

At the regularly scheduled meeting of the Fire and Police Pension Fund held on the 18<sup>th</sup> 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 0902 hours with board members Terry Knowles, Phillip McClain, Chris Willmore, Shawn O'Kelley and Ray Ryan. Attorney Bill Robinson was also present. Jerome Halbert will arrive late due to another meeting. Corliss Cooper was excused but will be present for the Grasham hearing.

Motion by Chris Willmore and seconded by Phillip McClain to approve the minutes from the October 4, 2012 meeting. Motion carried unanimously.

Senior Firefighter Tracy Williams was scheduled to present an application for Job Related Disability to the Board, but did not attend the meeting.

Board Attorney Bill Robinson updated the Board on the status of the request by Police Recruiters to allow former sworn employees to return to sworn service without the requirement to repay pension contributions. This consideration would also limit the maximum hiring age to a person's 40<sup>th</sup> birthday regardless of prior experience or service. Mr. Robinson stated that the research by his firm indicates that these amendments will be in compliance with the ADEA. A letter detailing the findings will be sent to the City Attorney's Office this week.

Motion by Chris Willmore and seconded by Shawn O'Kelley to approve the following membership changes:

REMOVE FROM THE ROLLS:

*Retired Fire Captain Dester Gene Murphy, effective 10/31/2012, died 10/07/2012 (2-412)*

ADD TO THE ROLLS:

*Dorothy Murphy, surviving spouse of Dester Gene Murphy, effective 11/01/2012 (2-412)*

REFUND CONTRIBUTIONS:

*Former Police Officer Eric Jones, participation date of 02/03/2002, terminated 07/27/2012 (2-413)*

*Former Firefighter Joshua Zane Clark, participation date of 09/26/2009, terminated 10/10/2012 (2-413)*

PAY DEATH BENEFIT:

*Dorothy Murphy, designated beneficiary of Dester Gene Murphy (2-412)*

The motion carried unanimously.

Motion by Phillip McClain and seconded by Chris Willmore to pay the bills. Motion carried unanimously.

The Board discussed the renewal proposals for fiduciary liability insurance. Motion by Ray Ryan and seconded by Phillip McClain to approve the Ullico proposal for \$5 million coverage. Motion carried unanimously.

The Board held a conference call with Bill Pickens and Mark Hicks of Gerber Taylor Associates to discuss their recommendations for reallocation of funds. The Board wants to see GTA's recommendation for real assets. Ray Ryan is familiar with Renee Haugerud, founder and CIO of Galtere, a hedge fund that invests in commodities. Galtere is starting a new fund that will invest in Brazilian farm infrastructure. Mr. Ryan suggested that GTA and the Board give consideration to an investment with Galtere. Bill Pickens stated that the Gerber Taylor Management Company (separate subsidiary of Gerber Taylor Capital Advisors, Inc.) has reviewed Galtere. Based on their advice, GTA is not ready to recommend the investment to the Board at this time. Chris Willmore has also submitted a Breitland Royalties Fund to GTA for review. Mr. Pickens said that they are reviewing that fund, but that royalty investments are typically used by Canadian plans to mitigate tax liabilities in Canada. Mr. Pickens stated that GTM and GTA are in process of reviewing another real asset company (Energy and Minerals Group) that may interest the Board. President Knowles asked if GTM and GTA had made a final determination to avoid

investing with Galtere. Mr. Pickens stated that Galtere is still under consideration and stated that the reason they are not ready to recommend the investment at this time is because Galtere has not yet made any investment in Brazilian infrastructure, and is still in the process of raising capital. He added that GTM and GTA like to examine investment performance factors when a fund is at least 30% invested before committing capital to a manager. Mr. Pickens also noted that although Ms. Haugerud has great agricultural experience, this would be a new investment strategy for Galtere. The Board asked Mr. Pickens to report his findings and recommendations on real asset investments next month.

Note: City Court fees received for the month of September 2012 (\$10,155.92)

Note: Tammy Cook employee contributions received for military leave on 01/05/2011 through 04/22/2012 and 06/25/2012 through 06/30/2012.

Motion by Phillip McClain and seconded by Chris Willmore to adjourn at 1020 hours. Motion carried unanimously.

Terry Knowles  
President

Phillip McClain  
Secretary

<u>Visitors</u> none
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