

The Common Council of the City of Knox met in regular session Tuesday, September 27, 2022, in the Knox City Hall at 6:00 P.M. CST with the following members present: Mayor Dennis Estok; Clerk-Treasurer Cyndi Kidder; Council Members Jeff Berg, Bill Gustafson, Ron Parker, Sherry Cowen, Don Kring and City Attorney Autumn Ferch.

RE: AMENDMENT TO AGENDA

Jeff Berg made a motion to add Resolution #2022-RE8 Adding a PERF covered position to the agenda. Motion was seconded by Sherry Cowen and passed by a vote of Five (5) ayes and No (0) nays.

RE: APPROVAL OF MINUTES – 9/13/2022

Minutes of the previous meeting were mailed to the Council Members prior to the meeting for their review. Jeff Berg made a motion to approve the minutes as presented, the motion was seconded by Bill Gustafson and passed by a vote of Five (5) ayes and No (0) nays.

RE: ORDINANCE 2022-OR12 – 2ND READING AND ADOPTION – 2023 BUDGET

Mayor Estok presented the Ordinance to the Council for the 2nd reading and adoption. Jeff Berg made a motion approving the 2nd reading and adoption of the 2023 Budget. The motion was seconded by Don Kring and passed by a vote of Five (5) ayes and No (0) nays.

RE: RESOLUTION 2022-RE8 – ADDING A PERF COVERED POSITION

Mayor Estok presented the Resolution to the Council Don Kring made a motion approving the addition of Resolution 2022-RE8, the motion was seconded by Jeff Berg and passed by a vote of Five (5) ayes and No (0) nays.

RESOLUTION 2022-RE8
A RESOLUTION ADDING A PERF COVERED POSITION
RESOLUTION ELECTING TO JOIN
THE PUBLIC EMPLOYEES' RETIREMENT FUND AS
ADMINISTERED BY THE INDIANA PUBLIC RETIREMENT SYSTEM

WHEREAS, the City of Knox Common Council is the governing body of the City of Knox, a political subdivision or miscellaneous participating entity in the STATE OF INDIANA; and

WHEREAS, for the purposes of this document and interpretation of statutes governing the Public Employees Retirement Fund ("PERF"), "Plan" refers to the public employees' defined contribution plan under IC 5-10.3-12 ("PERF My Choice: Retirement Savings Plan"). "Fund" refers to the PERF Hybrid defined benefit pension fund ("PERF Hybrid").

WHEREAS, political subdivisions may participate in the PERF My Choice: Retirement Savings Plan and choose whether employees are required to become members of the Plan, the Fund or may choose membership in either the Plan or the Fund.

WHEREAS, the governing body is fully cognizant that, if it is resolved that the governing body will place any employees in the Fund, the percentage of cost of gross annual payroll of covered employees has been set at [To be completed by INPRS]% by the actuary of the Fund, and that the Board of Trustees of the Indiana Public Retirement System directs the actuary to annually review the status of the employees covered and shall adjust the cost percentage accordingly so that the Fund will remain on an actuarially sound basis; and

WHEREAS, the governing body is fully cognizant that, if it is resolved that the governing body will require employees to enter the Plan or offer employees a choice between Fund and Plan membership, the governing body shall submit a resolution with the following information regarding their participation in the Plan:

1. Specify the political subdivision's contribution rate to the plan as a percentage of each member's compensation AND pay such contributions as required under IC 5-10.3-12- 23; and IC 5-10.3-12-24.5. Such rates must be greater than or equal to zero percent (0%) and may not exceed the percentage that would produce the normal cost for participation in the fund under IC 5-10.2-2-11.
2. Specify the political subdivision's matching rate that is the percentage of each member's additional contributions to the plan that the political subdivision will match. A political subdivision may specify only:
 - (1) Zero percent (0%); or
 - (2) Fifty percent (50%).
3. Specify whether the political subdivision will pay any part of a member's contribution on behalf of the member;
4. Specify whether employees will automatically be enrolled in the Fund or the Plan if an eligible employee does not make an affirmative election.

WHEREAS, if such governing body participates in Fund, such governing body acknowledges its liability and that, pursuant to law, it and its successors in office, must appropriate sufficient funds each year to retire the employees' prior service liability in an orderly manner and also fund the current cost accruing annually.

WHEREAS, if such governing body participates in Plan, such governing body acknowledges its liability and that, pursuant to law, it and its successors in office, must appropriate sufficient funds each year to meet all contribution obligations required by law.

WHEREAS, such governing body acknowledges and agrees to make a supplemental contribution to the fund in an amount necessary to pay the employer's share of the fund's actuarial unfunded liability that other employers would otherwise be required to pay because the employer's employees are becoming members of the plan instead of the fund.

WHEREAS, such governing body acknowledges and agrees, when an employee separates from service before the member is fully vested in the employer contribution subaccount, the amount in the employer contribution subaccount is forfeited as of the date the member separates from service and that such forfeited amounts will be utilized according to state and federal law.

WHEREAS, the General Assembly of the State of Indiana has authorized covered employers to pick-up all or part of members' mandatory contributions.

NOW THEREFORE, BE IT ORDAINED by the governing body of the City of Knox in the State of Indiana:

SECTION ONE: The City of Knox elects to become a participating political subdivision or miscellaneous participating entity in the Public Employees' Retirement Fund by including classes of employees as stated below in the coverage under Chapter 340 of the Acts of 1945, and all Acts amendatory thereof and supplemental thereto.

