

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

May 7, 2020

At the regularly scheduled meeting of the Chattanooga Fire and Police Pension Fund Board of Trustees held on the 7th day of May 2020, President Joe Shaw presided. The meeting was held via teleconference and the number was posted to the Fund's Facebook page for the public to join.

The meeting convened at 0906 hours with board members Joe Shaw, Britt Bradshaw, Nathan Vaughn, Kelly Simmons, Charlie Thomason, Phillip McClain and Chris Hopkins. Attorney Bill Robinson was also present.

APPROVAL OF MINUTES

Motion by Britt Bradshaw and seconded by Phillip McClain to approve the minutes of the April 2, 2020 meeting. Motion carried unanimously.

APPEARING BEFORE THE BOARD

Jeffrey Williams of Segal Company appeared before the Board to present the Experience Study for 2015 through 2019. Segal recommended multiple changes in economic, demographic, and financial assumptions due to the results of the Experience Study.

Barry Bryant and Steve Roth of Dahab Associates appeared before the Board to present the 1Q-2020 performance report. Please refer to the Investment Report section for additional details.

LEGAL UPDATE

Attorney Bill Robinson updated the Board on the status of the request for a private letter ruling from the IRS regarding the tax exemption of survivor's benefits in regard to job-related deaths and disabilities. A draft of the request has been provided to Katrina Abbott for review and is nearing finalization. Katrina Abbott provided an update on the Wells Fargo suit for accounting. Katrina Abbott has reviewed the 165,000 pages provided by Wells Fargo in response to requests for productions. Attorneys for the Fund will be filing a Motion to Compel to request documentation that was not provided as part of the 165,000 pages provided by Wells Fargo, as well as for relief from the protective order and a response to the Motion for Summary Judgement filed by Wells Fargo.

MEMBERSHIP CHANGES

Motion by Kelly Simmons and seconded by Nathan Vaughn to approve the following membership items:

REMOVE FROM THE ROLLS:

- Retired Fire Lieutenant Coolidge J. Downer, effective 04/30/2020, passed away 04/18/2020 (2-411)

ADD TO THE ROLLS:

- Joyce P. Downer, surviving spouse of retired Fire Lieutenant Coolidge J. Downer, effective 05/01/2020 (2-411)
- Police Officer Shakir Ghazi, vesting with 10 years of service, terminated 04/12/2020, adjusted participation date of 02/28/2010. Deferred Vested benefit begins effective 01/01/2031 (2-415)

REFUND CONTRIBUTIONS:

- Former Firefighter Anthony Little, terminated 02/14/2020, participation date 11/09/2018 (2-4130) NOTE: Informed of termination on 04/27/2020
- Former Fire Engineer Hanniel Krohne, terminated 03/16/2020, participation date of 09/05/2014 (2-413)
- Former Police Officer Brian Cottell, terminated 03/23/2020, adjusted participation date of 09/01/2013 (2-413)
- Former Police Officer Afton Yates, terminated 03/24/2020, participation date of 09/18/2015 (2-413)

PAY DEATH BENEFITS:

- Joyce P. Downer, designated beneficiary of retired Fire Lieutenant Coolidge J. Downer (2-411)

Motion carried unanimously.

ADMINISTRATIVE BUSINESS

The Board reviewed the bills paid since the last meeting.

The Board discussed the recommendations by Segal regarding the Experience Study results. Motion by Charlie Thomason and seconded by Phillip McClain to approve all of Segal’s recommendations with a reduced discount rate of 7.0%. Motion carried unanimously.

The Board discussed the current operations of the Fund during the COVID-19 pandemic. After discussion, it was agreed that the Fund Office would be open with minimal staffing to allow members to conduct day to day business. The Fund Office will follow all recommended guidelines to ensure the safety of staff and members. However, Board meetings will continue to be conducted via teleconference to ensure social distancing requirements until further notice. Fund Staff are encouraged to continue to work remotely as much as possible.

The Board discussed the need to establish an Ad Hoc Committee to research potential funding options that may assist in raising the funded ratio of the pension plan. The Ad Hoc Committee will consist of Chris Hopkins as Committee Chair, Joe Shaw, Charlie Thomason, Katrina Abbott and Attorney Bill Robinson.

INVESTMENT REPORT

Barry Bryant and Steve Roth presented the 1Q 2020 performance report. As of March 31, 2019, the Fund has returned -13.7% for the quarter while outperforming the benchmark of -14.6. For the trailing twelve-month period, the Fund returned -5.1% while outperforming the benchmark of -6.4%. The Fund ranked in the 62nd percentile for the quarter and 54th percentile for the trailing twelve-month period in the Public Fund Universe.

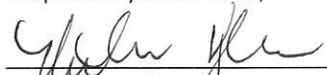
AGENDA NOTES

- Disability hearing for Fire Captain Jerry Copeny has been scheduled for May 21, 2020 at 10:00 a.m.
- Disability hearing for Senior Firefighter Rufus Hicks has been scheduled for May 21, 2020 at 10:30 a.m.
- City of Chattanooga Employer Contributions received for Apr. 9, 2020 (\$798,865.06) and Apr. 23, 2020 (\$784,113.07)
- City of Chattanooga Employee Contributions received for Apr. 9, 2020 (\$178,817.94) and Apr. 23, 2020 (\$176,228.73)
- CARTA Parking Fees for March 2020 received (\$5,870.00)

ADJOURNMENT

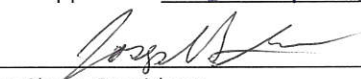
With no other business, motion by Phillip McClain and seconded by Kelly Simmons to adjourn at 1111 hours. Motion carried unanimously.

Respectfully Submitted,



 Nathan Vaughn, Secretary

Date Approved: 5-21-2020



 Joe Shaw, President

<u>Visitors not Appearing Before the Board</u> Ron Boyd
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