

At the regularly scheduled meeting of the Fire and Police Pension Fund held on the 3rd day of October 2013, President Chris Willmore presided. The meeting was held at the Pension Office, 6009 John Douglass Drive, Chattanooga, TN 37421.

The meeting convened at 0905 hours with board members Chris Willmore, Brent Goldberg, Jerome Halbert, Phillip McClain, Mark Coffman and Craig Joel. Shawn O'Kelley joined the meeting at 0914 hours. Attorney Bill Robinson was also present. Ray Ryan was an excused absence.

Motion by Phillip McClain and seconded by Jerome Halbert to approve the minutes from the September 19, 2013 meeting. Motion carried unanimously.

Police Officer and Fraternal Order of Police Representative Sean O'Brien appeared before the Board and encouraged the Board to take a "proactive approach" with the Pension Task Force and City.

Fund Attorney Bill Robinson updated the Board on the lawsuit filed against the General Pension and the Fire & Police Pension by Police Officer Perry Walden. Mr. Robinson also told the Board that the Full Media contract has been approved and waiting for signatures.

Mark Coffman asked Mr. Robinson about his role at the annual Directors' meeting. Mr. Robinson said that he has attended the annual meeting each year since 1999 as a legal advisor, but does not charge the Fund for his time during the meetings with the managers.

Motion by Phillip McClain and seconded by Shawn O'Kelley to approve the following membership changes:

REMOVE FROM THE ROLLS:

Retired Police Officer Jerry D. Jackson, Sr., effective 09/30/2013, died 09/30/2013 (2-412)

Retired Firefighter Harold J. Murray Jr., effective 09/30/2013, died 09/30/2013 (2-412)

ADD TO THE ROLLS:

Janice D. Murray, surviving spouse of Harold J. Murray Jr., effective 10/01/2013 (2-412)

REFUND CONTRIBUTIONS:

Former Firefighter Matthew K. Rorex, terminated 09/19/2013, participation date of 09/28/2007 (2-413)

PAY DEATH BENEFIT:

Vivian Jackson, Jerry Jackson, Jr., Jeffrey Jackson and Carla Jackson, designated co-beneficiaries of Jerry D. Jackson, Sr. (2-412)

Janice D. Murray, designated beneficiary of Harold J. Murray Jr. (2-412)

The motion carried unanimously.

Motion by Phillip McClain and seconded by Mark Coffman to pay the bills. Motion carried unanimously.

Brent Goldberg asked that all Board members be provided with agenda items before the regular Board meeting. President Willmore agreed that agenda items should be shared with the Board members prior to the meeting date. Mr. Goldberg also asked that all Board members be shown any official communication from the Board before it is sent out, citing a recent communication. Chris Willmore apologized and stated the communication was directly from him, rather than the Board and should have stated as such. He agreed that all Board members should have the opportunity to review official Board communications.

Vince Butler of Butler Consulting appeared before the Board and proposed a retainer agreement through the end of January. The Board discussed the proposal with both parties having termination rights. Motion by Shawn O'Kelley and seconded by Brent Goldberg to approve the Butler Consulting retainer. Motion carried 6-1.

The Board discussed making a proposal to the Pension Task Force. The Board and others in attendance held a lengthy discussion on the scenarios previously provided to the Pension Task Force. Motion by Phillip McClain and seconded by Brent Goldberg to submit the following scenario, which was previously provided to the Task Force, as a proposal for the Task Force's review on 10/07/2013:

- 1) Early Retirement Factor with 3% reduction in total benefit for each year a member retires prior to age 50
- 2) 2.5% multiplier for all years of service (30 years maximum)—New Hires only
- 3) Cost-of-Living Adjustment tied to the investment performance of the Fund
 - a. 3% COLA if annual Rate of Return (ROR) exceeds 8%
 - b. 2% COLA if ROR is between 4% and 8%
 - c. 1% COLA if ROR is between 0% and 4%
 - d. No COLA if ROR is negative
- 4) 1% increase in employee contribution
- 5) Level dollar amortization, reset to 30-year closed period

Shawn O'Kelley and Mark Coffman expressed support for the proposal, but wished to postpone the proposal due to the belief that a second Pension Task Force meeting may be held during October. Jerome Halbert also expressed support for the proposal, but wished to defer making the recommendation until the proposal is fully documented on the steps taken by the Board to arrive at the proposal. Motion carried 4-3.

Motion by Shawn O'Kelley and seconded by Phillip McClain to adjourn at 1108 hours. Motion carried unanimously.

Chris Willmore
President

Phillip McClain
Secretary

Visitors

Terry Knowles, Ken Neblette, Jim Appleberry, Sean O'Brien, Toby Hewitt, Charles Thomason, Ralph Brown, Tim Bryant, Jonathan Higgans, Jeff Eldridge, David Bishop.