

# City of Gulfport Firefighters' Retirement Pension Fund

## Minutes: Meeting of January 26, 2012

### 1. CALL TO ORDER

Chairman Mike O'Toole called a meeting of the Board of Trustees for the Firefighters' Retirement Pension Fund to order at 5:31 PM.

### 2. ROLL CALL

Mr. Baur took a roll call of the Trustees present. The Board had a quorum for the quarterly meeting. Those persons present included:

#### TRUSTEES

Mike O'Toole, Chair  
Don Howard  
Brian Campbell

#### OTHERS

Scott Baur, Pension Resource Center  
JC Louissaint, Resource Center  
Scott Christiansen, Christiansen & Dehner  
Jack Evatt, Bogdahn Group  
Patrick Donlan, Foster & Foster  
Lynn Skinner, Salem Trust

#### TRUSTEES ABSENT

Christine Brown  
Michael Hayes

### 3. APPROVAL MINUTES

The Trustees reviewed the minutes for the meeting of October 27, 2011.

**Don Howard made a motion to approve the minutes for the meeting of October 27, 2011. Mike O'Toole seconded the motion. Motion carried 3-0.**

### 4. ACTUARY REPORT (Patrick Donlan, Foster & Foster)

Mr. Donlan reviewed the impact statement for COLA benefits.

\* March 1 Supplement

\* Alex Falconeri Police Benefit

### 5. INVESTMENT CONSULTANT (Jack Evatt, The Bogdahn Group)

Mr. Evatt discussed the investment environment during the last quarter of 2011. He reviewed the total portfolio performance, along with the performance of the individual managers and components. The fourth quarter of 2011 showed substantial improvement over the third quarter.

Mr. Evatt called the Board's attention to the results of a performance survey that Bogdahn did at the bottom of page 11 in the investment report. On a scale of 1 to 10, Bogdahn scored at an average of 8.5 and they are pleased with that result.

Mike O'Toole asked if the State or plan had any guidelines on index or ETF type of investments. Mr. Evatt indicated he will confirm there are no restrictions

# City of Gulfport Firefighters' Retirement Pension Fund

Meeting of January 26, 2012

Page 2 of 4

Mr. Evatt discussed international strategies managed by Dana Investment Advisors. He explained that ADR's provide the manager with more limited options to invest in foreign issues, although at lower portfolio management costs. Mr. Evatt recommended taking the ADR money from Dana and replacing with Thornberry. Mr. Evatt discussed moving money to the index fund from Dana if the Board does not yet have a replacement for Dana. Michael does not like ADR.

**Motion made by Don Howard to direct Mr. Evatt to liquidate the ADR's and invest in Vanguard International. Brian Campbell seconded the motion. Motion carried 3-0.**

\* Liquidate - move money to R & D account; purchase security in R & D account and close ADR Account.

JC's notes say "Jack Evatt will draft the letter and forward to Scott & JC"

## **6. ACTUARIAL VALUATION (Patrick Donlan, Foster & Foster)**

October 1, 2009 – funding requirement for 2011. The multiplier will reduce, does not affect any current retired members. Mr. Donlan reported costs increased due to investment losses using four-year smoothed returns. Mr. Donlan indicated total contribution 25.5% up 28.9%. Since members contributed slightly more than 5%, the City must contribute 14.4% next year from 11.4% contributed this year. The Department had pay increases to 13.2%, although the higher than expected pay did not substantially impact the funding requirements. The investment returns governed the funding requirements. This plan is current 107% funded ratio.

**Motion made by Don Howard to accept the actuarial valuation as submitted. Brian Campbell seconded the motion. Motion carried 3-0.**

## **7. ADMINISTRATOR REPORT**

BENEFIT SUPPLEMENT - – Scott, you'll need to expand here?

