) or because the amounts are constructively received by the Participant.
- (f) In the case of a Participant who has had a Severance from Employment with the Employer, the Defined Benefit Dollar Limitation applicable to the Participant in any Limitation Year beginning after the date of severance shall not be automatically adjusted under Code §415(d).
- (g) Annual Benefit.
 - (1) The Annual Benefit otherwise payable to a Participant under the Plan at any time shall not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, then the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit.
 - (2) If the Participant is, or has ever been, a Participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Employer or a Predecessor Employer, the sum of the Participant's Annual Benefits from all such plans may not exceed the Maximum Permissible Benefit. Where the Participant's Employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Maximum Permissible Benefit applicable at that age, the Employer shall limit a Participant's benefit in accordance with the terms of the plans.
 - (3) The application of the provisions of this Section 6.6(g) shall not cause the Maximum Permissible Benefit for any Participant to be less than the Participant's Accrued Benefit under all the defined benefit plans of the Employer or a Predecessor Employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect

AMENDMENTS TO THE KNOX COUNTY CHARTER PROPOSED AND APPROVED BY THE KNOX COUNTY CHARTER REVIEW COMMITTEE

The following proposed amendments to the Knox County Charter have been approved for submission to the voters of Knox County at the November 6, 2012 Presidential and State General Election by the Knox County Charter Review Committee, a duly constituted Committee pursuant to Section 9.05.D of the Knox County Charter:

Proposed Amendment 1:

Section 7.05 of the Knox County Charter is amended by deleting said section in its entirety and by substituting therefor the following:

Sec. 7.05. Uniformed Officers Plan.

A. The Retirement Board is hereby authorized and directed to establish, maintain and administer one or more plans of the system as separate, tax qualified plans and trusts, known and designated collectively as the Uniformed Officers Plan (hereinafter referred to as the "Officers Plan") for sworn officers regularly employed by the Sheriff's Department. The Officers Plan shall provide distinct benefits for officers who participated prior to January 1, 2014 ("2007 Officers Plan") and those employed thereafter ("2014 Officers Plan"), as provided in this Section 7.05.

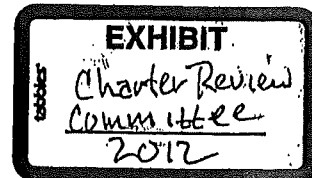
* -> B. The 2007 Officers Plan, adopted effective July 1, 2007, shall be closed to enrollment of officers hired on or after January 1, 2014. The 2007 Officers Plan shall remain in effect for any officers who participated in it prior to January 1, 2014 so long as such officer remains continuously employed as an officer. A participant in the 2007 Officers Plan who is not vested on January 1, 2014, but who thereafter completes five years of service under that Plan shall be entitled to benefits under the 2007 Officers Plan.

C. The Retirement Board shall recommend for approval by the Commission a 2014 Officers Plan to be effective commencing January 1, 2014 for officers hired on and after that date.

D. The actuary for the system shall annually compute and report normal and past service contributions for the Officers Plan, whose report shall be considered by the Retirement Board and passed with the Board's recommendation to the Commission for acceptance and funding approval. The Officers Plan shall be actuarially funded.

E. The Officers Plan shall be administered by the Retirement Board as otherwise provided in this Article 7. The Retirement Board may amend the Officers Plan from time to time under the authority of Section 7.04(B), so

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KNOX COUNTY
ELECTION COMM.



long as any such amendment is consistent with the terms set out in this Section.

Ballot Question for Proposed Amendment 1:

Shall Article VII of the Knox County Charter, entitled "Pensions", be amended to: (1) close the present Uniformed Officers Pension Plan to new participants, effective December 31, 2013; and (2) direct the Knox County Retirement and Pension Board to recommend for approval by the Knox County Commission a new Uniformed Officers Plan for sworn officers regularly employed by the Knox County Sheriff's Department hired on or after January 1, 2014?

Proposed Amendment 2:

Section 9.17 of the Knox County Charter is amended by deleting subsection 9.17.A in its entirety and substituting therefore the following new subsections, renumbering accordingly the remaining subsections in Section 9.17, and striking the word "petition" wherever it appears in subsection 9.17.D and substituting therefore the word "section":

A. No person shall be eligible to hold, or be elected to, the same elected office of Knox County for more than two consecutive terms. A "term" is defined as a full, elected four (4) or six (6) year period, depending upon the length of the elected office as provided by this Charter or Tennessee Law. A person who is not eligible to serve in an elected office of Knox County due to the term limitations set forth herein shall not be precluded from serving in a different elected office of Knox County. Judges are exempt from this section.

