

City of Gulfport Firefighters' Retirement Pension Fund
Minutes: Meeting of January 17, 2019

1. CALL TO ORDER

Brian Campbell called a meeting of the Board of Trustees for the Firefighters' Retirement Pension Fund to order at 2:55 PM. Those persons present included:

TRUSTEES

Brian Campbell, Chair
Don Howard, Secretary
Chief James Marenkovic

OTHERS

Scott Baur, Resource Centers (Administrator)
Jennifer Gainfort, AndCo (Consultant)
Sara Carlson, Foster & Foster (Actuary)
Scott Christiansen, Christiansen & Dehner (Attorney)
Jim O'Reilly, City Manager

2. PUBLIC COMMENT

Mr. Reilly reported that the City will recommend to Council the proposed ordinance for updates, compliance changes, and DROP provisions. Scott Christiansen stated that the ordinance must also clarify the language allowing the Chief to opt out at hire to comply with IRS rules.

3. MINUTES

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

Don Howard made a motion to approve the October 18, 2018 minutes. Chief Marenkovic seconded the motion, approved by the Trustees 3-0.

4. REPORTS

Actuary (Sara Carlson, Foster & Foster)

Sara Carlson reviewed the October 1, 2018 Valuation, reporting positive experience for the fiscal year ended September 30, 2018. As a result, the total contribution requirement decreased from 24.5% of covered payroll to 22.1% as of October 1, 2019, while the City portion decreased from 12.4% to 10.0% for the next fiscal year. Ms. Carlson reported that the largest experience gain resulted from smaller than expected payroll increases, even though the Pension Fund had a slight loss from investment returns slightly under expectations. Ms. Carlson then reviewed the components of the annual required contribution and the details of the experience gains and losses from the prior year. She also reviewed the historical pay increases, investment returns, and smoothing of investment returns. The Board assumes the Pension Fund assets will gain a 7.5% net investment return over longer periods.

Ms. Carlson reported that the Share Plan now has \$24,910.74 in total assets.

Don Howard made a motion to approve the October 18, 2018 minutes as presented. Chief Marenkovic seconded the motion, approved by the Trustees 3-0.

Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort reported on recent events in the market. Equity markets posted steep losses for the quarter ending December 31, 2018, due to slowing global growth, trade issues, the

government shutdown, and monetary policy. The plan assets decreased from \$4,678,184 on September 30, 2018, to \$4,248,038 on December 31 as a result. The portfolio had a net loss of -8.83% for the quarter compared to -7.62% for the benchmark. For the 2018 calendar year, the Pension Fund assets returned -5.67% gross and -5.61% net of fees, compared to the -4.28% benchmark return. Ms. Gainfort reviewed the asset allocation compared to the Investment Policy target allocation. She also stated that Dana performed under the manager's benchmark now for the third consecutive quarter. As a conservative equity manager, Dana does not own the most expensive growth issues in the index with the best performance in 2018. Ms. Gainfort did not recommend any changes to the asset allocation or portfolio composition to the Board at this time.

Attorney Report (Scott Christiansen, Christiansen & Dehner)

Scott Christiansen reviewed the Trustee terms and advised that the Board must conduct elections for the two member trustees. Both Brian Campbell and Chief Marenkovic indicated that they would run to continue on the Board. Mr. Christiansen also advised that the Board should place the selection of the fifth Trustee, chosen by the other four, on the next meeting Agenda as well.

Mr. Christiansen stated that, with the approval of City Manager Jim O'Reilly, he will forward the proposed ordinance updates to Council for approval.

reported that his office already sent the proposed ordinance for the DROP and the Internal Revenue Code compliance changes to the City Manager along with the letter of no impact. Mr. O'Reilly will address the proposed DROP plan with the bargaining unit in negotiations. The General Employees and the Police Officers also proposed to the City adding DROP Plans to their respective pension benefits.

Scott Christiansen advised that the Administrator should now send the annual report by the Board to the City Council. He then advised the Board must affirm the expected return on plan assets for the Division of Retirement.

Don Howard made a motion on the advice of the Investment Consultant that the Board expected to achieve a 7.5% return on Pension Fund assets for the next year, for the next several years, and for the long term thereafter. Chief Marenkovic seconded the motion, approved by the Trustees 3-0.

Finally, Mr. Christiansen advised that the annual fiscal report must properly be addressed to City Council, rather than to the City Clerk. Mr. Christiansen reminded the Trustees to review the 2018 administrative expense report and 2020 budget at the next meeting. He requested a motion to authorize his office to update the Summary Plan Description, required every other year, with the updates for the pending ordinance.

Don Howard made a motion to authorize Scott Christiansen to update the Summary Plan Description to include the changes in the pending ordinance. Chief Marenkovic seconded the motion, approved by the Trustees 3-0.

Administrator Report (Scott Baur, Resource Centers)

Scott Baur provided a signature authorization update to the Board for Salem Trust.

Don Howard made a motion to update the signature authorizations on file with Salem Trust. Chief Marenkovic seconded the motion, approved by the Trustees 3-0.

Brian Campbell agreed to distribute the annual benefit statements prepared by the actuary to employee mailboxes.

5. PLAN FINANCIALS

The Trustees then reviewed the disbursements for payment of invoices contained on the Warrant dated January 17, 2019

Chief Marenkovic made a motion to approve the Warrant dated January 17, 2019 for payment of invoices. Don Howard seconded the motion, approved by the Trustees 3-0.

The Trustees reviewed the benefit approval for vested deferred member Alan Danks and for the 2019 supplemental distribution due to retired members on March 1.

Chief Marenkovic made a motion to approve the benefit for Alan Danks and the 2019 supplemental distribution. Don Howard seconded the motion, approved by the Trustees 3-0.

6. OTHER BUSINESS

The Board had no other business for discussion.

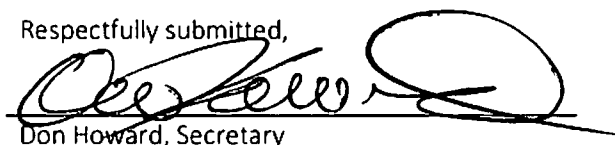
7. NEXT MEETING

The Trustees previously scheduled their next regular quarterly meeting for Thursday, April 18, 2019 at 2:30 PM.

8. ADJOURNMENT

There being no further business, Chair Brian Campbell adjourned the meeting at 3:26 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Don Howard", is written over a horizontal line.

Don Howard, Secretary