

City of Gulfport Firefighters' Retirement Pension Fund
Minutes: Meeting of April 20, 2023

1. CALL TO ORDER

Brian Campbell called a meeting of the Board of Trustees for the Gulfport Firefighters' Retirement Pension Fund to order at 2:47 PM.

Those persons present included:

TRUSTEES

Brian Campbell, Chair
David Kanter, Secretary
Mitchell Carney
Don Howard(arrived 2:55pm)

OTHERS

Scott Christiansen, Christiansen & Dehner (Attorney)
Dale Everhart, Resource Centers (Administrator)
Jennifer Gainfort, AndCo Consulting (Consultant)
James O'Reilly, City of Gulfport (City Manager)
Lynn Skinner, Salem Trust (Custodian)
Clayton Vail, Active Member

2. Board Seat

A. Board Seat Election Results

Rene Fernandez remains on the Board for a new term since he was the only person nominated for his expiring seat.

Brian Campbell remains on the Board for a new term since no one was nominated for his expiring seat and he agreed to serve another term.

B. Fifth Trustee Election

The election of a fifth trustee was postponed until the current fifth trustee arrives at the meeting.

3. APPROVAL MINUTES: January 19, 2023

The Trustees reviewed the minutes of the January 19, 2023 meeting.

David Kanter made a motion to approve the January 19, 2023 minutes. Mitchell Carney seconded the motion, approved by the Trustees 3-0.

4. REPORTS

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

1) Quarterly Performance Report

Jennifer Gainfort stated that US GDP growth is expected to slow down due to higher interest rates. The Federal Reserve Bank increased interest rates during the quarter with 2 successive 0.25% increases. Unemployment fell to 3.5% in March, as the labor market is showing signs of declining growth. Concerns still exist that a recession is likely this year. The existence of a US

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Treasury inverted yield curve (2 year rates are greater than 10 year rates) usually leads to a recession.

Domestic equity markets began 2023 with good results, led by large cap companies. International equity markets also delivered positive returns for the 1st quarter. Large, mid, and small cap growth stocks outperformed their value counterparts by a large margin. The bond market was broadly positive due to lower inflation and lowering yields on maturities greater than 1 year.

Don Howard arrived at the meeting at 2:55pm.

The market value of the Fund was \$6,256,257 as of March 31, 2023. No rebalancing of asset allocation is needed. The Fund's income and appreciation for the quarter totaled \$314,832. Total fund gross return for the quarter ending March 31, 2023 was 5.30% vs the total fund gross policy return of 5.47%. Fiscal year to date, the fund gross return was 12.40%, and the fund policy return was 12.18%. For the quarter, total equities returned 6.96% vs the policy return of 7.14%. The gross fixed income return for the quarter was 3.05% compared to the policy return of 2.97%.

An election of the 5th Trustee took place

Mitchell Carney made a motion to elect Don Howard as the 5th Trustee of the Board. David Kanter seconded the motion, approved by the Trustees 3-0.

Scott Christiansen directed the plan administrator to inform the City of the results of the election.

B. Custodian Report (Lynn Skinner, Salem Trust)

1. Pension Portal

Lynn Skinner described a new benefit payment service that would permit retirees to access their pension accounts and make select changes to the payment information, to include address, direct deposit, and withholding tax changes. Retirees could also access information on their monthly payments and annual tax statements. The program is at no additional cost to the plan or to participants using the service. Access to this pension portal would be secure and use of the portal is contingent upon Board agreement.

Mr. Everhart indicated that Resource Centers, as plan administrator, is requiring direct contact with any retiree or beneficiary wanting to change their direct deposit, address, or other information. Further the direct deposit form and address/information forms have been amended to require notarization.

Don Howard made a motion to allow retirees optional access to the portal to make changes to their withholding tax, and to view their account information and annual tax statements. The motion was seconded by Mitchell Carney, and approved by the Trustees 4-0.

City Manager, James O'Reilly entered the meeting.

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Mr. O'Reilly asked plan counsel, Scott Christiansen, if a Memorandum of Understanding (MOU) was needed to continue the process of amending firefighter pension benefits. Scott Christiansen indicated that an MOU was needed.

David Kanter made a motion to authorize plan counsel to draft an MOU and ordinance consistent with the Foster Special Actuarial Analysis dated March 20, 2023. Mitchell Carney seconded the motion, approved by the Trustees 4-0.

A question then arose as to the need to authorize the preparation of an actuarial impact statement consistent with the ordinance to be drafted.

David Kanter made a motion to amend the earlier motion concerning the draft MOU and ordinance to authorize the plan's actuary to prepare an actuarial impact statement, consistent with the MOU and ordinance to be drafted by plan counsel. Brian Campbell seconded the amendment to the original motion, approved by the Trustees 4-0.

