

City of Gulfport Firefighters' Retirement Pension Fund
Minutes: Meeting of July 15, 2021

1. CALL TO ORDER

Brian Campbell called a meeting of the Board of Trustees for the Gulfport Firefighters' Retirement Pension Fund to order at 2:33 PM.

Those persons present included:

TRUSTEES

Brian Campbell, Chair
Mitchell Carney
Rene Fernandez

OTHERS

Scott Christiansen, Christiansen & Dehner (Attorney)
Dale Everhart, Resource Centers (Administrator)
Jennifer Gainfort, AndCo (Consultant)
Lynn Skinner, Salem Trust (Custodian)
Gerard Grady, Member

2. APPROVAL MINUTES: April 15, 2021

The Trustees reviewed the minutes of the April 15, 2021 meeting.

Rene Fernandez made a motion to approve the April 15, 2021 minutes. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

3. REPORTS

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

Jennifer Gainfort stated that US equities were at an all-time high in the 2nd quarter of the calendar year. Among the factors attributable to this were a reopening of the economy and a reduction in unemployment benefits. She stated that inflation has increased due to several factors. First, air fares were up 24.6%, and hotels increased by 16.9%, due in part to a "catch up" following the pandemic. There was also an increase due to supply shortages, particularly in used cars. Restaurants prices increased due to a labor shortage and higher wages. Finally, rent rates have increased.

Small cap stocks lagged for the quarter. Growth stocks reemerged as a leader over value. The Fed is committed to low interest rates going forward. In international equities, growth also outperformed value.

The market value of the Fund was \$6,671,210 as of June 30, 2021. Domestic Equities were observed to be over-weighted and close to the top of the allocated range. Jennifer Gainfort recommended a rebalancing of the portfolio.

Mitchell Carney made a motion to sell \$100,000 of the Vanguard 500 Index, and to purchase \$100,000 of the PIMCO Diversified Income Fund. Rene Fernandez seconded the motion, approved by the Trustees 3-0.

The Fund's income and appreciation for the quarter totaled \$358,639. Total fund gross return for the quarter was 5.68% vs the total fund gross policy return of 5.25%. The fiscal year to date return of the fund was 20.19% compared to the total fund gross policy return of 17.50%

Meeting July 15, 2021

Dana slightly underperformed its benchmark with a return of 8.03% vs the policy return of 8.55%, due to a value tilt. Fiscal year to date shows a 29.88% return compared to a 29.25% policy return. American Europacific Growth returned 6.97% for the quarter vs a policy return of 5.64%. Dodge & Cox Income Fund returned 1.98% for the quarter compared to a policy index return of 1.83%, due in part to a shorter duration of securities held. PIMCO Diversified Income returned 2.77% for the quarter measured against a policy return of 2.24%.

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

Mr. Christiansen informed the Board that all members had submitted Form 1, the Financial Disclosure Form, for the year ending December 31, 2020.

Mr. Christiansen asked if the Summary Plan Description approved at the last Board meeting had been distributed. Mr. Everhart indicated that the document had been provided to Gulfport Human Resources for distribution to active members. This was confirmed by Human Resources staff.

Mr. Christiansen informed the Board that no legislation affecting the pension plan had passed in the most recent legislation session in Tallahassee.

Mr. Christiansen provided the Board with a proposed ordinance changing the minimum distribution age from 70½ to 72, which reflects that which is contained in the Internal Revenue Code.

Mitchell Carney made a motion to approve the proposed ordinance increasing the minimum distribution age from 70½ to 72. Rene Fernandez seconded the motion, approved by the Trustees 3-0.

Mr. Christiansen indicated that he would forward the proposed ordinance to the City of Gulfport for action.

C. Custodian Report (Lynn Skinner, Salem Trust)

Ms. Skinner explained the duties of Salem Trust as Custodian of the pension plan. She stated that Salem has been the Custodian of the plan since 2006. Duties include holding the assets of the plan, rebalancing as directed, making benefit payments, paying invoices for the plan, issuing statements, and maintaining and updating signature forms. Ms. Skinner indicated that she reviewed the existing list of Statement recipients, and obtained agreement from the Board to delete Mark Epstein and Michael O'Toole from that list.

Ms. Skinner requested consideration of a fee increase for Salem Trust. She stated that the current fee has been in place since 2014, and that at that time it was guaranteed for 2 years. She requested an annual increase of \$500, from \$5,500 per year, to \$6,000 per year, with a 2 year guarantee, effective October 1, 2021.

Meeting July 15, 2021

Rene Fernandez made a motion to increase the annual fee for Salem Trust from \$5,500 to \$6,000 effective 10/1/21, with a 2 year guarantee, and further that legal counsel Scott Christiansen is authorized to amend the existing agreement to reflect this change. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

D. Administrator Report (Dale Everhart, Resource Centers)

Mr. Everhart stated that the Plan's Fiduciary Liability Insurance term expires on 7/31/21, and a renewal quote was contained in the Board package. He stated that the term of the policy renewal is for one year, beginning on August 1, 2021. The carrier indicated that there were no changes in coverage on the renewal, and that the quote was \$2,599, a 1.8% increase from the previous year.

Mitchell Carney made a motion to approve the procurement of the fiduciary liability insurance for the period of one year, beginning August 1, 2021. Rene Fernandez seconded the motion, approved by the Trustees 3-0.

4. PLAN FINANCIALS

A. Warrant Dated July 15, 2021

The Trustees reviewed the disbursements for payment of invoices contained in the Warrant dated July 15, 2021.

Rene Fernandez made a motion to approve the Warrant dated July 15, 2021 for payment of invoices. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

B. Benefit Approval Dated July 15, 2021

There were no benefits for approval.

5. OTHER BUSINESS

Mitchell Carney asked for an update on upcoming FPPTA conferences, and legal counsel clarified the training requirements for Board members.

6. PUBLIC COMMENT

There was no public comment.

7. SCHEDULED NEXT REGULAR MEETING

The Trustees scheduled their next regular quarterly meeting for Thursday October 21, 2021 at 2:30 PM.

8. ADJOURNMENT

Rene Fernandez made a motion to adjourn the meeting. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

Meeting July 15, 2021

The meeting adjourned at 3:10pm.

Respectfully submitted,

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

Don Howard, Secretary