

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

July 18, 2019

At the regularly scheduled meeting of the Chattanooga Fire and Police Pension Fund Board of Trustees held on the 18th day of July 2019, President Charlie Thomason presided. The meeting was held at the Pension Office, 6009 John Douglass Drive, Chattanooga, TN 37421.

The meeting convened at 0903 hours with board members Charlie Thomason, Joe Shaw, Kelly Simmons, Phillip McClain, Mark Coffman, Nathan Vaughn and Chris Hopkins. Attorney Bill Robinson was also present.

APPROVAL OF MINUTES

Motion by Joe Shaw and seconded by Phillip McClain to approve the minutes of the May 16, 2019 meeting. Motion carried unanimously.

Motion by Kelly Simmons and seconded by Joe Shaw to amend the minutes of the March 21, 2019 to remove the following:

PAY DEATH BENEFITS:

- Sybil Cline, designated beneficiary of Bob D. Styles (2-411)

and insert the following:

PAY DEATH BENEFITS:

- Estate of Bob D. Styles with no surviving designated beneficiaries (2-411)

APPEARING BEFORE THE BOARD

Jeff Williams of Segal Company appeared before the Board to present the January 1, 2019 Actuary Valuation. Jeff Williams noted that the 10-year smoothing implemented at the City's request in 2009 due to the economic downturn the preceding year has caused the Funding status of the plan to linger longer at a lower level than it would have had it remained at the 5-year smoothing method in 2009. The 2008 investment losses were spread over 10 years and were not completely recognized until the January 1, 2018 actuarial valuation. This triggered a discussion among the Board, Jeff Williams and Barry Bryant regarding the current funding status of the Fund and future concerns.

Barry Bryant of Dahab Associates also appeared before the Board, along with Jeff Ball of Energy & Minerals Group and Mike D'Agostino and Kristin Baran of Glouton Private Equity to make presentations regarding new fund offerings regarding the Fund's private equity allocation. Please refer to the Investment Report for additional information.

LEGAL UPDATE

Attorney Bill Robinson updated the Board regarding the status of the lawsuit brought against the Fund by former Police Lieutenant Craig Joel.

MEMBERSHIP CHANGES

Motion by Joe Shaw and seconded by Phillip McClain to approve the following membership items:

REMOVE FROM THE ROLLS:

- Janice D. Murray, surviving spouse of Retired Fire Driver Harold James Murray, Jr., effective 06/30/2019, passed away on 06/02/2019 (2-411)
- Retired Fire Captain James B. Williams effective 06/30/2019, passed away on 06/07/2019 (2-411)
- Thelma Padgett, surviving spouse of Retired Fire Captain Alfred Padgett, effective 06/30/2019, passed away on 06/26/2019 (2-411)
- Betty Jean Adams, surviving spouse of Retired Police Officer James Wiley Adams, effective 07/31/2019, passed away on 07/04/2019 (2-411)

ADD TO THE ROLLS:

- Master Police Officer Daniel Jackson , retiring with 26 years of service, reduced to a 25 year pension for a 17 month DROP, further reduced 50% J&S Option D (Nona S. Jackson), effective 06/01/2019, adjusted participation date of 12/28/1992 (2-411, 2-418)
- Alicia Rexine Williams, surviving spouse of Retired Fire Captain James Buddy Williams, effective 07/01/2019 (2-411)
- Police Officer Rodney C. Brown, retiring with 25 years and 2 months of service, reduced to a 25 year pension for a 2 month DROP, further reduced 100% J&S Option B (Mary Brown), effective 08/01/2019, adjusted participation date of 05/12/1994 (2-411, 2-418)

REFUND CONTRIBUTIONS:

- Former Firefighter Brandon Polk, terminated effective 05/21/2019, participation date 09/05/2014 (2-413)
- Former Police Officer Kelly Cronon, terminated effective 05/23/2019, participation date 01/25/2019 (2-413)
- Former Firefighter Xavier Marshall, terminated effective 05/30/2019, participation date 09/04/2015 (2-413)
- Former Police Officer Krista Cooper, terminated effective 06/04/2019, participation date 08/03/2018 (2-413)
- Former Firefighter Robert Maddox, terminated effective 06/06/2019, participation date 11/09/2018 (2-413)
- Former Police Officer James Rodriguez, terminated effective 06/07/2019, participation date 01/25/2019 (2-413)
- Former Police Officer Brandon C. Crowe, terminated effective 07/03/2019, participation date December 2, 2016 (2-143)
- Former Firefighter Christina Briley, terminated effective 07/09/2019, participation date November 9, 2018 (2-143)

PAY DEATH BENEFITS:

- Alicia Rexine Williams, designated beneficiary of James Buddy Williams, Jr. (2-411)

Motion carried unanimously.

