

City of Gulfport General Employees' Pension Plan

Minutes: Meeting July 20, 2023

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
John McEwen, Secretary
Theresa Carrico
Marjorie Milford
Chris Muth
Dwayne Stefanski
Heather Wyble

OTHERS

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

3. Board Seat Update

An election for the Board seats of Theresa Carrico and Dwayne Stefanski will be conducted in August and September, as the Board seat terms are expiring on October 1, 2023.

4. Approval Minutes: April 20, 2023

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

John McEwen made a motion to approve the April 20, 2023 minutes. Theresa Carrico seconded the motion, approved by the Trustees 7-0.

5. REPORTS

A. Investment Consultant (Jennifer Gainfort, AndCo Consulting)

1. Quarterly Performance Report

Jennifer Gainfort stated that the quarter ending June 30, 2023 was a strong quarter for performance. GDP growth was revised to 2.0%, higher than the 1.3% initially reported. The US Federal Reserve Bank raised interest rates by 0.25% in May. An additional 1 or 2 rate increases are possible this year. Inflation was at the lowest it has been since pre-COVID. The labor market cooled, with job creation being the slowest since late December 2020.

US equities continued to rally with large-cap growth being the best performing domestic segment. The S&P 500 rose 8.7%, its best performing quarter since the 4th quarter of 2021. International stocks had modest returns for the quarter. In fixed income, intermediate and long-term rates were higher during

the quarter. US Government securities were the worst performing sector in the quarter. High-yield bonds were the best performing segment of the domestic bond market.

The market value of the Fund was \$18,727,383 as of June 30, 2023. Fiscal year to date, the fund has grown from \$16,614,136 to \$18,727,383. There is no need to rebalance from an asset allocation standpoint. Asset income and appreciation for the quarter totaled \$645,655. Total fund gross return for the quarter was 3.57% vs the total fund gross policy return of 3.47%. Fiscal year to date, the total fund gross return was 15.78%, compared to the gross policy return of 13.98%. For the last quarter, total equities returned 6.79% vs the gross policy return of 7.24%. Fixed income returned 0.20% for the quarter, compared to the gross policy return of -0.95%. Total real estate returns were -0.31% for the quarter, compared to the gross policy return of 0.90%. Alternative investments totaled 0.74% for the quarter, compared to the gross policy return of 1.91%.

2. Investment Policy Statement Amendment

Recent changes to Florida Statutes require that only pecuniary factors may be considered in investing the assets of any retirement system or plan. The term pecuniary factor does not include consideration of the furtherance of any social, political, or ideological interests. The change requires biennial reporting and mandates amendment of the plan's Investment Policy Statement to incorporate the statutory changes.

Jennifer Gainfort and Scott Christiansen discussed the new requirements, as well as implementation of the changes.

Dwayne Stefanski made a motion to approve the presented Investment Policy Statement, as amended. The motion was seconded by Heather Wyble, approved by the Trustees 7-0.

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

Mr. Christiansen informed the Board that all members had filed Form 1.

Mr. Christiansen provided an overview of a draft ordinance authorized by the Board at the April 20, 2023 Board meeting. The draft ordinance provides for compliance with the Secure Act 2.0, expanded rights in purchasing prior creditable military and government service, and DROP provision language concerning the inclusion of sick and annual leave for pension calculation purposes. The Board was also provided with a No Impact Letter from the plan's actuary on the cost of the draft ordinance.

Larry Cooper made a motion to approve the draft ordinance and to authorize counsel to send it to the City of Gulfport. The motion was seconded by John McEwen, and approved by the Trustees 7-0.

Mr. Christiansen presented a schedule of proposed pension plan meeting dates for 2024. The proposed meeting dates are as follows:

January 18, 2024
April 18, 2024
July 18, 2024
October 17, 2024

Marjory Milford made a motion to approve the 2024 schedule. The motion was seconded by John McEwen, approved by the Trustees 7-0.

D. Administrator (Dale Everhart, Resource Centers).

Mr. Everhart presented a fiduciary liability insurance quote for the period August 1, 2023 to August 1, 2024.

Larry Cooper made a motion to approve payment for fiduciary liability insurance for the period August 1, 2023 to August 1, 2024. Dwayne Stefanski seconded the motion, approved by the Trustees 7-0.

Mr. Everhart discussed the upcoming Florida Public Pension Trustees Association Trustees Schools in October of this year and January of 2024, and informed any interested Board members of the process to attend.

6. PLAN FINANCIALS

A. Disbursements: Warrant Dated July 20, 2023

The Board reviewed the Warrant for payment of expenses dated July 20, 2023.

John McEwen made a motion to approve the Warrant dated July 20, 2023. Marjory Milford seconded the motion, approved by the Trustees 7-0.

B. Benefit Approval: Dated July 20, 2023

Larry Cooper made a motion to approve the Benefit Approval document dated July 20, 2023. Dwayne Stefanski seconded the motion, approved by the Trustees 7-0.

7. OTHER BUSINESS

Dwayne Stefanski discussed changing the benefit accrual rate for active members from 2.0% to 2.3% for all service. Reference was made to a March 17, 2023 special actuarial analysis by Foster & Foster of the associated cost.

Chris Muth made a motion to recommend increasing the benefit multiplier from 2.0% to 2.3% for all active members, and that legal counsel is authorized to draft an ordinance and that Foster & Foster is authorized to prepare an actuarial impact study of the proposed change. Further, Mr. Muth moved that the draft ordinance be combined with the draft ordinance approved earlier in today's meeting. John McEwen seconded the motion, approved by the Trustees 7-0.

8. PUBLIC COMMENT

There was no public comment.

9. NEXT REGULAR MEETING

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

The meeting adjourned at 2:45 pm.

Respectfully submitted,



John McEwen, Secretary