

City of Gulfport Firefighters' Retirement Pension Fund

Minutes: Meeting of April 19, 2018

1. CALL TO ORDER

Brian Campbell called a meeting of the Board of Trustees for the Firefighters' Retirement Pension Fund to order at 4:32PM. Those persons present included:

TRUSTEES

Brian Campbell, Chair
James (Jim) Marenkovic
Mark Epstein
Michael O'Toole

OTHERS

Audrey Ross, Resource Centers
Scott Christiansen, Christiansen & Dehner
Jack Evatt & Jennifer Gainfort, AndCo. Consulting
Lynn Skinner, Salem Trust
Patrick Donlan, Foster & Foster

2. PUBLIC COMMENT

N/A

3. MINUTES

The Trustees reviewed the minutes of the January 18, 2018 meeting.

Jim Marenkovic made a motion to approve the January 18, 2018 minutes. Mark Epstein seconded the motion, approved by the Trustees 4-0.

4. REPORTS

Actuary (Patrick Donlan, Foster & Foster)

Mr. Donlan reviewed the results of the September 30, 2017 Actuarial Valuation report. He stated that the City's contribution as a percentage of payroll increased from 10.6% to 11.6%, but that is still relatively low compared to a lot of other Plan's. He reviewed the breakdown of the State money that was received in and stated that since no mutual agreement was met the State's default plan is in place where the excess money is split 50/50 between the pension plan and the city. This year the members will get \$8,601.63 allocated and split between their individual share accounts. Mr. Donlan stated that the Plan had a net loss this year, but it will roll off with the 4 year smoothing. He stated that the overall administrative expenses stayed about the same this year and remain under 1% all together. Mr. Donlan stated that overall the Plan is doing very well and remains high at 96.9%.

Mark Epstein made a motion to approve the September 30, 2017 Actuarial Valuation Report as presented. Michael O'Toole seconded the motion, approved by the Trustees 4-0.

Quarterly Investment Report (Jack Evatt & Jennifer Gainfort, AndCo Consulting)

Mr. Evatt briefly reviewed the market environment during the quarter and noted that it was the first quarter since 2015 that the S&P500 was negative. Interest rates rose during the quarter as well. He reviewed the Plan's asset allocation and noted that they are in line with their policy targets and he does not have any recommendations right now in regards to rebalancing. As of March 31, 2018 the Plan had \$4.4M in assets with a net rate of return of -0.25% versus the index at -0.83%. For the fiscal year to date the Plan is ahead of the index net of fees at 3.51% versus 2.92%. He briefly reviewed each manager's performance and noted that all the managers outperformed their relative benchmarks and he had no recommendations at this time.

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Custodian Report (Lynn Skinner, Salem Trust Company)

Ms. Skinner stated that Kessler Topez has taken over the class action filing as of March 1, 2018 and that transition is now complete.

Ms. Skinner briefly reviewed the Salem Trust December 31, 2018 Custodial Report.

Ms. Skinner reviewed her handout regarding the security systems and controls they use at Salem Trust. In addition to these systems and controls, Salem has also added cyber liability insurance as well. She commented that they want their clients to be aware of the controls they have in place to reassure them that they are doing the best they can to keep all personal and plan information private.

Attorney (Scott Christiansen, Christiansen & Dehner)

Mr. Christiansen stated that since the Board approved the September 30, 2017 Actuarial Valuation Report, they now need to declare their expected rate of return for this year, next year, and the long term after. Mr. Evatt recommended 7.5%.

Brian Campbell made a motion to declare the Plan's expected rate of return for this year, next year, and the long term after to be 7.5% per the recommendation of the Plan's Investment Consultant. Mark Epstein seconded the motion, approved by the Trustees 4-0.

Mr. Christiansen reminded the Trustees' that their annual form 1 disclosure forms are due July 1, 2018.

Mr. Christiansen updated the Board on the Kenneth Snelling case and stated that he provided the member with the documents to appeal the Board's decision at the last meeting but he has not heard back.

Lastly Mr. Christiansen stated that there was not any Legislative Bills that were passed or adopted that directly impact defined benefit plans. He briefly discussed Senate Bill 376 which relates to workers comp.

Administrator Report (Audrey Ross, Resource Centers)

5. PLAN FINANCIALS

The Trustees then reviewed the disbursements for payment of invoices contained on the Warrant April 19, 2018

Jim Marenkovic made a motion to approve the Warrant dated April 19, 2018 for payment of invoices. Michael O'Toole seconded the motion, approved by the Trustees 4-0.

6. OTHER BUSINESS

Mr. Marenkovic asked on the status of the member's overpayment calculations. Mr. Donlan stated that he will check with his office on the status.

The Trustees discussed implementing a DROP program. They had a lengthy discussion on how it could be setup and the rules and regulations around it. The Board directed Mr. Christiansen to draft an Ordinance regarding implementing a 5 year DROP program (with the investment options of the Plan's return or a fixed rate option of 3% and a one-time allowance to change between the

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options and the DROP eligibility would be the same as the normal retirement eligibility). Mr. Christiansen stated that he will draft that for the next meeting.

The Trustees briefly discussed other benefit improvements such as an increased multiplier or COLA. Mr. Christiansen stated that those benefits are negotiated as the pension board can't change them.

7. NEXT MEETING

The Trustees previously scheduled their next regular quarterly meeting for Thursday, July 19, 2018 at 4 PM.

8. ADJOURNMENT

There being no further business, Michael O'Toole made a motion to adjourn the meeting at 5:27PM, seconded by Jim Marenkovic, and passed by the Board 4-0.

Respectfully submitted,

Don Howard, Secretary