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

Mr. Christiansen stated that the biennial update of the Summary Plan Description is scheduled to occur this month. He requested that a hold be placed on the update pending plan benefit changes. The Board concurred that the issue should be pended for the July 20, 2023 Board meeting.

Mr. Christiansen reminded the Board of the need to complete Form 1 from the State, which is an annual requirement, with filing due by July 1.

Mr. Christiansen informed the Board of pending Senate Bill 302, before the State legislature, which would prohibit ESG (environmental, social, and corporate governance) type investments.

Mr. Christiansen also detailed items contained in the Secure Act 2.0, which was passed by Congress on December 23, 2022 and signed into law December 29, 2022.

Mitchell Carney made a motion to authorize counsel to update the pension plan provisions to be compliant with the Secure Act 2.0. The motion was seconded by Don Howard, and approved by the Trustees 4-0.

Mr. Christiansen reviewed the current plan provisions that provide for a buy-back of credited service for government and military service. Presently, the plan allows only a lump sum payment for the service. However, the plan could be amended to allow for a series of payments via payroll deductions, rather than just a lump sum. The deductions would be after-tax, and for a period of 5 years. The calculation of the amount due for the service would be such that there is no cost to the pension plan, and would include an interest charge at the plan's actuarial assumed rate of return. If a member terminates service prior to completion of the payroll deductions, that member would receive a pro-rated share of the service credit based upon the amount of deductions that were collected. If a member terminates service prior to becoming a vested member of the plan, the member would be able to withdraw the total amount of the deductions collected prior to termination.

Mr. O'Reilly left the meeting.

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David Kanter made a motion to authorize plan counsel to draft provisions to allow for payroll deductions for the purchase of prior government and military service, and to add these changes to the previously authorized draft of Secure Act 2.0 provisions. Mitchell Carney seconded the motion, approved by the Trustees 4-0.

Mr. Christiansen discussed a memorandum addressed to the Board, covering the avoidance of benefit overpayments. He recommended that an internal audit be performed of all benefits currently being paid, and that the audit is performed in coordination with the plan's custodian (Salem Trust). Attention to "stop date" and "change date" accounts is necessary. He requested that the custodian confirm in writing the list of stop date and change date accounts.

The Board was then provided with the results of the recommended audit, signed by both the plan administrator and Salem Trust. There are currently no retirees or beneficiaries scheduled to have future benefits reduced or stopped.

D. Administrator Report (Dale Everhart, Resource Centers)

Mr. Everhart noted the Special Actuarial Analysis contained in the Board's materials, detailing the cost of making plan benefit and funding changes.

Mr. Everhart distributed authorized signature documents to obtain all Board member signatures, which are used in obtaining authorized signatures on items such as benefit approvals, invoice payments, and consultant and investment agreements.

Mr. Everhart presented the proposed pension plan administrative budget for Fiscal Year 2023-24.

Don Howard made a motion to approve the presented Fiscal Year 2023-24 administrative budget. David Kanter seconded the motion, approved by the Trustees 4-0.

Mr. Everhart discussed the upcoming 39th Florida Public Pension Trustees Association Annual Conference in June, and informed any interested Board members of the process to attend.

Mitchell Carney left the meeting.

4. Plan Financials

A. Warrant Dated April 20, 2023

The Trustees reviewed the disbursements for payment of invoices contained in the Warrant dated April 20, 2023.

David Kanter made a motion to approve the Warrant dated April 20, 2023 for payment of invoices. Don Howard seconded the motion, approved by the Trustees 3-0.

B. Benefit Approval Dated April 20, 2023

David Kanter made a motion to approve the Benefit Approval document dated April 20, 2023. Don Howard seconded the motion, approved by the Trustees 3-0.

5. OTHER BUSINESS

There was no other business.

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6. PUBLIC COMMENT

There was no public comment.

7. SCHEDULED NEXT REGULAR MEETING

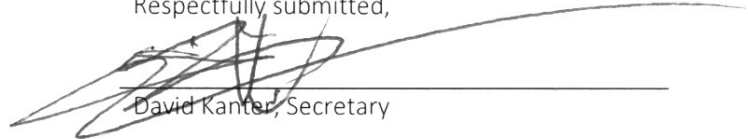
The Trustees scheduled their next regular quarterly meeting for Thursday July 20, 2023 at 2:30 pm.

8. 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 3:56pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "David Kanter", is written over a horizontal line. The signature is stylized with loops and a long horizontal stroke extending to the right.

David Kanter, Secretary