

MEETING OF THE TRUSTEES
CITY OF CHATTANOOGA GENERAL PENSION PLAN

February 16, 2023

This regularly scheduled meeting of the City of Chattanooga General Pension Plan Board of Trustees was held on February 16, 2023 at 8:30 a.m. in the J. B. Collins Conference Room, City Council Building. Trustees present were Aon Miller, Carl Levi, Jeffrey Wilson and Ryan Ewalt (Mayor's designee). Others in attendance at the meeting were Scott Arnwine, CBIZ IAS, Inc.; Jed Cooper, First Horizon Bank; Valerie Malueg, Office of the City Attorney; Molly Taylor and Cheryl Powell, City Human Resources Department; and Alan Sylar, driver for Carl Levi.

Definitions in the document: GPP is General Pension Plan, OPEB is Other Post-Employment Benefits

The meeting was called to order by Vice Chair Aon Miller.
A quorum was present at the beginning of the meeting.

Approval of Minutes

Aon Miller made a motion to approve the minutes from the November 17, 2022 meeting. Carl Levi seconded the motion. The minutes were approved.

Administrative Actions

Cheryl Powell presented the Administrative Actions for the current period. The retirement transactions numbered 24 transactions, with \$474 thousand in DROP payments. One of the new retirements is a vested ex-employee. One employee death resulted in a ten year certain annuity for the beneficiary as noted on the report. The employee termination refund activity was relatively normal for the quarter. Two employees qualified to receive LTD benefits. The LTD premium for the November, December and January months are shown in this report. Additionally:

- For the GPP, GoldenTree Distressed Fund III made no distributions during the quarter ending 12/31/2022 and the fund has distributed a combined total of \$356,000.00 during the current quarter to date with \$218,000 recallable.
- The GPP also received the final distribution from FCA Venture Partners III for \$33,465 during the current quarter.
- OPEB received a distribution from GoldenTree Distressed Co-investment Fund in the current quarter to date of \$244,000 with \$110,000 recallable.
- A capital call of \$60,000 for StepStone VC Opportunities VII was issued for OPEB during the quarter ending 12/31/2022. The report shows the re-allocation transactions made in OPEB that were previously approved.

Cheryl also provided a recent history of the benefit payments made from the GPP over the past seven years to demonstrate how benefit payments have increased. This report showed certain cash flows for the fund from reports generated by First Horizon. Aon Miller suggested that the report should be formatted differently to look at a bottom line number. Cheryl will work with Jed to find a suitable report already produced by First Horizon.

Cheryl also presented a document summarizing statistics for the number of retired or vested participants in the plan, type of annuity elected, number of retirements during 2022, number of deaths during 2022, and payees by age bracket.

There was some discussion about the potential retirement numbers during 2023, given the current economic environment.

Carl Levi made a motion to approve administrative actions. Jeffrey Wilson seconded the motion. The administrative actions were approved.

Proposed Amendment to the General Pension Plan for part time

There was discussion about the definitions for part time in the pension rules and the need for part time employees in the City.

Valerie Malueg explained the process the board follows to make a recommendation to the City Council. The board and the City Attorney office is involved in making the recommendation to City Council.

Valerie presented the document that contains two proposed changes. The first is the proposed change for part-time employee eligibility to be 1,500 hours per year, raised from 1,000. The second proposed change comes from the City Attorney office to clean up the language in the City Code to state that the Mayor or his/her designee shall have the right to vote on all matters to be consistent with the bylaws. The current City Code refers only to the Mayor having the right to vote on all matters.

Discussion of the amendment centered on the impact on employees and if only certain groups are affected. One question is whether part-time employment is being used to avoid providing benefits. Medical benefits are available to full time employees who have 30 or more hours per week (1,560 hours per year). It also may prevent a part-time employee from being able to hold a second part-time job. An additional consideration is the impact of complying with the Family Medical Leave Act where the eligibility is one year of service and 1,250 hours. Ryan Ewalt explained that jobs are not being offered today because it is too expensive to hire adequate workers when part-time workers have hours limited to 20 hours or less, the current threshold for pension participation. The Board requested information about the current part-time employee population and certain demographics to include gender, age and ethnicity. The Board will wait until the next meeting to vote on the matter.

This item will be on the agenda for the next meeting.

