

City of Gulfport Firefighters' Retirement Pension Fund

Minutes: Meeting of August 16, 2017

1. CALL TO ORDER

Don Howard called a meeting of the Board of Trustees for the Firefighters' Retirement Pension Fund to order at 10AM. Those persons present included:

TRUSTEES

Brian Campbell, Chair
Don Howard, Secretary
James (Jim) Marenkovic

OTHERS

Audrey Ross, Resource Centers
Scott Christiansen, Christiansen & Dehner (via phone)
Patrick Donlan, Foster & Foster
Jack Evatt, AndCo Consulting
James O'Reilly, Gulfport City Manager
Beth & Ken Snelling, Public Members

2. PUBLIC COMMENT

Mr. Snelling introduced himself and his wife. He reviewed his situation and his prior work involved at the City of Gulfport and stated that ultimately in his opinion he thinks he is entitled to some kind of monthly pension benefit with the City of Gulfport through the Firefighters' Pension Plan. Ms. Ross stated that she was contracted by Mr. Snelling a couple of months of ago and has been working hard trying to collect any and all information on him as the City nor the Actuary has him listed as a vested deferred member with prior volunteer firefighter time as he is claiming. According to the documents received by the City and the prior Plan Annual reports, Mr. Snelling does not show as a volunteer firefighter who is eligible to a pension because of his years of service. Mr. Snelling insisted that the City always paid for his fire inspector certificate to be renewed every 3 years but Mr. Christiansen stated that just because the City paid for the certificate does not mean Mr. Snelling was a part of the pension plan. Mr. O'Reilly stated that he will check with the City documents again, but a resignation letter was submitted to the City by Mr. Snelling which did not make him eligible for a pension due to his years. Also at that time Mr. O'Reilly believes those firefighters were contracted out. Unless there is some other documents that can confirm Mr. Snelling is part of the pension, the City and the pension fund cannot confirm that.

3. MINUTES

The Trustees reviewed the minutes of the April 20, 2017 meeting.

Don Howard made a motion to approve the minutes of the April 20, 2017 meeting. Jim Marenkovic seconded the motion, approved by the Trustees 3-0.

4. REPORTS

Actuary Report (Patrick Donlan, Foster & Foster)

Mr. Donlan stated that he was here today to present the Board with the experience study that they requested at the last meeting. There were different assumptions that were proposed and discussed such as the Plan's frozen cost entry method assumption that they will be changing to entry date normal method as that is the most common. Also discussed the Plan's assumed rate of return to be lowered from 7.70% to somewhere in between that and 7.5% over time as well as the salary increase assumption and decreasing that. Mr. Donlan is also proposing to lower the retirement rates and will keep the withdrawal rates the same. The Trustees had a very lengthy

Meeting: August 16, 2017

discussion on the proposed assumption changes and what the short and long term outcome would mean to the City and the Pension Plan. With all the combined recommend changes it would lower the City's contribution depending on what assumed rate of return they decide on, although Mr. Donlan's recommendation is 7.5%. If they went with 7.5% then the City's cost would decrease by -0.4%. The Trustees had a very lengthy discussion on the recommendations.

Don Howard made a motion to approve the following Plan assumption changes per the recommendation of the their Actuary as follows: change the too entry age normal retirement cost, decrease the Plan's assumed rate of return down to 7.5%, and to increase the salary assumption effective October 1, 2017. Jim Marenkovic seconded the motion, approved by the Trustees 3-0.

Mr. Donlan explained the new State Law that recently passed regarding Share accounts and the use of State monies. This law implemented Share accounts with a default Plan and now this Board needs to take action. Anything over the frozen amount of State money will be split 50/50 between the City and the members. The Trustees discussed what that frozen amount is and what that excess amount is that is eligible to be distributed. Mr. Christiansen stated that the Share account Plan is already written into the Plan's Ordinance, now the Board needs to determine how to administer it. This will be an ongoing allocation each year although the amounts will change. The Trustees had a lengthy discussion and stated that they will get with the Union and will report back to the Board.

