

City of Gulfport Firefighters' Retirement Pension Fund

Minutes: Meeting of April 21, 2022

1. CALL TO ORDER

Brian Campbell called a meeting of the Board of Trustees for the Gulfport Firefighters' Retirement Pension Fund to order at 2:32 PM.

Those persons present included:

TRUSTEES

Brian Campbell, Chair
David Kanter, Secretary
Mitchell Carney

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

OTHERS

2. ELECTION OF OFFICERS

David Kanter made a motion to nominate Brian Campbell as Board Chair and David Kanter as Board Secretary. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

3. APPROVAL MINUTES: January 20, 2022

The Trustees reviewed the minutes of the January 20, 2022 meeting.

Mitchell Carney made a motion to approve the January 20, 2022 minutes. David Kanter seconded the motion, approved by the Trustees 3-0.

4. REPORTS

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

Jennifer Gainfort indicated that the quarter was difficult across the board, with a sell-off related to the Ukraine conflict. Both Russia and Ukraine play a big role in the global economy. China was negatively impacted by increasing Covid-19 infections with new restrictions in Shanghai. While US equities declined in the quarter due to Ukraine, large cap value was the best performing domestic segment. International equities also struggled, due to the Ukraine conflict and rising US dollar. Performance across most bond market sectors was negative, with US high yield corporate bonds and US Treasury Inflation-Protected Securities down the least. The Bloomberg US Aggregate Index return was the worst in more than 40 years. As to sectors, energy, utilities, and materials were the best performing. The crisis in Ukraine will likely be a drag on global economic growth for the foreseeable future.

The market value of the Fund was \$6,455,514 as of March 31, 2022. The Fund's income and depreciation for the quarter totaled \$-494,843. Total fund gross return for the quarter ending March 31, 2022 was -7.10% vs the total fund gross policy return of -5.51%. For the 1 year period ending March 31, 2022, the fund gross return was 0.95%, and the fund policy return was 3.35%. For the quarter, total equities returned -8.10% vs the policy return of -5.28%. The gross fixed income return for the quarter was -5.43% compared to the policy return of -5.96%.

Private real estate was the only good category in the last quarter. The asset size of the pension fund now better enables the fund to go into private real estate. The Board agreed to have

Meeting April 21, 2022

Jennifer Gainfort provide a real estate educational session at the July 21, 2022 Board meeting. Scott Christiansen indicated that investing in real estate would require a plan document change.

David Kanter made a motion to authorize plan counsel, Scott Christiansen, to draft a change to the investment restriction in the current plan document, to permit authorization for real estate investment. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

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

Sara Carlson presented the Actuarial Experience Study dated April 15, 2022. This study compiled and reviewed plan experience from October 1, 2011 through September 30, 2021. Highlights of the study include:

- 1) The expected portfolio long-term arithmetic rate of return on assets was 8.22%, which was greater than the rate of return assumption of 7.30%. No change was recommended
- 2) Salary growth in the first year of employment is higher than following years, where salary growth is flat. It was recommended to change the salary growth assumption from 5.4% to 4.42%, using a service based assumption.
- 3) Mortality Assumptions are those used by the Florida Retirement System
- 4) All future layers of unfunded actuarial accrued liabilities were recommended to be funded over 20 year periods.
- 5) The entry age normal cost allocation was recommended to be changed from the first valuation date an employee becomes a member, to the full career of an employee.
- 6) No changes were recommended to retirement rates, withdrawal rates, and disability rates.

Mitchell Carney made a motion to approve the recommended assumption changes with a rate of return assumption change being made so that there is no impact on the contribution requirement for the City, with the changes effective with the October 1, 2022 Actuarial Valuation. David Kanter seconded the motion, approved by the Trustees 3-0.

A Foster & Foster fee increase was discussed.

David Kanter made a motion to approve the presented fee schedule and to authorize Scott Christiansen to prepare a new actuarial services contract, with the fee schedule to be effective October 1, 2022. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

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

Mr. Christiansen reminded the Trustees of the need to file the Financial Disclosure Form by July 1, 2022.

Mr. Christiansen informed the Board that no legislation was enacted.

Meeting April 21, 2022

Administrator Report (Dale Everhart, Resource Centers)

Dale Everhart presented the Board with the proposed Fiscal Year 2022-2023 Administrative Expense Budget. The document provided to the Board also included actual expenses for FY 2020-2021 and the previously adopted budget for FY 2021-2022.

David Kanter made a motion to accept the proposed Fiscal Year 2022-2023 Administrative Expense Budget. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

Mr. Everhart presented a proposed fee increase for The Resource Centers effective May 1, 2022.

David Kanter made a motion to approve the presented fee increase and to authorize Scott Christiansen to prepare a new plan administrator contract, with the fee schedule to be effective May 1, 2022. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

Plan Financials

A. Warrant Dated April 21, 2022

The Trustees reviewed the disbursements for payment of invoices contained in the Warrant dated April 21, 2022.

Mitchell Carney made a motion to approve the Warrant dated April 21, 2022 for payment of invoices. David Kanter seconded the motion, approved by the Trustees 3-0.

B. Benefit Approval Dated April 21, 2022

David Kanter made a motion to approve the Benefit Approval document dated April 21, 2022. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

5. OTHER BUSINESS

There was no other business.

6. PUBLIC COMMENT

Christine Brown requested consideration by the Board of recommending a Cost of Living Adjustment(COLA) for retirees. The Board directed that the subject of a COLA be placed on the Board's agenda for its July 21, 2022 meeting.

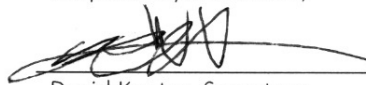
7. SCHEDULED NEXT REGULAR MEETING

The Trustees scheduled their next regular quarterly meeting for Thursday July 21, 2022 at 2:30 PM.

8. ADJOURNMENT

The meeting adjourned at 4:08pm.

Respectfully submitted,



David Kanter, Secretary