

MEETING OF THE TRUSTEES

CITY OF CHATTANOOGA GENERAL PENSION PLAN

August 21, 2025

This regularly scheduled meeting of the City of Chattanooga General Pension Plan Board of Trustees was held on August 21, 2025 at 8:30 a.m. in the J. B. Collins Conference Room, City Council Building. Trustees present were Daisy Madison, Aon Miller, Jeffrey Wilson, and Collin Thul. Others in attendance at the meeting were Patrick Donlan, Foster and Foster, Inc.; Robert Longfield and Scott Arnwine, CBIZ IAS, Inc.; Matt Dale and Weston Porter, City Finance Office; Valeriw Malueg and Zachary Reese, Office of the City Attorney; Dessalyn Sammons, Starla Benjamin, and Cheryl Powell, City Human Resources Department; and Joseph Marek, City employee.

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

The meeting was called to order by Chair Daisy Madison.
A quorum was present at the beginning of the meeting.

Approval of Minutes

Jeffrey Wilson made a motion to approve the minutes from the May 15, 2025 regular meeting. Aon Miller seconded the motion. The minutes were approved.

Collin Thul made a motion to approve the minutes from the June 9, 2025 special called meeting. Jeffrey Wilson seconded the motion. The minutes were approved.

Administrative Actions

Cheryl Powell presented the Administrative Actions for the quarter. Retirement activity was heavier than usual on this report. Five retirees exercised the option to receive a DROP payment amounting to \$339,407. One retiree retired with a divorce payment payable to the ex-spouse according a QDRO. Termination activity was normal with relatively low benefits on average. Three payments were made to vested deferred participants terminating their participation in the GPP. One refund was paid to the surviving spouse of a deceased employee who was not yet vested.

The board approved transfers to reallocate funds according to the approvals for Phase 1 of the reallocation plan. These transactions for both GPP and OPEB were completed in June.

Jeffrey Wilson made a motion to approve administrative actions. Aon Miller seconded the motion. The administrative actions were approved.

Progress on research of the firefighter issue:

This would normally be a report from counsel. Cheryl agreed to present the information due to the actuarial nature of the evaluation for the seven firefighters identified in the February meeting. A copy of the report and notes was provided to the Trustees prior to the meeting and will be made a part of the minutes of this meeting.

The report included several notes about GPP provisions pertinent to the discussion. These notes include references to the Private Acts that created the GPP, plan provisions that pertain to former employees and the rehire of former employees, and the funding of both the GPP and the Fire and Police pension plans.

CavMac, the retained actuary for the GPP, provided an actuarial report showing the increase in liability to the GPP for four scenarios including seven identified members of the Fire and Police plan. Liability for future pension benefits for the seven identified employees range from \$1.24 million, for recognition from date of hire and requiring a transfer of assets from the Fire and Police pension plan, to \$157,000, for recognition from the transfer date only. It

should be noted that the additional cost to the GPP and to the City for implementing any one of these scenarios is not included in the liability analysis.

There was discussion among the board regarding disability provisions and reasonable accommodations as it pertains to participation in future plans and the provisions in the GPP that disallows a rehired former employee who is receiving their pension benefit from reentering the GPP as a contributor. The rehired former employee may participate in deferred compensation plans offered by the City. The final question raised pertains to involvement of state law in any amendment to either GPP or the Fire and Police Pension Plan. Valerie is going to research the Private Acts and whether state law would have to be amended.

Pension Board Purchasing Policy:

Cheryl also provided a brief update on the Pension Board Purchasing policy. In the May meeting, a summary of the Pension Board RFP/RFQ process options was provided. The Board received a copy of this document prior to the meeting. It will be included as an agenda item for discussion at the next regular meeting.

Public Comment

Joseph Marek was given the opportunity to make comments pertaining to firefighters being added to the General Pension Plan. He was disabled and does receive a disability benefit and transferred into a civilian job at the City.

Actuarial Audit Report - Patrick Donlan, Foster and Foster, Inc.

Patrick Donlan presented the actuarial audit report, walking the trustees through the report and providing explanatory comments where needed. Data was provided by the City and by CavMac to perform the audit. Market data was validated by First Horizon. And the application of the smoothing technique was reviewed. Foster and Foster performed a parallel valuation on this data.

For the duplicate valuation results summarized in the report, he stated that the numbers were very close. The methods used to produce the valuation are the same; however, there are differences in the software. The differences were within the standard of reasonableness. The current methodology and reporting used by CavMac is in compliance with Tennessee's funding law.

