

*City of Gulfport General Employees' Pension Fund*  
**Minutes: Meeting of January 16, 2020**

**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  
Carmen Soto Torres, Secretary  
Gail Biron  
Larry Cooper  
Marjory Milford  
Dwayne Stefanski

**OTHERS**

Sara Carlson, Foster & Foster(Actuary)  
Dale Everhart, Resource Centers(Administrator)  
Scott Christiansen, Christiansen & Dehner (Attorney)  
Jennifer Gainfort, AndCo Consulting (Consultant)

**3. PUBLIC COMMENT**

No public comment

**4. APPROVAL MINUTES**

The Trustees reviewed the Minutes from the Quarterly Meeting of October 17, 2019.

Marjory Milford made a motion to approve the October 17, 2019 minutes as amended. Larry Cooper seconded the motion, approved by the Trustees 6-0.

**4. REPORTS**

**a. Investment Consultant (Jennifer Gainfort, AndCo Consulting)**

Jennifer Gainfort stated that 2019 began with a strong rally in the stock markets, and ended similarly in the fourth quarter. Gains were realized in all major asset classes. Annual stock returns totaled approximately 30%. The US stock market hit a number of new record highs throughout the quarter and year. The Fed announced a third and final fed funds rate cut of 25 basis points for the year. A Phase 1 trade deal with China resulted in tariff relief, and a commitment by China to buy greater quantities of American crops, factory goods, and energy products. Further, the USMCA trade agreement passed the House and is expected to be finalized, bringing long awaited good news on the trade front. The US economy appears to be in a good place, with unemployment at 3.5%, rising wages, and consumers remaining confident. Consumers represent approximately 2/3 of the economy.

Internationally, emerging markets led the way, outperforming domestic equities. Lastly, fixed income was positive for the quarter at 0.18%, and the Aggregate returned 8.72% for the calendar year.

The market value of the Fund was \$17,564,142. Actual assets were within target allocation ranges, with no rebalancing needed. Income and appreciation for the quarter totaled \$954,302. Total fund gross

return for the quarter was 5.72% vs the total fund gross policy return of 4.66%. The one year return was 19.65% vs the total fund gross policy of 19.46%. All manager performance was discussed with no changes of investment managers recommended.

**b. Actuary Report ( Sara Carlson, Foster & Foster)**

Sara Carlson presented the findings from the 2019 Actuarial Valuation. City contribution rates remained relatively flat, decreasing from 5.4% of payroll to 5.3%. Due to the plan's funded status, and the State statutory requirement of requiring a minimum contribution of the Normal Cost, the rate the City is required to pay reflects this statutory minimum. If there was no minimum requirement, the City contribution rate would be 2.0%

The funded ratio of the Plan is 107.2%. Total investment gains have been greater than the assumed rate of return of assets, with returns being amortized over 4 years to smooth the effect on the employer contribution rate. Salary increases were slightly less than the assumption (4.39% vs 4.75%), which is a gain to the Plan. Employee turnover was less than assumed, which represents a cost to the Plan. As a result of all of these factors, there is a negative Unfunded Actuarial Accrued Liability, resulting in the funded ratio in excess of 100%.

Dwayne Stefanski made a motion to approve the 2019 Actuarial Valuation as presented. Blake Boyer seconded the motion, approved by the Trustees 6-0.

**b. Attorney Report (Scott Christiansen, Christiansen & Dehner)**

Mr. Christiansen advised of the need to adopt a Declaration of Returns, following adoption of the 2019 Actuarial Valuation. Jennifer Gainfort from AndCo recommended 7.25%.

Blake Boyer made a motion on the advice of the Investment Consultant that the Board expects to achieve a 7.25% return on Pension Fund assets for the next year, for the next several years, and for the long term thereafter. Marjory Milford seconded the motion, approved by the Trustees 6-0.

Mr. Christiansen discussed the recently enacted Secure Act. Minimum distribution requirements changed from age 70 ½ to age 72. Re-employment provisions in a plan could now allow for re-employment at 59 ½ compared to the prior provision stating age 62. This lowers the age at which a person can return to employment and continue to receive benefits.

**c. Administrator(Dale Everhart, Resource Centers).**

Mr. Everhart referenced a summary of Cyber Liability Insurance coverage for all Board consultants. He stated that the summary was informational based upon prior discussions of the Board.

Mr. Everhart discussed the need for the Plan to submit a Records Management Liaison Officer Designation document to the Division of Library and Information Services, within the Florida Department of State. Mr. Christiansen indicated that there was a previous designation of Scott Baur of Resource Centers as that Officer. Notice of this designation will be forwarded to the Florida Department of State by Resource Centers.

Mr. Everhart provided the Board with a list of conferences in 2020. Board members were reminded that according to their Operating Rules and Procedures, "Each Trustee is required to attend a seminar or conference regarding Trustee duties and responsibilities and matters relating to the investment program of the Plan at least once each term."

## 5. PLAN FINANCIALS

### a. Disbursements: Warrant Dated January 16, 2020

The Board reviewed the Warrant for payment of expenses dated January 16, 2020.

Dwayne Stefanski made a motion to approve the Warrant dated January 16, 2020. Blake Boyer seconded the motion, approved by the Trustees 6-0.

### b. Benefit Approvals

Gail Biron made a motion to approve the presented benefit applications. Larry Cooper seconded the motion, which was approved by the Board 6-0.

## 6. OTHER BUSINESS

There was no further business discussed.

## 7. NEXT REGULAR MEETING

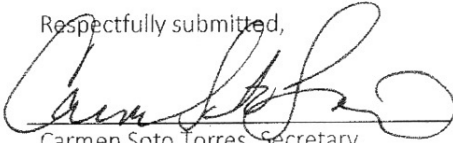
The Trustees previously set the schedule for the next regular quarterly meeting for Thursday, April 16, 2020 at 1:00 pm.

## 8. ADJOURNMENT

Gail Biron made a motion to adjourn the meeting. Larry Cooper seconded the motion, which was approved by the Board 6-0.

The meeting adjourned at 2:06pm.

Respectfully submitted,



Carmen Soto Torres, Secretary