

At the regularly scheduled meeting of the Fire and Police Pension Fund held on the 4th day of October 2012, President Terry Knowles presided. The meeting was held at the Pension Office, 6009 John Douglass Drive, Chattanooga, TN 37421.

The meeting convened at 0907 hours with board members Terry Knowles, Chris Willmore, Shawn O'Kelley, Corliss Cooper, Jerome Halbert and Phillip McClain. Attorney Bill Robinson was also present. Ray Ryan was excused.

Motion by Phillip McClain and seconded by Corliss Cooper to approve the minutes from the September 6, 2012 meeting. Motion carried unanimously.

Police Sergeant James Hogwood appeared before the Board to present his application for job related disability. He reported that he is off from work and that his doctor has told him that he cannot return to work as a Police Officer.

The Board discussed the disability case of Fire Captain Kenneth Atkins, which was filed on March 15, 2012. Captain Atkins was scheduled to appear and update the Board on the status of his termination appeal. However, he was unable to attend due to a doctor's appointment. President Knowles tabled the discussion until further notice.

Board Attorney Bill Robinson discussed the lawsuit filed by former Police Officer Roy Grasham related to the Board's denial of his job related disability claim. The Board will review the deposition of Dr. Ingram and has tentatively scheduled a hearing on October 18th at 10:30 AM. Mr. Robinson also notified the Board that regarding the buyback lawsuit, all appeal rights have expired. Mr. Robinson updated the Board on the status of the request of Police Recruiters to modify Chattanooga City Code Sections 2-413, 2-415 & 16-2 regarding the requirement for former sworn employees to repay pension contributions plus interest and the maximum hiring age. All legal questions have been addressed. The Board asked Frank Hamilton to contact Police Chief Dodd and Fire Chief Parker to verify their understanding of how these changes could potentially impact hiring of former employees before proceeding.

Motion by Corliss Cooper and seconded by Chris Willmore to approve the following membership changes:

REMOVE FROM THE ROLLS:

Retired Police Sergeant Fain K. Pennington effective 09/30/2012, died 09/23/2012 (2-411)

ADD TO THE ROLLS:

Police Officer Martin Penny, vesting with 12 years of service effective 08/03/2012, participation date of 06/23/2000. (2-415)

REFUND CONTRIBUTIONS:

Former Police Officer Venus Mathews, participation date of 01/07/2005, terminated 09/20/2012 (2-413)

Vested Police Officer Martin Penny, participation date of 06/23/2000, refund of additional 1% contribution (2-423 (d))

PAY DEATH BENEFIT:

Kristen and Collin Pennington, designated co-beneficiaries of Fain Pennington (2-411)

The motion carried unanimously.

Motion by Chris Willmore and seconded by Shawn O'Kelley to pay the bills. Motion carried unanimously.

During their annual review, the Fund's Accountants requested that the Board derive a formula for determining the President's and Secretary's stipend, and that the stipend be reviewed periodically. The stipend is mandated in Section 2-407 of the City Code, and has not changed in many years. Fund Staff could not find how the current rate was established, and researched simplyhired.com to find that the average fiduciary pay is approximately \$30/hour. Attorney Bill Robinson stated that this is also the going rate for court appointed fiduciaries. The Board discussed the duties, responsibilities and amount of time required of the President and Secretary, and determined

that a conservative estimate of an average of two hours per week is required of the President and Secretary related to their duties for the Fund. President Knowles and Secretary McClain abstained from the discussion except to answer questions directed to them. Motion by Corliss Cooper and seconded by Jerome Halbert to establish the stipend based upon two hours per week times the average fiduciary pay; and that the stipend will be reviewed annually during the meeting in which Board Officers are elected each September. The gavel was passed to Vice President Chris Willmore. Motion carried with Terry Knowles and Phillip McClain abstaining. The Board asked Mr. Knowles and Mr. McClain to keep track estimated time spent on Pension related duties.

The Board discussed the Fund's asset allocation following the annual Trustees meeting last week. The Board has not yet received Gerber Taylor's recommendation. President Knowles tabled the discussion until the Board receives the consultant's recommendation.

Terry Knowles and Phillip McClain submitted requests for the approval of self-study educational programs to apply toward the Board's educational requirements. Motion by Corliss Cooper and seconded by Shawn O'Kelley to approve the self-study curriculum. Motion carried unanimously.

Note: City Court fees received for the month of August 2012 (\$10,993.53)

Note: The Fund realized a savings of \$34,719.25 over the past year by using MetLife to pay the Plan's Death Benefit

Motion by Phillip McClain and seconded by Corliss Cooper to adjourn at 1018 hours. Motion carried unanimously.

Terry Knowles
President

Phillip McClain
Secretary

<u>Visitors</u> James Hogwood Denise Hogwood
--