

City of Gulfport General Employees' Pension Fund

Minutes: Meeting of July 21, 2016

1. CALL TO ORDER

Blake Boyer called a meeting of the Board of Trustees for the Gulfport General Employees' Pension Fund to order at 1:04 PM.

2. ROLL CALL

Those persons present included:

TRUSTEES

Blake Boyer, Chairman
Deanna Doss, Secretary
Dena Lebowitz
Dwayne Stefanski
Carmen Soto-Torres
Paul Rousseau
Marjory Milford

OTHERS

Audrey Ross, Resource Centers
Jack Evatt, Bogdahn Group
Scott Christiansen, Christiansen & Dehner

3. PUBLIC COMMENT

N/A

4. APPROVAL OF MINUTES

The Trustees reviewed the minutes for the meeting of April 21, 2016.

Marjory Milford made a motion to approve the minutes for the meeting of April 21, 2016 as amended. Dena Lebowitz seconded the motion, approved by the Trustees 7-0.

5. REPORTS

Jack Evatt, Bogdahn Consulting

Quarterly Performance Report-6/30/2016:

Mr. Evatt presented the Board with the June 30, 2016 performance report. He briefly reviewed the market environment during the quarter and noted that towards the end the big event of the BREXIT occurred, which slightly impacted the equities short term but overall they still did not do bad. Mr. Evatt commented that they started the quarter with \$13.8M and ended slightly above at \$13.9M. All allocations are in line with their targets and on the last day of the quarter American Realty was funded. Mr. Evatt reviewed the Plan's performance for the quarter and noted that the total fund net of fees underperformed the index at 1.90% versus 2.43%. For the fiscal year to date the total fund is also in the same position at 3.48% versus the index at 7.86%. He reviewed each manager's performance during the quarter and stated that all the international equity managers underperformed as well as the domestic equity managers. Fixed income held up pretty well and real estate added the most value although it does not include American Realty; only the Vanguard REIT. Mr. Evatt reviewed the alternative investments and commented that PIMCO had another great quarter but the Templeton Global fixed income fund is still lagging and has been for some time now. He stated that it is just a rough market environment out there right now for global fixed income and that the benchmark they are using is not that comparable, but there is not a better one to use either. Mr. Evatt reiterated that overall he is still comfortable with the Templeton Global fixed income fund for the time being because their long

term performance is still good and in his opinion they are still the best fit manager for this asset class even though their short term performance has not been good. The Bogdahn Group will continue to monitor this fund and will report back to the Board. Mr. Evatt stated that overall the portfolio is doing well despite the market environment and he does not have any recommendations at this time for changes.

Investment Policy Guideline Update:

Mr. Evatt presented the Board with a revised Investment Policy Guideline (IPG). He explained that this document has been updated to allow a 5% investment in direct core real estate (American Realty) by reducing the GTAA target by 5%. Also the target ranges were updated for both direct real estate and GTAA to 0-10%.

Dena Lebowitz made a motion to approve and execute the revised Investment Policy Guidelines as presented and to file with the appropriate parties. Blake Boyer seconded the motion, approved by the Trustees 7-0.

Salem Trust Money Market Mutual Funds:

Mr. Evatt explained that the SEC is reforming the structure and operations of money market mutual funds and therefore Salem Trust is offering an alternative money market sweep vehicle. Currently the Plan is in the prime money market mutual fund account but that account will now have a lock up and Mr. Evatt is recommending that the Board move over to the Goldman Sachs Treasury fund. He noted that there is no price difference between the 2 funds.

Blake Boyer made a motion to approve and authorize Salem Trust to switch money market vehicles from the current prime money market mutual fund account to the Goldman Sachs Treasury fund per the recommendation of the Investment Consultant. Deanna Doss seconded the motion, approved by the Trustees 7-0.

Attorney Report (Scott Christiansen, Christiansen & Dehner)

Mr. Christiansen notified the Board that Ms. Doss and Ms. Soto-Torres' terms expire in October 2016 and therefore an election needs to be held. Also it was confirmed with the City that Ms. Lebowitz term does not expire until March 2017.

Mr. Christiansen commented that all the Trustees have filed their Annual Form 1 Disclosures on time.

Mr. Christiansen stated that the proposed COLA Ordinance was recently presented to the City Council. The City Council tabled the document and stated that they will review it again in 2 years per the Ordinance requirements.

Lastly Mr. Christiansen noted that he reviewed the American Realty contract in between meetings and all went well.

Administrator Report (Audrey Ross, Resource Centers)

Ms. Ross presented the Board with their fiduciary liability insurance renewal quote which is set to expire on August 1, 2016. The policy is a 3 year term quoted at \$3,944 per year. This is an increase of \$42 per year compared to the last year's fee.

Deanna Doss made a motion to authorize and approve the renewal of the Plan's Fiduciary Liability Insurance premium as presented; \$3,944 per year for 3 years (8/1/2016-8/1/2019). Blake Boyer seconded the motion, approved by the Trustees 7-0.

Ms. Ross stated that she had a Salem Trust authorized signors form that she needed all Trustee to sign so that it is up to date with the correct Trustees and administrators.

6. PLAN FINANCIALS

The Trustees reviewed the Warrant dated July 21, 2016 for payment of invoices.

Marjory Milford made a motion to authorize the Warrant dated July 21, 2016. Blake Boyer seconded the motion, approved by the Trustees 7-0.

The Trustees reviewed the application for retirement for Gerald Engel.

Blake Boyer made a motion to approve the application for retirement for Gerald Engel. Deanna Doss seconded the motion, approved by the Trustees 7-0.

7. OTHER BUSINESS

Ms. Lebowitz stated that she recently attended the FPPTA School and found it very beneficial and encourages the other Trustees to consider attending a school in the future as well. She is going to start taking the courses and the corresponding tests to become a Certified Public Pension Trustee (CPPT) and wanted to share this information the Board in case anyone else is interested. Mr. Christiansen stated that this was available to all Trustees on the Board and they have even amended the Plan's operating rules and procedures to reflect this.

8. NEXT REGULAR MEETING

The Trustees previously set the schedule for the next regular quarterly meeting on Thursday, October 20, 2016 at 1:00 pm.

9. ADJOURNMENT

There being no further business, Blake Boyer made a motion to adjourn the meeting at 2:02 PM. Deanna Doss seconded the motion, approved by the Trustees 7-0.

Respectfully submitted,

Deanna Doss, Secretary