B. If a person is elected or appointed to fill an unexpired term, that term shall not be counted as part of the term limitations set forth herein. Any person's partial service in an elected office of Knox County prior to December 1, 2012 shall not be counted as part of the term limitations set forth herein.

Ballot Question for Proposed Amendment 2:

Shall Section 9.17 of the Knox County Charter, entitled "Term Limits", be amended to: (1) clarify that no person shall be eligible to hold the same elected office of Knox County for more than two (2) consecutive terms; (2) define a "term" as a full, elected period as prescribed by law; and (3) permit a person who is term limited in one office to serve in a different elected office?

Proposed Amendment 3:

Section 9.17 of the Knox County Charter is amended by adding as a subsection at the appropriate place in said section the following sentence: "The members of Commission elected by districts and the members of Commission elected at-large through County-wide vote shall be considered the same elected office for the purposes of this section."

Ballot Question for Proposed Amendment 3:

Shall Section 9.17 of the Knox County Charter, entitled "Term Limits", be amended to provide that the members of Commission elected by districts and the members of Commission elected at-large shall be considered the same elected office for the purpose of term limits?

Proposed Amendment 4:

Section 6.01.B of the Knox County Charter is amended by deleting said section in its entirety and by substituting therefore the following:

B. The Board of Education under this Charter shall consist of nine (9) members elected according to state law.

Ballot Question for Proposed Amendment 4:

Shall Section 6.01.B of the Knox County Charter be amended to provide that the nine (9) members of the Board of Education be elected according to state law and not connect the time of election of Board of Education members to that of the County Assessor of Property?

Proposed Amendment 5:

Section 2.09.A.(4)(c) of the Knox County Charter is amended by deleting said section in its entirety and by substituting therefore the following:

(c) Any ordinance to reappoint Commission or Board of Education districts shall be adopted by a favorable vote of two-thirds (2/3) of the membership of the Commission.

Ballot Question for Proposed Amendment 5:

Shall Section 2.09.A.(4)(c) of the Knox County Charter be amended to clarify that any ordinance of the Knox County Commission to reappoint Commission or Board of Education districts be adopted by a favorable vote of two-thirds (2/3) of the membership of Commission?

Proposed Amendment 6:

Section 6.01.D of the Knox County Charter is amended by deleting the second and third sentences in said section in their entirety and substituting therefor the following:

The Commission may from time to time alter the boundaries of districts so long as all districts comply with constitutional requirements. On or before December 31, 1991, and every ten (10) years thereafter, it shall be the duty of the Commission, based upon the most recent Federal decennial census, to reapportion the Board of Education districts so as to comply with constitutional requirements.

Ballot Question for Proposed Amendment 6:

Shall Section 6.01.D of the Knox County Charter be amended to conform to state law and place the responsibility of reapportioning Knox County Board of Education districts with the Knox County Commission?

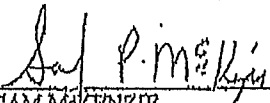
Proposed Amendment 7:

Section 9.17 of the Knox County Charter is amended by striking subsections 9.17.B and 9.17.C in their entirety.

Ballot Question for Proposed Amendment 7:

Shall Section 9.17 of the Knox County Charter, entitled "Term Limits", be amended to no longer require the Knox County Clerk to annually write Knox County's state legislators and U.S. Representative and both U.S. Senators from Tennessee stating the people's support of term limits at both the state and federal levels?

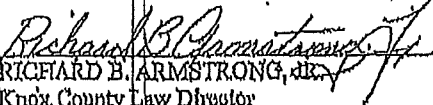
On this 6th day of September, 2012, I hereby certify that the foregoing proposed amendments to the Knox County Charter were approved by the Charter Review Committee to be submitted to the voters of Knox County at the November 6, 2012 Presidential and State General Election in accordance with the requirements of the Knox County Charter.



