

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

June 18, 2020

At the regularly scheduled meeting of the Chattanooga Fire and Police Pension Fund Board of Trustees held on the 18<sup>th</sup> day of June 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 0904 hours with board members Joe Shaw, Britt Bradshaw, Nathan Vaughn, Phillip McClain, Kelly Simmons and Chris Hopkins. Attorney Bill Robinson was also present.

**APPROVAL OF MINUTES**

Motion by Kelly Simmons and seconded by Britt Bradshaw to approve the minutes of the June 04, 2020 meeting. Motion carried unanimously.

**APPEARING BEFORE THE BOARD**

Police Sergeant Joshua Austin, current President of the International Brotherhood of Police Officers, appeared before the Board to discuss the effect of the FY2021 City of Chattanooga pay freeze on members nearing retirement within the next three to four years. Sergeant Austin requested the Fund consider any ways the affected members could make the necessary contributions on expected rates of pay so as not to decrease their expected retirement benefits. Sergeant Austin was referred to the City of Chattanooga as the Fund is restricted by legislation.

**LEGAL UPDATE**

Fund Administrator Katrina Abbott updated the Board on the status of the Motion for Summary Judgement and Pro Hoc Vice that was heard on June 9, 2020. Motion for Summary Judgement by Wells Fargo Bank, N.A. was denied. Motion for Pro Hac Vice by Edward Siedle was denied as well. Further motions filed by the Fund will be heard on June 23, 2020.

**MEMBERSHIP CHANGES**

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

REFUND CONTRIBUTIONS:

- Former Firefighter Ross S. Mason, terminated 06/04/2020, participation date of 04/14/2017 (2-413)
- Former Police Officer Dennis Harrison, terminated 06/15/2020, participation date 12/12/2014 (2-413)

APPROVED DISABILITIES:

- Fire Captain Jerry A. Copeny, approved for a Job-Related Disability effective 06/01/2020, reduced for 75% J&S Pop-Up Option F (Khaliyah Copeny) (2-410, 2-418)
- Firefighter Senior Rufus Hicks, approved for a Job-Related Disability effective 06/01/2020, reduced for 50% J&S Option D (Heidi Lue) (2-410, 2-418)

Motion carried unanimously.

**ADMINISTRATIVE BUSINESS**

The Board reviewed the bills paid since the last meeting.

Fund Administrator Katrina Abbott updated the Board on the response the Fund received from the IRS regarding the private letter ruling for beneficiaries of job-related disabilities or job-related deaths. The IRS requested the higher user fee of \$30,000 for the application process, which is \$27,200 in additional fees than originally hoped for. Katrina Abbott noted that an undetermined number of beneficiaries would currently be affected, however, in just six beneficiaries that would be affected, it would save those six alone nearly \$20,000 annually in federal taxes being withheld. This savings would be much higher once an accurate

number of beneficiaries is gathered, in addition to all future beneficiaries that would be affected. The tax savings benefits for affected participants far outweighs the one-time expense for the Fund. Motion by Kelly Simmons and seconded by Nathan Vaughn to pay the additional user fee of \$27,200 to move forward with the private letter ruling. Motion carried unanimously.

Fund Administrator Katrina Abbott also noted a potential conflict that was discovered with a Wage & Income Transcript received for the 2018 tax year. The Fund recently received the requested documentation and will review the potential conflict during a legal session.

The Board completed its annual review of the Investment Policy Statement. Motion by Chris Hopkins and seconded by Kelly Simmons to accept the revisions of the Investment Policy Statement. Motion carried unanimously. The Board discussed different options for its annual investment meeting in light of the current pandemic. The Board will hold its annual investment meeting in the Fund Office October 8-9, 2020. Managers will be teleconferenced in to meet with the Board.

Fund Administrator Katrina Abbott also noted the Fund had received former Fire Lieutenant Charlie Thomason’s resignation from the Board as a result of his termination from the Fire Department on June 11, 2020. The Board discussed seeking potential candidates to fill his vacancy for the remainder of his term.

**AGENDA NOTES**

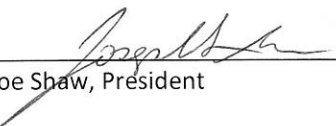
- City of Chattanooga Employer Contributions received for June 4, 2020 (\$804,415.55)
- City of Chattanooga Employee Contributions received for June 4, 2020 (\$175,432.59)
- CARTA Parking Fees received for May 2020 (\$2,015.00)
- City Court Fees received for May 2020 (\$3,577.82)

**ADJOURNMENT**

With no other business, motion by Phillip McClain and seconded by Britt Bradshaw to adjourn at 0955 hours. Motion carried unanimously.

Respectfully Submitted,  
  
\_\_\_\_\_  
Nathan Vaughn, Secretary

Date Approved: 07-02-2020

  
\_\_\_\_\_  
Joe Shaw, President

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