

*City of Gulfport General Employees' Pension Fund*  
**Minutes: Meeting of October 15, 2020**

**1. CALL TO ORDER**

Carmen Soto Torres called a meeting of the Board of Trustees for the Gulfport General Employees' Pension Fund to order at 1:05 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](mailto: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**

Carmen Soto Torres, Secretary  
Gail Biron  
Marjory Milford  
Dwayne Stefanski

**OTHERS**

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

**3. BOARD SEAT UPDATE**

Dale Everhart reported that there were 2 seats whose terms expired on 10/1/20. Those seats were occupied by Blake Boyer and Dwayne Stefanski. The nomination period for these seats closed on September 28, 2020. Dwayne Stefanski was the only person nominated for the seat he currently occupies, therefore no election was necessary for that seat. Blake Boyer declined nomination to the seat he currently occupies. 2 individuals were nominated to that seat, namely Mark Ottervanger and Margaret Palmisano. The election period ends today (10/15/20). Tomorrow morning (10/16/20) the ballots will be counted. Mr. Everhart stated that he would inform the Board of the outcome of the election as soon as he was told of the results.

**4. APPROVAL MINUTES**

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

Gail Biron made a motion to approve the July 16, 2020 minutes. Marjory Milford seconded the motion, approved by the Trustees 4-0.

**5. REPORTS**

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

Jennifer Gainfort indicated the significance of the September 30, 2020 investment report, as it coincides with the actuarial valuation period. The past year's rate of return is compared to the actuarial assumption, and is factored into the upcoming actuarial valuation.

Domestic equities continued their rally from the second quarter, and achieved record highs in early September, bringing the market back into positive territory for the year. The S&P 500 was up 8.9% for the quarter, outperforming small caps shown by the Russell 2000, which were up 4.9%. Investors moved

toward large companies for their profitability, lower leverage, and diversification of business models. Over the past year, large cap stocks were up 15.1%, with small caps up 0.4%. Growth stocks continued to outpace value, with the Russell 1000 Growth index up 13.2%, benefiting from weightings in technology, consumer discretionary and materials. The Russell 1000 Value index returned 5.6%, with exposure to financial related companies and the real estate sector lagging.

International equities were also up, with developed markets (MSCI-EAFE) up 4.8%. Emerging markets were up 9.6%. Over the past year, developed markets were up 0.5% and emerging markets were up 10.5%.

The aggregate for fixed income was 0.6% for the quarter, and 7% for the past year. The Fed continued to hold interest rates near zero, hoping to provide markets with liquidity. Returns in fixed income were led by high yield bonds. US Corporate Investment Grade bonds returned 1.5% for the quarter.

The upcoming quarter's volatility is dependent upon, among other things, COVID, the election, and any economic stimulus legislation.

The market value of the Fund was \$17,446,352 as of September 30, 2020. Assets were within target allocation ranges, with no rebalancing needed. Income and appreciation for the quarter totaled \$763,337. Total fund gross return for the quarter was 4.55% vs the total fund gross policy return of 4.84%. The market value of the Fund increased from \$16,778,745 to \$17,446,352 over the past year. Total income and appreciation for the year totaled \$1,255,559. The total Fund gross return for the year was 7.70%, and the net total Fund return for the year was 7.66%. This compares favorably to the actuarial investment rate of return assumption of 7.25%.

Jennifer Gainfort then made a presentation concerning the total global fixed income manager Templeton. Templeton's performance has been in the 100<sup>th</sup> percentile for the quarter, past year, and past 3 years. The presentation compared Loomis Sayles Bond N, PIMCO Diversified Income Institutional, and Templeton Global Total Return R6. After Board discussion, the Board selected PIMCO to replace Templeton.

Carmen Soto Torres made a motion to terminate the relationship with Templeton Global and use the proceeds of the sale to fund PIMCO Diversified Income Fund. Dwayne Stefanski seconded the motion, approved by the Trustees 4-0.

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

Mr. Christiansen presented the proposed 2021 schedule of regular meetings of the Board. The proposed schedule is as follows:

January 21, 2021 @ 1:00pm  
April 15, 2021 @ 1:00pm  
July 15, 2021 @ 1:00pm  
October 21, 2021 @ 1:00pm

Gail Biron made a motion to adopt the proposed 2021 Board schedule. Dwayne Stefanski seconded the motion, approved by the Trustees 4-0.

Mr. Christiansen indicated that the Governor had extended the current waiver for a physical quorum for Board meetings until November 1, 2020.

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

Mr. Everhart informed the Board that the Florida Public Pension Trustees Association (FPPTA) annual 3-day conference is scheduled for October 26-28, 2020. It is a virtual summit, consisting of 8 90-minute educational modules. The modules can be viewed live or after the fact, until Thanksgiving. The Board members were informed that they should contact Mr. Everhart if they want to participate in this event.

Mr. Everhart presented a draft letter to the City, which will accompany the annual report of investment activity. This information is provided to the City in accordance with State law.

**6. PLAN FINANCIALS**

**a. Disbursements: Warrant Dated October 15, 2020**

The Board reviewed the Warrant for payment of expenses dated October 15, 2020.

Dwayne Stefanski made a motion to approve the Warrant dated October 15, 2020. Marjory Milford seconded the motion, approved by the Trustees 4-0.

**7. OTHER BUSINESS**

There was no further business discussed.

**8. PUBLIC COMMENT**

There was no public comment.

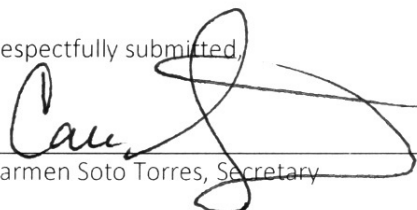
**9. NEXT REGULAR MEETING**

The Trustees previously set the schedule for the next regular quarterly meeting for Thursday, January 21, 2021 at 1:00 pm.

**3. ADJOURNMENT**

The meeting adjourned at 2:30pm.

Respectfully submitted,

  
Carmen Soto Torres, Secretary