PLAN SURVEY: Mr. Baur reported that Resource Center conducted an exhaustive plan survey and the detailed result, good and bad, is included in the meeting packet for the Board's review. Mr. Baur thanked the Board for taking their time to respond to the client survey. Overall, the response was positive and in cases where the result is not as positive, Mr. Baur notes that Resource Center takes the feedback very seriously. On a scale of 1 to 5, the overall result was about 4.8 out of 5 for the people that we work for. The area that appeared to be needing improvement was the area of communication and Mr. Baur again emphasized that Resource Center takes the Board feedback seriously.

SSAE-16 TYPE II AUDIT: MR. Baur reported that The Pension Resource Center just completed and updated what's known as SSAE-16 audit which used to be the SAS 70 audit. Most administrator companies do not employ such a rigorous audit, but we find it is a very helpful process to examine our internal processes and procedures. The external review and guidance can only result in a superior service to our clients. As soon as he has the final document Mr. Baur will forward it to the board.

# City of Gulfport Firefighters' Retirement Pension Fund

Meeting of January 26, 2012

Page 3 of 4

DMS Summary – Scott, you'll need to expand here?

## 8. ATTORNEY REPORT (Scott Christiansen, Christiansen & Dehner)

### EXPECTED RATE OF RETURN

Mr. Christiansen mentioned that the State requires the Board to determine an expected rate of return for the plan. Based on the advice of their investment consultant, the Board expects to get an 8% for the immediate as well as long term.

**Don Howard made a motion to keep the Fund's expected rate of return at 8%. Brian Campbell seconded the motion. Motion carried 3-0.**

JC's notes say "Scott or JC will prepare the letter to send to the State"

### ORDINANCE

Mr. Christiansen had no update on the status of the current ordinance.

\* a 'no impact' statement must go to the City Manager

### CITY APPOINTMENT TO BOARD

Michael O'Toole was reappointed by the City, but the Administrator had not received confirmation of the appointment from the City Clerk.

\* We should check on Mike's appointment with Lesley.

### LEGISLATION UPDATE

Mr. Christiansen reported on House Bill 365 and State Bill 901. He reviewed proposals to modify presumptions, though the legislature may not act on these items during this session. Task force recommendations to cover duty presumption. The task force made 25 separate recommendation, only two with unanimous support of the advisory committee.

### TAX DETERMINATION LETTER

Mr. Christiansen updated the Board on the application for tax determination letter. An addendum was executed for Foster.

### SUMMARY PLAN DESCRIPTION

Mr. Christiansen advised the Board that the Summary Plan Description has been distributed to all members.

## 9. CUSTODIAN REPORT (Lynn Skinner, Salem Trust)

Ms. Skinner and the Board discussed accounts held by Salem Trust.

**Don Howard made a motion to direct the Custodian to set the Goldman Sachs Financial Security Trust Fund as a sweep account for the R & D account. Brian Campbell seconded the motion, passed by the Trustees 3-0.**

# **City of Gulfport Firefighters' Retirement Pension Fund**

Meeting of January 26, 2012

Page 4 of 4

## **10. PLAN FINANCIALS**

The Trustees reviewed the disbursements for payment of invoices contained on the Warrant dated January 26, 2012

**Don Howard made a motion to approve the Warrant dated January 26, 2012 for payment of invoices. Brian Campbell seconded the motion, passed by the Trustees 3-0.**

The Trustees reviewed the Benefit Approvals.

**Don Howard made a motion to approve the Benefit Approvals as submitted. Brian Campbell seconded the motion, passed by the Trustees 3-0.**

.

## **11. OTHER BUSINESS**

Michael O'Toole attended the October 2011 FPPTA conference in Tampa, FL, along with the January 2012 Chrisitansen & Dehner mini-conference held in Belleair Bluffs, FL.

## **12. NEXT MEETING**

The Trustees previously scheduled their next quarterly meeting for April 26, 2012 at 5:30 PM.

## **13. ADJOURNMENT**

**There being no further business, a motion was made by Don Howard to adjourn. Motion seconded by Brian Campbell. Motion carried 3-0.**

The meeting was adjourned at 7:05 PM.

**\* We will send impact statements to Jim O'Reilly**

Respectfully submitted,

---

Christine Brown, Secretary