SAM MCKENZIE
Secretary, Knox County Charter Review Committee

9/28/2017

Approved:


RICHARD B. ARMSTRONG, JR.
Knox County Law Director

Clifford A. Rodgers
Administrator of Elections



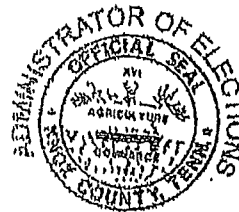
Christopher D. Heagerty, Chair
Cassandra McGee Stuart, Secretary
Bob Bowman
Cameron Brooks
Hannah Hopper

Knox County Election Commission

I, Clifford A. Rodgers, Knox County Administrator of Elections, do hereby certify that the attached is a true and correct copy of 2012 Charter Amendment and ballot measure on the November 6, 2012 Knox County Election.

Witness my hand at office in Knoxville, Tennessee this 26th day of July, 2018

Clifford A. Rodgers, AOF
Clifford A. Rodgers, Administrator of Elections



**TENNESSEE HOUSE OF REPRESENTATIVES
18TH DISTRICT**
Vote for One (1)

Steve Hall
Republican Party Nominee

Anthony D. Hancock
Democratic Party Nominee

Write-in

**TENNESSEE HOUSE OF REPRESENTATIVES
89TH DISTRICT**
Vote for One (1)

Roger Kane
Republican Party Nominee

Write-in

**TENNESSEE HOUSE OF REPRESENTATIVES
19TH DISTRICT**
Vote for One (1)

Harry Brooks
Republican Party Nominee

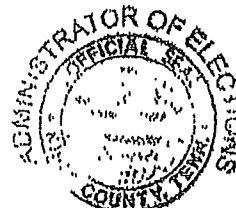
Write-in

**COUNTY CHARTER
AMENDMENT
QUESTION 1**

Shall Article VIII of the Knox County Charter, entitled "Pensions", be amended to: (1) close the present Uniformed Officers Pension Plan to new participants, effective December 31, 2013; and (2) direct the Knox County Retirement and Pension Board to recommend for approval by the Knox County Commission a new Uniformed Officers Plan for sworn officers regularly employed by the Knox County Sheriff's Department hired on or after January 1, 2014?

YES

NO



Cliff A. Fodde, AOE

EXHIBIT
Ballot
2012

**COUNTY CHARTER
AMENDMENT
QUESTION 2**

Shall Section 9.17 of the Knox County Charter, entitled "Term Limits", be amended to: (1) clarify that no person shall be eligible to hold the same elected office of Knox County for more than two (2) consecutive terms; (2) define a "term" as a full, elected period as prescribed by law; and (3) permit a person who is term limited in one office to serve in a different elected office?

- YES
- NO

**COUNTY CHARTER
AMENDMENT
QUESTION 3**

Shall Section 9.17 of the Knox County Charter, entitled "Term Limits", be amended to provide that the members of Commission elected by districts and the members of Commission elected at large shall be considered the same elected office for the purpose of term limits?

- YES
- NO

**COUNTY CHARTER
AMENDMENT
QUESTION 4**

Shall Section 6.01.B of the Knox County Charter be amended to provide that the nine (9) members of the Board of Education be elected according to state law and not connect the line of election of Board of Education members to that of the County Assessor of Property?

- YES
- NO

**COUNTY CHARTER
AMENDMENT
QUESTION 5**

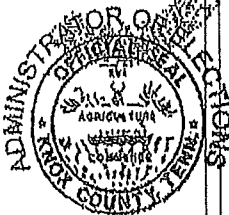
Shall Section 2.09.A.(4)(c) of the Knox County Charter be amended to clarify that any ordinance of the Knox County Commission to reapportion Commission or Board of Education districts be adopted by a favorable vote of two-thirds (2/3) of the membership of Commission?

- YES
- NO

**COUNTY CHARTER
AMENDMENT
QUESTION 6**

Shall Section 6.01.D of the Knox County Charter be amended to conform to state law and place the responsibility of reapportioning Knox County Board of Education districts with the Knox County Commission?

- YES
- NO



Clifford A. Rodden, AOE

**COUNTY CHARTER
AMENDMENT
QUESTION 7**

Shall Section 9.17 of the Knox County Charter, entitled "Term Limits", be amended to no longer require the Knox County Clerk to annually write Knox County's state legislators and U.S. Representative and both U.S. Senators from Tennessee stating the people's support of term limits at both the state and federal levels?

