

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

September 7, 2017

At the regularly scheduled meeting of the Chattanooga Fire and Police Pension Fund Board of Directors held on the 7th day of September 2017, President Craig Joel presided. The meeting was held at the Pension Office, 6009 John Douglass Drive, Chattanooga, TN 37421.

The meeting convened at 1414 hours with board members Craig Joel, Kelly Simmons, Phillip McClain, Charlie Thomason, Mark Coffman, Tommy Meeks, Vickie Haley, and Chris Hopkins. Attorney Bill Robinson was also present.

APPROVAL OF MINUTES

Motion by Tommy Meeks and seconded by Kelly Simmons to approve the minutes of the August 17, 2017 meeting. Motion carried unanimously.

BOARD ELECTION, OFFICERS, AND COMMITTEES

The tally of the votes for the Board election that was held on Tuesday, September 5, 2017, was as follows:

Fire Captain Kelly Simmons (Unopposed) – 3 votes
Master Patrol Officer Phillip McClain (Unopposed) – 2 votes

Motion by Kelly Simmons and seconded by Phillip McClain to nominate Craig Joel as Board President. No other nominations were made. Motion by Phillip McClain and seconded by Tommy Meeks to close nominations. Motion carried unanimously. Nomination carried unanimously.

Motion by Tommy Meeks and seconded by Charlie Thomason to nominate Mark Coffman as Board Secretary. No other nominations were made. Motion by Phillip McClain and seconded by Charlie Thomason to close nominations. Motion carried unanimously. Nomination carried unanimously.

Motion by Tommy Meeks and seconded by Phillip McClain to nominate Kelly Simmons as Board Vice-President. No other nominations were made. Motion by Phillip McClain and seconded by Tommy Meeks to close nominations. Motion carried unanimously. Nomination carried unanimously.

The previously established committees as of September 6, 2016 are as follows:

- Real Estate Holdings Board is Craig Joel, Kelly Simmons, Doug Kelley, and Vacant seat
- Personnel Committee is Craig Joel, Kelly Simmons, Tommy Meeks, and Vickie Haley
- Policy Committee is Vickie Haley, Mark Coffman, Phillip McClain, and Katrina Abbott.

Motion by Tommy Meeks and seconded by Mark Coffman to keep the previously established committees with the exception of naming Chris Hopkins to the Real Estate Holdings Board to fill the vacant seat. Motion carried unanimously.

The Board recessed at 1428 hours to open the meeting of the Real Estate Holdings Board. The Board reconvened at 1433 hours.

APPEARING BEFORE THE BOARD

Jeffrey Williams of Segal Company appeared before the Board to present the January 1, 2017 Actuarial Valuation. Mr. Williams noted that the increase in contributions was primarily due to three key factors: lowering the assumed rate of return to 7.5%, level dollar amortization implemented in full, and lower than expected investment returns. It was noted that the Fund is scheduled to return to 5 year smoothing with the January 1, 2018 Valuation per the Funding Policy.

Barry Bryant and Steve Roth 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 annual review of the Ethics Policy. The Board and Staff completed their annual acknowledgement of the Ethics Policy. It was noted the Ethics Policy was updated to include the Directors acknowledgement as fiduciaries of the Plan relative to the services they provide in order to be in compliance with the Investment Policy Statement.

MEMBERSHIP CHANGES

Motion by Tommy Meeks and seconded by Phillip McClain to approve the following membership items:

ADD TO THE ROLLS:

- MPO Annette Sowrey, retiring with 25 years of service and a 6 month DROP, reduced for J&S Option F 75% Pop-up (Hans Sowrey) effective 09/01/2017, adjusted participation date of 02/23/1992 (2-411, 2-418, 2-422)

REFUND CONTRIBUTIONS:

- Former Police Officer Nicholas E. Wright, terminated effective 08/19/2017, adjusted participation date of 12/14/2014 (2-413)
- Former Police Officer Brandon K. Kerley, terminated effective 08/23/2017, adjusted participation date of 12/16/2014 (2-413)
- Former Firefighter Harris M. Walker, terminated effective 09/01/2017, participation date of 05/21/2010 (2-413)
- Former Firefighter Jeffrey Bonner, terminated effective 09/01/2017, participation date of 09/04/2015 (2-413)

Motion carried unanimously.

ADMINISTRATIVE BUSINESS

The Board reviewed the bills paid since the last meeting.

Fund Administrator Katrina Abbott provided the Board with the final draft of the Investment Policy Statement. Motion by Mark Coffman and seconded by Tommy Meeks to adopt the Investment Policy Statement. Motion carried unanimously. Katrina Abbott provided the Board with the renewal quote for USABLE to continue insuring the death benefit for an additional year. Motion by Phillip McClain and seconded by Kelly Simmons to accept the renewal quote from USABLE. Motion carried unanimously. The Board also discussed the need to continue with an independent review that provides a financial compilation of the Fund, even though the City already provides a compilation in their CAFR. The independent review also follows agreed upon procedures of the Fund. Motion by Phillip McClain and seconded by Charlie Thomason to discontinue the financial compilation portion of the independent review, and continue with the agreed upon procedures portion. Motion carried unanimously. The Board discussed the purchase of a new backup server that is more secure, as well as provides offsite storage in the event of a catastrophe. Motion by Kelly Simmons and seconded by Tommy Meeks to purchase the Barracuda 290 appliance with quoted services. Motion carried unanimously.

Katrina Abbott updated the Board on the status of the disability application for Police Officer Douglas Rawson. The disability hearing for Police Officer Douglas Rawson has been scheduled for September 21, 2017 at 10:00 a.m.

INVESTMENT REPORT

Barry Bryant and Steve Roth of Dahab Associates appeared before the Board to present the 2Q-2017 performance update. As of June 30, 2017, the Fund has returned 1.8 for the quarter and 11.3 for the trailing year. Dahab noted that they had issued a RFP for a Core Fixed Income manager that expired August 24, 2017. Dahab received 41 responses and will narrow those responses down to 3 candidates for the Board to interview in the coming months.

AGENDA NOTES

- Dahab Quarterly Performance immediately following Board meeting today
- DROP Seminar is scheduled tonight at 6:00 p.m.
- IME for Police Officer Douglas Rawson was scheduled for September 5, 2017 at 1:00 p.m. (CST)
- City Court Fees for July 2017 received (\$4,988.48)
- City CARTA Parking Fees for July 2017 received (\$3,430.00)

ADJOURNMENT

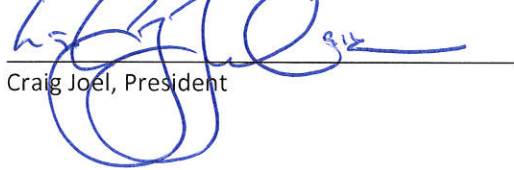
With no other business, motion by Phillip McClain and seconded by Charlie Thomason to adjourn at 1624 hours. Motion carried unanimously.

Respectfully Submitted,



Mark Coffman, Secretary

Date Approved: 8-21-2017



Craig Joel, President

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| <u>Visitors not Appearing Before the Board</u> | |
| Michael Hart | Ron Boyd |
| Don Bickford | |

