

City of Gulfport Firefighters' Retirement Pension Fund
Minutes: Meeting of October 20, 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 2:38 PM.

Those persons present included:

TRUSTEES

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

OTHERS

Scott Christiansen, Christiansen & Dehner (Attorney)
Dale Everhart, Resource Centers (Administrator)
Jennifer Gainfort, AndCo (Investment Consultant)

2. APPROVAL MINUTES: July 21, 2022

The Trustees reviewed the minutes of the July 21, 2022 meeting.

Mitchell Carney made a motion to approve the July 21, 2022 minutes. David Kanter seconded the motion, approved by the Trustees 4-0.

3. REPORTS

A. Investment Report

1) Dana Investment Advisors (Gregory Peters, Vice President)

Mr. Peters highlighted the investment style of Dana, and performance of managed assets. He indicated that the Dana fund is more focused on value stocks than growth stocks. Therefore, for the prior quarter, their fund underperformed, since growth outperformed value. Since inception, he stated that the fund's performance is on target. He highlighted current challenges of the investment market, including an increasing Core CPI.

2) Investment Report - Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort described the evolution of the S&P 500, the Fed Funds rate, and 10-Yr Treasury yields over the past 5 years. The S&P 500 is up 56% over 5 years. Valuations are more favorable given a pullback in stock prices along with strong corporate earnings. Bonds and equities may have further challenges given rising interest rates and persistently higher inflation. Bear markets, since World War II, have averaged 13 months, with an average loss of -32.96%, while bull markets have averaged 53.4 months, with gains averaging 155.16%. Since 1926, rolling percentage positive vs negative return percentages showed 75.6% positive and 24.4% negative over rolling 1 year periods, while over 20 years periods, the rolling returns have been positive 100% of the time.

The last quarter was another period of declining values, with inflation at 8.3% in August. The Federal Reserve Bank continued to increase interest rates, with an increase of 0.75% in July and September. Geopolitical risk continued with the Ukraine situation. For the quarter, growth stocks outperformed value stocks, and small cap stocks were down the least. For the prior year, value stocks outperformed growth stocks.

The market value of the Fund was \$5,531,947 as of September 30, 2022. No rebalancing of asset allocation is needed. The Fund's income and depreciation for the quarter totaled \$-288,000.

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Total fund gross return for the quarter ending September 30, 2022 was -4.90% vs the total fund gross policy return of -5.43%. For the 1 year period ending September 30, 2022, the fund gross return was -19.50%, and the fund policy return was -17.59%. For the quarter, total equities returned -5.96% vs the policy return of -5.80%. The gross fixed income return for the quarter was -3.82% compared to the policy return of -5.03%.

3) Real Estate Manager Search Results (Jennifer Gainfort, AndCo Consulting)

Ms. Gainfort reviewed the results of Real Estate Manager Search. Details of 3 identified managers were reviewed. Long-term target returns are 6-8%.

Mitchell Carney left the meeting at 3:30 pm.

David Kanter made a motion to authorize plan counsel to review pertinent documents to make a \$500,000 investment in ARA Core, contingent upon City Council adopting a proposed change increasing investment parameters. Don Howard seconded the motion, approved by the Trustees 3-0.

4) Investment Policy Statement (Jennifer Gainfort, AndCo Consulting)

Ms. Gainfort then discussed a proposed amendment to the Investment Policy Statement.

Don Howard made a motion to amend the Investment Policy Statement to add core real estate as an asset class, with a 10% commitment, and to reduce the allocation to domestic fixed income from 35% to 25%, contingent upon City Council adopting a proposed change increasing investment parameters. David Kanter seconded the motion, approved by the Trustees 3-0.

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

Mr. Christiansen informed the Board that the annual report of investment activity would be provided to the City manager detailing activity for the fiscal year ending September 30, 2022.

Mr. Christiansen provided the Board with a proposed Board meeting schedule for 2023, with meeting dates as follows:

January 19, 2023
April 20, 2023
July 20, 2023
October 19, 2023

Meetings are scheduled to begin at 2:30 pm in the Council Chambers.

David Kanter made a motion to adopt the proposed 2023 Board meeting schedule. Don Howard seconded the motion, approved by the Trustees 3-0.

Mr. Christiansen informed the Board that proposed Ordinance 2022-09 had first reading on October 18, 2022. It is scheduled for final consideration on November 1, 2023.

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Mr. Christiansen discussed a new form dealing with vested, deferred members. He stated that the form deals with the Share Plan monies to the credit of terminating members. If a member elects to take a lump sum of member contributions in lieu of a monthly pension, the member loses the right to receive Share Plan monies. Conversely, if a vested, deferred member elects to take a Share Plan distribution, that member loses the right to take a refund of member contributions. Mr. Christiansen directed that the newly created form on the subject be given to members at the appropriate time (Form PF-30).

C. Administrator Report (Dale Everhart, Resource Centers)

Mr. Everhart informed the Board that the 2021 Premium Tax amount was \$114,156.42. This is an increase of \$6,193.08 from 2020.

Mr. Everhart presented the Board with the conference schedule for 2023.

Mr. Everhart advised the Board of the 2023 membership cost, for the Board to continue as a member of the Florida Public Pension Trustees Association.

David Kanter made a motion to approve membership in FPPTA for 2023. Don Howard seconded the motion, approved by the Trustees 3-0.

4. Plan Financials

A. Warrant Dated October 20, 2022

The Trustees reviewed the disbursements for payment of invoices contained in the Warrant dated October 20, 2022.

Don Howard made a motion to approve the Warrant dated October 20, 2022 for payment of invoices. David Kanter seconded the motion, approved by the Trustees 3-0.

B. Benefit Approval Dated October 20, 2022

Don Howard made a motion to approve the Benefit Approval document dated October 20, 2022. David Kanter seconded the motion, approved by the Trustees 3-0.

5. OTHER BUSINESS

A. Active Member Benefits

Brian Campbell made a motion to authorize studies to be done by the actuary to replace the current benefit multiplier with a fixed 3.2% multiplier, and to replace the current benefit multiplier with a fixed 3.5% multiplier. David Kanter seconded the motion, approved by the Trustees 3-0.

B. Retiree Cost of Living Adjustment (COLA)

The Board took no action. The Board directed that the subject of a retiree COLA be placed on the Board's agenda for its January 19, 2023 meeting.

6. PUBLIC COMMENT

There was no public comment.

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7. SCHEDULED NEXT REGULAR MEETING

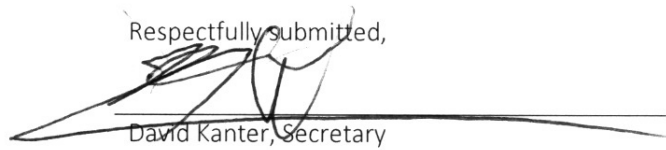
The Trustees scheduled their next regular quarterly meeting for Thursday January 19, 2023 at 2:30 PM.

4. ADJOURNMENT

Don Howard made a motion to adjourn the meeting. David Kanter seconded the motion, approved by the Trustees 3-0.

The meeting adjourned at 4:09pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "David Kanter", is written over a horizontal line. The signature is stylized and somewhat cursive.

David Kanter, Secretary