YES

NO

CITY CHARTER AMENDMENT

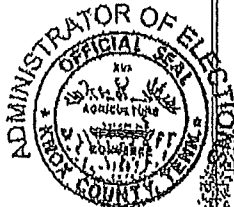
City of Knoxville Charter Amendments submitted by the Council of the City of Knoxville pertaining to the City pension system:

Shall Article XIII of the Charter of the City of Knoxville, entitled "Pensions" be amended so as to close Division G (General Government Employees Plan) and Division C (Uniformed Bodies Employees Plan) to further employee enrollment effective January 1, 2013 and to adopt and establish a fully hybrid defined benefit/defined contribution plan in the City of Knoxville employees pension system for all eligible City employees (General Government and Uniformed Bodies) hired on or after January 1, 2013, and to provide for various transitional provisions and other mandatory provisions related thereto, the terms and provisions of which new plan and transitional provisions are more fully set forth in Ordinance No. O-142-2012 of the City of Knoxville as published?

Chief Financial Officer's estimate of net cost increase: \$0

FOR THE
AMENDMENT

AGAINST THE
AMENDMENT



Handwritten signature of Fred A. Baker

T

RESOLUTION

A RESOLUTION OF THE COMMISSION OF KNOX COUNTY, TENNESSEE, APPROVING: ADOPTION OF SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN ("STAR"); ADOPTION OF KNOX COUNTY EMPLOYEE DISABILITY BENEFIT PLAN; 2014 AMENDMENT AND RESTATEMENT OF KNOX COUNTY EMPLOYEE BENEFIT SYSTEM; AND 2014 AMENDMENT AND RESTATEMENT OF UNIFORMED OFFICERS PENSION PLAN.

RESOLUTION: R-13-8-901

REQUESTED BY: RETIREMENT & PENSION BOARD

PREPARED BY: WILLIAM E. MASON, ESQ.
KENNERLY, MONTGOMERY,
& FINLEY, P.C., AND KNOX
COUNTY LAW DIRECTOR'S
OFFICE

APPROVED AS TO FORM
AND CORRECTNESS: *Richard Remington*
DIRECTOR OF LAW

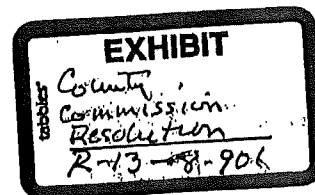
APPROVED: Aug. 26, 2013
DATE

VETOED: _____
DATE

VETO
OVERRIDE: _____
DATE

MINUTE
BOOK _____ PAGE _____

WHEREAS, Knox County Government (the "Employer") adopted the Knox County Employee Benefit System, as most recently amended and restated in its entirety effective January 1, 2009, as subsequently duly amended (the "System"), pursuant to Article VII of the Charter of Knox County, Tennessee (the "Charter"); and



WHEREAS, the voters of Knox County, Tennessee, in the general election on November 6, 2012, ratified an amendment to Charter Section 7.05, which closed the Uniformed Officers Pension Plan ("UOPP") effective on and after January 1, 2014, and authorized and directed the Knox County Retirement & Pension Board (the "Board") to recommend for approval by the Commission, as a plan of the System, a separate, tax-qualified retirement plan and trust (referred to as "Sheriff's Total Accumulation Retirement Plan" or "STAR") for sworn officers regularly employed on or after January 1, 2014, by the Knox County Sheriff's Office ("Officers"); and

WHEREAS, after consultation and deliberation, the Board recommended to the Commission for approval the adoption of STAR, a defined contribution plan for Officers most recently employed or reemployed on or after January 1, 2014, requiring Officers to contribute 6% of compensation on a pre-tax basis and the County to contribute 10% of compensation subject to 10-year cliff vesting and 2% subject to 15-year cliff vesting, but a contribution of 2% of pre-disability compensation for disabled participants, with normal retirement at the later of age 57 or 10 years of service, and subject to benefit payment options and administrative arrangements modeled after the existing Asset Accumulation Plan, and other terms and conditions set out in the STAR plan document; STAR and its accompanying trust with Wells Fargo, trustee, are intended to comply with the provisions of Internal Revenue Code § 401(a); and

