

At the regularly scheduled meeting of the Fire and Police Pension Fund held on the 5th day of February 2015, President Chris Willmore 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 Chris Willmore, Craig Joel, Phillip McClain, Mark Coffman, Jerome Halbert, Kelly Simmons, and Less Lee. Attorney Bill Robinson was also present. Brent Goldberg was excused.

Motion by Craig Joel and seconded by Less Lee to approve the minutes from the January 15, 2015 meeting. Motion carried unanimously.

Attorney Robinson provided an update to the Board on the lawsuit regarding the Surviving Spouse benefit. Mr. Robinson discussed the Pension's Summary Plan Description (SPD) noting that it will be maintained as a digital document with revisions and updates as needed. He reminded Board Members to refer Members to the latest version when addressing Member questions.

Motion by Mark Coffman and seconded by Jerome Halbert to approve the following membership changes:

REMOVE FROM THE ROLLS:

- *Retired Police Lieutenant Larry D. Mulkey effective 1/31/2015, died 1/26/2015 (2-412)*

ADD TO THE ROLLS:

- *Gail D. Mulkey, surviving spouse of Retired Police Lieutenant Larry D. Mulkey, effective 2/01/2015 (2-412)*

PAY DEATH BENEFITS:

- *Gail D. Mulkey, designated beneficiary of Larry D. Mulkey (2-412)*

Motion carried unanimously.

The Board reviewed and discussed the bills.

The Fund staff and Board Members discussed the fact that they have received several calls regarding the implementation of the non-compounding Cost-of-Living Adjustment (COLA) for 2015. Retired Police Captain Ken Neblette, who was a member of the Pension Task Force, was in attendance at the request of Craig Joel, asked to address the Board on the subject. Mr. Neblette stated that he felt that the non-compounding COLA for 2015 and 2016 should be paid as a "bonus" in advance. He stated that his recollection from the Task Force recommendation was that the "bonus" or "thirteenth check" was to be paid in lieu of the COLA for two years. Mr. Neblette said it was his opinion that the "bonus" should be paid at the beginning of the year regardless of the fact that it hasn't been accrued then. Craig Joel requested the Board to reconsider the quarterly COLA payment schedule. President Willmore recessed the meeting at 0953 hours for an executive legal discussion. The meeting reconvened at 1014 hours. The Board then continued its discussion, agreeing that the COLA payment is not a "bonus" and in the past has been paid as part of each monthly pension check and therefore accrues as each monthly benefit accrues. The Board agreed that because the COLAs in 2015 and 2016 are not compounding COLAs, the COLA payment should not be part of the regular pension check. It was also pointed out that there are widows in assisted living whose cost of care is based on their monthly income. If their monthly check is increased by the amount of the non-compounding COLA,

then their cost of care will increase. By paying the COA as separate payments, that puts more money in those widows' pockets. After discussion the concept of the COLA as a "thirteenth check", the Board decided to leave the quarterly payment schedule in place and asked Frank Hamilton to draft a letter to send to retirees explaining that the quarterly payment was adopted in place of the "thirteenth check", which would have been payable at the end of the year and that the anticipated mid-January court ruling on the injunction hearing delayed the Board's final decision regarding the COLA payment schedule.

Motion by Phillip McClain and seconded by Jerome Halbert to adjourn at 1021 hours. Motion carried unanimously.

Notes:

- Disability hearing for Police Officer Nathan Rogers is scheduled to immediately follow this meeting.
- City Court fees for December 2014 were received.
- Ruby L. Mosley, wife of retired Police Sergeant Lee "Sonny" Mosley passed away on 02/03/2015

Chris Willmore
President

Craig Joel
Secretary

Other Visitors not Appearing Before the Board
Gary Baker