

MEETING OF THE TRUSTEES

CITY OF CHATTANOOGA GENERAL PENSION PLAN

October 15, 2009

The regular meeting of the City of Chattanooga General Pension Plan was held October 15, 2009 at 8:45 a.m. in the J.B. Collins Conference Room. Trustees present were Daisy Madison, Katie Reinsmidt, Bettye Lynn Smith, Dan Johnson, and Terry Lamb. Others attending the meeting were Valerie Malueg, City Attorney's Office; Sharon Lea, City Personnel Office; 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 September 17, 2009 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>
	THIS PERIOD	YTD	
No Activity			

INVESTMENT MANAGERS

Atalanta Sosnoff	\$25,388.00	\$47,565.00	Investment management expense for period ending September 30, 2009
Wedge	\$16,257.85	\$30,634.06	Investment management expense for period ending September 30, 2009

MANAGER TOTAL	\$41,645.85	\$78,199.06	
---------------	-------------	-------------	--

ACCOUNTS RECEIVABLE

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

REPORT OF ACCOUNT (S) PAID

MUTUAL OF OMAHA (Long-Term Disability)	\$18,212.62	\$45,787.04	Long Term Disability (50%) – Sept. & Oct. 09'
---	-------------	-------------	---

MISCELLANEOUS ITEMS

<u>NAME</u>	<u>TRANSACTION</u>
No Activity	

Report from Counsel

Ms. Malueg, with the City Attorney's Office, stated that she sent the draft Consultant RFP to committee members about a week ago and made one change to Exhibit B, adding a list of all current managers and a relationship disclosure section for respondents. A litigation and conflict of interest statement was also included.

Mr. Lamb stated that he and Mr. Gardenhire reviewed the RFP and had a few suggestions to offer. He suggested that the Board focus its energy in the following categories once RFP's are returned: 10% location, 15% fee proposal, 25% funds approach and providing services, and 30% qualifications in providing key personnel. Another suggestion was to have all managers sign a conflict of interest statement. The Board agreed that these should be sent directly to the existing and future investment managers from the City Attorney's Office for signature. He also suggested that the RFP be included in a national database to attract bidders.

Mr. Lamb stated that the RFP could be prepared for distribution today and that he would clarify with Mr. Gardenhire how it would be put into a clearinghouse. He made a motion on behalf of the committee to approve the Consultant RFP with the changes discussed, and Mr. Johnson made a second. The Board unanimously agreed.

Ms. Malueg stated that the Custodian RFP was currently in process. Ms. Madison said that it was fine to distribute it when it was ready.

Ms. Malueg stated that there were two documents sent to her from Duff & Phelps that needed signatures. One asked for authorized individuals to have access to financials and the other was an Incumbency Certificate seeking two signatures besides Ms. Madison who could execute decisions. The Board agreed that Ms. Madison, three people from CSG, First Tennessee, Mike McMahan, and Valerie Malueg should have authorization to financials. The Board decided to designate Carl Levi and BettyeLynn Smith for the Incumbency Certificate.

Administrative Issues

Ms. Madison referred to a report concerning the status of the fund just before the market crash. She asked Ms. Hicks to add June 2008 to the chart and prepare it for the next meeting.

The Board reviewed a Cost-of-Living adjustment summary for January 1, 2010 and City Charter Ch. 3, Sec. 3.41. Ms. Lea stated that employees and retirees were inquiring whether or not there would be a COLA applied in 2010 since Social Security did not approve one. Mr. Lamb stated that the Board should take a look at the current inflation rate in the Chattanooga area. The Board discussed the Charter requirement concerning the report of actuarial consequences if the Board increased or decreased the COLA adjustment and decided it was best to discuss this topic with the actuary. Ms. Madison stated that they could refer to the Department of Labor's website for inflation information.

The next board meeting was scheduled for November 19, 2009 at 8:45 a.m. in the J.B. Collins Conference Room.

There being no further business, the meeting was adjourned.

Chairman

APPROVED:

Secretary