Reminder/Review of the Pension Funding Policy

There have been no changes to the funding policy statute at the state level. The Board is reminded that there is a document provided in the folder at each meeting and they can access a copy of the policy at <https://www.chattanooga.gov/general-pension-plan/funding-and-actuarial-reports>.

Investment Performance Review 4Q 2022 – CBIZ Investment Advisory Services

Scott Arnwine provided an overview of plan results for the quarter. He started first with a review of 2022. It was a brutal year for investors. Both the S&P 500 and the US Aggregate Bond Index ended the year negatively. The S&P 500 was down 18%, its worst year since 2008. The US Aggregate Bond Index was down 13%, its worst year ever. Contributors were the war in Ukraine, 40-year high inflation and the application of monetary policy to control inflation. The NASDAQ, comprised mostly of tech stocks, experienced volatile daily trading on over one third of the trading days in 2022 where the daily results were either up or down by 2% or more.

The GPP fund ended the quarter up 4.3% for the quarter and down 14.1% for the year. The fund started the year at \$389.2 million and ended the year at \$325.0 million. There are no policy violations relative to investment targets. For the quarter, among the equity managers Kerusso performed above the benchmark for the quarter and had positive results for the year. In Real Estate, the total results were down 3.2% for the quarter while up 6% for the year.

A look ahead at January results indicates some improvement with the fund increasing to \$338.2 million. There are no recommended changes to the portfolio allocations at this time. Markets have already 'baked in' the Fed policies that have been disclosed and if there is a change, it could create volatility.

For Real Estate, the expectations for future results are unknown since there is no daily trading. The board's decision to include a smaller manager with different types of properties has paid off. Intercontinental is not allowing withdrawals in large portions; instead, there are limits imposed to control liquidity.

One other change to report is that with the death of Carter Patten, Ray Ryan is leading Patten and Patten, Inc.

For the OPEB Trust, which is more heavily weighted to equities, the fund at the end of 4Q is up 4.8% and down 16.0% for the year. The fund is \$112.5 million as of the end of 2022. Looking ahead to January results, the fund improved to \$117.1 million.

There is one action item for OPEB that involves the private debt investment that was with Medley and taken over by TCW. Reports for the second and third quarters have been completed. Due to a delay in completion of the audit and financial reporting in March for 2022, TCW is requesting a 90 day extension for completion of the audit. Scott recommends signing the document to agree to the extension.

Aon Miller made the motion to agree to the requested extension for completion of the audit. Carl Levi seconded the motion. The motion carried.

Election of Officers

Current officers are Daisy Madison, Chair; Aon Miller, Vice Chair; Katie Reinsmidt, Secretary. This item was postponed to the next meeting.

Report from First Horizon – Jed Cooper

Jed Cooper reported that TD Bank announced a new date of May 27 for completion of the merger of First Horizon Bank with Toronto-Dominion (TD) Bank. TD Bank has been completing other mergers and that has contributed to the delay of completing this merger.

Report from Counsel

Nothing to report.

There was no other business to discuss.

Aon Miller made a motion to adjourn. Jeffrey Wilson seconded the motion.

The meeting was adjourned.

