

*City of Gulfport Firefighters' Retirement Pension Fund*  
**Minutes: Meeting of January 21, 2021**

**1. CALL TO ORDER**

Brian Campbell called a meeting of the Board of Trustees for the Firefighters' Retirement Pension Fund to order at 2:37 PM.

Those persons present included:

**TRUSTEES**

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

**OTHERS**

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

**2. APPROVAL MINUTES: October 15, 2020**

The Trustees reviewed the minutes of the October 15, 2020 meeting.

Don Howard made a motion to approve the October 15, 2020 minutes. David Kanter seconded the motion, approved by the Trustees 5-0.

**4. REPORTS**

**A. Investment Report - Investment Consultant (Jennifer Gainfort, AndCo Consulting)**

Jennifer Gainfort indicated returns were broadly positive for the 4<sup>th</sup> quarter of 2020. Performance for the quarter was driven largely by expectations concerning the distribution of COVID vaccines, the election resolution, and the possibility of additional government stimulus legislation.

In domestic equities, small cap stocks outperformed large cap stocks. The Russell 2000 Index was up 31.4% compared to the S&P 500 return of 12.1%. This was the Russell 2000's strongest quarterly return since its inception in 1979. Value stocks outperformed growth, with the value indices benefitting from larger exposures to energy and financials. These performed well due to positive news concerning the release of vaccines. Over the past year, growth stocks outperformed value stocks, with the greatest difference being where 1000 growth exceeded the 1000 value by over 35%.

International index returns were strong, with emerging markets up 19.7% and developed markets up 16%.

Fixed income returns were soft with the Aggregate up 0.7%, due largely to corporates, which returned 3%. The US Government Bond Index was down -0.8%, due to rising interest rates. The Fed continued to hold short rates near zero, with 10 year rates increasing to above 0.9%.

The market value of the Fund was \$6,179,906 as of December 31, 2020. Rebalancing of assets was recommended due to domestic equities being at the upper end of the target range. Ms.

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Gainfort recommended moving 3% of the fund from domestic equities to fixed income. Ms. Gainfort stated that she would research and respond to a question from David Kanter concerning the commercial paper exposure in the domestic fixed income fund.

**Mitchell Canter made a motion to sell \$50,000 from Vanguard Extended Market Index and \$139,000 from Vanguard Index 500 Admiral, and to move the proceeds to the Dodge & Cox Income Fund. David Kanter seconded the motion, approved by the Board 5-0.**

The Fund's income and appreciation for the quarter totaled \$615,107. Total fund gross return for the quarter was 11.05% vs the total fund gross policy return of 9.51%. The total equity composite returned 16.21% for the quarter compared to the total equity policy return of 15.28%. Finally, the total fixed income composite showed a return of 2.62% for the quarter, while the total fixed income policy return was 0.99%.

### **B. Actuary Report (Sara Carlson, Foster & Foster).**

Sara Carlson presented the findings from the completion of the 2020 Actuarial Valuation. The Minimum Required Contribution rate increased from 22.0% to 22.2%. After taking into account the member contribution rate of 5% and the estimated State contribution rate of 5.4%, the City required contribution rate will increase from 11.6% to 11.8%.

The Normal Cost increased from 15.6% to 17.4% due in part to an increase in age for new entrants of the Plan during the year. Normal Cost is defined as the annual cost attributed for the current year of service, such that at retirement, there are adequate reserves to pay the earned pension. The benefit accrual rate for members increased from 3.00% to 3.07%, and the automatic increases to retirees and their beneficiaries age 55 to 65 increased from 0.02% per year to 0.38%.

As required by State Law, assumed mortality rates were changed using those adopted by the Florida Retirement System for special risk employees. Another change made for this valuation involved a "fresh-start" for the actuarial asset value. As a result, actuarial investment gains and losses will now be recognized over a five-year period vs the prior method of four-year periods. To make this change, the actuarial value of assets was reset to the market value of assets for this valuation. This change now aligns the investment gain-loss recognition with that required by the Governmental Accounting Standards Board (GASB).