Lastly the Board discussed the issue with the 300 hours of overtime that was not capped and members contributed on it. Mr. Donlan stated that Foster can do the research and the overpayment calculations for a charge of \$65/hour and he would estimate that it would take about 5 hours. The City requested that the Board pay for this charge but Mr. Christiansen state that this would not be considered a normal admin expense since the Board did not make the mistake. Mr. Donlan reminded the Trustees that ultimately the City would be paying for it when they go to make their contributions next fiscal year.

Don Howard made a motion to authorize the Plan's Actuary to calculate the over contributions on the 300 hour max overtime. Jim Marenkovic seconded the motion, approved by the Trustees 3-0.

Investment Consultant Report (Jack Evatt, AndCo Consulting)

Mr. Evatt briefly updated the Board for the quarter ending June 30, 2017 and noted that they ended the quarter with \$4,039,221 which was a return of 3.08%. For the fiscal year to date they are 8.53%. All managers did well and outperformed their relative indexes with the exception of the Templeton Global Bond fund and they will keep an eye on that one. No recommendations at this time for rebalancing or regarding any of the managers.

Attorney (Scott Christiansen, Christiansen & Dehner – via phone)

Mr. Christiansen notified the Board that Mr. Gagnon has not turned in his Annual Form 1 Disclosure. In addition his seat has expired on the pension board and he will not be reappointed. The City will work on a replacement for him.

Mr. Christiansen reviewed the securities monitoring services offered by Kesler, Topaz for security litigation matters. This firm will also monitor the portfolio and will occasionally ask Board's to become plaintiff on a matter. Also this firm will provide quarterly reports to the Board. The

Meeting: August 16, 2017

Trustees had a lengthy discussion and Mr. Christiansen recommended that the Board enter an agreement with them as there are no fees associated with it.

Don Howard made a motion to engage Kessler Topaz as their securities monitor and to authorize the Chair and Secretary to sign the contract. Jim Marenkovic seconded the motion, approved by the Trustees 3-0.

Mr. Christiansen reviewed the outcome of the recent Legislation session and noted that there are some impacts on pensions through SB80, in specific the public records act. Also HB455 provides for an additional property tax exemption for disabled police officers and firefighters if they meet the requirements of a social security disability.

Administrator Report (Audrey Ross, Resource Centers)

Ms. Ross presented the Board with the administrative budget for the fiscal year 2017/2018.

Jim Marenkovic made a motion to approve the 2017/2018 admin budget as presented. Don Howard seconded the motion, approved by the Trustees 3-0.

Ms. Ross presented the Board with the fiduciary liability insurance renewal quote. She noted that the fee increased this year by \$18 for a total of \$2,536.

Jim Marenkovic made a motion to approve fiduciary liability insurance as presented. Don Howard seconded the motion, approved by the Trustees 3-0.

5. PLAN FINANCIALS

The Trustees then reviewed the disbursements for payment of invoices contained on the Warrant August 16, 2017.

Jim Marenkovic made a motion to approve the Warrant dated August 16, 2017 for payment of invoices. Don Howard seconded the motion, approved by the Trustees 3-0.

The Trustees reviewed the application for a refund of contributions for Tyler Whitfield.

Don Howard made a motion to approve the application for a refund of contributions for Tyler Whitfield. Jim Marenkovic seconded the motion, approved by the Trustees 3-0.

6. OTHER BUSINESS

N/A

7. NEXT MEETING

The Trustees previously scheduled their next regular quarterly meeting for Thursday, October 19, 2017 at 4:30 PM.

8. ADJOURNMENT

There being no further business, Don Howard made a motion to adjourn the meeting at 11:33AM, seconded by Jim Marenkovic, and passed by the Board 3-0.

Respectfully submitted,

Meeting: August 16, 2017

Don Howard, Secretary