- One recommendation, which could be incorporated in the next valuation cycle, is to shorten the amortization period from 25 to 20 years, or perhaps as low as 15 years, for new incremental amortization costs. Patrick addressed the Trustee's question regarding varying lengths of amortization. He indicated that amortization periods can be different, and changes can be made on a future incremental unfunded liability amortization without adjusting prior amortization periods.
- Currently experience assumptions are reviewed every five years and this could be on a more frequent basis given the experience and market conditions.
- The 6.75% asset return assumption is conservative and lower than the average assumption.

Statement of Investment Objectives – Board review and update as needed

The current version of the document was not included in the documents provided to the trustees prior to the meeting. This item will be addressed in the next meeting in November. Cheryl will send a copy of the document to the trustees immediately after this meeting.

Investment Performance Review 2Q2025 – CBIZ Investment Advisory Services

Robert Longfield provided some brief preliminary comments about the current market and political conditions. Markets have performed well since the May meeting through July. Inflation is the most concerning at this time while unemployment and interest rates are not expected to move dramatically in the near term. One adjustment to interest rates is anticipated this year and it is unlikely that a second adjustment will be made in 2025.

Scott Arnwine provided a review of plan results for the quarter. The GPP fund ended the quarter at \$388.5 million, up 6.0% for the quarter and 5.2% for the year to date. For the second quarter, the events of 'liberation day' produced rapid swings in the market over a very short time period, and then the volatility eased during the rest of the quarter. The result is that all asset categories reported positive results at the end of the quarter. Not every manager had the same level of positive result due to the investment philosophy. The major contributors to the positive results were the technology, communication services and consumer discretion sectors. Scott pointed out the difference between the results for Patten and Patten (3.8%), a growth manager which tends to be underweight in those three sectors vs Wedge results (11.1%), a quantitative value manager that tends to buy names at a good price. Likewise, he pointed out the differences in results between the two hedge fund managers. Pointer (8.5%), a local manager which is a fund-of-funds focusing on long/short equity hedge funds as opposed to Ironwood (2.7%) that is a multi-strategy fund of funds seeking low-volatility and uncorrelated returns.

Phase 1 of the reallocation has been completed. Phase 2 of the process related to finding managers. CBIZ is currently performing the research and conducting manager searches in order to provide recommendations for any new managers to form the allocations for Phase 2 in private credit, private equity and private real estate..

Robert and Scott provided recommendations to redeem funds from Pointer and Ironwood in the GPP for the purpose of increasing cash for the initial capital calls for new managers. The cash from the redemptions will be needed beginning in January. These redemptions take time to complete, so the request needs to be made for a future target date of redemption. From the GPP fund, the redemption amount would be \$5M from Ironwood and \$2.5 M from Pointer and retained in cash. There are no recommended changes for OPEB.

Jeffrey Wilson made the motion to redeem \$5 million from Ironwood International Ltd and \$2.5 million from Pointer Offshore Ltd in the GPP funds, to be deposited in cash in preparation for future capital calls when new managers are hired. Aon Miller seconded the motion. The motion carried.

Report from First Horizon

Jed Cooper provided a report on two recent items to inform the trustees.

- Annual valuation – In the process of providing market and cash transaction data to CavMac for the OPEB valuation, it became apparent in the report that some data was missing. The Kerusso sub-account that was opened in June 2024 was not linked to the consolidated account, which is the source of data for CavMac. This constitutes approximately \$20 million in value that was not included in the May report. CavMac received the updated data after the May valuation report and made the necessary updates to balance and expense data for the final report. The additional work created an expense charged to the OPEB fund; however, First Horizon provided the City with a credit on the transaction costs so that First Horizon bore the cost of correcting the error.
- Misdirected email – A data incident was recognized this summer that emails from Kennedy Capital Management intended solely for the GPP was directed to a person not associated with the GPP account from 11/2024 – 6/2025. While this could be a serious situation, fortunately in this instance, no account numbers were included in the emails and no exchange of data was involved. At the next meeting Jed Cooper will provide the Trustees with information about the safeguards First Horizon has in place to secure data.

Report from Counsel

There was no report from Counsel.

There was no other business to discuss.

Aon Miller made a motion to adjourn the meeting. Collin Thul seconded.

Daisy adjourned the meeting.

