

MEETING OF THE TRUSTEES

CITY OF CHATTANOOGA GENERAL PENSION PLAN

October 20, 2005

The regular meeting of the City of Chattanooga General Pension Plan was held October 20, 2005 at 8:45 a.m. in the City of Chattanooga J.B. Collins Conference Room. Trustees present were David Eichenthal, Dan Johnson, Larry Bentley and BettyLynn Smith. Others attending the meeting were Donna Kelley, City Personnel Office; Doug Kelley, City Personnel Office; Chris Haley, City Finance Department; Michael McMahan, Nelson, McMahan & Noblett; and Teresa Hicks of First Tennessee.

The meeting was called to order by Chairman David Eichenthal. A quorum was present.

The minutes of the meeting held September 15, 2005 were approved.

Upon a motion duly passed, the following pension benefits and plan expenses were approved:

ACCOUNTS PAYABLE

<u>COMPANY</u>	<u>AMOUNT PAYABLE</u>	<u>SERVICES RENDERED</u>
THREE HD	\$4,770.00	Web site design

INVESTMENT MANAGERS

ARK ASSET MANAGEMENT	\$24,860.00	Investment management fee for quarter ending March 31, 2005
BRANDYWINE ASSET MANAGEMENT	\$11,157.06	Investment management fee for quarter ending June 30, 2005
THORNBURG INVESTMENT MANAGEMENT	\$37,827.35	Investment management fee for quarter ending September 30, 2005
	\$73,844.41	Total

ACCOUNTS RECEIVABLE

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

REPORT OF ACCOUNT (S) PAID

HARTFORD LIFE AND ACCIDENT INSURANCE CO. (Long-Term Disability)	\$12,511.07	Premium October 2005
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MISCELLANEOUS ITEMS

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

Accounts Payable

The board has requested First Tennessee to bring a list of account managers with total market value and year to date fees.

Benefit Payment Issue

Ms. Kelley informed the board of a potential issue regarding a beneficiary, Mrs. Bass. Ms. Kelley explained that participants are given a choice on how to receive benefit payments after they have vested. In this case, Choice A was chosen which guarantees 120 benefit payments. If something happens to the recipient within the first ten years, then the recipient's appointed beneficiary will continue to receive payments until the 120th payment is completed.

The beneficiary, Mrs. Bass, contacted the City of Chattanooga personnel office after receiving the 120th payment. Mrs. Bass believes the Bass' were fundamentally misled when they selected Option A. Mrs. Bass felt the payment would continue indefinitely. Mrs. Bass showed interest in bringing the issue before the board. Ms. Kelley informed Mrs. Bass and her son of today's scheduled board meeting five different times. Mrs. Bass declared she was going to come. She did not show for the board meeting.

Custodian RFP

Ms. Kelley reported that the prior RFP has not yet been located. Clarity is needed on how the process will work. Ms. Kelley pointed out that administrative handling has changed over the last ten years. For example, Ms. Kelley has acquired another position within the personnel department dedicated to pension administration for the next two years. Ms. Kelley will not bring the functions performed by the new position into the RFP. Mr. Eichenthal suggested including all functions in the RFP because when the proposals are received it may turn out to be cheaper if the functions are performed by someone outside. If not, the functions can be removed when accepting the final offer. Ms. Kelley agreed and will do a RFP draft without the administrative functions and a RFP draft with everything included.

Closed Members Only Session

The board meeting was recessed until Tuesday, October 26th at 1:00 p.m. in the City Hall Annex Third Floor Conference Room to discuss any issues arriving from the pending mediation. The board members remained to conduct an attorney-client privileged conversation with Mr. McMahan.

The board meeting resumed on Tuesday, October 26th at 1:00 p.m. and was recessed until Wednesday, October 27th at 10:00 a.m. There were no issues from the pending mediation.

The board meeting resumed on Wednesday, October 27th at 10:00 a.m. There were no issues from the pending mediation.

The next board meeting is scheduled for Thursday, November 17, 2005 at 8:45 a.m.

There being no further business, the meeting was adjourned.

Chairman

APPROVED:

Secretary