**CITY OF CHATTANOOGA GENERAL PENSION PLAN
ADMINISTRATIVE ACTIONS**

Meeting of Trustees
February 16, 2023

PART I - PARTICIPANT SUMMARY

SUMMARY OF PENSION PLAN APPLICATIONS

Name	Department	Type	Option	Monthly Amount	Effective Date	DROP	Notes
Lanford, William	Public Works	Rule of 80	B	\$1,506.08	12/1/2022		
Morris, Melanie	Human Services	normal	no	\$370.16	12/1/2022		vested
Reynolds, Tammy	Human Services	imm early	no	\$498.68	12/1/2022		
Ridge, David R (Randy)	Public Works	Rule of 80	no	\$2,055.34	12/1/2022		
Ballard, Donna L	Library	normal	no	\$2,199.87	1/1/2023	\$87,076.84	
Brown, Karen	Library	normal	no	\$2,067.02	1/1/2023	\$67,182.53	
Farned, Volney	General Government	normal	no	\$4,301.43	1/1/2023		
Fryar, Christopher	Finance - Courts	Rule of 80	B	\$1,467.15	1/1/2023		
Green, Madeline	Human Resources	normal	C	\$2,259.00	1/1/2023		
Hudgens, James	Public Works	Rule of 80	no	\$2,246.97	1/1/2023	\$27,112.03	
Martin, Johnny	Public Works	normal	A	\$1,139.83	1/1/2023		
Neal, Cedric	Public Works	normal	no	\$1,528.61	1/1/2023		
Penn, Irving	Public Works	Rule of 80	no	\$2,054.65	1/1/2023		
Tiller, Donald	General Government	Rule of 80	no	\$2,771.65	1/1/2023	\$108,480.04	
Tucker, Ronald	Public Works	Rule of 80	A	\$2,556.56	1/1/2023	\$31,493.63	
Venice, Christine	Public Works	normal	no	\$1,540.52	1/1/2023		
Autry, Richard S	Public Works	normal	B	\$701.17	2/1/2023		
Cole, Jonathan	Library	Rule of 80	no	\$1,950.90	2/1/2023	\$49,861.57	
Ford, Shannon	Public Works	Rule of 80	no	\$2,138.74	2/1/2023	\$85,544.80	
Glenn, Clifton	County 911	normal	A	\$1,281.92	2/1/2023		
Norwood-Culver, Karen A	Human Services	normal	no	\$1,060.99	2/1/2023		
Trimble, Stephon	Transportation	normal	no	\$1,375.88	2/1/2023	\$17,132.83	
Autry, Carmen S	Parks and Outdoors	normal	B	\$647.40	3/1/2023		
Johnson, Patricia D	Police services	normal	B	\$1,108.52	3/1/2023		
Count	24			\$40,829.04		\$473,884.27	

DEATH BENEFITS - DECEASED ACTIVE OR VESTED EMPLOYEES

Name	Employee	Type	Option	Date of Death	Amount or Monthly Amount	Effective Date	Notes
Angela Sharp	Ahmad Willis	imm early	10 year	10/1/2022	\$734.86	11/1/2022	

BENEFIT REVISIONS/CONVERSIONS - PENDING BOARD REVIEW/APPROVAL

NAME	TYPE	Option	Previous amount approved	Revised amount	Effective date
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SELECTION OF OPTIONAL BENEFIT REPORT - VESTED OR ATTAINED AGE 62 OR GREATER

NAME	OPTION	Effective Date
Jason Henderson	C	2/14/2023

DISABILITY BENEFIT REPORT

NAME	TYPE	Employee Number	Insurance Benefit Amount	Effective Date	Notes
Jerry Hatter	not job related	60550		9/25/2022	
William Baugh	not job related	88620		11/25/2022	

LUMP SUM DISTRIBUTIONS (FOR RATIFICATION - CHECKS PROCESSED)

