

MEETING OF THE BOARD OF DIRECTORS
CHATTANOOGA FIRE & POLICE PENSION FUND

August 3, 2017

At the regularly scheduled meeting of the Chattanooga Fire and Police Pension Fund Board of Directors held on the 3rd day of August 2017, Vice-President Kelly Simmons presided. The meeting was held at the Pension Office, 6009 John Douglass Drive, Chattanooga, TN 37421.

The meeting convened at 0917 hours with board members Kelly Simmons, Phillip McClain, Charlie Thomason, Mark Coffman and Vickie Haley. Attorney Bill Robinson was also present. Craig Joel and Tommy Meeks were excused absences.

APPROVAL OF MINUTES

Motion by Charlie Thomason and seconded by Phillip McClain to approve the minutes of the July 20, 2017 meeting. Motion carried unanimously.

APPEARING BEFORE THE BOARD

Police Officer William McMillan appeared before the Board to submit his application for a job-related disability. Officer McMillan is currently on paid administrative leave. The Board accepted his application and noted this could be a lengthy process.

Barry Bryant of Dahab Associates also appeared before the Board. Please refer to the Investment Report.

LEGAL UPDATE

Board Attorney Bill Robinson updated the Board on the status of the IRS determination. The IRS responded indicating that the Board had requested an extension to provide the requested information. Attorney Robinson stated the Board had already submitted the information requested from the IRS by the deadline and did not request an extension. Attorney Robinson has reached out to the IRS to correct the matter.

MEMBERSHIP CHANGES

Motion by Mark Coffman and seconded by Charlie Thomason to approve the following membership items:

REMOVE FROM THE ROLLS:

- Retired Police Sergeant James W. Wilson, effective 07/31/2017, passed away 07/05/2017 (2-411)

ADD TO THE ROLLS:

- Deborah Wilson, surviving spouse of Retired Police Sergeant James W. Wilson, effective 08/01/2017 (2-411)

REFUND CONTRIBUTIONS:

- Former Police Officer Jeffery Rahn, terminated effective 07/11/2017, adjusted participation date of 04/20/2014 (2-413)
- Former Police Officer Charles Brock, terminated effective 07/12/2017, adjusted participation date of 02/09/2009 (2-413)
- Former Fire Engineer Bradford Ransom, terminated effective 06/22/2017, adjusted participation date of 02/2/2011(2-413)

PAY DEATH BENEFITS:

- Deborah Wilson, designated beneficiary of James W. Wilson (2-411)

Motion carried unanimously.

ADMINISTRATIVE BUSINESS

The Board reviewed the bills paid since the last meeting.

Fund Administrator Katrina Abbott updated the Board on the need for AC/Heat repairs. Katrina Abbott will obtain the required minimum of three bids to determine the most appropriate action going forward and report back to the Board.

Katrina Abbott also discussed the continuance of the Board having an independent internal review of the Fund’s financials and procedures. The purpose of the independent review was so the Board did not have to rely on the limited scope audit completed by the City of Chattanooga, but rather have an independent agency complete a compilation and agreed upon procedures. Phillip McClain inquired if cost was a concern. Katrina Abbott stated that cost was not a concern with the valuable information they provide, however it had been questioned if it was necessary with the City completing the CAFR. The Board agreed to continue with the independent review of the Fund.

INVESTMENT REPORT

Barry Bryant of Dahab Associates appeared before the Board to review the updated draft of the Investment Policy Statement (IPS). The Board reviewed the draft and has requested some minor revisions before approving. Full redemptions have been requested from the following investments as part of the rebalancing required by the target allocation approved by the Board on July 20, 2017:

- Full Redemption of Pointer Offshore II, Ltd.
- Full Redemption of Evanston Weatherlow Offshore Fund I, Ltd.
- Full Redemption of Forester Capital
- Full Redemption of Eagle Global Advisors Master Limited Partnership

Barry Bryant also discussed additional portfolio recommendations to move towards the target allocation. Motion by Phillip McClain and seconded by Charlie Thomason to approve the following recommendations in order to 1) rebalance from developed foreign equity to emerging markets equity and 2) reallocate assets to work towards the new target allocation:

- Redeem \$6,500,000 from Harbor International and invest in Vanguard Emerging Markets Index Fund
- Redeem \$6,500,000 from First Eagle Overseas and invest in Vanguard Emerging Markets Index Fund
- Invest \$3,000,000 from Eagle Global redemption in the Vanguard Emerging Markets Index Fund
- Invest full proceeds of the NIPPON Value Fund in the Vanguard Emerging Markets Index Fund
- Invest \$4,300,000 from Eagle Global redemption in the Vanguard S&P 500 Index Fund
- Invest the remaining proceeds from Eagle Global redemption in the Vanguard Mid Cap Index Fund

Motion carried unanimously.

AGENDA NOTES

- Received open records request 7/28/17, records approved and provided 7/31/2017
- Received City Court Fees for June 2017 (\$5,801.42)
- Received CARTA Parking Fees for June 2017 (\$3,470.00)

ADJOURNMENT

With no other business, motion by Phillip McClain and seconded by Charlie Thomason to adjourn at 1147 hours. Motion carried unanimously.

Respectfully Submitted,



Mark Coffman, Secretary

Date Approved:  8/17/17



Craig Joel, President

Visitors not Appearing Before the Board	
Michael Hart	Ron Boyd
Don Bickford	Sean O'Brien