SECTION TWO: The City of Knox elects to offer the following retirement plan(s) under the Public Employees' Retirement Fund:

1. Only PERF Hybrid for all PERF-eligible employees
2. Only PERF My Choice for all PERF-eligible employees
3. A choice between PERF Hybrid and PERF My Choice for all eligible employees, based upon the employee's previous participation election with the employer in the Fund or Plan.
4. PERF Hybrid only to certain classes of employees and PERF My Choice: Retirement Savings Plan to certain classes of employees as set forth in an attached document.
5. A choice between PERF Hybrid and PERF My Choice to certain classes of eligible employees as established in the attached document based upon the employee's previous participation election with the employer in the Fund or Plan.

If the employer wants to offer a choice for the employer's Unit between Hybrid and My Choice to a certain class and require everyone else to participate in either My Choice or Hybrid as the employer decides, then select both of the last two (2) boxes (Items 4 and 5) and describe in detail on the attached document the setup.

If PERF My Choice in any format is selected above; please indicate whether PERF Hybrid retirees will be allowed to participate in PERF My Choice. If one of the checkboxes below is not selected, the default will be that no PERF Hybrid retirees will be allowed to participate in PERF My Choice.

- Yes, PERF Hybrid retirees will be allowed to participate in PERF My Choice
 No, PERF Hybrid retirees will not be allowed to participate in PERF My Choice

SECTION THREE: If an employee is eligible to choose membership in either the Fund or the Plan, and that employee fails to make an election within the period set forth in IC 5-10.3-12-20 and 35 IAC 1.3-4-1, said employee will be automatically and irrevocably enrolled in the following plan:

- PERF Hybrid
 PERF My Choice: Retirement Savings Plan

SECTION FOUR: That, effective as of the 27th day of September 2022, this participating political subdivision or miscellaneous participating entity shall pick up all or 0% of the mandatory contribution for all or [complete information about affected group e.g. administrative assistants and IT personnel] employees who are members of PERF. Said employees shall not be entitled to choose to receive the contributed amounts directly instead of having them paid by the employer to the specified pension fund.

CHOOSE EITHER 4A OR 4B

4A. New Money Pick-Up – That the above contributions, even though designated as employee contributions for state law purposes, are being paid by the employer in addition to regular compensation as a supplemental contribution that is separate and distinct from the employees' current or future compensation, and in lieu of contributions by the employees. Such contributions will not be included in the gross income of the employees for any tax reporting purposes, such as for federal, state or local income tax withholding, or FICA taxes, until distributed either through a pension benefit or a lump sum payment. These contributions are made on a pre-tax basis and are paid by the employer on behalf of the employee.

4B. Salary Reduction Pick-Up – That said contributions, even though designated as employee contributions for state law purposes, are being paid by the employer via a reduction in salary. Such contributions will not be included in the gross income of the employees for certain tax reporting purposes, that is, for federal, state, or local income tax withholding, until distributed either through a pension benefit or a lump sum payment. Such contributions will be included in the gross income of the employees for FICA taxes when they are made. These contributions are made on a pre-tax basis but are paid by the employee through a payroll deduction.

SECTION FIVE: The City of Knox, as a participating political subdivision, offering the Plan, agrees to pay a contribution rate to the Plan as a percentage of each member's compensation in the amount of 11.2 %. This amount may range from 0% to the percentage that would produce the normal cost for participation in the fund under IC 5-10.2-2-11.

SECTION SIX: The City of Knox, as a participating political subdivision, offering the Plan, agrees to pay a matching rate in the amount of:

Fifty Percent (50%)

Zero Percent (0%)

which is the percentage of each member's additional voluntary contributions to the Plan that governing body will match.

SECTION SEVEN: The positions listed on an attached document are declared covered by the Fund, the Plan, or Both as indicated in the attached document.

SECTION EIGHT: It is hereby declared that none of the classifications or positions specified in Section Three are compensated on a fee basis or of an emergency nature, or in a part-time category.

SECTION NINE: The active participation membership of the City of Knox (Name of Political Sub) shall begin on September 27, 2022 .

SECTION TEN: This resolution shall be in full force and effect from date of passage and upon approval of the Board of Trustees of the Indiana Public Retirement System, except that active participating membership shall begin on the date set forth in Section Nine.

RESOLUTION ELECTING TO JOIN THE PUBLIC EMPLOYEES' RETIREMENT FUND

Adopted this 27 day of September 2022

By:

| | | |
|-----------|---------------------|--------------|
| | Mayor, City of Knox | Dennis Estok |
| Signature | Title | Printed Name |

On Behalf of the City of Knox

Attest: _____
Cyndi Kidder, Clerk-Treasurer

RE: CLERK-TREASURER'S REPORT

Clerk-Treasurer Cyndi Kidder gave the Councilmembers attending the Aim Ideas Summit in French Lick, Indiana a packet of information for that conference.

RE: MAYOR'S REPORT

- 1) The splash pad is closed for the year. The new control panel has been installed.

RE: COUNCIL ITEMS

Sherry Cowen asked about the court closing. City attorney Autumn Ferch informed the Council that she is trying to set up a meeting with County Officials. She also has the Ordinance ready for the next Council Meeting on October 11th.

RE: APPROVAL OF VOUCHERS

The following properly files vouchers (See Voucher Docket, APV #33198 through #33259) were presented and approved.

There being no further business to come before the Council at this time the meeting upon motion was duly adjourned.

Dennis Estok, Mayor

ATTEST: _____
Cynthia Kidder, Clerk-Treasurer