

# Chattanooga Fire & Police Pension Fund

**Serving Those That  
Serve Our Community**

**June  
2019**



## Letter from the Fund Administrator

Hello Everyone,

I hope this newsletter finds everyone doing well!

As a reminder, please take the time to review the enclosed 1Q State of the Pension Summary. This summary provides the most recent information available regarding investment performance, funding information, and participant information.

During the first quarter ending March 31, 2019, the Fund returned a strong 9.0% for the quarter. The first quarter return ranked the Fund in the 31<sup>st</sup> percentile of the Public Fund Universe, meaning that the Fund outperformed 69% of other public funds for the quarter. While the Fund had a great quarter, please keep in mind that the investment approach of the Fund is long term and we will see ups and downs in the market. Since March of 2009, the Fund has returned 9.7% annualized, exceeding the actuarially required rate of return of 7.25%.

You may also notice that our funding status has decreased as a result of the loss incurred in December 2018. The funding ratio is a snapshot of how well the Fund is funded on a particular date (December 31, 2018) and its history is a measure of funding progress. This measurement indicates the degree to which the Fund's assets can pay its benefit obligations now and in the future. The funding status is evaluated on an annual basis. The Fund is working towards 100% funding over a 30 year time period. Remember, not everyone is going to retire on the same day, meaning that the Fund won't pay out all benefit obligations at once.

The accounting lawsuit against the Fund's former trustee, Wells Fargo Bank, is ongoing. The Fund's attorneys are seeking to force Wells Fargo to provide information and documentation to the Fund for review after Wells Fargo has refused to voluntarily supply the requested information and documentation. There was a motion filed with the Chancery Court about this issue recently. A copy of the motion and supporting documents, which are publicly available from the Clerk and Master's Office, are available to our members upon request.

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). I encourage you to attend and become involved in your future! Also check out our Facebook page at [www.facebook.com/cfppf](https://www.facebook.com/cfppf) to stay up to date with the latest news.

Sincerely,

Katrina Abbott  
Fund Administrator

# STATE OF THE PENSION SUMMARY

As of 03/31/2019

This notice includes summary information about the Chattanooga Fire and Police Pension Fund regarding investments, funding and participant information.

## Investment Returns as of 03/31/2019

<b>Plan Assets 12/31/2018:</b>	<b>\$206,823,201</b>			
<b>Plan Assets 03/31/2019:</b>	<b>\$222,201,927</b>			
	<b>Q1 2019</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year(Annualized)</b>
<b>CFPPF Portfolio - Before Fees</b>	<b>9.0%</b>	<b>9.0%</b>	<b>3.3%</b>	<b>8.0%</b>
<b>Equity - Before Fees</b>	<b>12.3%</b>	<b>12.3%</b>	<b>1.9%</b>	<b>9.3%</b>
MSCI World Index	12.3%	12.3%	3.2%	11.3%
<b>Real Assets - Before Fees</b>	<b>0.6%</b>	<b>0.6%</b>	<b>6.5%</b>	<b>12.0%</b>
Real Asset Index	2.6%	2.6%	1.6%	4.6%
<b>Fixed Income - Before Fees</b>	<b>3.9%</b>	<b>3.9%</b>	<b>5.4%</b>	<b>5.1%</b>
Bloomberg Agg Index	2.9%	2.9%	4.5%	2.1%
<b>CFPPF Portfolio - After Fees</b>	<b>9.0%</b>	<b>9.0%</b>	<b>2.9%</b>	<b>7.4%</b>
Benchmark Index	8.9%	8.9%	3.3%	6.9%

Index returns presented are broad benchmarks considered representative of each asset class in which the performance of the asset class can be measured against.

