

At the regularly scheduled meeting of the Fire and Police Pension Fund held on the 20<sup>th</sup> day of December 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, Chris Willmore, Corliss Cooper, Jerome Halbert, Shawn O'Kelley, Phillip McClain, and Ray Ryan. Attorney Bill Robinson was also present.

Motion by Chris Willmore and seconded by Jerome Halbert to approve the minutes from the December 6, 2012 meeting. Motion carried unanimously.

Attorney Bill Robinson updated the Board on the projects that required his services over the past two months. He also reported that he spoke with City Attorney Mike McMahan regarding proposed removal of archaic sections of the City Charter by referendum during the City election in March 2013. Attorney Robinson stated that Attorney McMahan asked him to review the sections related to the Fire and Police Pension Fund to verify it is in compliance with the current administration of the Fund. Attorney Robinson reported that the language as shown to him complies with how the Plan currently operates. Mr. Robinson notified the Board of his new hourly rate effective January 1, 2013.

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

ADD TO THE ROLLS:

1. *Police Sergeant James Massengale, with 28 years of service, reduced to a 25 year pension rate and a 36 month DROP, effective 12/28/2012, participation date of 02/17/1984(2-411, 2-422)*
2. *Fire Captain Edward S. Davis, with 26 years of service, reduced to a 25 year pension rate and a 13 month DROP, effective 12/28/2012, participation date of 11/21/1986 (2-411, 2-422)*
3. *Fire Captain Johnny A. Millsaps Jr., with 25 years of service and a 5 month DROP, effective 12/28/2012, participation date of 07/03/1987 (2-411,2-422)*
4. *Police Sergeant Lindon Atkins, with 28 years of service reduced to a 25 year pension rate and a 36 month DROP, effective 12/28/2012, participation date of 03/18/1984 (2-411, 2-422)*
5. *Fire Battalion Chief Ben Biggs, with 26 years of service reduced to a 25 year pension rate and a 22 month DROP, effective 12/28/2012, participation date of 02/28/1986 (2-411, 2-422)*
6. *Police Master Patrol Officer Bobby Pamplin, with 25 years of service and a 6 month DROP, effective 12/28/2012, participation date of 06/19/1987 (2-411, 2-423)*
7. *Police Sergeant Danny B. Hill, with 27 years of service, reduced to a 25 year pension rate and a 29 month DROP, effective 12/21/2012, participation date of 07/19/1985 (2-411, 2-422)*
8. *Police Captain Susan Blaine, with 28 years of service, reduced to a 25 year pension rate and a 36 month DROP, effective 12/28/2012, participation date of 03/02/1984 (2-411, 2-422)*
9. *Fire Captain Marvin Hudgins, with 25 years of service and a 4 month DROP, effective 12/12/2012, participation date of 07/24/1987 (2-411, 2-422)*
10. *Police Sergeant James Appugliese, with 26 years of service reduced to a 25 year pension rate and a 20 month DROP, effective 12/28/2012, participation date of 04/15/1986 (2-411, 2-422)*
11. *Police Lieutenant Davis Stone, with 28 years of service, reduced to a 25 year pension rate and a 36 month DROP, effective 12/28/2012, participate date of 06/08/1984 (2-411, 2-422)*

The motion carried unanimously.

Motion by Phillip McClain and seconded by Shawn O'Kelley to pay the bills. Motion carried unanimously.

The Board discussed the mandatory retirement age provision of the Fire Department and the accrual of benefits for firefighter members who cannot reach 25 years of sworn service before their mandatory retirement required by the Fire Department on their 65<sup>th</sup> birthday. Frank Hamilton explained that the issue is whether such person's benefit should be calculated using the multiplier for a service pension or the lower multiplier used for a vested pension. After discussion, the Board determined that the proper interpretation of the governing ordinances is that benefits for firefighter members who cannot retire with 25 years of service because of the mandatory retirement age in the Fire Department should be calculated using the multiplier for a service pension.

Motion by Corliss Cooper and seconded by Shawn O'Kelley to interpret section 2-411 as to include as a service retirement, those members that retire on the date required by a department policy or City ordinance stipulating mandatory retirement due to age. Motion carried unanimously.

The Board continued discussion from the last meeting regarding the RFP for actuarial services. Frank Hamilton reported that Gabriel Roeder Smith has not responded to follow up questions as of this date and that Nyhart has strict limitations on their liability due to errors and omissions in valuations. Ray Ryan stated that he has been satisfied with Segal and feels that there should be a compelling reason for terminating the relationship with Segal. He asked if Mr. Hamilton's concerns over Segal have been addressed. Mr. Hamilton reported that his concerns have been addressed and he sees no compelling reason to terminate Segal and hire a new actuary. Mr. Hamilton made the recommendation to retain Segal as the Fund's actuary. Motion by Ray Ryan and seconded by Phillip McClain to accept Mr. Hamilton's recommendation. Motion carried unanimously.

Mr. Ryan reported to the Board that Renee Haugerud of Galtere Ltd. contacted him asking for a meeting with the Board regarding an investment in Galtere's new hedge fund that will invest in Brazilian farm infrastructure. Mr. Ryan asked if the Board is willing to meeting with her in January, but did not want to set up a meeting if the Board is not interested in making the investment. Attorney Robinson asked whether or not Mr. Ryan would receive any remuneration from Galtere, either direct or indirect, if the Board decides to invest with the firm. Mr. Ryan replied that he would not. Ms. Haugerud has only asked for his assistance in bringing her idea to potential investors and that his firm, Patten & Patten, has not yet made an investment with Galtere but an investment with them is "worth considering". The Board discussed whether or not Gerber Taylor Associates should be present if the Board decided to meet with Galtere, given their lack of a recommendation to invest with Galtere. Shawn O'Kelley suggested a conference call with GTA at the Board's next regular meeting on January 3, 2013, to determine "in detail" GTA's hesitancy in recommending Galtere before scheduling a meeting with Ms. Haugerud. The Board asked Frank Hamilton to schedule the conference call.

The Board discussed the test survey sent to them regarding the Fund and suggested slight modifications to the very brief survey which will be sent to sworn participants of the Plan after the holidays. The Fund Staff discussed the information that would be gained from the survey and if a follow-up survey may be necessary once the results have been tabulated. Attorney Robinson stressed the need for the survey to be anonymous. President Knowles told the Board that Daisy Madison seeks a recommendation from the Board before the budget process begins and before the end of the current administration's term in office. Jerome Halbert stated that he did not think it would be in the best interest of the Fund and the Plan's participants to negotiate with the current administration, and then begin new negotiations with the new administration that will be in place within four months. The Board will await the results of the survey in January before determining its course of action.

Motion by Phillip McClain and seconded by Jerome Halbert to adjourn at 1049 hours. Motion carried unanimously.

Note: Drew Baker, son of deceased Retired Police Sergeant John Allen Baker and his surviving spouse Zina Baker Allen, turns 18 years of age on 12/25/2012. The monthly stipend paid to Mrs. Allen during the minority of her son, Drew, will cease effective 12/31/2012. (CCC 2-416)

Terry Knowles  
President

Phillip McClain  
Secretary

Visitors  
None