

City of Gulfport General Employees' Pension Plan
Minutes: Meeting of October 20, 2022

1. CALL TO ORDER

Acting Chair Dwayne Stefanski 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

Dwayne Stefanski, Acting Chair
John McEwen, Secretary
Marjorie Milford
Mark Ottervanger
Heather Wyble

OTHERS

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

3. Board Seat Update

The Board was informed that Larry Cooper and Heather Wyble began 3 year trustee terms effective October 1, 2022.

4. Board Officer Elections

Mark Ottervanger made a motion to elect Larry Cooper as Board Chair and John McEwen as Secretary. Marjorie Milford seconded the motion, approved by the Trustees 5-0.

5. APPROVAL MINUTES: July 21, 2022

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

John McEwen made a motion to approve the July 21, 2022 minutes. Mark Ottervanger seconded the motion, approved by the Trustees 5-0.

6. REPORTS

A. Investment Consultant (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort described the evolution of the S&P 500, the Fed Funds rate, and 10-Yr Treasury yields over the past 5 years. The S&P 500 is up 56% over 5 years. Valuations are more favorable given a pullback in stock prices along with strong corporate earnings. Bonds and equities may have further challenges given rising interest rates and persistently higher inflation. Bear markets, since World War II, have averaged 13 months, with an average loss of -32.96%, while bull markets have averaged 53.4 months, with gains averaging 155.16%. Since 1926, rolling percentage positive vs negative return percentages showed 75.6% positive and 24.4% negative over rolling 1 year periods, while over 20 years periods, the rolling returns have been positive 100% of the time.

The last quarter was another period of declining values, with inflation at 8.3% in August. The Federal Reserve Bank continued to increase interest rates, with an increase of 0.75% in July and September. Geopolitical risk continued with the Ukraine situation. For the quarter, growth stocks outperformed value stocks, and small cap stocks were down the least. For the prior year, value stocks outperformed growth stocks.

The market value of the Fund was \$16,614,136 as of September 30, 2022. There is no need to rebalance from an asset allocation standpoint. Asset income and depreciation for the quarter totaled \$-975,046. Total fund gross return for the quarter was -5.56% vs the total fund gross policy return of -4.93%. Over the past year, the total fund gross return was -16.45%, compared to the gross policy return of -14.29%. For the last quarter, total equities returned -7.00% vs the gross policy return of -5.53%. Ms. Gainfort recommended that the pension fund retain current equity managers, and not move towards passive managers. Fixed income returned -3.79% for the quarter, compared to the gross policy return of -5.08%. Total real estate returns were -4.46% for the quarter, compared to the gross policy return of -5.30%. Private real estate returned 1.66% vs the gross policy return of 0.64%. The ARA Core Property Fund has returned 25.79% for the fiscal year, compared to the gross policy return of 21.59%.

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

Mr. Christiansen informed the Board that the annual report of investment activity would be provided to the City manager detailing activity for the fiscal year ending September 30, 2022.

Mr. Christiansen provided the Board with a proposed Board meeting schedule for 2023, with meeting dates as follows:

January 19, 2023
April 20, 2023
July 20, 2023
October 19, 2023

Meetings are scheduled to begin at 1:00 pm in the Council Chambers.

Marjorie Milford made a motion to adopt the proposed 2023 Board meeting schedule. John McEwen seconded the motion, approved by the Trustees 5-0.

Mr. Christiansen informed the Board that proposed Ordinance 2022-11 had first reading on October 18, 2022. It is scheduled for final consideration on November 1, 2022.

C. Administrator (Dale Everhart, Resource Centers).

Mr. Everhart presented the Board with the conference schedule for 2023.

Mr. Everhart advised the Board of the 2023 membership cost for the Board to continue as a member of the Florida Public Pension Trustees Association.

John McEwen made a motion to approve membership in FPPTA for 2023. Heather Wyble seconded the motion, approved by the Trustees 5-0.

7. PLAN FINANCIALS

A. Disbursements: Warrant Dated October 20, 2022

The Board reviewed the Warrant for payment of expenses dated October 20, 2022.

Dwayne Stefanski made a motion to approve the Warrant dated October 20, 2022. Mark Ottervanger seconded the motion, approved by the Trustees 5-0.

B. Benefit Approval: Dated October 20, 2022

Dwayne Stefanski made a motion to approve the Benefit Approval document dated October 20, 2022. John McEwen seconded the motion, approved by the Trustees 5-0.

8. OTHER BUSINESS

There was no further business discussed.

9. PUBLIC COMMENT

There was no public comment.

10. NEXT REGULAR MEETING

The Trustees scheduled the next regular quarterly meeting for Thursday, January 19, 2023 at 1:00 pm.

The meeting adjourned at 1:43 pm.

Respectfully submitted,



John McEwen, Secretary