

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

1. CALL TO ORDER

Chair Brian Campbell called a meeting of the Board of Trustees for the Firefighters' Retirement Pension Fund to order at 2:30 PM. The Board was reminded that the meeting was being recorded, and that it was an electronic meeting. Those persons present included:

TRUSTEES

Brian Campbell, Chair
Mitchell Carney
Rene Fernandez
Don Howard, Secretary

OTHERS

Scott Baur, Dale Everhart, Resource Centers (Administrators)
Scott Christiansen, Christiansen & Dehner (Attorney)
Jonathan Davidson, KTMC (Attorney)
Jennifer Gainfort, AndCo (Consultant)
Greg Peters, Dana Investment Advisors (Manager)
Michael O'Toole, Member

2. BOARD SEAT UPDATE

There was a discussion on the current open Board seat that is City appointed. The matter was deferred until later in the meeting.

3. APPROVAL MINUTES: January 16, 2020

The Trustees reviewed the minutes of the January 16, 2020 meeting.

Mitchell Carney made a motion to approve the January 16, 2020 minutes. Rene Fernandez seconded the motion, approved by the Trustees 4-0.

4. REPORTS

a. 1. Investment Report - Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort stated that AndCo was not making any recommendations for change, from a portfolio or asset allocation perspective. She stated that the portfolio is constructed in anticipation of an underperforming market.

The first half of the first quarter of 2020 continued with equities performing well, steadily increasing to all time highs. The S&P 500 then experienced the fastest 30% decline in its history, in just 22 days. This marked the end of the longest bull market in history of 11 years and 3 days. The market sell-off came from the emergence of COVID-19. The full impact on the global economy is still developing, with unprecedented levels of volatility on both the down- and up-side. Equity market indices in the first quarter were universally negative. Growth, large cap and domestic investments outperformed value, small cap, and emerging market indices.

The federal government has provided fiscal and monetary stimulus to temper the financial impact of the crisis. Economic stimulus legislation was also enacted. The Board was reminded of the Fund's long term horizon, with short term market movements not changing the long term goals and objectives of the plan. The investment policy was created with target long term asset allocations. The broadly diversified portfolio is designed to participate in the gains when the market is rising, and to minimize as much as possible, the declines when the markets sell off.

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The market value of the Fund on March 31, 2020, was \$4,464,103. Actual assets were within target allocation ranges, with no rebalancing needed. Income and depreciation for the quarter totaled \$-764,269. Total fund gross return for the quarter was -14.60% vs the total fund gross policy return of -12.26%. The fund's return was in the 54th percentile. Fiscal year to date, the return was -9.24%. All manager performance was discussed, with no changes of investment managers recommended. The quarter was tough from a returns perspective, but the Board was asked to remain patient.

a. 2. Dana Investment Advisor Update (Greg Peters, Client Service & Portfolio Specialist)

Greg Peters gave an overview of the Dana portfolio and performance. During the quarter ending March 31, 2020, the S & P 500 was down 19.60%, while Dana was down 21.54%. He indicated that the technology sector performed the best over the quarter, while financials and energy returns were the worst. He indicated that growth has outperformed value in 4 of the last 5 years, and that Dana is a value manager. From an historical perspective, Mr. Peters noted that since 1926, the S&P 500 Index has had a positive yearly return in 69(73%) of the years.

Sector contributors in the portfolio for the first quarter of 2020 were utilities and the selling of Delta Air Lines. Eaton Corporation, and Waste Management performed above sector average, and real estate investments in American Tower Corporation and Prologis, Inc. held up well.

Sector detractors were the financial sector holdings of Starwood Property Trust and Citizens Financial Group. In information technology, CDW Corporation and Zebra Technologies Corporation underperformed. Finally, in consumer discretionary, D.R. Horton, Best Buy and AutoZone were significant detractors.

Dana's investment process has led to consistent excess returns over time, through various market cycles and levels of volatility.

Lastly, Mr. Peters indicated that month to date(April, 2020), the S&P 500 increased 7.8%, while the Dana portfolio increased 7.9%.

b. 1. Attorney Report (Scott Christiansen, Christiansen & Dehner)

Scott Christiansen indicated that that the firm of Kessler, Topaz, Meltzer & Check, LLP(KTMC) presented a fee change for Board consideration. Jonathan Davidson from KTMC detailed the current duties of the firm, which include monitoring all security fraud cases for the Fund, filing proof of claim forms, and then collecting the proceeds of the cases for payment to the pension fund. He explained that originally, there was no fee for the services of KTMC. Other KTMC clients now using their services, require a payment for these services. To best deal with the legal issues arising from defendants in the cases, it is now necessary for all KTMC clients to pay for the services. KTMC is proposing a fee of 4%, to be charged on the proceeds of any payment to the Fund as a result of successful claims.

Don Howard made a motion to authorize the Board Chair to sign an addendum to the KTMC agreement, providing for a 4% fee. Rene Fernandez seconded the motion, approved by the Trustees 4-0.

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Mr. Christiansen informed the Board that Financial Disclosure Forms(Form 1) will be mailed to Board members in the near future, with the filing due date being July, 1,2020.

Mr. Christiansen informed the Board that due to the passage of a law permitting notaries to do remote notarizations, his firm will be revising existing plan forms that contain a notarization requirement. He stated that to perform remote notarizations, it will require that notaries obtain additional training and insurance, and that they have a means to record the remote notarization.

d. Administrator Report (Dale Everhart, Resource Centers)

Dale Everhart presented a document listing actual plan administrative expenses for fiscal years 2018 and 2019, and a proposed budget for Fiscal Year 2021.

Don Howard made a motion to approve the administrative report and budget. Mitchell Carney seconded the motion, approved by the Trustees 4-0.

6. Plan Financials

a. Warrant Dated April 16, 2020

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

Mitchell Carney made a motion to approve the Warrant dated April 16, 2020 for payment of invoices. Don Howard seconded the motion, approved by the Trustees 4-0.

b. Benefit Approvals

The Trustees reviewed the Benefit Approvals dated April 16, 2020.

Mitchell Carney made a motion to approve the Benefit Approvals dated January 16, 2020. Don Howard seconded the motion, approved by the Trustees 4-0.

7. OTHER BUSINESS

The issue of the current open Board seat was deferred until the July 16, 2020 meeting.

8. PUBLIC COMMENT

There was no public comment.

9. SCHEDULED NEXT REGULAR MEETING

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

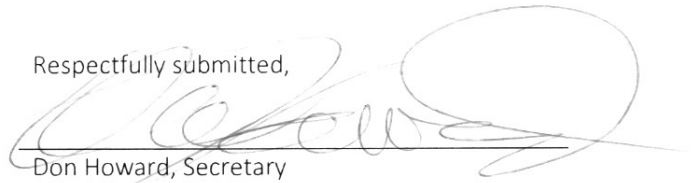
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10. ADJOURNMENT

The meeting was adjourned by Chair Brian Campbell at 3:41pm.

Respectfully submitted,

X

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

Don Howard, Secretary