

City of Gulfport Firefighters' Retirement Pension Fund

Minutes: Meeting of July 23, 2015

1. CALL TO ORDER

Michael O'Toole called a meeting of the Board of Trustees for the Firefighters' Retirement Pension Fund to order at 4:30 PM. Those persons present included:

TRUSTEES

Michael O'Toole, Chair
Michael Hays, Secretary
Brian Campbell
Guadalupe Gagnon
Don Howard

OTHERS

Scott Baur, Resource Centers
Scott Christiansen, Christiansen & Dehner
Jack Evatt, The Bogdahn Group
Mindy Johnson & Lynn Skinner, Salem Trust

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL MINUTES

The Trustees reviewed the Minutes for the meeting of April 23, 2015.

Brian Campbell made a motion to approve the Minutes for the meeting of April 23, 2015. Don Howard seconded the motion, approved by the Trustees 5-0.

4. REPORTS

Quarterly Investment Report (Jack Evatt, Bogdahn Consulting)

Jack Evatt reported that equities had a weak quarter as investors looked for safe havens in an uncertain market. The fixed income securities also had losses as market rates increased. Dodge and Cox, however, performed well for the quarter on a relative basis. With sharp declines in energy prices, inflation remains in check. Deflation, on the other hand, does not appear to be a problem at this time.

The portfolio finished the quarter ending June 30, 2015 with \$3,471,063 in assets. The assets had modest losses for the quarter with a net return of -0.67% compared to -0.46% for the benchmark. For the fiscal year to date, the portfolio gained 4.89% net of fees compared to a return of 3.84% for the benchmark.

Mindy Johnson and Lynn Skinner, Salem Trust

Lynn Skinner introduced Mindy Johnson, a new relationship manager at Salem Trust, to the Board. Ms. Skinner reported that Salem Trust already began work to issue the next annual SSAE-16 Audit. Ms. Skinner then reviewed the parties currently receiving custodial statements from Salem Trust, and she added online access for the Trustees. She also updated the signature authorizations on file for Salem Trust as well.

Attorney (Scott Christiansen, Christiansen & Dehner)

Scott Christiansen confirmed distribution of the updated Summary Plan Description to the members. He reminded the Trustees of the annual requirement to file the Form 1 financial disclosure. He stated that his office had the necessary updates prepared for compliance with the Internal Revenue Code. The Pension Fund will also need to establish a Share Plan for the active members by October 1. Scott Christiansen explained the Share Accounts to the Board, a defined contribution account for members within the defined benefit plan. His office will use a prototype Plan to implement the requirement mandated by the State. The Share Accounts will only get funded if the City and the bargaining unit cannot mutually agree on the use of the Chapter 175 premium tax receipts.

Mr. Christiansen reviewed a memo that addressed the Share Accounts along with other requirements to comply with new State mandates. He explained that the Board must adopt an administrative expense budget for the next fiscal year by September 30, then provide an administrative expense report after the fiscal year end.

The Board deferred consideration of the Operating Rules and Procedures to the next meeting since the Trustees did not have the document available for review.

Administrator Report (Scott Baur, Resource Centers)

Mr. Baur explained the construction of the proposed administrative expense budget for the fiscal year starting October 1, 2015. The expense categories follow the same general classifications for plan expenses reported by the auditors, and Mr. Baur based the amounts for the expense categories based on the 2014 Annual Report. The budget includes a buffer of 25% to each category, given the substantial variation to predict actual pension plan expenses year over year. Even with the budget requirement, the pension Board as fiduciaries must spend the amounts needed to operate the plan and no more. The budget also included an allocation to a Miscellaneous Expense category that the Board could reallocate during the year if necessary without having to amend and refile the expense budget. Mr. Christiansen stated that most Boards adopted similar buffers in the Administrative Expense Budget to allow for variations in plan expenses.

Brian Campbell made a motion to adopt the proposed 2015-16 administrative expense budget. Don Howard seconded the motion, approved by the Trustees 5-0.

Mr. Baur reviewed the renewal for the Fiduciary Liability Insurance Policy maintained by the Board. The renewal premium remained essentially unchanged from the prior year.

Don Howard made a motion to approve the renewal of the Fiduciary Liability Insurance Policy. Guadalupe Gagnon seconded the motion, passed by the Trustees 5-0.

5. PLAN FINANCIALS

The Board considered the Benefit Approvals, which consisted of a refund of contributions to Lawrence Huffman.

Guadalupe Gagnon made a motion to approve the benefits as presented. Mike Hayes seconded the motion, passed by the Trustees 5-0.

The Trustees considered the prior volunteer fire service credit time on file for some of the members.

The Trustees then reviewed the disbursements for payment of invoices contained on the Warrant July April 23, 2015.

Guadalupe Gagnon made a motion to approve the Warrant dated July 23, 2015 for payment of invoices. Mike Hays seconded the motion, approved by the Trustees 5-0.

6. OTHER BUSINESS

Michael O'Toole state his intent to resign as Chair due to his many other commitments. He plans to remain as Chair through the first quarterly meeting in January 2016, so the selection of a new Chair and Secretary must go first on the Agenda for the quarterly meeting scheduled for April 2016.

7. NEXT MEETING

The Trustees previously scheduled their next regular quarterly meeting for Thursday, October 22, 2015 at 4:30 PM.

8. ADJOURNMENT

There being no further business, Brian Campbell made a motion to adjourn the meeting at 5:37 PM, seconded by Guadalupe Gagnon, and passed by the Board 5-0.

Respectfully submitted,

Michael Hays, Secretary