

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

September 5, 2019

At the regularly scheduled meeting of the Chattanooga Fire and Police Pension Fund Board of Trustees held on the 5th day of September 2019, 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, Kelly Simmons, Phillip McClain, Nathan Vaughn, and Chris Hopkins. Attorney Bill Robinson was also present. Joe Shaw was an excused absence. Britt Bradshaw took his seat after the confirmation of the election.

APPROVAL OF MINUTES

Motion by Nathan Vaughn and seconded by Kelly Simmons to approve the minutes of the August 15, 2019 meeting. Motion carried unanimously.

BOARD ELECTION, OFFICERS AND COMMITTEES

The tally of the votes for the Board election that was held on Tuesday, September 3, 2019 was as follows:

Fire Engineer Terrell Britt Bradshaw (unopposed) – 3 votes

Police Captain Nathan Vaughn (unopposed) – 2 votes

Motion by Kelly Simmons and seconded by Chris Hopkins to confirm the election. Motion carried unanimously.

Motion by Kelly Simmons and seconded by Phillip McClain to nominate Charlie Thomason as Board President. No other nominations were made. Motion by Phillip McClain and seconded by Chris Hopkins to close nominations. Motion carried unanimously. Nomination carried unanimously.

Motion by Phillip McClain and seconded by Kelly Simmons to nominate Nathan Vaughn as Board Secretary. No other nominations were made. Motion by Chris Hopkins and seconded by Phillip McClain to close nominations. Motion carried unanimously. Nomination carried unanimously.

Motion by Phillip McClain and seconded by Kelly Simmons to nominate Joe Shaw as Board Vice-President. No other nominations were made. Motion by Phillip McClain and seconded by Nathan Vaughn to close nominations. Motion carried unanimously. Nomination carried unanimously.

The previously established committees as of September 4, 2018 are as follows:

- Real Estate Holdings Board is Charlie Thomason, Joe Shaw, Chris Hopkins and Doug Kelley
- Personnel Committee is Charlie Thomason, Kelly Simmons, Nathan Vaughn, and Chris Hopkins
- Policy Committee is Bill Robinson, Mark Coffman, Phillip McClain, Katrina Abbott and Christina Culpepper

Motion by Kelly Simmons and seconded by Nathan Vaughn to keep the previously established committees with the exception of replacing Mark Coffman on the Policy Committee with Joe Shaw. Motion carried unanimously.

The Board recessed at 0919 hours to open the meeting of the Real Estate Holdings Board. The Board reconvened at 0921 hours.

APPEARING BEFORE THE BOARD

Barry Bryant and Steve Roth of Dahab Associates appeared before the Board. The Board also participated in a conference call with Alexandra Holzer and John Raymond of Energy & Minerals Group. Please refer to the Investment Report for additional information.

LEGAL UPDATE

Fund Administrator Katrina Abbott updated the Board on the status of the Motion for Default and/or Compel and the accompanying Protective Order. Katrina Abbott also informed the Board the Fund had received a request for Interrogatories, Requests for Production of Documents, and Requests for Admission from Wells Fargo Bank, N.A.

MEMBERSHIP CHANGES

Motion by Kelly Simmons and seconded by Britt Bradshaw to approve the following membership items:

REMOVE FROM THE ROLLS:

- Retired Fire Captain Harl Leon Smith, Jr., effective 08/31/2019, passed away 08/18/2019 (2-411)
- Retired Fire Captain Stanley Nelson Jenkins, effective 08/31/2019, passed away 08/29/2019 (2-411)
- Retired Deputy Fire Chief Cecil E. Houts, effective 09/30/2019, passed away 09/02/2019 (2-411)
- Retired Fire Lieutenant William Carlyle Brown, effective 09/30/2019, passed away 09/04/2019 (2-411)

ADD TO THE ROLLS:

- Frankie F. Smith, surviving spouse of Retired Fire Captain Harl Leon Smith, Jr., effective 09/01/2019 (2-411)
- Patricia Anne Jenkins, surviving spouse of Retired Fire Captain Stanley Nelson Jenkins, effective 09/01/2019 (2-411)

REFUND CONTRIBUTIONS:

- Former Fire Lieutenant Chad Rogers, terminated effective 08/21/2019, adjusted participation date 01/01/2006 (2-413)-elected not to remain vested

PAY DEATH BENEFITS:

- Frankie F. Smith, designated beneficiary of Harl Leon Smith, Jr. (2-411)
- Patricia Anne Jenkins, designated beneficiary of Stanley Nelson Jenkins (2-411)

Motion carried unanimously.

ADMINISTRATIVE BUSINESS

The Board reviewed the bills paid since the last meeting.

Fund Administrator Katrina Abbott explained the Fund must provide a GASB 68 disclosure to the City of Chattanooga to use in their financial reports regarding the liabilities associated with the Fund. The report was created by the Fund's actuary and provided to the City of Chattanooga as required.

Fund Administrator Katrina Abbott updated the Board on the status of the receipt of Wage and Income Transcripts from disability pensioners. Katrina Abbott noted that it had received all but 6 of the required transcripts, with 4 of those requesting documentation from the IRS within a timely manner and are still awaiting such documentation. Katrina Abbott noted that 2 of the members with outstanding transcripts have not cooperated with the Fund. Motion by Phillip McClain and seconded by Chris Hopkins to grant a 30-day extension for the four members who have been in touch with the Fund and are awaiting documentation from the IRS, as well as to suspend the monthly pension benefits for Bobby Joe Petty, Sr. and Benjamin Todd Richards for non-compliance until such time the transcripts are provided. Motion carried unanimously.

The Board scheduled a Policy Committee immediately following the next regularly scheduled Board meeting on September 19, 2019.

INVESTMENT REPORT

Barry Bryant and Steve Roth of Dahab Associates appeared before the Board to present the 2Q-2019 performance update. As of June 30, 2019, the Fund has returned 3.3% for the quarter, which ranked in the 47th percentile of the Public Fund Universe. The Fund returned 6.2% for the trailing twelve-month period, which ranked in the 56th percentile.

Dahab Associates also provided additional information regarding both the private equity managers the Fund interviewed during the July 18, 2019 Board meeting. The Board held a conference call with Alexandra Holzer and John Raymond of Energy Minerals Group to address additional questions the Board had after meeting with them in July. After further discussion, motion by Phillip McClain and seconded by Chris Hopkins to allocate \$3 million to the Glouston's Fund VI Offering to bring the Fund closer to its target allocation to private equity. Motion carried unanimously.

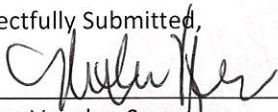
AGENDA NOTES

- Annual Investment Meeting is scheduled for October 17-19, 2019
- City of Chattanooga Employer Contributions received for August 15, 2019 (\$774,803.43); August 29, 2019 (\$783,161.11)
- City of Chattanooga Employee Contributions received for August 15, 2019 (\$171,373.84); August 29, 2019 (\$171,127.78)
- Received City Court Fees for July 2019 (\$5978.64)
- Received Unclaimed Property Funds (\$2,673.43)

ADJOURNMENT

With no other business, motion by Phillip McClain and seconded by Britt Bradshaw to adjourn at 1129 hours. Motion carried unanimously.

Respectfully Submitted,



Nathan Vaughn, Secretary

Date Approved: 9-19-19



Charlie Thomason, President

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