

City of Gulfport General Employees' Pension Fund
Minutes: Meeting of July 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 1:06 PM. The Board was reminded that the meeting was being recorded, and that it was an electronic meeting. It was also stated that public comment is possible through emailing Gulfport@resourcecenters.com, with any comments being read into the record during the public comment section of the meeting.

2. ROLL CALL

Those persons present included:

TRUSTEES

Blake Boyer, Chair
Carmen Soto Torres, Secretary
Gail Biron
Larry Cooper
Marjory Milford
John McEwen
Dwayne Stefanski

OTHERS

Dale Everhart, Resource Centers(Administrator)
Scott Christiansen, Christiansen & Dehner (Attorney)
Jennifer Gainfort, AndCo Consulting (Consultant)
Matt McCue

3. BOARD SEAT UPDATE

Dale Everhart reported that Mr. John McEwen was appointed by City Council to fill a vacancy on the Board, effective June 16, 2020.

Mr. Everhart also reported that the Board seats held by Blake Boyer and Dwayne Stefanski will expire on 10/1/20. A Notice of Trustee Election document has been prepared, to include a nomination period lasting until August 12, 2020. Should either of the seats have multiple nominations, ballots will then be distributed with employees' August 21, 2020 paycheck. Completed ballots can be submitted until 4PM, September 3, 2020, with ballots then being counted at 8AM on September 4, 2020. The Ballot Box is located in the City Clerk's Office. Mr. Everhart indicated that he would keep the Board apprised of the election process.

4. APPROVAL MINUTES

The Trustees reviewed the Minutes from the Quarterly Meeting of April 16, 2020.

Marjory Milford made a motion to approve the April 16, 2020 minutes. Gail Biron seconded the motion, approved by the Trustees 7-0.

5. REPORTS

a. Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort described the responsibilities of AndCo to new Board member John McEwen, indicating that general consulting is AndCo's only line of business, with compensation being a flat fee amount.

Ms Gainfort stated that the calendar year's 2nd quarter was the continuation of unprecedented times. There were strong gains across global markets, with risk being rewarded. The beginning of the quarter brought most of the return, due to economic stimulus provided by governments. However, by the end of the quarter, optimism started to slow as COVID-19 cases began to surge with the reopening of states. Growth, small cap, and domestic styles were favored, compared to value, large cap and foreign markets. The S&P 500 had its best quarter since 1998. It ended approximately 8% off of its all time high. Growth continues to outpace value, with the Russell 1000 Growth Index returning 27.84% while the Russell 1000 Value Index returned 14.29% for the quarter. Over the course of the last year, the Growth Index is up 23.38%, while the Value Index is down 8.84%. Technology outperformed due to its ability to withstand the economic shutdown, with the US economy going through a technological revolution in the areas of on-line shopping and video conferencing. The Fixed Income aggregate returned 2.9% for the quarter. Interest rates remained low, and the Fed announced anticipation of keeping rates low through 2021.

The market's future and the pace of the economic recovery are dependent on a reduction in the COVID-19 outbreaks, successful vaccine development, governmental support, and the November election outcome.

The market value of the Fund was \$16,798,606 as of June 30, 2020. Assets were within target allocation ranges, with no rebalancing needed. Income and appreciation for the quarter totaled \$2,093,782. Total fund gross return for the quarter was 14.18% vs the total fund gross policy return of 12.01%.

Ms. Gainfort indicated that equity returns for the 2nd quarter totaled 22.95% vs a gross policy return of 20.89%. Fixed income returns were 5.97% vs the gross policy return of 2.90%, primarily due to corporate bonds.

In the global fixed income portion of the portfolio, money manager Templeton showed a quarterly return of .36% vs the policy return of 3.68%. Currency exposure and anticipating an interest rate rise contributed to the underperformance. Templeton's performance has consistently been in the 100th percentile. Ms Gainfort recommended that AndCo look at the global fixed income space in the investment portfolio, with the purpose of exploring different strategies, and then make a presentation at the October, 2020 Board meeting. There was a consensus of the Board to do a manager search.

In summary, the managers held up well, but for the Global Fixed Income manager. The Board was advised to remain patient and keep a long term focus.

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

Mr. Christiansen informed the Board that Financial Disclosure Forms (Form 1) were all filed as required.

c. Administrator(Dale Everhart, Resource Centers).

Mr. Everhart stated that the Plan's Fiduciary Liability Insurance term expires on 7/31/20, and a renewal quote was contained in the Board package. He stated that the term of the policy renewal is for one year, beginning on August 1, 2020. The carrier indicated that there were no changes in coverage on the renewal, and that the quote was \$4,030, a \$5 increase from the previous year.

John McEwen made a motion to approve the procurement of the fiduciary liability insurance for the period of one year, beginning August 1, 2020. Marjory Milford seconded the motion, approved by the Trustees 7-0.

Mr. Everhart discussed the Board's membership in the Florida Public Pension Trustees Association(FPPTA). Membership provides educational programs and information for and about public pension systems. FPPTA conducts trustee schools, an annual conference, and provides a monthly e-newsletter. The next annual conference is scheduled for October, 2020. Currently, a virtual seminar series is also being offered. The Board consented to having their names and addresses provided to FPPTA to give them access to the website and related education programs.

6. PLAN FINANCIALS

a. Disbursements: Warrant Dated July 16, 2020

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

Marjory Milford made a motion to approve the Warrant dated July 16, 2020. John McEwen seconded the motion, approved by the Trustees 7-0.

7. OTHER BUSINESS

There was no further business discussed.

8. PUBLIC COMMENT

There was no public comment.

9. NEXT REGULAR MEETING

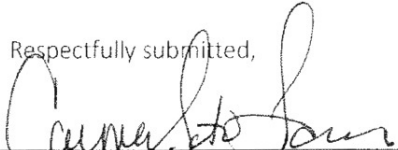
The Trustees previously set the schedule for the next regular quarterly meeting for Thursday, October 15, 2020 at 1:00 pm.

3. ADJOURNMENT

Gail Biron made a motion to adjourn the meeting. John McEwen seconded the motion, approved by the Trustees 7-0.

The meeting adjourned at 1:57pm.

Respectfully submitted,



Carmen Soto Torres, Secretary