WHEREAS, the Board, after consultation and deliberation, has further amended the System effective January 1, 2014, to establish the Employee Disability Benefit Plan, as a separate component plan of the System, modeled after private-sector, commercial insured disability coverage, to provide a single, uniform disability benefit arrangement for employees of the County and Knox County Schools ("Schools") in the eligible class (not including teachers and other Schools employees covered by the Tennessee Consolidated Retirement System) after 5 years of service for not in line of duty benefits, but without any minimum period of service for in line of duty benefits, funded by the County, commencing after an elimination period of at least 90 days following the date of disability, and continuing to the earlier of Social Security normal retirement age or retirement under any County retirement plan, offset for Social Security and workers compensation benefits, adjusted for earnings while disabled, incorporating incentives to return to work with the County or Schools or with other employers, and covering disabilities occurring on or after January 1, 2014, in lieu of coverage previously provided by the System and Uniformed Officers Pension Plan, which Plans will continue to provide benefits for participants whose disabilities occur prior to January 1, 2014; the Disability Plan and its accompanying declaration and trust are intended to comply with the provisions of Internal Revenue Code § 501(c)(9); and the Trust shall bear a share of System administrative expenses as allocated by the Board from time to time; and the Disability Plan is proposed in anticipation of the Commission's due adoption of an accompanying Ordinance to provide in line of duty disability benefits on a federal income tax exempt basis; and

WHEREAS, the Board, after consultation and deliberation, deems that it is in the best interest of the Employer and Employees to further amend and to restate in its entirety the System effective January 1, 2014, to: (i) conform the System to the establishment of STAR; (ii) conform the System to the establishment of the Employee Disability Benefit Plan; (iii) provide for an employer contribution of 2% of pre-disability compensation for disabled participants under the Asset Accumulation Plan; (iv) comply with requirements for the continued qualification of the System under applicable provisions of the Internal Revenue Code; and (v) otherwise coordinate and make consistent, and incorporate other administrative provisions in, the System; and

* WHEREAS, the Board further amended and restated in its entirety UOPP effective January 1, 2014, to: (i) close UOPP to new participants employed or reemployed on or after January 1, 2014; (ii) conform UOPP to the establishment of the STAR; (iii) conform UOPP to the establishment of the Employee Disability Benefit Plan; (iv) comply with requirements for the continued qualification of UOPP under applicable provisions of the Internal Revenue Code; and (v) otherwise coordinate and make consistent, and incorporate other administrative provisions in, UOPP; and

WHEREAS, pursuant to Charter Sections 7.04 and 7.05 and the respective provisions of the Plan documents, the Board reserves the right to modify, alter or amend, or to terminate, STAR, the Disability Plan, the System and UOPP, subject to limitations stated in the Charter and the Plans, but not the authority to adopt any such amendment which thereby would increase the funding or financial obligation of the Employer without notification to and express consent and funding from the Commission by resolution; and

WHEREAS, the Actuary for the Board advised that, in the aggregate, the adoption of STAR in place of UOPP for Officers employed or reemployed on or after January 1, 2014, the adoption of the Disability Plan, and the amendment and restatement of the System and UOPP, will not have an adverse cost impact; and

WHEREAS, the Board, at duly called public meetings on June 24, 2013 and July 22, 2013, adopted on two readings STAR, the Disability Plan, 2014 Amended and Restated System, and 2014 Amended and Restated UOPP; and

WHEREAS, copies of STAR, the Disability Plan, 2014 Amended and Restated System, and 2014 Amended and Restated UOPP, have been previously filed for review with the Office of the Knox County Commission; and

NOW THEREFORE BE IT RESOLVED BY THE COMMISSION OF KNOX COUNTY TENNESSEE, THAT, pursuant to § 7.05 of the Charter of Knox County, Tennessee, the Commission hereby consents to, and approves the adoption, funding and implementation of, the Sheriff's Total Accumulation Retirement Plan, effective January 1, 2014;

BE IT FURTHER RESOLVED, that pursuant to § 7.04 of the Charter of Knox County, Tennessee, the Commission hereby consents to, and approves the adoption, funding pursuant to annual actuarial valuations to be completed in the future, and implementation of, the Employee Disability Benefit Plan, effective January 1, 2014;

BE IT FURTHER RESOLVED, that pursuant to § 7.04 of the Charter of Knox County, Tennessee, the Commission hereby consents to, and approves the adoption and continued administration of, the 2014 Amended and Restated System, effective January 1, 2014;

