

City of Gulfport General Employees' Pension Plan
Minutes: Meeting of July 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 1:02 PM

2. ROLL CALL

Those persons present included:

TRUSTEES

Larry Cooper, Chair
John McEwen
Marjorie Milford
Chris Muth
Mark Ottervanger
Dwayne Stefanski

OTHERS

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

3. APPROVAL MINUTES: April 21, 2022

The Trustees reviewed the Minutes from the Quarterly Meeting of April 21, 2022.

John McEwen made a motion to approve the April 21, 2022 minutes. Marjorie Milford seconded the motion, approved by the Trustees 6-0.

4. REPORTS

A. Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort explained that inflation is a big reason for the market downturn. The Core CPI was up 5.9% year-over-year in June 2022. The CPI-U was up 9.1% year-over-year in June 2022, the highest level since November 1981. The Core CPI excludes food and energy components, while those items are included in the CPI-U. Fears continue over lower growth and continued inflation. Value stocks outperformed growth stocks. Fixed income investments are sensitive to interest rate increases. The Federal Reserve could continue to tighten the money supply and increase short term interest rates. The market may not yet have reached the bottom.

The market value of the Fund was \$17,766,655 as of June 30, 2022. There is no need to rebalance from an asset allocation standpoint. Asset income and depreciation for the quarter totaled \$-2,160,603. Total fund gross return for the quarter was -10.81% vs the total fund gross policy return of -10.32%. Over the past year, the total fund gross return was -11.39%, compared to the gross policy return of -9.69%. For the last quarter, total equities returned -15.06% vs the gross policy return of -16.07%. Fixed income returned -5.34% for the quarter, compared to the gross policy return of -5.23%. Real estate returns totaled -5.99% for the quarter, compared to the gross policy return of -5.44%. Private real estate returned 4.84% vs the gross policy return of 4.55%. Long term return for private real estate is expected to be 6-8%.

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

Mr. Christiansen indicated that all Trustees filed the required Financial Disclosure Form.

Mr. Christiansen stated that the terms of the Board seats held by Larry Cooper and Carmen Soto Torres expire October 1, 2022. Mr. Everhart stated he would work with Gulfport to conduct a nomination process, and then an election if necessary.

Mr. Christiansen advised of the completion of a new contract for Foster & Foster, and an addendum to the existing contract with The Resource Centers, as approved at the April 21, 2022 Board meeting.

Mr. Christiansen presented a draft ordinance that provides for the following:

- 1) Authorizes increased flexibility for investing of pension funds
- 2) Technical amendment for IRS compliance
- 3) Technical correction regarding a member's normal retirement date

John McEwen made a motion to approve the presented draft ordinance, and authorize plan counsel to provide it to the Gulfport City manager. Dwayne Stefanski seconded the motion, approved by the Trustees 6-0.

C. Administrator (Dale Everhart, Resource Centers).

Mr. Everhart reviewed the fiduciary liability insurance policy and quote for the period 8/1/22 to 7/31/23. He explained the reasons for the increase from the current year's premium, which included a surcharge due to the Florida Insurance Guaranty Association.

Dwayne Stefanski made a motion to renew the fiduciary liability insurance at the quoted cost of \$4,379.88. Larry Cooper seconded the motion, approved by the Trustees 6-0.

Mr. Everhart provided an update to the Cost of Living Increase approved by City Council at its May 3, 2022 meeting. The increase was retroactive to October 1, 2021, for retirees that were retired by October 1, 2020. Letters of notification were mailed to retirees on May 16, 2022, and the increase was reflected in retirees' June pension payments, to include the retroactive amount due.

5. PLAN FINANCIALS

A. Disbursements: Warrant Dated July 21, 2022

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

John McEwen made a motion to approve the Warrant dated July 21, 2022. Mark Ottervanger seconded the motion, approved by the Trustees 6-0.

B. Benefit Approval: Dated July 21, 2022

Larry Cooper made a motion to approve the Benefit Approval document dated July 21, 2022. Mark Ottervanger seconded the motion, approved by the Trustees 6-0.

6. OTHER BUSINESS

There was no further business discussed.

7. PUBLIC COMMENT

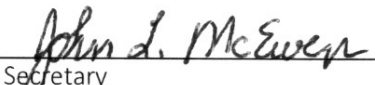
There was no public comment.

8. NEXT REGULAR MEETING

The Trustees previously set the schedule for the next regular quarterly meeting for Thursday, October 20, 2022 at 1:00 pm.

The meeting adjourned at 1:49 pm.

Respectfully submitted,


Secretary