The funded ratio of the Plan increased to 97.0%, from 96.3% last year.

**Rene Fernandez made a motion to approve the Actuarial Valuation as of October 1, 2020. Mitchell Carney seconded the motion, approved by the Trustees 5-0.**

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

Mr. Christiansen informed the Board of the requirement to approve a Declaration of Returns pursuant to Section 112.661(9), Florida Statutes. Jennifer Gainfort stated that the rate of return of 7.50% was appropriate.

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Rene Fernandez made a motion to declare that the Board of Trustees, based on the advice of its investment professionals and/or actuary, determined that the total expected annual rate of investment return for the fund for next year, the next several years and the long-term thereafter, shall be 7.5%, net of investment related expenses. Mitchell Carney seconded the motion, approved by the Trustees 5-0.

Mr. Christiansen stated that the Summary Plan Description needs redone every 2 years. It was last done in April of 2019.

David Kanter made a motion to have legal counsel review and update the Summary Plan Description effective April, 2021. Rene Fernandez seconded the motion, approved by the Trustees 5-0.

Mr. Christiansen referenced a State Law requiring employers to use an E-Verify system to identify individuals not able to legally work in the State of Florida. The Board needs to register in the E-Verify system and all Board consultants also need to be notified that they are to register. This registration of the Board and the notification to all consultants will be done by Resource Centers. Resource Centers will obtain a statement from all Board consultants of compliance with the requirement

### **c. Administrator Report (Dale Everhart, Resource Centers)**

Mr. Everhart presented a Salem Signature Authorization document for signature by all Board members. He informed the Board that this document will permit any 2 Board members or 1 of 3 designated Resource Centers administrators, to execute and direct Salem Trust Company in the conduct of Pension Fund business. All members then signed the document.

Mr. Everhart discussed the successful completion of a System and Organization Control audit, known as a SOC 1 Type 2 audit. This audit is performed on the Resource Centers operations, by an outside auditor, to review and test internal controls and procedures. The audit identified no exceptions, meaning it was a completely clean audit report.

Mr. Everhart reviewed the benefits of membership in the Florida Public Pension Trustees Association (FPPTA), an organization dedicated to providing education and information for and about public pension systems. The Board has belonged in the past, and he requested that the Board consider again joining in 2021.

David Kanter made a motion to approve joining the FPPTA, to include authorizing payment of membership dues. Rene Fernandez seconded the motion, approved by the Trustees 5-0.

## **6. Plan Financials**

### **a. Warrant Dated January 21, 2021**

The Trustees reviewed the disbursements for payment of invoices contained in the Warrant dated January 21, 2021.

Davie Kanter made a motion to approve the Warrant dated January 21, 2021 for payment of invoices. Don Howard seconded the motion, approved by the Trustees 5-0.

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### b. Benefit Approval dated January 21, 2021

Mr. Everhart explained the Benefit Approval document, which contains a payment to retirees of 10% of State monies received from Premium Tax. The benefit is payable on March 1, 2021.

Don Howard made a motion to approve the Benefit Approvals dated January, 21, 2021. Mitchell Carney seconded the motion, approved by the Trustees 5-0.

### 7. OTHER BUSINESS

There was no other business.

### 8. PUBLIC COMMENT

There was no public comment.

### 9. SCHEDULED NEXT REGULAR MEETING

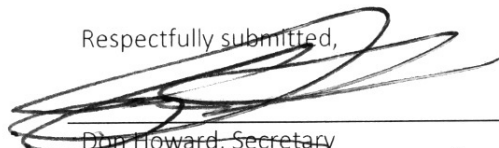
The Trustees scheduled their next regular quarterly meeting for Thursday July 15, 2021 at 2:30 PM.

### 10. ADJOURNMENT

Don Howard made a motion to adjourn the meeting. Mitchell Carney seconded the motion, approved by the Trustees 5-0.

The meeting adjourned at 3:45pm.

Respectfully submitted,

  
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Don Howard, Secretary  
Brian Campbell, Chair