

City of Gulfport General Employees' Pension Plan

Minutes: Meeting April 18, 2024

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 1:01 PM

2. ROLL CALL

Those persons present included:

TRUSTEES

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

OTHERS

Scott Christiansen, Christiansen & Dehner (Attorney)
Dale Everhart, Resource Centers (Administrator)
Jennifer Gainfort, Mariner (Consultant)
Blanca Greenwood, Klausner, Kaufman, Jensen & Levinson (Attorney)

3. Approval Minutes: January 18, 2024 Board Meeting

The Trustees reviewed the Minutes from the Quarterly Meeting of January 18, 2024.

John McEwen made a motion to approve the January 18, 2024 minutes. Larry Cooper seconded the motion, approved by the Trustees 6-0.

4. REPORTS

A. Investment Report (Jennifer Gainfort, Mariner)

1) AndCo/Mariner Acquisition

Jennifer Gainfort discussed the acquisition of AndCo by Mariner, LLC. She stated that she would remain as the consultant to the pension fund, and that AndCo would be the new institutional platform for Mariner, a national wealth advisory firm.

Larry Cooper made a motion to consent to the change from AndCo to Mariner, LLC, and to authorize plan counsel, Scott Christiansen, to draft a new contract for investment consulting services with Mariner. Dwayne Stefanski seconded the motion, approved by the Trustees 6-0.

2) Investment Report

Jennifer Gainfort stated that the equity market brought continued strength, and that there were 22 new all-time highs in the quarter ending March 31, 2024. She stated that the rally was based upon expectation of more favorable interest rates. Two interest rate cuts are expected this year, with the first possibly in September. Inflation is higher than expected, at about 3.8% now, with 2% desired. The S&P 500 was up 10.6% for the quarter. Large caps outpaced small and mid cap equities. Growth stocks

outpaced value, with AI being a dominant investment theme. Fixed income returns were negative, as long rates increased.

The market value of the Fund was \$20,483,720 as of March 31, 2024.

As to asset allocation, domestic equities were above the target range, calling for consideration of rebalancing. It was recommended that \$790,000 be moved from the domestic equity managers and into fixed income.

Dwayne Stefanski made a motion to sell \$100,000 of the Vanguard Capital Opportunity Fund, \$350,000 of the Nuveen Winslow Large Cap Growth Fund, \$240,000 of the Dodge & Cox Stock Fund, and \$100,000 of the AllSpring Mid Cap Value and to purchase \$790,000 of the Dodge & Cox Income Fund. Larry Cooper seconded the motion, approved by the Trustees 6-0.

Asset income and appreciation for the quarter totaled \$967,695. Total fund gross return for the quarter was 4.95% vs the total fund gross policy return of 4.19%. 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 9.40% vs the gross policy return of 8.97%. Fixed income returned -0.08% for the quarter, compared to the gross policy return of -0.97%. Total real estate returns were -1.64% for the quarter, compared to the benchmark of approximately -2.00%. Alternative investments totaled 1.93% for the quarter, compared to the gross policy return of 2.37%.

Performance remained strong for the fund, with some volatility so far in April. Prospectively the market will focus on the Fed, and when a rate reduction is expected.

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

Mr. Christiansen indicated that John McEwen will be leaving the Board due to out of state relocation. Mr. Christiansen verified that the City is aware of this, and that the replacement for Mr. McEwen will be appointed by the City for a term ending 4/1/2026. He also informed Mr. McEwen to file a Form 1F with the State upon leaving the Board.

Mr. Christiansen informed the Board that the US Securities and Exchange Commission now requires that all claims filed and collected through Kessler Topaz, Meltzer, and Check(KTMC) must be sent directly to the asset owner. KTMC must then invoice for their fees. Previously, fees were deducted from claims prior to claims distribution to the asset owner.

Mr. Christiansen stated that he would be retiring August 1, 2024. He proposed assigning his contract to the firm of Klausner, Kaufman, Jensen & Levinson, and emphasized the experience of this law firm in the State of Florida. He introduced Blanca Greenwood, an associate lawyer with the firm, who would be assigned to the pension plan. He also stated that his office manager, Debbie McCord would be taking a full-time position with Klausner. Ms. McCord has had extensive experience with the pension plan, thereby facilitating the move to Klausner. Finally, he stated that he would be "of counsel" to the Klausner law firm. Blanca Greenwood introduced herself to the Board and detailed her experience with Klausner, as well as with previous employers. She stated that the senior partner rate at Klausner is \$500 per hour, and that as an associate, her hourly rate would be \$400. Mr. Christiansen's current hourly billing rate is \$516.

Larry Cooper made a motion to authorize the assignment of legal counsel to the firm of Klausner, Kaufman, Jensen & Levinson, consistent with agreed upon fees as discussed. Theresa Carrico seconded the motion, approved by the Trustees 6-0.

D. Administrator (Dale Everhart, Resource Centers)

Dale Everhart informed the Board of the results of an outside audit of the Resource Centers, termed a SOC 1 Type 2 audit. The outside auditor examined the service organization's controls and processes to ensure they were designed appropriately and implemented and functioning effectively. Those controls were tested to determine if they were operating as intended.

The auditors identified no exceptions in the audit.

Dale Everhart informed the Board of the upcoming FPPTA Annual Conference from June 23-26 in Orlando. He stated that any interested Board member should contact him for registration and other information.

5. PLAN FINANCIALS

A. Disbursements: Warrant Dated April 18, 2024

The Board reviewed the Warrant for payment of expenses dated April 18, 2024.

John McEwen made a motion to approve the Warrant dated April 18, 2024. Theresa Carrico seconded the motion, approved by the Trustees 6-0.

B. Benefit Approval Dated April 18, 2024

Larry Cooper made a motion to approve the Benefit Approval dated April 18, 2024. Heather Wyble seconded the motion, approved by the Board 6-0.

6. OTHER BUSINESS

There was no other business.

7. PUBLIC COMMENT

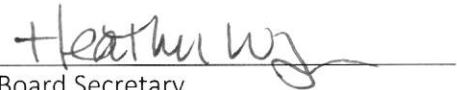
There was no public comment.

8. NEXT REGULAR MEETING

The Trustees scheduled the next regular quarterly meeting for Thursday, July 18, 2024 at 1:00 pm.

The meeting adjourned at 1:42 pm.

Respectfully submitted,


Board Secretary