

# Chattanooga Fire & Police Pension Fund

**Serving Those That  
Serve Our Community**

**August  
2018**



## Letter from the Fund Administrator

Hello Everyone,

I hope this newsletter finds everyone doing well!

As I mentioned in the last newsletter, the Board had begun the process of changing legislation to convert the Board of Directors to a Board of Trustees and convert the Trustee bank to a custodial bank, as is common practice for most government pension plans. This process was completed and effective July 1, 2018. The Fund has also issued a Request for Proposal for a Custodial Bank to ensure we are receiving the best possible service for our participants, at competitive pricing. The Fund has received seven responses that were interested in serving the custodial needs of the Fund. We are in the process of reviewing those responses to determine which custodial bank best fits the needs of the Fund and its participants.

Board elections are coming up on Tuesday, September 4, 2018. I want to encourage you to vote for a candidate to represent your voice on the Fire and Police Pension Fund Board of Trustees. This is the one of the many ways you can participate and influence the direction of your pension. Candidate statements that have been provided are included within this newsletter. Active members of the Chattanooga Fire and Police Departments along with members who retired or vested from these respective departments are eligible to vote.

I would also like to take this time to remind you that the Board meets every first and third Thursday at 9 a.m. These meetings are open to the public and minutes of Board meetings can also be found online at [www.cfppf.org](http://www.cfppf.org). Attending meetings is yet another way you can participate in your pension!

Sincerely,

Katrina Abbott  
Fund Administrator

## Chattanooga Fire & Police Pension Board Elections

*Date: Tuesday, September 4, 2018*

*Time: 8AM – 4PM*

*Voting Locations*

*Fire: Training Center or Pension Office*

*Police: Pension Office Only*

Candidates and their representatives must remain outside "campaign-free zones" except to vote or carry out normal duties as required by their position.

**IMPORTANT: MEMBERS MUST PRESENT A STATE OR DEPARTMENT ISSUED PHOTO ID PRIOR TO VOTING. YOU WILL NOT BE ALLOWED TO VOTE WITHOUT ONE.**

*Our Condolences to those who have lost Family & Friends*

Retired Police Lieutenant **Forrest Pendergraph, Sr.** passed away on July 9, 2018. He is survived by his children **Brian Pendergraph, Forrest (Julie) Pendergraph, Jr., Marlana Hedden** and **Charles (Christine) Kiefert**.

Retired Police Lieutenant **William Roach** passed away on July 12, 2018. He is survived by his wife **Barbara Roach** and children **Carolyn Roach Sullivan, Billy Roach** and **Alley Roach**.

Retired Fire Lieutenant **Bobby Ray Baker** passed away on July 20, 2018. He is survived by his wife **Kim Baker**.

**Doris Ann Randolph**, surviving spouse of retired Police Sergeant **Charles L. Randolph**, passed away on August 9, 2018. She is survived by her children **Drema Kay Walls** and **Christopher Lee Randolph**.

Retired Police Officer **Belva Gay Rhodes Hensley** passed away on August 20, 2018. She is survived by her husband **Walter Andrew Hensley** and daughters **Tracie Lyne Harden** and **Kaitlyn Amara Hensley**.

**Board Elections—September 4, 2018: Candidate Statements**

**Police Board Candidate Sergeant Joe Shaw (no opposition)**

20July2018

Fellow pension members,

I am Sgt. Joe Shaw and I have been with the Police Department for 17 years. I am currently serving in the Recruiting Unit. I am applying for the open position on our Pension Board which is up for election on **September 4<sup>th</sup>** of this year. This position was vacated in June by the retirement of Sgt. Tommy Meeks. As a result of his retirement, I was temporarily appointed to serve in his place. I have learned a lot about the strength of our pension and the challenges we face.

I have been serving on the board of our local FOP Lodge #22 for over 10 years. As the treasurer of our lodge I have a duty to our members to be trustworthy and transparent regarding the lodge's finances. If elected to the pension board, I will strive to be trustworthy and transparent to the members of our pension fund also.