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

**Meeting of Trustees
August 21, 2025**

PART I - PARTICIPANT SUMMARY

SUMMARY OF PENSION PLAN APPLICATIONS

Name	Department	Type	Option	Monthly Amount	Effective Date	DROP	Notes
Holder, Brenda	Early Learning	normal	D	\$1,344.01	6/1/2025	\$44,938.91	
Kowalski, Edward L	Fire Chief Office	normal	no	\$719.61	6/1/2025		
Bidwell, Jerry	Airport	Rule of 80	B	\$1,982.93	7/1/2025		
Bryant, Pamela H	Police services	imm early	O	\$798.38	7/1/2025		
Cannon, Karen M	Public Works	normal	O	\$1,012.40	7/1/2025		
Cook, Thomas A	Tech services	Rule of 80	B	\$2,613.73	7/1/2025	\$38,194.33	
LeCompte, Edward L	Public Works	normal	B	\$1,919.22	7/1/2025	\$134,792.98	
Sammons, Anthony O	Equity and Comm Engi	normal	C	\$3,918.31	7/1/2025		
Shell, Cindy M	Tech services	normal	A	\$638.41	7/1/2025		
Williams, James W	Parks and Outdoors	normal	B	\$1,664.13	7/1/2025		
Hilt, Shirley D	General Government	normal	O	\$462.44	8/1/2025		
Johnson, Van M	Police services	normal	O	\$3,815.20	8/1/2025	\$50,938.59	
McColley, Elizabeth A	Police services	normal	O	\$1,074.01	8/1/2025		
McIntyre, Carol	Early Learning	Rule of 80	A	\$1,660.84	8/1/2025	\$70,542.76	
Owens, John N	Public Works	normal	O	\$923.68	8/1/2025		QDRO QDRO - AP of John Owens
Owens, Sherree	na	normal	O	\$767.50	8/1/2025		
Sewell, Diane B	Police services	normal	A	\$1,821.74	8/1/2025		
Douglas, Donald	Wastewater		B	\$905.45	9/1/2025		
Tate, Dennis							
Davis, Eddie G							

20

\$28,041.99

\$339,407.57

DEATH BENEFITS - DECEASED ACTIVE OR VESTED EMPLOYEES

Name	Employee	Type	Option	Date of Death	Amount or Monthly Amount	Effective Date	Notes
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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

Pre-Retirement option election

NAME	OPTION	Effective Date
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DISABILITY BENEFIT REPORT

NAME	TYPE	Employee Number	Insurance Benefit Amount	Effective Date	Notes
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LUMP SUM DISTRIBUTIONS (FOR RATIFICATION - CHECKS PROCESSED)

