

City of Gulfport General Employees' Pension Plan
Minutes: Meeting of April 21, 2022

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
John McEwen
Marjorie Milford
Chris Muth

OTHERS

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

3. BOARD MEMBER UPDATE

Dale Everhart informed the Board that at a 4/19/22 meeting of City Council, Marjory Milford was reappointed to the Board for a 3 year term.

4. APPROVAL MINUTES: January 20, 2022

The Trustees reviewed the Minutes from the Quarterly Meeting of January 20, 2022.

John McEwen made a motion to approve the January 20, 2022 minutes. Marjorie Milford seconded the motion, approved by the Trustees 5-0.

5. REPORTS

A. Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort indicated that the quarter was difficult across the board, with a sell-off related to the Ukraine conflict. Both Russia and Ukraine play a big role in the global economy. China was negatively impacted by increasing Covid-19 infections, with new restrictions in Shanghai. While US equities declined in the quarter due to Ukraine, large cap value was the best performing domestic segment. International equities also struggled, due to the Ukraine conflict and rising US dollar. Performance across most bond market sectors was negative, with US high yield corporate bonds and US Treasury Inflation-Protected Securities down the least. The Bloomberg US Aggregate Index return was the worst in more than 40 years. As to sectors, energy, utilities, and materials were the best performing. The crisis in Ukraine will likely be a drag on global economic growth for the foreseeable future. Ms. Gainfort recommended that the Board stick to its current investment policy, and rebalance as necessary. She added that there is presently no need to rebalance

The market value of the Fund was \$20,115,995 as of March 31, 2022. Asset income and depreciation for the quarter totaled \$-1,052,439. Total fund gross return for the quarter was -4.94% vs the total fund

gross policy return of -4.77%. Over the past year, the total fund gross return was 5.77%, compared to the total fund gross policy return of 5.78%. For the last quarter, total equities returned -5.88% vs the gross policy return of -5.28%. Fixed income returned -5.48% for the quarter, compared to the gross policy return of -5.97%. Real estate returns totaled 0.29% for the quarter, compared to the gross policy return of 1.01%

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

1) Actuarial Experience Study

Sara Carlson presented the Actuarial Experience Study dated April 15, 2022. This study compiled and reviewed plan experience from October 1, 2011 through September 30, 2021. Highlights of the study include:

1) The expected portfolio long-term arithmetic rate of return on assets was 7.82%, which was greater than the rate of return assumption of 7.00%. No change was recommended.

2) The salary increases reflected a higher increase in the first year of service and lower in the following years. A change to reflect this was recommended.

3) There were changes in mortality assumptions included in the October 1, 2020 actuarial valuation. Florida Retirement System mortality assumptions were employed with an adjustment to use the mortality rates without income adjustments for female active employees and non-disabled retirees. It was recommended to continue with this methodology.

4) Early retirements occurred during the experience study period. It was recommended that a flat 5% probability be employed. Due to experience results, it was recommended to expect a higher rate of retirement at age 62, and then generally lower rates until age 69.

5) Withdrawal rates followed assumptions except for those with one year of service. It was recommended to change assumptions to reflect this experience.

6) All future layers of unfunded actuarial accrued liabilities were recommended to be funded over 20 year periods.

7) The entry age normal cost allocation was recommended to be changed from the first valuation date an employee becomes a member, to the full career of an employee.

8) No change was recommended to the disability rates.

John McEwen made a motion to adopt the recommendations for a change to salary increase assumptions, retirement rates, withdrawal rates, the entry age normal cost allocation, and the layering over 20 periods of the future Unfunded Actuarial Accrued Liability, and further, to change the investment return assumption to 6.80%. Larry Cooper seconded the motion, approved by the Trustees 5-0.

A Foster & Foster fee increase was discussed.

John McEwen made a motion to approve the presented fee schedule and to authorize Scott Christiansen to prepare a new actuarial services contract, with the fee schedule to be effective October 1, 2022. Larry Cooper seconded the motion, approved by the Trustees 5-0.

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

Mr. Christiansen reminded the Trustees of the need to file the Financial Disclosure Form by July 1, 2022.

Mr. Christiansen informed the Board that there was a first reading of the 3% retiree Cost of Living Adjustment on April 19, 2022. He stated that a second reading is scheduled on May 3, 2022. This increase would be effective October 1, 2021 for all retirees who were retired by October 1, 2020.

D. Administrator (Dale Everhart, Resource Centers).

Mr. Everhart presented a proposed fee increase for The Resource Centers effective May 1, 2022.

Larry Cooper made a motion to approve the presented fee increase and to authorize Scott Christiansen to prepare a new plan administrator contract, with the fee schedule to be effective May 1, 2022. John McEwen seconded the motion, approved by the Trustees 5-0.

6. PLAN FINANCIALS

A. Disbursements: Warrant Dated April 21, 2022

The Board reviewed the Warrant for payment of expenses dated April 21, 2022.

John McEwen made a motion to approve the Warrant dated April 21, 2022. Carmen Soto Torres seconded the motion, approved by the Trustees 5-0.

B. Benefit Approval: Dated April 21, 2022

John McEwen made a motion to approve the Benefit Approval document dated April 21, 2022. Carmen Soto Torres seconded the motion, approved by the Trustees 5-0.

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, July 21, 2022 at 1:00 pm.

The meeting adjourned at 2:23 pm.

Respectfully submitted,



Carmen Soto Torres, Secretary

Dwayne Stefanki for