

*City of Gulfport General Employees' Pension Plan*  
**Minutes: Meeting of October 21, 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 1:01 PM

**2. ROLL CALL**

Those persons present included:

**TRUSTEES**

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

**OTHERS**

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

**3. APPROVAL MINUTES: July 15, 2021**

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

Gail Biron made a motion to approve the July 15, 2021 minutes. Marjory Milford seconded the motion, approved by the Trustees 6-0.

**4. REPORTS**

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

Jennifer Gainfort indicated that growth slowed in the 3<sup>rd</sup> quarter as the recovery continued to mature. The annual rate of inflation dropped to 5.3% in August, from 5.4% in July. The demand for labor remains strong, with unemployment at 4.8% in September, down from 5.2% in August. Wage growth remains strong.

In equities, volatility increased in the 3<sup>rd</sup> quarter as US markets rose to new all-time highs in early September, and then pulled back towards the end of September. There were concerns related to the Delta variant, supply chain shortages, higher US interest rates, rising inflation, and fiscal policies. Developed international equity markets outperformed their domestic counterpart, while emerging markets dropped. In fixed income, US interest rates were relatively unchanged for the quarter.

US equity markets experienced 0.6% return for large cap companies, -0.9% for mid-cap companies and -4.4% for small company stocks. The MSCI EAFE Index posted a -0.4% return and the MSCI Emerging Markets Index returned -8.1%.

Returns over the past fiscal year showed a 47.7% return in domestic small cap stocks, and 30% for US large cap stocks. The MSCI EAFE Index returned 25.7% and the MSCI Emerging Markets Index returned 18.2%. Finally, the Bloomberg US Aggregate Bond Index returned -0.9% for the past year.

The market value of the Fund was \$20,605,735 as of September 30, 2021. Asset income and appreciation for the quarter totaled \$37,527. Total fund gross return for the quarter was 0.17% vs the total fund gross policy return of -0.18%. Fiscal year to date the total fund gross return has been 22.61%, compared to the total fund gross policy return of 16.86%.

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

**1) Rate of Return Assumption**

Sara Carlson reported that the current investment rate of return assumption was 7.25%. She indicated that the Florida Retirement System is currently using 7%, with a tentative reduction to 6.8%. The State, in a recent communication to the pension plan, recommended a lower rate of return assumption. Lowering the rate of return assumption will increase contribution requirements. However, the Plan is currently funded at an amount greater than 100%. In that there are forthcoming significant actuarial gains to the plan, these would aid in offsetting the effect of an investment rate of return assumption decrease.

John McEwen made a motion to lower the investment rate of return assumption from 7.25% to 7.00% effective with the October 1, 2021 Actuarial Valuation. Larry Cooper seconded the motion, approved by the Trustees 6-0.

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

Mr. Christiansen stated that the term of Gail Biron will expire in December, 2021, and that an election for that Board seat needs to take place. Mr. Everhart indicated that he would take the necessary action.

Mr. Christiansen indicated that the letter informing the City Council of the Plan's investments for the Plan year ending on 9/30/21, needs signed by the Board Chair, and submitted to City Council via the City Manager.

Mr. Christiansen presented a tentative Board meeting schedule for 2022 as follows:

January 20, 2022 @ 1:00PM

April 21, 2022 @ 1:00PM

July 21, 2022 @ 1:00PM

October 20, 2022 @ 1:00PM

Marjory Milford made a motion to approve the proposed 2022 Board meeting schedule. John McEwen seconded the motion, approved by the Trustees 6-0.

Mr. Christiansen informed the Board that the fee increase for AndCo, which was approved at the July 15, 2021 meeting, was fully executed.

Mr. Christiansen discussed the updated Summary Plan Description for the Plan. He highlighted changes providing for a new form for normal retirement age active members to pre-select a retirement option in the event of their death prior to retirement, and also informed the Board of the increase of maximum benefits from \$225,000 to \$230,000.

Gail Biron made a motion to adopt the new Summary Plan Description dated October 1, 2021, as presented by counsel. Carmen Soto Torres seconded the motion, approved by the Trustees 6-0.

Mr. Christiansen stated that City Council approved the ordinance change increasing the minimum distribution age from 70 ½ to 72. Ordinance No. 2021-03 was adopted on July 20, 2021.

Mr. Christiansen indicated that he is downsizing his law practice, but intends to continue to serve as legal counsel for the City of Gulfport General Employees' Pension Plan.

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

Dale Everhart informed the Board that Resource Centers engaged an outside auditor to review its internal controls and procedures. Each year, these auditors compare the actual workflow to identify any instances where the firm deviated internally from its stated procedures. The auditor identified no exceptions, meaning it is a completely clean audit report. This audit is called a SOC 1 audit, or Service Organization Control Report #1. Resource Centers is the only public plan administrator in Florida to complete an annual SOC 1 audit.

**5. PLAN FINANCIALS**

**A. Disbursements: Warrant Dated October 21, 2021**

The Board reviewed the Warrant for payment of expenses dated October 21, 2021.

Larry Cooper made a motion to approve the Warrant dated October 21, 2021. Carmen Soto Torres seconded the motion, approved by the Trustees 6-0.

**B. Benefit Approval: Dated October 21, 2021**

Dwayne Stefanski made a motion to approve the Benefit Approval dated October 21, 2021. John McEwen seconded the motion, approved by the Trustees 6-0.

**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, January 20, 2022 at 1:00 pm.

The meeting adjourned at 1:50PM.

Respectfully submitted,

 For Carmen Soto Torres

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Carmen Soto Torres, Secretary