

MEETING OF THE TRUSTEES

CITY OF CHATTANOOGA GENERAL PENSION PLAN

March 18, 2010

The regular meeting of the City of Chattanooga General Pension Plan was held March 18, 2010 at 8:45 a.m. in the City Hall Finance Conference Room. Trustees present were Daisy Madison, BettyLynn Smith, Katie Reinsmidt, and Terry Lamb. Others attending the meeting were Mike McMahan, City Attorney's Office; Madeline Green, Employee Benefits Office; Sharon Lea, City Personnel Office; Teresa Hicks, First Tennessee Bank; and Steve McNally, First Tennessee Bank.

The meeting was called to order by Chairwoman Daisy Madison. A quorum was present.

The minutes of the meeting held February 18, 2010 were approved.

The following pension benefits and plan expenses were discussed for approval:

PART I – ACCOUNT SUMMARY

ACCOUNTS PAYABLE

| <u>COMPANY</u> | <u>AMOUNT PAYABLE</u> | | <u>SERVICES RENDERED</u> |
|---------------------------|-----------------------|-------------|--|
| | <u>THIS PERIOD</u> | <u>YTD</u> | |
| CONSULTING SERVICES GROUP | \$17,676.50 | \$48,639.00 | Investment consulting services for period ending December 31, 2009 |

INVESTMENT MANAGERS

| | | | |
|-----------------|-------------|-------------|---|
| INSIGHT CAPITAL | \$10,783.83 | \$30,503.80 | Investment management expense for period ending December 31, 2009 |
|-----------------|-------------|-------------|---|

| | | | |
|----------------------|--------------------|--------------------|--|
| MANAGER TOTAL | \$10,783.83 | \$30,503.80 | |
|----------------------|--------------------|--------------------|--|

ACCOUNTS RECEIVABLE

| <u>COMPANY</u> | <u>AMOUNT RECEIVED</u> | | <u>PURPOSE</u> |
|----------------|------------------------|------------|----------------|
| | <u>THIS PERIOD</u> | <u>YTD</u> | |
| No Activity | | | |

REPORT OF ACCOUNT (S) PAID

| | | | |
|------------------------------------|------------|-------------|---|
| HARTFORD (Long-Term Disability) | \$8,225.93 | \$81,215.00 | Long Term Disability (50%) – February 10' |
|------------------------------------|------------|-------------|---|

Approval of Minutes & Administrative Issues

The Board discussed approval of the minutes from the meeting held February 18, 2010. Ms. Smith moved to approve the minutes (pending inclusion of approval of administrative actions and minutes) and Ms. Reinsmidt made a second. The Board unanimously agreed.

Ms. Lea reported the administrative actions for the month of February 2010. Ms. Smith moved for approval and Mr. Lamb made a second. The Board unanimously agreed.

Atalanta Sosnoff Discussion

Ms. Madison discussed a recent letter that was sent to her from Atalanta Sosnoff. It stated that 49% of their firm had been sold to an investment banking firm, Evercore Partners. She stated that all aspects of Atalanta's operations were expected to remain the same. This letter requests the Board's consent since the shift in ownership was greater than 25%. Mr. Lamb made motion to approve the Atalanta signature request and Ms. Smith made a second. The Board unanimously agreed.

Update from RFP Committee

Ms. Madison stated the committee had come up with a shortlist of consultants for the Board to review. It included Merrill Lynch or Morgan Keegan, Gray & Company, Bogdahn Group, and CSG. The committee is still waiting on a response on fiduciary responsibility from Merrill Lynch. Ms. Smith stated that she would feel more comfortable if the Board interviewed at least the top two consultants. Mr. McMahan stated that the Board should narrow the list down to the top two or three for interviews. He stated that 30 – 45 minutes should be given for each presentation.

Ms. Madison discussed her concerns for the insurance coverage that some of the consultants carried. Mr. McMahan stated he felt 5M was probably an industry standard. He also stated that a copy of the insurance policy could be reviewed before a contract was signed.

The Board agreed to move the Actuarial review to the May 20, 2010 Board meeting (pending Ms. Kelley's approval) so the consultants could be interviewed in the April 8, 2010 board meeting.

Mr. Lamb referred to the last suit that the Board was involved in. Mr. McMahan stated that the prior consultant had worked for two different firms while he was working for the Plan. The suit involved USB PaineWebber and Morgan Stanley. He stated that all issues were resolved and the firm should not be excluded based on prior activities. Ultimately, Morgan Stanley was the owner of the boutique that the prior consultant worked under. The Board chose to hire CSG because they wanted to get away from the wire house atmosphere. After much discussion, the Board agreed not to include Morgan Stanley on the short list.

Ms. Madison discussed a complimentary 2010 Hewitt Pension Risk Management Conference that was coming up. She asked if any of the Board members were interested in attending.

Mr. Lamb discussed the alternative investments that the Plan currently held. Mr. McMahan stated that CSG encouraged the Plan to invest in more alternative investments in order to maintain a higher investment rate of return. With the previous firm, the Plan was invested 80% in equities.

Ms. Madison stated that Mr. Arnwine with CSG confirmed the distributions that the Board approved in the previous board meeting.

The next board meeting was scheduled for April 8, 2010 at 8:45 a.m. in the J. B. Collins Conference Room.

There being no further business, the meeting was adjourned.

Chairman

APPROVED:

Secretary