Return of contributions 40 \$75,383.78

NAME	Department	Employee Number	Termination Date	Refund Amount	Notes
Menifee, Dayontae L	Public Works	103638	1/27/2025	\$448.43	
Boyd, Jonathan L	Public Works	102259	1/30/2025	\$1,068.42	
Carriger, Elizabeth C	Parks and Outdoors	70673	1/31/2025	\$1,539.36	
Maynard, Kirsten A	Parks and Outdoors	101959	2/3/2025	\$1,545.32	
Brooks, Brandon X	Public Works	102604	2/6/2025	\$1,020.93	
Easterly, Blake N	Public Works	88640	2/7/2025	\$4,376.61	
Besley, Montrell L	Mayor Office	63006	2/7/2025	\$2,403.29	
Sartori, James M	Transportation	101735	2/12/2025	\$1,669.39	
Finley, Christy A	Early Learning	102554	2/14/2025	\$1,154.43	
Sheets, Jared L	Public Works	104510	2/14/2025	\$335.32	
Ghere, Daniel R	Wastewater	104268	2/21/2025	\$739.77	
Ollie, DeLawrence Eugene	Parks and Outdoors	104753	2/24/2025	\$134.03	
Burrows, Megan L	Early Learning	101492	2/25/2025	\$145.22	
Fazlic, Aamna N	IDP Administration	83827	2/26/2025	\$4,499.26	
Stanley, Keith X	Public Works	104580	2/27/2025	\$164.73	
Davis, Seth N	Mayor office	100815	2/28/2025	\$4,587.62	
Vinnett, Paris, D	Mayor Office	104085	4/21/2025	\$1,139.61	
Porter, Demetrous A	Wastewater	75711	1/31/2024	\$8,800.34	vested
Leigh, Christa M	Early Learning	80098	1/16/2025	\$4,606.53	vested
Cravens, Cherie L	Human Resources	104710	4/3/2025	\$289.85	
Johnson, Christopher M	Public Works	103567	4/14/2025	\$997.00	paid to Stacey Johnson
Hood, Felice A	Early Learning	65575	4/25/2025	\$3,902.82	vested
McCray, Stephanie E	Wastewater	103054	5/8/2025	\$978.30	
Charneco Harrington, Julian	Public Works	104267	3/3/2025	\$403.02	
Mosier, Jeremy T	Wastewater	87468	3/8/2025	\$3,996.56	
Sanchez, Joseph Caleb	Human Resources	73514	3/10/2025	\$2,046.94	
Sanford, William T	RPA	88313	3/11/2025	\$4,036.55	
Roberts, Halee E	Finance - Treasurer O	104724	3/14/2025	\$188.03	
Eberhardt, Travis L	Public Works	101617	3/20/2025	\$1,241.35	
Hicks, Samuel J	Parks and Outdoors	104228	3/26/2025	\$474.31	
Bales, Austin S	Public Works	104460	4/1/2025	\$337.62	
Browne, Elena	Airport	na	4/7/2025	\$558.03	
Sutterfield, Chastity D	Mayor Office	100096	4/8/2025	\$4,123.68	
Clampet, Kimberly S	Early Learning	104214	4/17/2025	\$660.34	
Wilkey, Elizabeth K	Early Learning	81849	4/17/2025	\$1,532.11	
Vinnett, Paris, D	Mayor Office	104085	4/21/2025	\$1,139.61	
Howard, Bryan	Tech services	101036	4/25/2025	\$2,509.85	
Cramer, Travis	Airport	na	6/20/2025	\$2,016.78	
Yealy, Jennifer L	Tech services	102710	6/30/2025	\$2,107.48	
Plunkett, Thomas	Airport	na	5/12/2025	\$1,464.94	

RETURN OF DECEASED RETIREE BASIS

Name	RETIREE NAME	Date of Death	Refund Amount	Notes
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PART II -- ACCOUNT SUMMARY

ACCOUNTS PAID

COMPANY	AMOUNT PAID	Qtr Ending	PURPOSE
Current quarter	191,821.17	6/30/2025	
Fiscal Year to date	390,120.52		FY2025
<i>Budget</i>	392,186.00		<i>FY2025</i>
Same quarter last year	120,989.17	6/30/2024	
Prior Fiscal Year Actual	336,583.01		FY2024
Cavanaugh Macdonald	13,642.00	6/30/2025	GPP valuation
Cavanaugh Macdonald	-	6/30/2025	GPP GASB 67 & 68
Cavanaugh Macdonald	-	6/30/2025	Experience Study
Cavanaugh Macdonald	1,160.00	6/30/2025	Consulting service
Records Management	-	6/30/2025	Minutes, supplies
Chattanooga Times Free Press	110.60	6/30/2025	Meeting ad
CBIZ IAS	25,000.00	6/30/2025	Investment consulting services
First Horizon Bank	40,448.57	6/30/2025	Administrative expense
City of Chattanooga services	66,460.00	6/30/2025	Administrative expense annual
COMPANY TOTAL	146,821.17		

Investment Managers -- Fees Paid

COMPANY	AMOUNT PAID	Qtr Ending	PURPOSE
Current quarter	131,431.96	6/30/2025	
Fiscal Year to date	518,689.29		FY2025
Same quarter last year	122,742.09	6/30/2024	
Total Prior Fiscal Year	463,876.29		FY2024
Kennedy Capital Mgmt	42,111.00	6/30/2025	Investment management fees
Patten & Patten	23,779.25	6/30/2025	Investment management fees
Kerusso Capital Management	13,591.51	6/30/2025	Investment management fees
Wedge Capital	51,950.20	6/30/2025	Investment management fees
MANAGER TOTAL	131,431.96		

ACCOUNTS RECEIVED

COMPANY	AMOUNT RECEIVED	FYTD	EFF DATE	REASON
Fiscal Year to date		1,238,591.35	FY2023	
Fiscal Year to date		509,757.56	FY2024	
Fiscal Year to date		615,002.00	FY2025	
	Qtr Ending	6/30/2025		
DTC Diversified Partners III	\$0.00			distribution check 9/10/2024
TerraCap Partners III	\$0.00			distribution
TerraCap V	\$0.00			distribution
GoldenTree Distressed Fund 2014	\$0.00			distribution
GoldenTree Distressed Fund III	\$0.00			distribution
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	\$0.00			distribution - Final