## 1/1/2019 Actuarial Valuation Data

<b>Funding Information</b>		<b>Participant Information</b>	
Estimated Actuarial Unfunded Liabilities	\$210,490,711	Active Participants	862
Market Value Funded Ratio	46.51%	Retired Participants and Beneficiaries	791
Required City Contribution	\$19,604,058	Terminated Vested Participants	18
Required City Contribution as % Payroll	46.95%	Total Monthly Pension Benefits for 2018	\$27,708,911
Required Employee Contribution as % Payroll	11%	Total Lump Sum Payments for 2018	\$1,394,110

This summary notice is also available  
online at [www.cfppf.org](http://www.cfppf.org).

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

**Lee Ora Correll**, surviving spouse of retired Firefighter **Orville Ray Correll, Jr.**, passed away on March 22, 2019.

Retired Firefighter **Herman A. "Butch" Williams, Jr.** passed away on April 4, 2019. He is survived by his wife **Mary Williams**.

Retired Police Lieutenant **Charles B. Russell** passed away on April 23, 2019. He is survived by his sons **Brian Russell** and **Matthew Russell**.

Retired Fire Engineer **James Charles "J.C." Fisher** passed away on April 25, 2019. He is survived by his wife **K. Juanita Fisher** and children **Theresa Fisher, James C. Fisher, Jr.** and **Darlene (Jimmy) Rawn**.

**Bobbie Jo Atchley**, surviving spouse of retired Fire Commander **Earl E. Atchley, Sr.**, passed away on April 26, 2019. She is survived by her son, retired Fire Lieutenant **Earl E. Atchley, Jr.**

**Anna Sue Robinson Martin**, spouse of retired Police Sergeant **Robert "Bob" Martin**, passed away on April 27, 2019. She is also survived by her children **Susan Gilman, Mary Martin** and **Terry Martin**.

**Janice Darlena Murray**, surviving spouse of retired Fire Driver **Harold James Murray, Jr.**, passed away on June 2, 2019. She is survived by her children **Rebecca (Roger) Maynard, Harold James "Bo" Murray, III, Angel Murray** and **Tracy Lebron (Robin) Murray**.

Retired Fire Captain **James B. Williams** passed away on June 7, 2019. He is survived by his wife **Rexine Williams** and children **James B. Williams, Jr., Tina (Todd) Williams Holloway** and **Dale (Angie) Williams**.

## *Congratulations New Retirees*

Police Lieutenant **Jimmy P. DePrimo** retired on April 30, 2019 with 25 years of service.

Master Police Officer **Daniel A. Jackson** retired on May 27, 2019 with 26 years of service.

### **DO YOU NEED TO UPDATE INFORMATION?**

If you would like to have someone ask questions for you regarding your pension benefits, we will need you to fill out an Authorized Contact form. If you have a change in your marital status, you need to provide the Fund with a copy of your divorce decree or marriage certificate and complete a new Beneficiary form. If you have named a Power of Attorney, please provide us with a copy if you have not already done so. Contact the office if you have any questions. Thank you.

**Board Members:**

**Charlie Thomason** President

**Joe Shaw** Vice President

**Mark Coffman** Secretary

**Phillip McClain**

**Kelly Simmons**

**Nathan Vaughn**

**Chris Hopkins**

Fund Administrator:

**Katrina Abbott**

Deputy Administrator:

**Christina Culpepper**

Administrative Assistant:

**Doug Kelley**

Board Attorney:

**William E. Robinson**

## IMPORTANT REMINDER ON DIRECT DEPOSIT

It is the policy of U.S. BANK that funds for benefit payments are transferred two calendar days prior to the effective date of the deposit (industry standard) to ensure payments are received timely by the receiving banks. U.S. BANK does not have control on when the receiving bank deposits the payment. However, the payments are sent with an effective date of the 15th of the month (following business day if the 15th falls on a weekend or holiday). Please check with your financial institution regarding their policy on the release of funds from incoming deposits.

There are two additional months this year where the 15th falls on a weekend:

1. Sunday, September 15—Deposit will occur on **Monday, September 16.**
2. Sunday, December 15—Deposit will occur on **Monday, December 16.**

Thank you.

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



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