

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

## **Minutes: Meeting of October 22, 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 4:40 PM. Those persons present included:

#### **TRUSTEES**

Michael O'Toole, Chair  
Brian Campbell  
Don Howard

#### **OTHERS**

Scott Baur & Audrey Ross, Resource Centers  
Scott Christiansen, Christiansen & Dehner  
Jack Evatt, The Bogdahn Group  
Lynn Skinner, Salem Trust  
John Hamlin, Dana Investment Advisors  
Patrick Donlan, Foster & Foster

### **2. PUBLIC COMMENT**

There were no public comments.

The Trustees discussed their terms and noted that Mr. O'Toole's term is set to expire at the end of this year so an election for his seat will be held soon.

### **3. APPROVAL MINUTES**

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

**Don Howard made a motion to approve the Minutes for the meeting of July 23, 2015. Brian Campbell seconded the motion, approved by the Trustees 3-0.**

### **4. REPORTS**

#### **Actuarial Valuation Report – 9/30/2015 (Patrick Donlan, Foster & Foster)**

Mr. Donlan reported that he had positive news for the Board. The total required contribution for the plan will drop from 29.2% of payroll for the year ending September 30, 2016 to 28.8% for 2017. The City portion of the contribution, meanwhile, drops from 16% of payroll to 15.6%. He noted that the decrease in contributions were mostly due to lower admin expenses this year. Mr. Donlan reviewed the Plan changes during the year and noted that the State monies slightly decreased and as a result the Board now needs to adjust the members COLA and multiplier for the year. Mr. Donlan reviewed the State changes and when they are effective. The Fire Plan just entered into a new Collective Bargaining Agreement effective October 1, 2015 so they will revert to the default structure under the State guidelines, but at this point the Fire pension Plan does not have any excess money to split. The Plan still remains very strong at 121.9% funded. Lastly Mr. Donlan reviewed the participant data and noted that there are 13 active employees and 30 retirees/vested deferred members.

**Brian Campbell made a motion to accept the annual Valuation dated October 1, 2015 as presented by the Plan's Actuary. Don Howard seconded the motion, approved by the Trustees 3-0.**

**Quarterly Investment Report (John Hamlin, Dana Investment Advisors)**

Mr. Hamlin reviewed the market environment during the quarter and noted that everything was down. For the quarter ending September 30, 2015 the fund was down -7.31% versus the index at -6.44%, but for the fiscal year to date they are slightly up at 0.23% versus -0.6%. He discussed the International market compare to the US and commented that both markets are still volatile but US is still outperforming International. Mr. Hamlin reviewed the market outlook and stated that he thinks things will remain as is through the end of the year and will have to see what happens next year as it is an election year.

**Quarterly Investment Report (Jack Evatt, Bogdahn Consulting)**

Mr. Evatt presented the Board with the September 30, 2015 quarterly performance report and reviewed the market environment during the quarter. Most sectors were negative and the equity markets posted their weakest return since the third quarter of 2011. Mr. Evatt stated that the Fed's slightly increased the rates recently but nothing significant and domestic is still lagging, but doing better than International. Mr. Evatt reviewed the Plan's return for the quarter and fiscal year ending September 30, 2015. The total fund net of fees for the quarter was down -5.73% versus the index at -4.66% and for the fiscal year the fund was also slightly down net of fees at -1.12% versus -1%. Although this fund has made back most of their value that they lost during the quarter within the first two weeks of the new quarter and their long term numbers are still strong. He reviewed the Plan's sector allocations and discussed how dropping gas prices affected the market. Mr. Evatt reviewed each manager's performance for the quarter and fiscal year and noted that Templeton is new to this fund but over the long term they have done very well, the same with the Dodge and Cox fund as well. Overall the fund is doing well despite the market environment.

**Attorney (Scott Christiansen, Christiansen & Dehner)**

Mr. Christiansen presented the Board with the 2016 meeting dates.

**Brian Campbell made a motion to approve the 2016 meeting dates as presented. Don Howard seconded the motion, approved by the Trustees 3-0.**

Mr. Christiansen explained that the Board needs to set their assumed rate of assumption for next year, the next several years, and the long term thereafter. Mr. Evatt recommended that the Board maintain the current assumption that the plan assets should earn a long term net investment return of 7.75% on plan assets for the next year, the next several years, and the long term thereafter.

**Brian Campbell made a motion, based on the advice of the Investment Consultant, that the Board expected the plan assets to return 7.75% net of investment expenses for the next year, the next several years, and for the long term thereafter. Don Howard seconded the motion, approved by the Trustees 3-0.**

Mr. Christiansen reminded Ms. Ross to send out all the fiscal year end letters and reports to all the appropriate parties, as we do every year after the Actuarial Valuation report is presented approved. Ms. Ross concurred.

Mr. Christiansen presented the Board with the updated Operating Rules and Procedures. He reviewed the changes.

**Brian Campbell made a motion to approve the Operating Rules and Procedures as presented. Don Howard seconded the motion, approved by the Trustees 3-0.**

**Administrator Report (Scott Baur & Audrey Ross, Resource Centers)**

Mr. Baur introduced Ms. Ross to the Board and stated that she will be working with him on the Gulfport Plans. She has worked with the Resource Centers since 2007.

Ms. Ross stated that Ms. Skinner from Salem Trust is here today to update the Board on their firm. Ms. Skinner welcomed herself back and stated that she was before the Board today with good news. Salem Trust just received their 2015 SAE 16 Report and she was proud to announce that a clean opinion was issued and there were no findings. They are finally able to move on at this point.

Mr. Baur confirmed that the pension Plan received their 2014 premium tax money.

**5. PLAN FINANCIALS**

The Trustees then reviewed the disbursements for payment of invoices contained on the Warrant October 22, 2015.

**Don Howard made a motion to approve the Warrant dated October 22, 2015 for payment of invoices. Brian Campbell seconded the motion, approved by the Trustees 3-0.**

**6. OTHER BUSINESS**

Michael O'Toole stated his intent to resign as Chair due to his many other commitments, but does still Plan to serve on the Board. He would like the Board to vote in a new Chairman today so that going into 2016 the new Chair can start.

**Don Howard made a motion to appoint Brian Campbell as Chairman effective the January 28, 2016 meeting. Mike O'Toole seconded the motion, approved by the Trustees 3-0.**

Mr. Campbell accepted the Chairman position.

**Brian Campbell made a motion to reappoint Michael Hayes as Secretary effective the January 28, 2016 meeting. Don Howard seconded the motion, approved by the Trustees 3-0.**

**7. NEXT MEETING**

The Trustees previously scheduled their next regular quarterly meeting for Thursday, January 28, 2016 at 4:30 PM.

**8. ADJOURNMENT**

**There being no further business, Brian Campbell made a motion to adjourn the meeting at 5:57 PM, seconded by Don Howard, and passed by the Board 3-0.**

Respectfully submitted,

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Michael Hays, Secretary