

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

February 1, 2018

At the regularly scheduled meeting of the Chattanooga Fire and Police Pension Fund Board of Directors held on the 1st day of February 2018, President Craig Joel presided. The meeting was held at the Pension Office, 6009 John Douglass Drive, Chattanooga, TN 37421.

The meeting convened at 0932 hours with board members Craig Joel, Charlie Thomason, Kelly Simmons, Mark Coffman, and Chris Hopkins. Phillip McClain arrived late. Attorney Bill Robinson was also present. Tommy Meeks was an excused absence.

APPROVAL OF MINUTES

Motion by Kelly Simmons and seconded by Charlie Thomason to approve the minutes of the January 18, 2018 meeting. Motion carried unanimously.

APPEARING BEFORE THE BOARD

Firefighter DeAngelo Newson appeared before the Board to submit his application for a job-related disability. Firefighter Newson has requested FMLA. The Board accepted his application and noted this could be a lengthy process.

LEGAL UPDATE

Attorney Bill Robinson noted the issue regarding trustee status of the custodial bank is still under review.

MEMBERSHIP CHANGES

Motion by Kelly Simmons and seconded by Phillip McClain to approve the following membership items:

REMOVE FROM THE ROLLS:

- Retired Police Lieutenant Donald R. Howard, effective 01/31/2018, passed away 01/19/2018 (2-411)
- Retired Police Officer Charles Wayne Hindman, effective 01/31/2018, passed away 01/22/2018 (2-411)
- Patricia Mathis, surviving spouse of Retired Fire Captain Lee R. Mathis, effective 01/31/2018, passed away 01/11/2018 (2-411)

ADD TO THE ROLLS:

- Mary Howard, 100% Joint & Survivor of Retired Police Lieutenant Donald R. Howard, effective 02/01/2018 (2-411)

REFUND CONTRIBUTIONS:

- Former Fire Engineer Charles Bailey, terminated effective 12/28/2017, participation date of 04/19/2013 (2-413)
- Former Police Officer Connor Holmes, terminated effective 01/19/2018, participation date of 04/18/2014 (2-413)

PAY DEATH BENEFITS:

- Mary Howard, designated beneficiary of Donald R. Howard (2-411)

Motion carried unanimously.

ADMINISTRATIVE BUSINESS

The Board reviewed the bills paid since the last meeting. The Board discussed the billing for Cyber Security and requested that Alisa Chestler of Baker Donelson appear before the Board before any additional work is completed to have a better understanding of the process.

Fund Administrator Katrina Abbott noted that the Tennessee Treasury Department notified the Fund regarding a noted deficiency in funding for fiscal year 2016 in the City of Chattanooga 2017 CAFR. After further review, it was discovered that the GASB disclosures provided by Segal for fiscal year 2016 had erroneously stated the Actuarially Determined Contribution (ADC) for 2016, and has since corrected the error and issued corrected GASB disclosures. The corrected disclosures have been forwarded to the City of Chattanooga and the Tennessee Treasury Department. Katrina Abbott further noted that not only is the Tennessee Treasury Department monitoring compliance with the new state law of 2014, but it is also trying to further understand how the different pension plans around the state work and determine trends for those pension plans that have a lower than desired funding status. The Tennessee Treasury Department has requested additional information regarding our life insurance premiums and DROP payments, which has been provided.

Katrina Abbott also provided the recommendations by Segal for implementing 5 year smoothing. Motion by Charlie Thomason and seconded by Mark Coffman to accept Segal's recommendations to switch to a 5 year smoothing method, as well as calculating unrecognized return as the difference between total return and expected return, both on a market value basis. Motion carried unanimously.

The Board discussed the Requesting Professional Services Policy and the timeline to issue upcoming RFPs. Katrina Abbott recommended issuing a RFP for Accounting Services this spring and a RFP for Actuarial services this fall as they are the oldest RFPs. Kelly Simmons requested the Board consider a RFP for Legal Services as a priority to ensure the Fund is receiving competitive services. After discussion, the Board requested a history of legal fees paid, as well as comps to other pension fund's legal fees. The Board will determine the appropriate RFPs to issue for 2018 after reviewing the requested information.

The Board recessed for an executive legal session at 1052 hours to discuss Officer William McMillan's application for a job-related disability. The Board reconvened at 1135 hours. Motion by Phillip McClain and seconded by Charlie Thomason to approve Officer McMillan's application for job-related disability based on the overwhelming medical evidence obtained by the staff that supported Officer McMillan's application in accordance with our Disability Policy, as well as no Board member having additional questions for the member to necessitate a hearing, thus allowing the Board to render a decision regarding his application without a hearing. Motion carried unanimously with all members voting yes for approval.


AGENDA NOTES

- Dahab will present the 4Q performance report to the Board at 10 a.m. on February 15, 2018
- Laurie Adams Templeton of Wells Fargo will appear before the Board on February 15, 2018

ADJOURNMENT

With no other business, motion by Mark Coffman and seconded by Phillip McClain to adjourn at 1141 hours. Motion carried unanimously.

Respectfully Submitted,


Mark Coffman, Secretary

Date Approved: 2-15-2018


Craig Joel, President

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