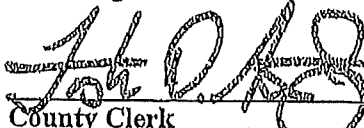
BE IT FURTHER RESOLVED, that pursuant to § 7.05 of the Charter of Knox County, Tennessee, the Commission hereby consents to, and approves the adoption, closing and continued administration of, the 2014 Amended and Restated UOPP, effective January 1, 2014;

BE IT FURTHER RESOLVED, that if any notifications are to be made to effectuate this Resolution, then the County Clerk is hereby requested to forward a copy of this Resolution to the proper authority;

BE IT FURTHER RESOLVED, that this Resolution is to take effect from and after its passage, as provided by the Charter of Knox County, Tennessee, the public welfare requiring it.



Presiding Officer of the Commission 8/26/13
Date



County Clerk 8-27-13
Date

Approved: 

County Mayor 9/9/13
Date

Vetoed: _____
County Mayor Date

**RESTATEMENT OF THE KNOX COUNTY
UNIFORMED OFFICERS PENSION PLAN**

Effective January 1, 2014

1/2014

EXHIBIT
UOOP
2014

pursuant to delegations of authority and directions from the Board in connection with the administration of the Plan.

1.13 "Cessation of Affiliation" shall mean the event that causes an entity to no longer be aggregated with one or more other entities as a single employer under the employer affiliation rules described in Regulation § 1.415(a)-1(f)(1) and (2) (such as the sale of a subsidiary outside a controlled group), or that causes a plan to not actually be maintained by any of the entities that constitute the Employer under Regulation § 1.415(a)- 1(f)(1) and (2).

1.14 "Charter" shall mean the Charter of Knox County, Tennessee as amended from time to time.

1.15 "Child" or "Children" shall mean the natural or lawfully adopted child or children of a Participant.

1.16 "Closed Defined Benefit Plan" or "Closed DB Plan" shall mean the Knox County Closed Defined Benefit Plan established under Article III of the System, a component Plan of the System.

1.17 "Code" shall mean the Internal Revenue Code of 1986 as in effect on the relevant date to be interpreted under this Plan. Reference to any section of the Code shall include that section, any Regulation promulgated thereunder, and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

1.18 "Commission" means the Knox County Board of Commissioners.

1.19 "Compensation" shall mean the total salary paid by the Employer to the Employee for services performed for the Employer that is currently includible in gross income, excluding both clothing allowance and pay reimbursed for service performed for any outside entity, but including overtime, bonus and longevity pay, and amounts excluded from income pursuant to Section 4.04(a) and Code §§ 125, 402(a)(8), 402(h) and 403(b) attributable to the period of his or her participation in the Plan for each Plan Year.

(a) Compensation shall not include any salary that is covered by any pension plan administered by the State of Tennessee, or covered by STAR, the Asset Plan, Closed DB Plan, or Teacher's Plan.

(b) Compensation, for all purposes, shall exclude amounts in excess of \$225,000 (or such other amount as determined in accordance with the cost-of-living adjustment procedures described in Code § 401(a)(17)).

(c) Compensation shall exclude elective amounts that are not includible in the gross income of the Participant by reason of Code § 132(f)(4).

(d) Post-Severance Compensation shall be treated as Compensation.

(e) Compensation for a Plan Year shall not include amounts earned but not paid during the Plan Year solely because of the timing of pay periods and pay dates.

(f) Differential Wage Pay is treated as Compensation.

(g) Compensation includes amounts paid to a Participant who is Disabled.

1.20 "Contract" or "Policy" means any life insurance policy, retirement income policy or annuity contract (group or individual) issued pursuant to the terms of the Plan. In the event of any conflict between the terms of this Plan and the terms of any Contract purchased hereunder, the Contract provisions shall control.

1.21 "Credited Service" shall mean the sum of an Employee's full and partial Years of Service, determined in years and months.

(a) If a Participant becomes ineligible to participate because he or she is in the Ineligible Class or if an Employee in the Ineligible Class becomes a part of the Eligible Class, no period of Employment in the Ineligible Class shall be included in determining Credited Service.

(b) Credited Service shall not include any period of Employment counted for purposes of determining an Employee's benefit under STAR or any Other Plan of the System.

(c) Credited Service shall include an authorized Leave of Absence, but not beyond six (6) months, and may include time during which a Participant is receiving a Disability Benefit under the System, UOPP, or the Disability Plan.

