

At the regularly scheduled meeting of the Fire and Police Pension Fund held on the 19th day of January 2012, President Terry Knowles presided. The meeting was held at the Pension Office, 6009 John Douglass Drive, Chattanooga, TN 37421.

The meeting convened at 0906 hours with board members Terry Knowles, Phillip McClain, Chris Willmore, Scott Fulgham, Corliss Cooper, Shawn O'Kelley, Ray Ryan and Stan Sewell. Attorney Bill Robinson was also present.

Motion by Phillip McClain and seconded by Stan Sewell to approve the minutes from the December 15, 2011 meeting. Motion carried unanimously.

The Board discovered the omission in the minutes of the approved retirement of Police Officer James E. Brock under CCC 2-411 effective June 23, 2010. Motion by Scott Fulgham and seconded by Corliss Cooper to amend the minutes of the July 1, 2010 meeting to reflect the retirement of Police Officer James E. Brock. Motion carried unanimously.

Motion by Shawn O'Kelley and seconded by Phillip McClain under CCC 2-412 to remove from the rolls retired Fire Captian John A. Lasater, Jr., effective January 31, 2012, died January 6, 2012. Motion carried unanimously.

Motion by Chris Willmore and seconded by Corliss Cooper under CCC 2-415 to add to the rolls, Fire Lieutenant Stephen James, vesting with 11 years of service effective January 3, 2012, participation date November 16, 2000; benefit to commence September 23, 2023. Motion carried unanimously.

Motion by Corliss Cooper and seconded by Scott Fulgham under CCC 2-412 to pay death benefit to Bruce Elrod, designated beneficiary of John A. Lasater, Jr. Motion carried unanimously.

Motion by Scott Fulgham and seconded by Chris Willmore under CCC 2-423(d) to refund optional 1% contributions to retired Fire Captain James Thomas Hanes Jr., retired effective November 21, 2011 with no DROP. Motion carried unanimously.

Motion by Shawn O'Kelley and seconded by Corliss Cooper under CCC 2-423(d) to refund optional 1% contributions to retired Fire Captain Timothy R. Hustad, retired effective December 16, 2011 with no DROP. Motion carried unanimously.

Motion by Corliss Cooper and seconded by Phillip McClain under CCC 2-423(d) to refund optional 1% contributions to vested Police Officer Charles L. Martin Jr., vested effective December 2, 2011. Motion carried unanimously.

Motion by Chris Willmore and seconded by Scott Fulgham under CCC 2-423(d) to refund optional 1% contributions to vested Fire Lieutenant Stephen James, vested effective January 3, 2012. Motion carried unanimously.

Vickie Haley and Daisy Madison of the City of Chattanooga Finance Department appeared before the Board to request copies of the Fund's monthly trust statements. Ms. Haley stated that the City has not been in compliance with new auditing rules in which the City's auditors received the finished financial statements. The City has worked toward compliance over the past two years, but still lacks compliance with the City's Trust Funds (General Pension, Fire and Police Pension, Other Post-Employment Benefits). OPEB is currently in compliance. Goal for FY2012 is to be fully compliant with summary reporting to auditor. Ms. Haley and Ms. Madison stated that their goal is to report financials on a monthly basis, but quarterly reporting would be accepted. The request is for an Asset Summary Sheet, Market Summary Sheet and some specific detail from Pension office. Ms. Haley stated that she will prepare a format template for the Fund Office to follow and send report to Fund Office for approval. Mr. Knowles stated that the Board would contact Wells Fargo, who is the Trustee of the Fund for their input. Ms. Haley stated that she would like to have the process in place a few months prior to year end.

Dennis Blanton and Janet Johnson of Lattimore, Black, Morgan and Cain presented the findings of the compilation and agreed upon procedures testing on the Fund operations. Ray Ryan followed up with questions to Ms. Johnson

regarding nature of reporting requested by the City Finance Department. It was noted that assets could easily be misreported giving the appearance that the Board is not in compliance with its Investment Policy when in actuality the Investment Policy is being followed.

Fire Captain Jeff Eldridge and Fire Lieutenant Christopher Rader appeared before the Board to discuss National Fire Protection Association guideline 1582 and that several Firefighters have been put off from work due to not being able to meet a standard in NFPA 1582. Captain Eldridge stated that he had spoken to Fire Chief Parker regarding NFPA 1582. He reported that Chief Parker stated that NFPA 1582 has not been adopted by the Fire Department. Captain Eldridge stated that he wanted to notify the Board because it may have an effect on the Pension.

Attorney Bill Robinson provided a legal update regarding the Grasham lawsuit.

The Board discussed Bill Robinson's membership with the National Association of Public Pension Attorneys. Motion by Corliss Cooper and seconded by Ray Ryan to approve payment for Mr. Robinson's NAPPA membership. Motion carried unanimously.

The Board discussed Fund policies up for review. Motion by Corliss Cooper and seconded by Phillip McClain to adopt the Member Privacy Policy, the Education Policy, the Professional Services Policy, and the Travel and Expense Reimbursement Policy. Motion carried unanimously.

Note: Senior Firefighter Darrell Hinton will be temporarily transferred to a civilian position. He is temporarily unable to perform his duties as a Firefighter.

Note: Police Officers hired under the COPS Grant and graduated from the last academy are currently being paid on a cadet pay grade.

Note: Received City Court fines for November 2011 (\$10,580.50)

Note: 3Q-2011 DROPs paid on 01/03/2012

Note: Received City Court fines for December 2011 (\$6,424.50)

Motion by Scott Fulgham and seconded by Chris Willmore to pay the bills. Motion carried unanimously.

Motion by Phillip McClain and seconded by Corliss Cooper to adjourn at 1208 hours. Motion carried unanimously.

Terry Knowles
President

Scott Fulgham
Secretary

Visitors

Vickie Haley
Daisy Madison
Jeff Eldridge
Chris Rader
Dennis Blanton
Janet Johnson