

City of Gulfport General Employees' Pension Plan
Minutes: Meeting of July 15, 2021

1. CALL TO ORDER

Chair Larry Cooper called a meeting of the Board of Trustees for the Gulfport General Employees' Pension Plan to order at 1:00 PM

2. ROLL CALL

Those persons present included:

TRUSTEES

Larry Cooper, Chair
Gail Biron
John McEwen
Marjory Milford
Mark Ottervanger
Dwayne Stefanski

OTHERS

Scott Christiansen, Christiansen & Dehner (Attorney)
Dale Everhart, Resource Centers (Administrator)
Jennifer Gainfort, AndCo Consulting(Consultant)
Lynn Skinner, Salem Trust (Custodian)

3. APPROVAL MINUTES: April 15, 2021

The Trustees reviewed the Minutes from the Quarterly Meeting of April 15, 2021.

Gail Biron made a motion to approve the April 15, 2021 minutes. John McEwen seconded the motion, approved by the Trustees 6-0.

4. REPORTS

A. Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort stated that US equities were at an all time high in the 2nd quarter of the calendar year. She stated that inflation has increased due to several factors. First, air fares were up 24.6%, and hotels increased by 16.9%, due in part to a "catch up" following the pandemic. There was also an increase due to supply shortages, particularly in used cars. Restaurants prices increased due to a labor shortage and higher wages. Finally, rent rates have increased.

Small cap stocks lagged for the quarter. Growth stocks reemerged as a leader over value. The Fed is committed to low interest rates going forward. In international equities, growth also outperformed value.

The market value of the Fund was \$20,778,849 as of March 31, 2021. Domestic Equities were observed to be over-weighted and close to the top of the allocated range. Jennifer Gainfort recommended a rebalancing of the portfolio.

John McEwen made a motion to sell \$100,000 of the Nuveen Winslow Large Cap Growth Fund, and \$100,000 of the Dodge & Cox Stock Fund, and to purchase \$200,000 of the PIMCO Diversified Income Fund. Larry Cooper seconded the motion, approved by the Trustees 6-0.

Asset income and appreciation for the quarter totaled \$1,264,738. Total fund gross return for the quarter was 6.30% vs the total fund gross policy return of 5.23%. Fiscal year to date the total fund gross return has been 22.22%, compared to the total fund gross policy return of 16.82%.

As to the drivers of the return, both Nuveen Winslow Large Cap Growth and Dodge & Cox Stock exceeded their benchmark. Vanguard Capital Opportunity lagged its benchmark for the quarter due in part to airline exposure, but has done quite well for the fiscal year to date and 1 year time periods. Columbia Overseas Value struggled as the market moved to growth, while American EuroPacific R6 performed well due its growth concentration. In fixed income, both Dodge & Cox Income Fund and PIMCO Diversified Income exceeded their benchmarks. ARA Core Property Fund rebounded well, with the majority of the return due to appreciation. PIMCO All Asset Fund significantly exceeded its benchmark for both the trailing quarter and fiscal year to date.

Ms. Gainfort proposed a fee increase for the services of AndCo, noting that the last increase was in 2014, with a 3 year guarantee. She recommended an increase from \$22,500 to \$25,500, with a 3 year guarantee.

Dwayne Stefanski made a motion to increase the annual fee for AndCo from \$22,500 to \$25,500, effective 10/1/21, with a 3 year guarantee, and that legal counsel Scott Christiansen is authorized to do an addendum to the existing agreement with AndCo. Larry Cooper seconded the motion, approved by the Trustees 6-0.

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

Mr. Christiansen informed the Board that all members had submitted Form 1, the Financial Disclosure Form, for the year ending December 31, 2020.

Mr. Christiansen informed the Board that no legislation affecting the pension plan had passed in the most recent legislation session in Tallahassee.

Mr. Christiansen indicated that the Plan's Summary Plan Description needs updated every 2 years, and that he needed authorization to update the current document, as it was last updated in 2019.

John McEwen made a motion to have legal counsel review and update the Summary Plan Description effective October, 2021. Marjory Milford seconded the motion, approved by the Trustees 6-0.

Mr. Christiansen informed the Board of the ability of active members of the Plan, who have attained normal retirement age, to pre-select a benefit option that would be in effect should they die prior to retirement. He stated that at retirement, members would then elect a benefit option to take effect in their retirement. Mr. Everhart stated that he had contacted all current active members of the plan who qualify for this option.

C. Custodian (Lynn Skinner, Salem Trust)

Ms. Skinner explained the duties of Salem Trust as Custodian of the pension plan. She stated that Salem has been the Custodian of the plan since 2005. Duties include holding the assets of the plan, rebalancing as directed, making benefit payments, paying invoices for the plan, issuing statements, and maintaining and updating signature forms.

D Administrator (Dale Everhart, Resource Centers).

Mr. Everhart stated that the Plan's Fiduciary Liability Insurance term expires on 7/31/21, 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, 2021. The carrier indicated that there were no changes in coverage on the renewal, and that the quote was \$4,075, a 1.1% increase from the previous year.

Marjory Milford made a motion to approve the procurement of the fiduciary liability insurance for the period of one year, beginning August 1, 2021. Gail Biron seconded the motion, approved by the Trustees 6-0.

5. PLAN FINANCIALS

A. Disbursements: Warrant Dated July 15, 2021

The Board reviewed the Warrant for payment of expenses dated July 15, 2021.

John McEwen made a motion to approve the Warrant dated July 15, 2021. Larry Cooper seconded the motion, approved by the Trustees 6-0.

B. Benefit Approval: Dated July 15, 2021

There were no benefits for approval.

6. OTHER BUSINESS

There was no further business discussed.

7. PUBLIC COMMENT

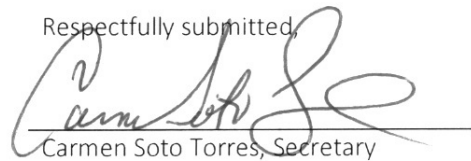
There was no public comment.

8. NEXT REGULAR MEETING

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

The meeting adjourned at 1:44PM.

Respectfully submitted,



Carmen Soto Torres, Secretary