

City of Gulfport Firefighters' Retirement Pension Fund

Minutes: Meeting of April 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 5:32 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

Christine Brown
Mike O'Toole, Chair
Michael Hayes
Brian Campbell

OTHERS

Scott Baur, Pension Resource Center
JC Louissaint, Resource Center
Scott Christiansen, Christiansen & Dehner
Jack Evatt, Bogdahn Group
John Hamlin, Dana Investment Advisors

TRUSTEES ABSENT

Don Howard (?)

3. APPROVAL MINUTES

The Trustees deferred review of the minutes to the next meeting.

4. INVESTMENT REPORT (John Hamlin, Dana Investment Advisors)

Mr. Hamlin reviewed Dana Investment Advisors' performance for the first quarter of 2012. The portfolio had \$1,118,574.50 as of March 31, 2012. Assets returned 13.5% compared to 12.59% for the S&P 500 return for the quarter. For the fiscal year to date, Dana's return is at 26.8% compared to the S&P 500 FYTD return of 25.85%. He then reviewed the economic environment during the quarter, noting that companies maintained profitability despite slower than expected growth in the economy. He observed that with each recovery, employment takes longer to rebound than during the previous recovery. He also considered other factors such as inflation and fuel prices.

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

Mr. Evatt discussed markets and volatility during an election year. The portfolio finished the quarter at \$2,266,705; up from \$2,113,274 as of December 31, 2011. Vanguard is now funded and no rebalancing is necessary. The portfolio returned 8.82% compared to the benchmark at 8.15%. For the fiscal year to date the portfolio is showing a return of 15.63% compared to the benchmark at 15.77%. For the trailing 12 months, the plan finished at 7.35% return compared to 5.63% for the average return of comparative plans for the same time period. This puts the plan in the top 3% of similar plans in the US.

The fixed income portfolio finished in the top 1%, with 10.81% for the trailing 12 months due to timing of portfolio changes.

Mr. Evatt then reviewed compliance of the portfolio to the investment policy.

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5. CUSTODIAN REPORT (Lynn Skinner, Salem Trust)

Ms. Skinner explained the Collective Investment Trust (CIT) program, which will become available during the third quarter. The program is designed to pool investments to lower fees and increase opportunities for diversification. Fees for investment management are separate from custodial fees. Ms. Skinner reviewed the investment managers and mutual funds that will initially be available in the program.

The plan currently has a \$5,000 annual fee allowing three investment managers and 300 trades; on the new program, Salem would pay \$3500, with additional fees on the following schedule:

\$15	Lump sum payment
237 payments	\$801
\$15	Wire transfer
\$3	Payment or other check

Mr. Christensen noted that an ordinance change would be required in order for the plan to invest in the CIT program, since the current ordinance restricts the plan from investing in a commingled trust. Mr. Evatt explained the program would save modestly on certain fees, but perhaps offer additional opportunities for diversification. Trustees Mr. O'Toole and Mr. Hayes noted that they did not see a need for a change to the current set up. Mr. Evatt commented that Bogdan favors the approach, not as an all or nothing proposition, but as a means to get additional managers for portfolio diversification.

* Dana should be at 70bp not 75 bp

6. ATTORNEY REPORT (Scott Christiansen, Christiansen & Dehner)

ORDINANCE

Mr. Christiansen reported the ordinance passed.

An investment letter went to Don (?).

FINANCIAL DISCLOSURE

Mr. Christiansen advised the Trustees to file their annual disclosure form with the State. The forms are due July 1, 2011.

LEGISLATION UPDATE

Mr. Christiansen reported no pending legislation passed during the current session in Tallahassee.

TAX DETERMINATION LETTER

Mr. Christiansen updated the Board on the application for tax determination letter.

Mr. Christiansen proposed that the board meet at 5pm instead of 5:30 PM on July 26, 2012.

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Mike Hayes asked about private placements in real estate. He has an opportunistic manager looking to invest locally in distressed properties. Private placement vehicles would require an ordinance change. Mr. Evatt discussed that local real estate, by itself, does not offer sufficient geographic diversification. Private placements sometimes also offer limited opportunities of liquidity.

Christine Brown departed the meeting at 6:13 PM.

The Board discussed DC plans and differences between various plan types.

7. ADMINISTRATOR REPORT

The Board reviewed the Annual Report.

Brian Campbell made a motion to approve the Annual Report as submitted. Mike Hayes seconded the motion, passed by the Trustees 3-0.

8. PLAN FINANCIALS

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

Mike Hayes made a motion to approve the Warrant dated April 26, 2012 for payment of invoices. Brian Campbell seconded the motion, passed by the Trustees 3-0.

9. OTHER BUSINESS

10. NEXT MEETING

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

11. ADJOURNMENT

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

The meeting was adjourned at 6:27 PM.

Respectfully submitted,

Christine Brown, Secretary