(d) Except as may be specifically provided in this Section, Credited Service shall not include any time that a person is not an Employee.

(e) An elected or appointed public official shall be credited with Credited Service for each month in which such public official holds a Knox County office.

(f) A Participant's Credited Service includes Sick Leave Service for purposes of computing a Normal, Early or Disability Retirement Benefit but not for purposes of determining eligibility for any benefit.

(g) Credited Service shall not include a period of Employment with respect to which a Participant has received a Refund or any benefit from the Plan, STAR or any Other Plan of the System, except as provided in Section 5.05(c)(5).

(h) Credited Service shall include periods of Qualified Military Service to the extent required pursuant to the terms of the Uniformed Services Employment and Reemployment Rights Act of 1994, Code § 414(u), and applicable Tennessee law.

they are scheduled to work more than 18-1/2 hours per week, civilian Employees of the Sheriff's Office, and Employees who are not designated by the Employer as eligible for benefits, are not Officers within the meaning of this Plan. Individuals employed in positions designated as "civilian" by the Merit System are not Officers. In all cases of doubt, the Board shall determine whether a person is an Officer as defined herein.

1.69 "One-Year Break in Service" means a continuous period of at least 12 consecutive months during which the Employee is not employed by the Employer. Except as provided in Section 3.06, such period begins on the Severance Date, or if earlier, the twelve (12) month anniversary of the date on which the Employee was otherwise first absent from service.

In the case of an individual who is absent from work for maternity or paternity reasons, the twelve (12) consecutive month period beginning on the first anniversary of the first day of such absence shall not constitute a 1-Year Break in Service. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the individual, (b) by reason of the birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

1.70 "Other Plan of the System" shall refer to any one or more of the Asset Plan, Closed DB Plan, MERP, Teacher's Plan, 457 Plan or Disability Plan.

1.71 "Participant" means any Employee in the Eligible Class who has not for any reason become ineligible to participate further in the Plan.

1.72 "Participant Contribution" means the amount a Participant is required to contribute to the Plan pursuant to Section 4.04.

1.73 "Plan" means this instrument, including all amendments thereto.

1.74 "Plan Year" shall mean the twelve (12) month period ending on each December 31.

1.75 "Post-Severance Compensation" shall mean payments made within 2-1/2 months after Severance if they are payments that, absent Severance, would have been paid to the Employee while the Employee continued in Employment and would have been Compensation for services as an Employee (or for purposes of determining 415 Compensation, would have been 415 Compensation for services as an Employee). Any payments not described above are not considered Compensation or 415 Compensation if paid following Severance, even if paid within 2-1/2 months following Severance, except for payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service.

(a) Post-Severance Compensation shall include regular pay after Severance if:

- (1) The payment is regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and
 - (2) The payment would have been paid to the Participant prior to a Severance if the Participant had continued in Employment with the Employer.
- (b) Leave cashouts shall be included in Post-Severance Compensation, if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's Severance, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if Employment had continued.
- (c) Deferred Compensation shall be included in Post-Severance Compensation, if the deferred Compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's Severance, and the deferred Compensation is received pursuant to a nonqualified unfunded deferred Compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in Employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.
- (d) Post-Severance Compensation includes payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service.

1.76 "Projected Service" means the Credited Service a Participant would earn if the Participant remained continuously in Employment as an Officer until his or her Normal Retirement Date.

1.77 "Predecessor Employer" means, with respect to a Participant, a former employer of such Participant if the Employer maintains a Plan that provides a benefit which the Participant accrued while performing services for the former employer. A former entity that antedates the Employer is also a Predecessor Employer with respect to a Participant if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity. For this purpose, the Formerly Affiliated Plan rules in Regulations § 1.415(f)-1(b)(2) apply as if the Employer and Predecessor Employer constituted a single employer under the rules described in Regulations § 1.415(a)-1(f)(1) and (2) immediately prior to the Cessation of Affiliation (and as if they constituted two, unrelated employers under the rules described in Regulations § 1.415(a)-1(f)(1) and (2) immediately after the Cessation of Affiliation) and Cessation of Affiliation was the event that gives rise to the Predecessor Employer relationship.

1.78 "Qualified Domestic Relations Order" or "QDRO" shall mean a Domestic Relations Order that creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under