ADMINISTRATIVE BUSINESS

The Board reviewed the bills paid since the last meeting.

Fund Administrator Katrina Abbott provided the Board with an update on the status of the complaint for accounting the Fund has filed against Wells Fargo. The Hamilton County Chancery Court has granted, in part, and denied in part, the Fund's motion for default and or compel. The Fund's request for a default judgement was denied for the time being. Wells Fargo will have sixty (60) days to answer, in part, the Motion for Interrogatories previously filed by the Fund and Wells Fargo will have to provide documentation, in part, in response to the Request for Production filed by the Fund. However, a protective order has been implemented by the court in regards to "highly confidential" documents that may be received by Wells Fargo in response to the Request for Production.

The Board recessed for an executive legal session related to upcoming investment decisions at 1006 hours and reconvened at 1130 hours.

INVESTMENT REPORT

Barry Bryant of Dahab Associates presented the 2Q-2019 preliminary performance summary, with final 2Q-2019 numbers scheduled to be updated during the September 5, 2019 meeting once all managers have submitted information. As of June 30, 2019, the Fund returned 3.1% for the quarter, and 12.4% for the year to date on a preliminary basis. Barry Bryant also discussed potential future allocations to new fund offerings by the Fund's current private equity managers in order to maintain its allocation to private equity as current investments wind down.

Jeff Ball of Energy & Minerals Group and Mike D'Agostino and Kristin Baran of Glouton Private Equity appeared before the Board to make presentations regarding new fund offerings for the Board to consider in maintaining its allocation to private equity. The Board has asked Dahab Consultants for additional information before making any decisions. Dahab has agreed to provide additional information regarding both private equity managers at the September 5, 2019 meeting.

AGENDA NOTES

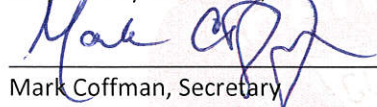
- Barry Bryant and Steve Roth will be appearing before the Board on September 5, 2019 for 2Q Performance Summary

- Received City Court Fees for April 2019 (\$13,123.85); May and June 2019 (\$7,089.92)
- Received CARTA Fees for March 2019 (\$6,025.00); April 2019 (\$5,750.00); May 2019 (\$8,395.00)
- City of Chattanooga Employer Contributions received for May 23, 2019 (\$746,860.09)
- City of Chattanooga Employee Contributions received for May 23, 2019 (\$172,946.01)
- City of Chattanooga Employer Contributions received for June 6, 2019 (\$770,003.63)
- City of Chattanooga Employee Contributions received for June 6, 2019 (\$172,446.37)
- City of Chattanooga Employer Contributions received for June 20, 2019 (\$754,556.94)
- City of Chattanooga Employee Contributions received for June 20, 2019 (\$172,025.55)
- City of Chattanooga Employer Contributions received for July 3, 2019 (\$754,392.03)
- City of Chattanooga Employee Contributions received for July 3, 2019 (\$172,189.36)
- Following Membership Changes during 2019 YTD: 20 Police and 11 Fire Terminated; 7 Police Retired; 1 Fire Retired; 2 Fire Disabilities; 6 Retirees passed away; 8 beneficiaries passed away; 6 new beneficiaries added to rolls; 28 New Police Officers.
- There are 15 outstanding refunds owed longer than 90 days totaling \$133,639.95

ADJOURNMENT

With no other business, motion by Joe Shaw and seconded by Mark Coffman to adjourn at 1248 hours. Motion carried unanimously.

Respectfully Submitted,



 Mark Coffman, Secretary

Date Approved: 8-15-19



 Charlie Thomason, President

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

