

City of Gulfport Municipal Police Officers' Trust Fund
Minutes: Meeting of January 16, 2025

1. CALL TO ORDER

Chair Jason Motte called a meeting to order of the Board of Trustees for the Gulfport Municipal Police Officers' Trust Fund at 4:00 PM.

Those persons present included:

TRUSTEES

Jason Motte, Chair
Thomas Woodman, Secretary
Daniel Liedtke
Larry Tosi
Michael Vandenberg

OTHERS

Sara Carlson, Foster & Foster (Actuary)
Blanca Greenwood, Klausner, Kaufman, Jensen & Levinson (Attorney)
Dale Everhart, Resource Centers (Administrator)
Jennifer Gainfort, Mariner (Investment Consultant)

2. Approval of Minutes: October 17, 2024

The Trustees reviewed the minutes of the October 17, 2024 meeting. Daniel Liedtke made a correction to the total vote count on the Legal Professional Services motion.

Thomas Woodman made a motion to approve the October 17, 2024 minutes. Daniel Liedtke seconded the motion, approved by the Trustees 5-0.

3. REPORTS

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

Sara Carlson reported, based on the October 1, 2024 Actuarial Valuation, that the minimum required contribution rate decreased from 31.9% to 31.5%. The rate of return on investments was 21.97%, which was positive experience. Overall plan experience, however, was unfavorable, to include an average salary increase of 11.52% compared to the 6.01% assumption. Additional losses occurred due to unfavorable member turnover. The smoothed asset return is 6.24%, which is less than 7.15% assumption. The unfunded liability increased from the prior year. The funded ratio as of October 1, 2024 was 77.0%.

The City Contribution rate for the fiscal year ending September 30, 2026 is expected to be 17.6% of projected payroll. This rate is composed of a normal cost of 13.9%, administrative expense of 2.3%, an unfunded actuarial accrued liability of 15.3%, and is reduced by expected member contributions of 8.5% and State contributions of 5.4%.

Thomas Woodman made a motion to approve October 1, 2024 Actuarial Valuation. Mike Vandenberg seconded the motion, approved by the Trustees 5-0

B. Investment Report (Jennifer Gainfort, Mariner)

1) Investment Report

Jennifer Gainfort stated that markets peaked on December 6, 2024. There was then a selloff due in part to a slowdown in the Federal Reserve rate cuts. Ms. Gainfort reviewed a 17-year history of the returns of the S&P 500, highlighting the peak to trough and trough to peak periods. She said that it is best to stay invested rather than to try and time the market.

The market value of the Fund was \$15,156,773 as of December 31, 2024.

Total domestic equities are above the target range. After considerable discussion, there was consensus on adjusting allocations.

Mike Vandenberg made a motion to take \$267,000 from both JP Morgan Disciplined Equity Fund and Vanguard 500 Index fund and to invest the proceeds as follows: \$434,000 in Agincourt Fixed Income account, \$50,000 in Transamerica International Equity fund, and \$50,000 in American EuroPacific Growth fund, thus resulting in the asset allocation being in compliance. Thomas Woodman seconded the motion which carried 4-1 with Daniel Liedtke voting no.

Income and depreciation for the quarter totaled \$-101,118. Total fund gross return for the quarter was -0.67% vs the total fund gross policy return of -0.86%. The total fund gross policy return does not include real estate, as it was not available at the time of the report. For the quarter, total equities returned 0.28% compared to the policy index of 0.07%. Fixed income returned -3.17% vs the policy index of -3.06% for the quarter. Real estate returns were 0.97% for the quarter.

Jennifer Gainfort will present an asset allocation study at the April 17, 2025 Board meeting.

C. Attorney Report (Blanca Greenwood, Klausner, Kaufman, Jensen & Levinson)

Blanca Greenwood stated that a motion was in order to approve a rate of investment return, net of investment related expenses.

Mike Vandenberg made a motion that based on the advice of its investment professionals and/or actuary, that the total expected annual rate of investment return for the fund for next year, the next several years and the long-term thereafter, shall be 7.15%, net of investment-related expenses. Daniel Liedtke seconded the motion, approved by the Trustees 5-0.

Ms. Greenwood reviewed an Internal Revenue Service final regulation indicating that retirees living within the US can elect "no withholding" for income tax purposes. However, retirees with a residence address outside the US cannot elect "no withholding." A question arose as to how this regulation would apply to retirees with a residence address in Puerto Rico. After research, Ms. Greenwood indicated that residents of Puerto Rico can elect "no withholding."

D. Administrator Report (Dale Everhart, Resource Centers)

Mr. Everhart distributed the calendar of Florida pension conferences for 2025. He reminded Board members of the requirement that they attend an investment conference or seminar at least once in each term of office.

Mr. Everhart informed the Board of two retirees who incorrectly received the COLA which was effective October 1, 2023. He stated that consistent with prior practice, the retirees could either pay the overpayment in a lump sum, or through a reduction in their monthly pension payments over the period of time the error occurred, which was 16 months. The plan ordinance requires repayment of any overpayment.

4. PLAN FINANCIALS

A. Disbursements: Warrant dated January 16, 2025

Disbursements were reviewed. The travel charge for legal counsel was questioned. After discussion, it was agreed that prospectively, counsel would appear remotely rather than in person. Dale Everhart was directed to contact the Gulfport General Employees and Gulfport Fire Boards to see if they would concur in counsel attending remotely. This contact was necessary as all three Boards share in the travel expenses.

Mike Vandenberg made a motion to approve the warrant dated January 16, 2025. Daniel Liedtke seconded the motion, approved by the Trustees 4-1, with Thomas Woodman voting no.

B Benefit Approval – Dated January 16, 2025

Thomas Woodman made a motion to approve the Benefit Approval document dated January 16, 2025. Daniel Liedtke seconded the motion, approved by the Trustees 5-0.

5. OTHER BUSINESS

There was no other business.

6. PUBLIC COMMENT

There was no public comment.


7. SCHEDULED NEXT REGULAR MEETING

Thursday, April 17, 2025 at 4:00pm

8. ADJOURNMENT

The meeting adjourned at 5:19pm.

Respectfully Submitted,


Thomas Woodman, Secretary