City of Gulfport Police Pension Fund

Minutes: Meeting of July 26, 2012

1. CALL TO ORDER

Alex Falconeri called a meeting of the Board of Trustees for the Gulfport Police Pension Fund to order at 3:30 PM. The Board had a quorum for the quarterly meeting. Those persons present included:

TRUSTEES	OTHERS
Alex Falconeri, Chair	Scott Baur & Pam Nolan, Pension Resource Center
Robert Burkhardt	Scott Christiansen, Christiansen & Dehner
Josh Stone	Jack Evatt, The Bogdahn Group

TRUSTEES NOT PRESENT
Larry Tosi

2. APPROVAL OF MINUTES

Josh Stone made a motion to approve the minutes of the January 26, 2012 and April 26, 2012 meetings as revised. Rob Burkhardt seconded the motion. The motion passed 3-0.

3. INVESTMENT REPORT

Investment Consultant (Jack Evatt, The Bogdahn Group)

Mr. Evatt noted that equities fell during the second quarter of 2012 due to sovereign debt concerns in Europe. Economic growth also appeared to slow. Cash movements, however, seem to show investor rebalancing recent gains as opposed to pulling out of the market. The plan had assets of $6,499,977.00 as of June 30, 2012. He stated that the plan needed to re balance assets now, and he proposed a revised target allocation to the managers employed by the Board. Rockwood also has more volatility in both up and down markets recently than historically, which Mr. Evatt attributed to the market environment. He recommended therefore that the Board reduce the market allocation to Rockwood in favor of Dana, who manages a more stable equity portfolio on behalf of the plan. Mr. Evatt recommended new target allocations as follows:

30 %	Dana
15 %	Rockwood
15 %	Vanguard
40 %	Agincourt

Josh Stone made a motion to approve the reallocation percentages as recommended to the Board. Rob Burkhardt seconded the motion. The motion passed 3-0.

Mr. Evatt then reviewed the long term performance and compliance of the plan to the Investment Policy. The Trustees discussed the health of the plan, which is very strong in comparison to many other public plans. The plan has a funded ratio currently at 87.55%. He noted that the plan assets are up $1M since the last valuation and benefits have not increased, so the plan is moving in the right direction. Mr. Evatt requested that the Board authorize a direction letter to the custodian for allocation of cash.

Rob Burkhardt made a motion to approve the allocation letter as recommended to the Board. Josh Stone seconded the motion. The motion passed 3-0.

4. ATTORNEY REPORT (Scott Christiansen, Christiansen & Dehner)

Mr. Christiansen inquired regarding the City Clerk's confirmation of Alex Falconeri's appointment to the Board by the City Council. The administrator will follow up with the City Clerk to ensure confirmation received.

Mr. Christiansen again reminded all board members of the state requirement for annual filing of disclosure forms; deadline is September 1, 2012.

Mr. Christiansen mentioned the IRS review of the plan is in progress.

Revisions to the ordinance (2012-15) governing the plan went to a first reading on July 17, 2012. These revisions addressed reduction in the benefit accrual rate from 3.88% to 2.83% of average final compensation for each year of credited service. Mr. Christiansen pointed out the need to file the signed ordinance and Actuarial Impact Statement with the State once the pending ordinance is adopted.

No pension-specific legislation was adopted since the last meeting, but Mr. Christiansen indicated legislation (2012-148) did pass with an impact on beneficiary designations. If a member retires with their spouse designated as their beneficiary and then gets divorced, the new law considers the ex-spouse beneficiary to have 'pre-deceased' the member. Mr. Christiansen sees potential issues between the legislation and contract law, such as insurance polices. The Trustees discussed the implications of this legislation and noted that retiree Terry Taylor should complete a new beneficiary form if he divorces.

Mr. Christiansen discussed the memo on avoidance of benefit overpayment sent to the Board. He reviewed possible overpayment issues due to problems with missed stop or change dates. Scott Baur advised the Board that a review of information on hand at both Fifth Third and Foster & Foster will be conducted.

Mr. Christiansen concluded by mentioning a memo put out by the State Division of Retirement regarding required City contributions. The Division previously made a change to require cities to determine their contribution as a percentage of payroll instead of a flat dollar amount. With payrolls now declining, the Division changed their position and now allows the contribution to be either a designated flat dollar amount or a percentage of payroll.

5. ADMINISTRATOR REPORT: Scott Baur/Pam Nolan (Pension Resource Center)

Scott Baur updated the Board on the vested deferred review he is conducting. The review found only Gene Novak as being a candidate; Mr. Novak continues to be employed by the City. Scott Christiansen mentioned Foster & Foster had identified four in the vested deferred category; Scott Baur will follow up on this.

6. PLAN FINANCIALS

The Trustees reviewed the Benefit Approvals.

Jim Thaler made a motion to approve the Benefit Approvals as submitted. Robert Burkhardt seconded the motion. Motion carried 3-0.

Mr. Baur provided the Warrant dated July 26, 2012 for review and approval by the Trustees.

Robert Burkhardt made a motion to approve the Warrant as submitted. Alex Falconeri seconded the motion. Motion carried 3-0.

7. OLD BUSINESS

8. NEW BUSINESS

9. NEXT REGULAR MEETING

The Trustees previously set the schedule for the next regular quarterly meeting on Thursday, October 25, 2012 at 3:30 pm.

10. ADJOURNMENT

There being no further business, a motion was made by Jim Thaler to adjourn. Motion seconded by Robert Burkhart. Motion carried 3-0. The meeting was adjourned at 4:45PM.

Respectfully submitted,

_____

Josh Stone, Secretary