

City of Gulfport General Employees' Pension Plan
Minutes: Meeting January 16, 2025

1. CALL TO ORDER

Chair Larry Cooper called a meeting of the Board of Trustees for the Gulfport General Employees' Pension Plan to order at 1:02 PM

2. ROLL CALL

Those persons present included:

TRUSTEES

Larry Cooper, Chair
Heather Wyble, Secretary
Theresa Carrico
Chris Muth
Dwayne Stefanski

CONSULTANTS

Sara Carlson, Foster & Foster (Actuary)
Blanca Greenwood, Klausner, Kauman, Jensen & Levinson (Attorney)
Dale Everhart, Resource Centers (Administrator)
Jennifer Gainfort, Mariner (Consultant)

GULFPORT STAFF

Chris Caddell

3. Board Member Update

Dale Everhart indicated that there remain 2 vacancies on the Board, both being City Council appointments.

4. Approval of Minutes: October 17, 2024 Board Meeting

The Trustees reviewed the Minutes from the Quarterly Meeting of October 17, 2024.

Heather Wyble made a motion to approve the October 17, 2024 Minutes. Chris Muth seconded the motion, approved by the Trustees 5-0.

5. REPORTS

A. Actuary Report

1. Actuarial Valuation

Sara Carlson reported, based on the October 1, 2024 Actuarial Valuation, that the minimum required contribution rate decreased from 15.5% to 15.1%. The return on investments last year was good news, with a 22.71% rate of return. The smoothed asset return is 8.15%. Losses occurred due to an increase in payroll and membership. With more members, there is more cost. An additional loss occurred as salaries increased at 11.25%, compared to a 4.43% assumption. The unfunded liability increased from the prior year. The funded ratio as of October 1, 2024 was 87.7%.

The City Contribution rate for the fiscal year ending September 30, 2026 is expected to be 12.4% of projected payroll. This rate is composed of a normal cost of 8.9%, administrative expense of 1.5%, an unfunded actuarial accrued liability of 4.7%, and is reduced by expected member contributions of 2.7%.

Dwayne Stefanski made a motion to approve October 1, 2024 Actuarial Valuation. Larry Cooper seconded the motion, approved by the Trustees 5-0.

2. Retiree Cost of Living Adjustment

According to the ordinance governing the pension plan for City Employees in the General Employees' Pension Plan.

"The city council shall, every three (3) years, commencing October 1, 2009, review the status of all service retirees and beneficiaries who are receiving payments from the system for the purpose of considering an ad hoc increase in benefits for all such retirees. In determining the adjustment, if any, the city council shall consider the actuarial soundness of the system as set forth in the most recent actuarial valuation, the prevailing rate of inflation as reflected in the Consumer Price Index, and the recommendations of the board. For purposes of its recommendation regarding the granting of ad hoc cost-of-living increases, and in consideration of the position of the state division of retirement, the board shall make a recommendation for an increase only if the net actuarial gains experienced since the most recent adjustment is sufficient to fully purchase the value of the additional benefits. The calculation of net actuarial gains and losses shall be computed by the board's actuary using generally accepted actuarial principles, and the cost method employed in the actuarial valuation of the fund, and shall be in compliance with F.S. § 112.61."

Sara Carlson indicated that net actuarial gains experienced since the most recent adjustment are insufficient to fund a cost of living adjustment.

Dwayne Stefanski made a motion to not approve a cost of living adjustment for retirees. Larry Cooper seconded the motion, approved by the Trustees 5-0.

B. Investment Report (Jennifer Gainfort, Mariner)

1) Investment Report

Jennifer Gainfort stated that markets peaked on December 6, 2024. There was then a selloff due in part to a slow down in the Federal Reserve rate cuts. Ms. Gainfort reviewed a 17-year history of the returns of the S&P 500, highlighting the peak to trough and trough to peak periods. She said that it is best to stay invested rather than to try and time the market.

The market value of the Fund was \$21,215,503 as of December 31, 2024.

The asset class of real estate is underweight, but it was recommended that the Board wait another quarter before taking any action. All other asset classes are within target ranges. There is no recommendation at this time to rebalance.

Asset income and depreciation for the quarter totaled \$-422,684. Total fund gross return for the quarter was -1.97% vs the total fund gross policy return of -1.19%. The total fund policy return does not include the real estate benchmark, as it was not available at the time the report was compiled. For the last quarter, total equities returned -0.82% vs the gross policy return of 0.58%. Fixed income returned -2.97% for the quarter, compared to the gross policy return of -3.37%. Total real estate returns were -4.16% for the quarter. Alternative investments totaled -3.43% for the quarter, compared to the gross policy return of 2.19%.

C. Attorney Report (Blanca Greenwood, Klausner, Kaufman, Jensen & Levinson)

Blanca Greenwood stated that a motion was in order to approve a rate of investment return, net of investment related expenses.

Larry Cooper made a motion that based on the advice of its investment professionals and/or actuary, 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 6.8%, net of investment related expenses. Chris Muth seconded the motion, approved by the Trustees 5-0.

Ms. Greenwood reviewed an Internal Revenue Service final regulation indicating that retirees living within the US can elect "no withholding" for income tax purposes. However, retirees with a residence address outside the US cannot elect "no withholding." A question arose as to how this regulation would apply to retirees with a residence address in Puerto Rico. After research, Ms. Greenwood indicated that residents of Puerto Rico can elect "no withholding."

D. Administrator (Dale Everhart, Resource Centers)

Mr. Everhart distributed the calendar of Florida pension conferences for 2025. He reminded Board members of the requirement that they attend an investment conference or seminar at least once in each term of office.

6. PLAN FINANCIALS

A. Disbursements: Warrant Dated January 16, 2025

The Board reviewed the Warrant for payment of expenses dated January 16, 2025.

Heather Wyble made a motion to approve the Warrant dated January 16, 2025. Theresa Carrico seconded the motion, approved by the Trustees 5-0.

B. Benefit Approval Dated January 16, 2025

Larry Cooper made a motion to approve the Benefit Approval document dated January 16, 2025. Chris Muth seconded the motion, approved by the Board 5-0.

7. OTHER BUSINESS

There was no other business.

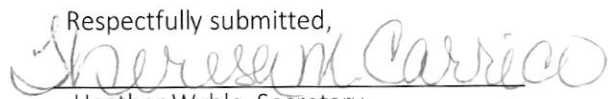
8. PUBLIC COMMENT

There was no public comment.

9. NEXT REGULAR MEETING

The Trustees scheduled the next regular quarterly meeting for Thursday, April 17, 2025 at 1:00 pm.

The meeting adjourned at 1:53 pm.

Respectfully submitted,

~~Heather Wyble, Secretary~~
Theresa M Carrico, Acting Secretary