

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

August 2, 2018

At the regularly scheduled meeting of the Chattanooga Fire and Police Pension Fund Board of Trustees held on the 2nd day of August 2018, President Charlie Thomason presided. The meeting was held at the Pension Office, 6009 John Douglass Drive, Chattanooga, TN 37421.

The meeting convened at 0912 hours with board members Charlie Thomason, Joe Shaw, Kelly Simmons, Nathan Vaughn, Mark Coffman and Chris Hopkins. Attorney Bill Robinson was also present. Phillip McClain was an un-excused absence.

APPROVAL OF MINUTES

Motion by Mark Coffman and seconded by Kelly Simmons to approve the minutes of the July 19, 2018 meeting. Motion carried unanimously.

APPEARING BEFORE THE BOARD

Wells Fargo Relationship Manager Laurie Adams Temple appeared before the Board to provide an update on activity with the Fund's accounts.

Steve Roth of Dahab Associates appeared before the Board. Please refer to Investment Report for further details.

LEGAL UPDATE

Attorney Bill Robinson provided a brief update on the pending disability applications. Bill Robinson also discussed the need to update pension legislation in light of the change to the City's legislation regarding City Court Fees that are allocated to the Fund. Attorney Robinson will draft a proposed amendment to ensure the Fund receives no less than the sum of five dollars added to court costs that it currently receives from City Court.

MEMBERSHIP CHANGES

Motion by Joe Shaw and seconded by Kelly Simmons to approve the following membership items:

REMOVE FROM THE ROLLS:

- Retired Fire Lieutenant Bobby Ray Baker, effective 07/31/2018, passed away 07/20/2018 (2-411)

ADD TO THE ROLLS:

- Police Sergeant Tommy Meeks, retired effective 07/23/2018 with 25 years of service, reduced for 75% J&S Option C (Lana Meeks), adjusted participation date of 07/23/1993 (2-411, 2-418)
- Kimberly A. Baker, surviving spouse of retired Fire Lieutenant Bobby Ray Baker, effective 08/01/2018 (2-411)

REFUND CONTRIBUTIONS:

- Former Firefighter Tyler Toon, terminated effective 07/30/2018, participation date of 09/05/2014 (2-413)

PAY DEATH BENEFITS:

- Kimberly A. Baker, designated beneficiary of Bobby Ray Baker (2-411)

Motion carried unanimously.

ADMINISTRATIVE BUSINESS

The Board reviewed the bills paid since the last meeting.

Fund Administrator Katrina Abbott provided the recommendations from the Personnel Committee to the Board for review. Motion by Kelly Simmons and seconded by Joe Shaw to approve the recommendations. Motion carried unanimously.

Fund Administrator Katrina Abbott provided the FY2019 Report of Expected Expenses to the Board for review. It was noted that the increase in expenses that the Board has seen over the last fiscal year were primarily due to increased legal expenses and an increase in disability applications. Katrina Abbott also noted that the Fund now recognizes the life insurance premiums it pays for the \$10,000 death benefit as an expense to the Fund rather than a benefit, thus increasing the administrative expenses. The Fund has saved over \$200,000 by outsourcing the death benefit to a life insurance company over the last 7 years, while also being able to provide a benefit that is tax-free to beneficiaries. Those premiums are now more likely to be less of a savings as plan experience is realized and the premiums will increase to a more realistic number.

Fund Administrator Katrina Abbott updated the Board on the status of the five pending disability applications. The disability hearing for Police Officer Wilbert McLean has been scheduled for August 16, 2018 at 10:00 a.m. The disability hearing for Police Officer Jason Duggan has been scheduled for August 16, 2018 at 10:45 a.m.

The Board recessed for an executive legal session at 0934 hours and reconvened at 1004 hours.

INVESTMENT REPORT

Steve Roth of Dahab Associates appeared before the Board to provide a 2Q-2018 performance update. As of June 30, 2018, the Fund has returned 0.2% for the quarter and 6.9% for the trailing year. Steve Roth also discussed additional reallocations to hold monies received from the hedge fund redemptions until the capital for other managers is called. Steve Roth also recommended Dahab issue an RPF for a small cap manager to potentially replace Advisory. The Board approved this recommendation.

Steve Roth also provided a summary of the responses for the RFP for Custodial Services that was issued on behalf of the Fund by Dahab Associates. There were seven responses received. Fund Administrator Katrina Abbott will further review the responses that were received.

AGENDA NOTES

- Disability hearing scheduled for Wilbert McLean on August 16, 2018 at 10:00 AM
- Disability hearing scheduled for Jason Duggan on August 16, 2018 at 10:45 AM
- Reminder, Annual Board Meeting is scheduled for September 20-22, 2018

ADJOURNMENT


With no other business, motion by Kelly Simmons and seconded by Joe Shaw to adjourn at 1121 hours. Motion carried unanimously.

Respectfully Submitted,



 Mark Coffman, Secretary

Date Approved: 8/20/18



 Charlie Thomason, President

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