

City of Gulfport General Employees' Pension Fund

Minutes: Meeting of October 18, 2018

1. CALL TO ORDER

Blake Boyer called a meeting of the Board of Trustees for the Gulfport General Employees' Pension Fund to order at 1:00 PM.

2. ROLL CALL

Those persons present included:

TRUSTEES

Blake Boyer, Chair
Larry Cooper
Dena Lebowitz
Marjorie Milford
Paul Rousseau
Dwayne Stefanski

OTHERS

Audrey Ross & Scott Baur, Resource Centers
Scott Christiansen, Christiansen & Dehner
Jack Evatt & Jennifer Gainfort, AndCo Consulting
Kathy Tatay, Deputy City Clerk
Rachel Cataldo, City of Gulfport Employee

3. PUBLIC COMMENT

Rachel Cataldo introduced herself as an employee for the City of Gulfport. She stated that she reviewed the draft Minutes for the Meeting of July 19, 2018. Per Ms. Cataldo, she requested two actions by the Trustees when she addressed the Board at the July meeting: all Board contracted service providers should be held accountable per the terms of their respective agreements with the Board, and the Board should conduct one or more educational workshops for members of the Pension Fund. She further stated that not only does she feel that the Board failed to adequately address these requests, but she did not receive the draft meeting minutes in a timely manner. In discussion, the Trustees decided that any member workshops should be scheduled after January 1, 2019. The Board considered offering educational workshops during working hours in Council Chambers or at the Casino Building to maximize employee participation.

Marjorie Milford made a motion to approve two workshops for active plan members during working hours to maximize participation. Paul Rousseau seconded the motion, approved by the Trustees 6-0.

The Board further discussed the timing and location for the proposed workshops. Ms. Cataldo also noted that the materials on the administrator website still required updating.

The Board briefly reviewed terms for Trustees leaving the Board due to retirement or resignation. Dena Lebowitz resigned because she moved from Gulfport, while Paul Rousseau retires on November 1. The City must appoint the replacement for the remainder of the term for Dena Lebowitz, which ends on March 31, 2020. The Trustees thanked her for her dedicated service to the Board and to the members of the Pension Fund. The term for Paul Rousseau expires in December 2018 anyway, so the Board has time to complete an election for a new member to replace him prior to the next quarterly meeting already scheduled for January 17, 2019. Both Dena Lebowitz and Paul Rousseau must also complete a final Form 1-F Financial Disclosure and file with the Supervisor of Elections for Pinellas County.

4. MINUTES

The Trustees reviewed the minutes from the July 19, 2018 regular meeting. The Trustees tabled approval of the draft Minutes to allow further time for review and consideration.

5. REPORTS

Investment Consultant (Jack Evatt and Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort provided an overview of the market for the quarter ending September 30, 2018, which included increasing volatility with interest rate increases and trade tensions with China. She reviewed the returns for various market sectors and indices for the period, both domestic and internationally. She stated that growth issues out performed value stocks for both the quarter and the year ending September 30.

For the fiscal year ending September 30, 2018, the plan assets gained 3.22% gross and net of fees compared to a gain of 2.99% for the benchmark. For the fiscal year, the portfolio gained 8.48% gross and 8.44% net of fees compared to 7.56% for the Policy benchmark. The fiscal year return finished ahead of the 7.25% actuarial assumed rate of return adopted by the Board. The plan had a net investment return of 7.56% for the trailing 5 years, and the Pension Fund had total assets of \$16,708,147 as of September 30, 2018. Jennifer Gainfort reviewed performance for each manager, as well as the overall asset allocation. She did not recommend any rebalancing of assets by the Board at this time.

Jennifer Gainfort and Jack Evatt reviewed the performance for the PIMCO All Asset Fund in greater detail, which does not correlate well to the benchmark for that particular manager. The manager, however, chose the benchmark to measure performance for that portfolio allocation. As a fixed income substitute, the allocation performed well.

Attorney Report (Scott Christiansen, Christiansen & Dehner)

Scott Christiansen reviewed the revised ordinance with proposed changes to the plan, including a section on reemployment after retirement and various “housekeeping” changes for compliance with the Internal Revenue Code. For IRC compliance, he updated the definition of an employee, and added language both for missing benefit recipients and members rehired after retirement. Mr. Christiansen then discussed differences between PLOP (Partial Lump Sum) and DROP (Deferred Retirement Option Plan) options for eligible members at retirement. Both benefits offer members the option to receive a lump sum in combination with a monthly benefit at retirement from the plan. The proposed revisions to the plan, including the DROP, do not have a cost impact to the plan or to the City. Jack Evatt suggested that the plan offer a fixed interest rate option for members if the Pension Fund adds a DROP Plan.

Marjorie Mills departed at 2:03 PM due to a conflict.

Blake Boyer made a motion to send the proposed ordinance to the City for adoption but table the additional language for a DROP Plan option. Paul Rousseau seconded the motion approved by the Trustees 5-0.

Mr. Christiansen stated that he would forward more details on DROP Plan options to the Board for consideration.

Scott Christiansen recommended tabling review of updates to the Operating Rules to the next meeting to allow the Board more time to review the recommended revisions. He also noted the actuary would present the annual valuation at the next meeting. Finally, he stated that the administrator should now forward the annual report on the pension status to the City.

The Trustees reviewed the proposed meeting dates for 2019.

Dwayne Stefanski made a motion to approve the proposed quarterly meeting dates for 2019. Larry Cooper seconded the motion, approved by the Trustees 5-0.

The Trustees briefly considered both the service purchase provisions of the plan and participation by members promoted to management. Qualifying service purchases count for all purposes such as eligibility and determination of benefit amounts but not vesting. Promoted members, meanwhile, have the option to continue to participate in the Pension Fund.

Administrator Report (Audrey Ross and Scott Baur, Resource Centers)

The administrator had no other report.

6. PLAN FINANCIALS

The Trustees reviewed the Warrant for payment of expenses dated October 18, 2018.

Blake Boyer made a motion to approve the Warrant dated October 18, 2018. Larry Cooper seconded the motion, approved by the Trustees 5-0.

The Board had no benefits for approval.

7. OTHER BUSINESS

The Board had no other business for discussion. The Trustees again considered the posting of approved minutes to the website for the plan, and Audrey Ross offered to assist Paul Rousseau and Dena Lebowitz with filing the final Form 1-F Financial Disclosure if needed.

8. NEXT REGULAR MEETING

The Trustees previously set the schedule for the next regular quarterly meeting for Thursday, January 17, 2019 at 1:00 pm.

9. ADJOURNMENT

There being no further business, Blake Boyer adjourned the Meeting at 2:21 PM.

Respectfully submitted,

Carmen Soto-Torres, Secretary