

**MEETING OF THE TRUSTEES**

**CITY OF CHATTANOOGA GENERAL PENSION PLAN**

**July 19, 2007**

The regular meeting of the City of Chattanooga General Pension Plan was held July 19, 2007 at 8:45 a.m. at the J.B. Collins Conference Room. Trustees present were Daisy Madison, BettyeLynn Smith, Katie Reinsmidt, and Dan Johnson. Others attending the meeting were Donna Kelley, City Personnel Office; Sharon Lea, City Personnel Office; Michael McMahan, Nelson, McMahan & Noblett; and Teresa Hicks, First Tennessee Bank.

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

The minutes of the meeting held June 21, 2007 were approved.

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

**ACCOUNT SUMMARY**

**ACCOUNTS PAYABLE**

<u>COMPANY</u>	<u>AMOUNT PAYABLE</u>	<u>SERVICES RENDERED</u>
<i>INVESTMENT MANAGERS</i>		
NORTHERN TRUST COMPANY	\$7,550.67	Investment management fee for quarter ending June 30, 2007
PATTEN AND PATTEN, INC.	\$9,803.02	Investment management fee for quarter ending June 30, 2007
	\$17,353.69	MANAGER TOTAL

**ACCOUNTS RECEIVABLE**

<u>COMPANY</u>	<u>AMOUNT RECEIVED</u>	<u>PURPOSE</u>
No Activity		

**REPORT OF ACCOUNT (S) PAID**

MUTUAL OF OMAHA (Long-Term Disability)	\$9,308.15	Premium for July 2007
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**MISCELLANEOUS ITEMS**

<u>NAME</u>	<u>TRANSACTION</u>
No activity	

Investment Policy Statement

Mr. McMahan distributed the fully executed Statement of Investment Objectives of the City of Chattanooga General Pension Plan for June 21, 2008 to the Board for final signatures. The final product was given to Ms. Lea to distribute in electronic format to the Board members, First Tennessee, and Consulting Services Group and to upload into the General Pension website.

Report from Counsel – Officer Walden

Mr. McMahan reviewed the situation of Mr. Walden brought before the Board in the June meeting. Originally, the General Pension Plan in effect during Mr. Walden's tenure as a city court officer required ten years of credited service for vesting. The reduction to five years of credited service for vesting did not occur until the enactment of Ordinance No. 10739, adopted August 18, 1998, and approved in the November referendum election. It appears that as of January, 1999, Mr. Walden became vested in approximately eight years of credited service. He had the right in 2002 to seek a refund of employee contributions pursuant to Section 3.40(8) and he exercised that right. In retrospect he made an unfortunate decision. He is now asking the Trustees to allow him to purchase credited service from 1986 to 1994. The provisions for reinstatement of pension service set forth in former Chattanooga City Code Part I, Sec. 3.45.1 was eliminated by Ordinance No. 10084 approved by referendum election in November, 1994. Chattanooga City Code of 1986, Part I, Section 3.40(3). It does not appear that the Board of Trustees is authorized by law to allow him to "buy back" credited service for 1986-1994 or to provide any other pension benefit to Mr. Walden at this time.

Based upon a recommendation of counsel, the request of Mr. Walden to buy back any time is denied. Mr. Johnson made motion to carry the recommendation and Ms. Reinsmidt made a second. The Board unanimously agreed.

Mr. McMahan will send Mr. Walden a letter explaining the Board's decision.

OPEB Investment Policy

Mr. McMahan explained that CSG prepared an extensive OPEB investment policy, of which some modifications will be made to. This will be discussed in a future meeting.

The next Board meeting was scheduled for Thursday, August 16, 2007 at 8:45 a.m. in the J.B. Collins Conference Room.

There being no further business, the meeting was adjourned.

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Chairman

APPROVED:

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Secretary