

City of Gulfport Firefighters' Retirement Pension Fund
Minutes: Meeting of October 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 2:10 PM. Those persons present included:

TRUSTEES

Brian Campbell, Chair
Rene Fernandez
Don Howard, Secretary
Mitchell Carney
Michael O'Toole(arrived 3:01pm)

OTHERS

Dale Everhart, Resource Centers (Administrator)
Scott Baur, Resource Centers(Administrator)
Jennifer Gainfort, AndCo (Consultant)
Scott Christiansen, Christiansen & Dehner (Attorney)

2. PUBLIC COMMENT

There was no public comment.

3. BOARD APPOINTMENTS

The Board reviewed Resolution No. 2019-61, resolving that Mitchell Carney fill an unexpired Board term through February 2022, and that Don Howard serve a Board term expiring in April 2023.

4 APPROVAL MINUTES: September 9, 2019

The Trustees reviewed the minutes of the September 9, 2019 meeting.

Don Howard made a motion to approve the September 17, 2019 minutes. Rene Fernandez seconded the motion, approved by the Trustees 4-0.

5. REPORTS

a. Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort distributed a history of the S&P 500 Total Return Index from 10/9/07 – 9/30/2019. The materials displayed the drawdowns in the index of more than 5% over the period of time. The drawdown beginning on 10/9/07 lasted for 1.41 years, with the recovery back to the 10/9/07 level taking 3.1 years. The last high in the Index was 7/26/19. The key takeaway from the data was to stay committed to the long term plan, and do not try to market time. Total annualized return in the index over the period studied was 7.78%.

The 3rd quarter of this year was both eventful and volatile. US Large Cap equity and fixed income indices continued their year to date increases, while US Small Cap and international indices lost ground. US markets experienced signs of a slowing US economy, additional tariffs involving China, and political uncertainty due to an impeachment inquiry. Positive developments included monetary easing, consumer spending, a tight labor market, and rising wage growth. The S&P 500 was up 1.7%, while the Russell 200 decreased(-2.4%). International markets were negative, with developed markets outperforming emerging markets. Fixed income outperformed equities for

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the quarter and trailing year, up 2.3% and 10.3% respectively. Lastly, value stocks outperformed growth stocks for the quarter, as investors moved to the relative safety of value over growth.

The market value of the Fund was \$4,937,161 at 9/30/19. Actual assets were within target allocation ranges, with no rebalancing needed. Income and appreciation for the fiscal year totaled \$222,361. Total fund gross return for the quarter was 1.17% vs the total fund gross policy of 1.13%. Fiscal year to date return was 4.82% vs the total fund policy of 5/58%. For actuarial valuation purposes, a 4-year smoothing method is used in looking at the return on investments.

Ms. Gainfort discussed a proposed update to the Investment Policy Statement amending the Fixed Income Benchmark indices to Bloomberg Barclays US Aggregate and Bloomberg Barclays Global Aggregate. Further, the statement referencing the actuarial earnings assumption was revised to delete the actual number(7.5%), and only reference the term "actuarial earnings assumption" to prevent the need to revise the Investment Policy Statement if the actual number is revised.

Mitchell Carney made a motion to approve the proposed Investment Policy Statement, as amended to delete the actual 7.5% earnings assumption language. Rene Fernandez seconded the motion, approved by the trustees 4-0.

Michael O'Toole arrived at the meeting at 3:01pm.
Chair Brian Campbell left the meeting at 3:03pm.

b. Attorney Report (Scott Christiansen, Christiansen & Dehner)

Mr. Christiansen advised that he had prepared a draft ordinance for the City of Gulfport to add cancer presumption language to the plan as it relates to in-line disability. He was directed by the Board to prepare and provide this language to the City of Gulfport, due to enactment of State legislation.

Mr. Christiansen presented the proposed 2020 Meeting Schedule

Don Howard made a motion to approve the proposed Meeting Schedule for 2020. Rene Fernandez seconded the motion, approved by the trustees 4-0.

Mr. Christiansen directed that the fiscal year end report on investments be provided to the City of Gulfport, and that the AndCo. 9/30/19 quarterly report could be used to meet the reporting requirement.

Mr. Christiansen directed that Mitchell Carney be provided with all background documents on the pension plan, as he is a new board member.

Mr. Christiansen provided a document for the September 9, 2019 Board meeting involving cyber attacks and cyber liability insurance. This document was referenced with a discussion led by Scott Baur.

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Administrator Report (Scott Baur, Resource Centers)

Mr. Baur discussed the recently issued Standards and Organization Controls(SOC 1) Audit Report. The issuers of the report are external auditors, reviewing the internal controls and procedures at Resource Centers. The procedures are also tested. The auditors noted no exceptions or findings.

Mr. Baur discussed in detail the types of cyber intrusion, and the extent to which Resource Centers mitigates against that risk. Primary areas of concern are network attacks, and website directed attacks. Resource Centers, in addition to internally preparing for attacks, has done outside intrusion testing. As to insurance policies carried by Resource Centers, there are currently 3 different insurance policies totaling \$3 million, with additional coverage options under review.

Mr. Christiansen stated that we need to follow-up with the Plan's actuary and custodian to determine their level of cyber insurance. He also indicated that the City of Gulfport should be queried as to the extent to which any policies they have may insure the pension plan.

6. Plan Financials

a. Warrant Dated October 17, 2019

The Trustees reviewed the disbursements for payment of invoices contained in the Warrant dated October 17, 2019.

Rene Fernandez made a motion to approve the Warrant dated October 17, 2019 for payment of invoices. Mitchell Carney seconded the motion, approved by the Trustees 4-0.

b. Benefit Approvals

There were no benefit approvals.

7. OTHER BUSINESS

There was no other business conducted.

8. SCHEDULED NEXT REGULAR MEETING

The Trustees previously scheduled their next regular quarterly meeting for Thursday, January 16, 2020 at 2:30 PM.

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9. ADJOURNMENT

Mitchell Carney made a motion to adjourn the meeting. Rene Fernandez seconded the motion, approved by the trustees 4-0. The meeting adjourned at 3:26 PM.

Respectfully submitted,


Don Howard, Secretary