Return of contributions		34	\$67,802.81		
NAME	Department	Employee Number	Termination Date	Refund Amount	Notes
Owsley, Ronnie E	Public Works	75447	5/23/2022	\$4,292.46	vested
Watson, Ron C	Public Works	79695	7/31/2022	\$3,973.43	vested
Arner, Justin D	CD	79397	8/29/2022	\$558.91	automatic
Greenstein, Ashley S	Parks and Outdoors	100465	9/16/2022	\$480.83	automatic
Howell, Conner	Public Works	87648	9/29/2022	\$1,120.29	automatic
Brand, Charlotte Y	Community Developpr	87754	10/4/2022	\$1,099.25	automatic
Vargas, Ricardo L	Public Works	81827	10/4/2022	\$2,699.36	automatic
Azcona, Emma R	Human Services	101012	10/5/2022	\$43.84	automatic
Matravers, Eric	RPA	83057	10/6/2022	\$3,592.24	automatic
Padgett, Jason R	Library	100810	10/6/2022	\$201.55	automatic
Hale, Byron L	Public Works	100614	10/7/2022	\$218.38	automatic
Phillips, Curtis W	Public Works	101081	10/7/2022	\$69.72	automatic
Wilkerson, Kaitlunn S	ECE administration	100580	10/7/2022	\$409.40	automatic
Wright, Kathryn D	Parks and Outdoors	82758	10/7/2022	\$4,309.19	
Goines, Michelle R	Early Learning	83438	10/13/2022	\$1,819.00	
Brellinthin, Joseph T	Public Works	88779	10/19/2022	\$815.66	automatic
Lindsey, LaTasha N	Early Learning	61849	10/21/2022	\$3,231.06	
Reviere, Anthony E	Public Works	85083	10/21/2022	\$2,244.08	automatic
Harkins, Rebecca C	CD	82134	10/26/2022	\$3,147.95	
Keffer, Sarina	CD	87937	10/27/2022	\$213.59	automatic
Lawson, Kevin J	Public Works	100773	10/28/2022	\$305.89	automatic
Hutka, Thomas J	Public Works	100104	10/31/2022	\$2,384.77	
Thompson, Lisa N	CD	84344	11/1/2022	\$3,428.94	
Rodgers, Janiya	Early Learning	62894	11/10/2022	\$7,127.86	vested
Delaney, Maurice	Public Works	77968	11/17/2022	\$3,560.61	vested
Goldberg, Phillip Brent	Finance	71424	12/1/2022	\$5,243.98	
Jefferson, Vanita Paige	Human Resources	100837	10/31/2022	\$214.75	automatic
Pointer, Antonio	Public Works	87995	11/2/2022	\$1,307.70	automatic
O'Donnell, Emily A	City Attorney Office	87708	11/4/2022	\$4,915.08	automatic
Grainger, Jasmine	Early Learning	88253	11/4/2022	\$395.19	automatic
Diliberto, Tabitha A	Police Services	85042	11/10/2022	\$2,035.96	automatic
Billingsley, Connie E	Early Learning	100961	11/11/2022	\$83.84	automatic
Wilson, Christopher J	Library	83118	11/15/2022	\$2,210.25	automatic
Clack, Reginald A	Police Services	101432	12/1/2022	\$47.80	automatic
Stevens, Leona	Library	85907	8/4/2022	\$1,261.63	deceased/paid bf

RETURN OF DECEASED RETIREE BASIS

Name	RETIREE NAME	Date of Death	Refund Amount	Notes
Rebecca Lynn Wilson-Jones	Pamela Cooke	11/2/2022	\$2,255.23	
Bradley Lundquist	DeeAnn Burnette-Lun	11/15/2022	\$785.34	
Terrance Swint	Mozelle Davis	6/16/2022	\$837.21	
Jennifer Rose	Edward Keith	1/14/2023	\$2,053.26	

PART II -- ACCOUNT SUMMARY

ACCOUNTS PAYABLE

COMPANY	AMOUNT PAID	Qtr Ending	PURPOSE
Current quarter	56,474.45	12/31/2022	
Fiscal Year to date	122,564.06		FY2023
<i>Budget</i>	375,410.00		FY2023
Same quarter last year	59,017.97	12/31/2021	
Prior Fiscal Year Actual	306,182.31		FY2022
Cavanaugh Macdonald	-	12/31/2022	GPP valuation
Cavanaugh Macdonald	-	12/31/2022	GPP GASB 67 & 68
Cavanaugh Macdonald	-		Experience Study
Cavanaugh Macdonald	-	12/31/2022	Consulting service
Records Management	-	12/31/2022	Minutes, supplies
Chattanooga Times Free Press	43.10	12/31/2022	Meeting ad
CBIZ IAS	25,000.00	12/31/2022	Investment consulting services
First Horizon Bank	31,431.35	12/31/2022	Administrative expense
City of Chattanooga services	-	12/31/2022	Administrative expense annual
COMPANY TOTAL	56,474.45		

Investment Managers -- Fees Paid

COMPANY	AMOUNT PAID	Qtr Ending	PURPOSE
Current quarter	99,754.57	12/31/2022	
Fiscal Year to date	182,856.69		FY2023
Same quarter last year	12,135.37	12/31/2021	
Prior Fiscal Year	374,739.60		FY2022
Kennedy Capital Mgmt (prorated)	32,332.00	12/31/2022	Investment management fees
Patten & Patten	17,819.09	12/31/2022	Investment management fees
Kerusso Capital Management	12,266.76	12/31/2022	Investment management fees
Wedge Capital	37,336.72	12/31/2022	Investment management fees
MANAGER TOTAL	99,754.57		