COMPANY TOTAL

REPORT OF MISCELLANEOUS ACCOUNT TRANSACTIONS

COMPANY	AMOUNT	FYTD	EFF DATE	REASON
Fiscal Year to date		240,000.00	FY2025	capital call
Fiscal Year to date		0.00	FY2025	all other transactions
Sell Patten and Patten	-5,000.00		6/9/2025	asset reallocation
Sell Wedge Capital	-15,000.00		6/9/2025	asset reallocation
Sell Diamond Hill	-5,000.00		6/9/2025	asset reallocation
liquidate Invesco Oppenheimer RE	-3,000.00		6/9/2025	asset reallocation
Buy Kerusso Capital	6,000.00		6/9/2025	asset reallocation
Buy Vanguard All World ex US index	7,000.00		6/9/2025	asset reallocation
Buy Johnson Institutional Core Fixed	15,000.00		6/9/2025	asset reallocation
GoldenTree Distressed Fund III				
GoldenTree Distressed Debt IV	240,000		5/5/2025	capital call
MISCELLANEOUS TOTAL	240,000.00	240,000.00		

REPORT OF ACCOUNT(S) PAID

COMPANY	AMOUNT PAID		MONTH	PURPOSE
	THIS PERIOD	FYTD		
Total Prior Fiscal Year		104,752.34		FY2024
<i>Budget</i>		107,500.00		FY2025
Fiscal Year to date		103,158.23		FY2025
Symetra				Long Term Disability (50%)
Symetra				Long Term Disability (50%)
Symetra	11,682.28		3/1/2025	Long Term Disability (50%)
Symetra	12,317.76		4/1/2025	Long Term Disability (50%)
TOTAL	24,000.04	103,158.23		

**CITY OF CHATTANOOGA OPEB TRUST
ADMINISTRATIVE ACTIONS**

PART II – ACCOUNT SUMMARY

ACCOUNTS PAID

COMPANY	AMOUNT PAID	Qtr Ending	PURPOSE
Current quarter	26,633.95	6/30/2025	
Fiscal Year to date	82,492.28		FY2025
<i>Budget</i>	78,190.00		FY2025
Same quarter last year	24,335.70	6/30/2024	
Total Prior Fiscal Year Actual	75,929.05		FY2024
Cavanaugh Macdonald	11,444.00	6/30/2025	OPEB valuation
Cavanaugh Macdonald	2,142.00	6/30/2025	OPEB GASB 74/75
CBIZ IAS	5,000.00	6/30/2025	Investment consulting services
First Horizon Bank	8,047.95	6/30/2025	Administrative Expense
COMPANY TOTAL	26,633.95		

Investment Managers – Fees Paid

COMPANY	AMOUNT PAID	Qtr Ending	PURPOSE
Fiscal Year prior			
Fiscal Year to Date	102,889.96	6/30/2025	
Kerusso	25,889.60	6/30/2025	
MANAGER TOTAL	25,889.60		

ACCOUNTS RECEIVED

COMPANY	AMOUNT RECEIVED	EFF DATE	REASON
Prior quarter total			
GoldenTree /Distressed Co-Investment Fund	\$0.00	6/30/2025	distribution
Greenspring Opportunities Fund VII	\$0.00	6/30/2025	distribution
COMPANY TOTAL			

REPORT OF MISCELLANEOUS ACCOUNT TRANSACTIONS

COMPANY	AMOUNT	EFF DATE	REASON
Fiscal year to date	390,349.00	FY2025	capital calls
Fiscal year to date		FY2025	all other transactions
Sell Fidelity Large Cap Growth index	-5,000,000	6/9/2025	asset reallocation
liquidate Invesco Oppenheimer RE	-1,700,000	6/9/2025	asset reallocation
Buy Fidelity Small Cap index	1,700,000	6/9/2025	asset reallocation
Buy Johnson Institutional Core Fixed	5,000,000	6/9/2025	asset reallocation
GoldenTree Distressed Co-Investment Fund III			capital call
StepStone VC Opportunities VII			capital call
MISCELLANEOUS TOTAL	0.00	390,349.00	

APPROVED:



Chairman



Secretary