As you are aware, our pension benefit is the single greatest benefit of our law enforcement careers. The preservation of our pension is paramount for the wellbeing of our retirees and our contributing officers. Most companies no longer offer pensions for their work force. Police Departments and municipalities around the country are starting to following suit. I believe strongly in protecting and preserving our pension. I will do this by holding our City Government, Managing Bank, and Investment Managers accountable. I will fight to keep our pension strong and out of the hands of the politicians!

I appreciate the opportunity to serve on the pension board for the last few months. Please vote for Joe Shaw in the upcoming pension elections so that I may continue to serve, and fight to preserve our pension.

Best Regards,

*Sgt. Joe Shaw #466*

## **Board Elections—September 4, 2018: Candidate Statements (*cont.*)**

### **Fire Board Candidate Lieutenant Jason Moses**

No candidate statement is available.

### **Fire Board Candidate Lieutenant Charlie Thomason**

Since elected in the fall of 2015, many positive changes have occurred. This is a brief summary of the board's hard work over the last 3 years.

In April of 2017, the board changed from longtime advisor Gerber Taylor to Dahab Associates. As a result the 2017 return was 13.7%, well above then 7.75% expected rate of return. Since engaging Dahab, we advanced from the bottom 5% of public pension fund performance to the top third as of last quarter. We are currently reallocating high fee Hedge Funds to a more traditional investment model and will be completely out of hedge funds by the fall of this year. The Dahab investment strategy will then be in full motion. Since year-end 2015 to last quarter we have made \$10M after all expenses were paid. Most of the gains resulted after switching to Dahab.

The board has done a fiduciary review of the fund, which raised suspicions of potential fraud and overcharging from our trustee and custodian Wells Fargo. After repeated requests, they failed to produce sufficient documentation about mutual fund rebates and any administrative fees received from other sources. This resulted in an SEC/CFTC whistleblower complaint against Wells Fargo and filing of a motion in Hamilton County Court to produce the requested documents. We issued a Request for Proposal for custodial banks last month and that process is still ongoing.

We have negotiated with the City to lower our expected rate of return (yearly percentage that we need to break even on all expenses) from 7.75% to 7.5% and fully anticipate that the City will lower it to 7.25% this budget year. The goal is to set this at around 7%. This increases the city's annual contribution rate, gives us a realistic market goal to achieve, and will overtime help improve our funding status. Due to a state law, fund enhancements are not possible until funding status improves; we are working diligently to improve our fund so we can negotiate for enhancements like COLA increases.

We are currently reviewing the disability policy to see what revisions are needed for PTSD claims. It is too soon in the process to give any real details; however, I can assure you our focus is to protect the pension fund and the members. I receive questions about disability claims quite often and there is an extensive process with checks and balances in place. The one frustration is our inability to disclose board reasoning for disability decisions. Disability claims are medical in nature and people have a right to privacy. No matter how frustrating that can be at times, I agree with a member's right to privacy and assure you we are taking every step necessary to protect the fund as a whole and its members.

I currently serve as Chairman of the pension board, and would like to continue to be your representative as we continue to make positive progress.

Vote for the person you trust to make informed decisions—please vote on September 4<sup>th</sup>.

CHARLIE THOMASON

**Board Members:**

**Charlie Thomason** President

**Kelly Simmons** Vice President

**Mark Coffman** Secretary

**Phillip McClain**

**Joe Shaw**

**Nathan Vaughn**

**Chris Hopkins**

Fund Administrator:

**Katrina Abbott**

Deputy Administrator:

**Christina Culpepper**

Administrative Assistant:

**Doug Kelley**

Board Attorney:

**William E. Robinson**

# *Congratulations New Retirees*

Police Sergeant **Evander Lloyd** retired on May 28, 2018 with 25 years of service.

Police Sergeant **Bryan S. Churchwell** retired on July 16, 2018 with 25 years of service.

Master Police Officer **Paul Edward Mansell, Jr.** retired on July 17, 2018 with 25 years of service.

Police Sergeant **Tommy Meeks** retired on July 23, 2018 with 25 years of service.

**Chattanooga Fire & Police  
Pension Fund  
6009 John Douglass Drive  
Chattanooga, TN 37421**



**423-893-0500  
1-800-881-9022  
Fax: 423-893-7769  
[www.cfppf.org](http://www.cfppf.org)**