ACCOUNTS RECEIVABLE

COMPANY	AMOUNT RECEIVED	FYTD	EFF DATE	REASON
Fiscal Year to date		\$319,047.00	FY2021	
Fiscal Year to date		2,946,264.40	FY2022	
Fiscal Year to date		796,591.35	FY2023	
	Qtr Ending		3/31/2023	
DTC Diversified Partners III	\$0.00			distribution
TerraCap Partners III	\$0.00			distribution
TerraCap V	\$0.00			distribution
GoldenTree Distressed Fund 2014	\$0.00			distribution
GoldenTree Distressed Fund III	\$356,000.00			distribution (\$218,000 recallable)
GoldenTree Distressed Debt IV	\$0.00			distribution (recallable)
Medley Opportunity Fund III	\$0.00			distribution
Greenspring Global Partners IV	\$0.00			distribution
Greenspring Opportunity Fund III	\$0.00			distribution
FCA Venture Partners III	\$33,465.00			distribution - Final
COMPANY TOTAL	389,465.00			

REPORT OF MISCELLANEOUS ACCOUNT TRANSACTIONS

COMPANY	AMOUNT	FYTD	EFF DATE	REASON
Fiscal Year to date		-	FY2023	capital call
Fiscal Year to date		0.00	FY2023	all other transactions
GoldenTree Distressed Debt IV	0		12/31/2022	capital call
MISCELLANEOUS TOTAL	0.00	0.00		

REPORT OF ACCOUNT(S) PAID

COMPANY	AMOUNT PAID		MONTH	PURPOSE
	THIS PERIOD	FYTD		
Prior Fiscal Year		82,173.97		FY2022
<i>Budget</i>		135,000.00		FY2022
Fiscal Year to date		55,761.14		FY2023
Symetra	8,025.82		11/30/2022	Long Term Disability (50%)
Symetra	7,782.58		12/31/2022	Long Term Disability (50%)
Symetra	7,793.60		1/31/2023	Long Term Disability (50%)
TOTAL	23,602.00	55,761.14		

**CITY OF CHATTANOOGA OPEB TRUST
 ADMINISTRATIVE ACTIONS**

PART II -- ACCOUNT SUMMARY

ACCOUNTS PAYABLE

COMPANY	AMOUNT PAID	Qtr Ending	PURPOSE
Current quarter	12,917.49	12/31/2022	
Fiscal Year to date	33,223.88		FY2023
<i>Budget</i>	60,930.00		FY2023
Same quarter last year	20,567.45	9/30/2021	
Prior Fiscal Year Actual	73,773.24		FY2022
Cavanaugh Macdonald	-	12/31/2022	OPEB valuation
Cavanaugh Macdonald	-	12/31/2022	OPEB GASB 74/75
CBIZ IAS	5,000.00	12/31/2022	Investment consulting services
First Horizon Bank	7,917.49	12/31/2022	Administrative Expense
COMPANY TOTAL	12,917.49		

Investment Managers -- Fees Paid

COMPANY	AMOUNT PAID	Qtr Ending	PURPOSE
Fiscal Year prior			FY2019
Fiscal Year to Date			FY2020

MANAGER TOTAL

ACCOUNTS RECEIVABLE

COMPANY	AMOUNT RECEIVED	EFF DATE	REASON
Prior quarter total			
GoldenTree /Distressed Co-Investment Fund	\$244,000.00	3/31/2023	distribution (recallable)
Greenspring Opportunities Fund VII	\$0.00	3/31/2023	distribution

COMPANY TOTAL

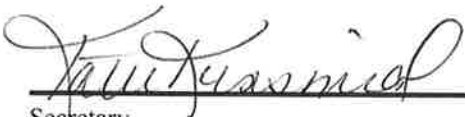
REPORT OF MISCELLANEOUS ACCOUNT TRANSACTIONS

COMPANY	AMOUNT	EFF DATE	REASON
Fiscal year to date	(60,000.00)	FY2023	capital calls
Fiscal year to date		FY2023	all other transactions
Cash	-3,000,000	11/17/2022	approved transaction
buy vanguard Short Term Treasury Index	3,000,000	11/17/2022	approved transaction
GoldenTree Distressed Co-Investment Fund III	0	12/31/2022	capital call
StepStone VC Opportunities VII	-60,000	12/31/2022	capital call
MISCELLANEOUS TOTAL	-60,000.00		

APPROVED:



Chairman



Secretary