

City of Gulfport Firefighters' Retirement Pension Fund
Minutes: Meeting of January 16, 2020

1. CALL TO ORDER

Acting Chair Don Howard called a meeting of the Board of Trustees for the Firefighters' Retirement Pension Fund to order at 2:30 PM. Those persons present included:

TRUSTEES

Rene Fernandez
Don Howard, Acting Chair
Mitchell Carney

OTHERS

Sara Carlson, Foster & Foster(Actuary)
Dale Everhart, Resource Centers (Administrator)
Jennifer Gainfort, AndCo (Consultant)
Scott Christiansen, Christiansen & Dehner (Attorney)

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL MINUTES: October 17, 2019

The Trustee reviewed the minutes of the October 17, 2019 meeting.

Rene Fernandez made a motion to approve the October 17, 2019 minutes. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

4. REPORTS

a. Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort stated that 2019 began with a strong rally in the stock markets, and ended similarly in the fourth quarter. Gains were realized in all major asset classes. Annual stock returns totaled approximately 30%. The US stock market hit a number of new record highs throughout the quarter and year. The Fed announced a third fed funds rate cut of 25 basis points for the year. No further rate hikes are expected. A Phase 1 trade deal with China, resulted in tariff relief and a commitment by China to buy greater quantities of American crops, factory goods, and energy products. Further, the USMCA trade agreement passed the House and is expected to be finalized, bringing long awaited good news on the trade front. The US economy appears to be in a good place, with unemployment at 3.5%, rising wages, and consumers remaining confident. Consumers represent approximately 2/3 of the economy.

Internationally, emerging markets led the way, outperforming domestic equities. Lastly, fixed income was positive for the quarter at 0.18%, and the Aggregate returned 8.72% for the calendar year.

The market value of the Fund was \$5,246,776. Actual assets were within target allocation ranges, with no rebalancing needed. Income and appreciation for the quarter totaled \$310,328. Total fund gross return for the quarter was 6.28% vs the total fund gross policy return of 5.48%. The one year return was 22.20% vs the total fund gross policy of 20.55%. All manager performance was discussed with no changes of investment managers recommended.

b. Actuarial Consultant (Sara Carlson, Foster & Foster)

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Sara Carlson presented the findings from the 2019 Actuarial Valuation. Initial discussion involved a Plan change due to State legislation. Passage of Chapter 2019-21 by the State legislature, and signed into law, provides that a firefighter be deemed to be disabled in the line of duty if meeting the "plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer." Foster has increased the in line of duty assumption for disabilities from 75% to 90% as a result of this statutory change.

Due to an ordinance passed in 2009, the benefit accrual multiplier is reviewed annually based in part upon revenues received from the State via premium taxes. As a result of this review, it was determined that the benefit multiplier will reduce from 3.04% to 3.00%. The employer contribution rate will decrease from 9.2% to 8.1%. The Plan's funded ratio is 99.5%.

The Share Plan balance is \$29,685, with statements forthcoming for the firefighters, to include balances.

Rene Fernandez made a motion to approve the 2019 Actuarial Valuation as presented. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

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

Scott Christiansen advised of the need to adopt a Declaration of Returns, following adoption of the 2019 Actuarial Valuation. Jennifer Gainfort from AndCo recommended 7.5%.

Mitchell Carney made a motion on the advice of the Investment Consultant, that the Board expects 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. Rene Fernandez seconded the motion, approved by the Trustees 3-0.

Mr. Christiansen advised that in conformance with the Plan's Operating Rules and Procedures, it was time to elect Board officers.

Don Howard made a motion to elect Brian Campbell as Chair, and Don Howard as Secretary. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

An Addendum to the Investment Policy Statement was presented. The Addendum pertains to the investment manager Dana. The only change to the previous Addendum is the reference within it referring to the most recent Investment Policy Statement and its date of adoption (10/17/19).

Mitchell Carney made a motion to approve the update to the Investment Policy Statement with Addendum. Rene Fernandez seconded the motion, approved by the Trustees 3-0.

d. Administrator Report (Dale Everhart, Resource Centers)

Dale Everhart referenced a summary of Cyber Liability Insurance for all Board consultants. He stated that the summary was informational based upon prior discussions of the Board.

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Mr. Everhart referenced materials included with the Board packet detailing Cancer Presumptive Disability Ordinance No. 2019-19. This material was informational only.

Mr. Everhart discussed the submission of a Records Management Liaison Officer Designation document to the Division of Library and Information Services, within the Florida Department of State. Mr. Christiansen indicated that there was a previous designation of Scott Baur of Resource Centers as that Officer. Notice of this designation will be forwarded to the Department of State by Resource Centers.

Mr. Everhart indicated that the Board seat currently held by Michael O'Toole will expire on 2/28/20. Mr. Everhart was directed to contact Mr. O'Toole concerning his interest in continuing on the Board. That information will then be transmitted to the City of Gulfport, as Mr. O'Toole's Board seat is appointed by the City.

6. Plan Financials

a. Warrant Dated January 16, 2020

The Trustees reviewed the disbursements for payment of invoices contained in the Warrant dated January 16, 2020.

Mitchell Carney made a motion to approve the Warrant dated January 16, 2020 for payment of invoices. Rene Fernandez seconded the motion, approved by the Trustees 3-0.

b. Benefit Approvals

The Trustees reviewed the benefit approval contained in the Benefit Approvals dated January 16, 2020.

Mitchell Carney made a motion to approve the Benefit Approval dated January 16, 2020. Rene Fernandez seconded the motion, approved by the Trustees 3-0.

7. OTHER BUSINESS

Mr. Everhart provided the Board with a list of conferences in 2020. Board members were reminded that according their Operating Rules and Procedures, "Each Trustee is required to attend a seminar or conference regarding Trustee duties and responsibilities and matters relating to the investment program of the Plan at least once each term."

8. SCHEDULED NEXT REGULAR MEETING

The Trustees previously scheduled their next regular quarterly meeting for Thursday, April 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 3-0. The meeting adjourned at 3:15 PM.

Respectfully submitted,



Don Howard, Secretary