

City of Gulfport Police Pension Fund

Minutes: Meeting of April 25, 2013

1. CALL TO ORDER

Chairman Alex Falconeri called a meeting of the Board of Trustees for the Gulfport Police Pension Fund to order at 3:33 PM. Those persons present included:

TRUSTEES

Robert Burkhart
Josh Stone
Alex Falconeri, Chair

OTHERS

Scott Baur & Pam Nolan, Pension Resource Center
Scott Christiansen, Christiansen & Dehner
Jack Evatt, The Bogdahn Group

2. APPROVAL OF MINUTES

Josh Stone made a motion to approve the minutes of the January 24, 2013 meeting as submitted. Robert Burkhart seconded. The motion passed 3-0.

3. INVESTMENT REPORT

Portfolio Review – Jack Evatt, The Bogdahn Group

Mr. Evatt reviewed the market performance for the quarter. International equities did not fare as well this quarter as the last two quarters. Emerging markets in China and South Korea contributed to the weak international performance. Domestic equities had a very good quarter, returning in the double digits, the best quarter so far in the current fiscal year. Bonds had a negative performance for the quarter; only high yields were positive. Going forward it is expected that investors will shift from the bond market to the equity side of the investment market

The plan ended 2012 at \$6.8M and ended the first quarter of 2013 at \$7.26M. Contributions to the fund during that time were \$143,000 and distributions from the fund were \$122,000, so the capital appreciation of \$355,213 was a big contributor to the fund's growth in the first quarter. The plan's rate of return for the first quarter was 5.84%, over the benchmark of 5.36%. This was largely due to the 12.17% return in domestic equities for the quarter. Both Dana and Rockwood had a good quarter at 13.28% and 11.79% respectively, both performing over their benchmarks. International equity ended the quarter at 2.89%, which did not meet the benchmark for the quarter. Fiscal year to date performance, however, for international equity is at 9.78%, which is over the benchmark of 9.35% for the same time period. Agincout's fixed income return of -0.01% was better than the benchmark return of -0.12%.

All in all, two quarters into fiscal year 2013 the plan's rate of return is at 7.16%, which is a good place to be halfway through the year.

4. ATTORNEY REPORT – Scott Christiansen, Christiansen & Dehner

Mr. Christiansen advised the Board that officers needed to be re-elected. Alex Falconeri is the current Board Chairman; Josh Stone is the current Secretary.

Josh Stone made a motion that the current officers be re-elected to their positions. Rob Burkhart seconded. Motion passed 3-0.

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Mr. Christiansen noted that there continued to be a vacant City Council-appointed position on the Board. The trustees discussed likely candidates and gave two names for Ms. Nolan to forward on to the City Clerk.

Mr. Christiansen reminded the Trustees that they needed to submit their Form 1 to the State's Commission on Ethics by July 1, 2013.

Mr. Christiansen advised the Board that the recent ordinance changes for IRS language compliance passed second reading and had been submitted to the State. This completes the tax determination letter work.

Mr. Christiansen reviewed the revisions to the Summary Plan Description in the definition of salary and setting the maximum benefit amount to \$205,000.

Rob Burkhart made a motion to approve the Summary Plan Description as revised. Josh Stone seconded. Motion passed 3-0.

Mr. Christiansen updated the Board on legislative activity. Next week is the final session of the State legislature. Senate Bill 458 passed and is now in committee in the house as House Bill 1399. The proposed legislation bars the use of state money for defined benefit plans and institutes defined contribution plans instead. Mr. Christiansen will update the Board if any legislation that affects the plan passes.

Trustee Burkhart indicated some officers are interested in a pension buy back or early retirement window. They are proposing to pay in \$7K year; \$21K in total and retire three years early. Mr. Christiansen advised that State law only allows prior military or Police service buy back. If the City wants to create an incentive for older, higher paid officers to leave, the multiplier could be increased. The Board discussed buy back options and COLA's for Retirees. The possibility of officers receiving a 2% raise and thereby generated increased contributions to the plan was discussed. Mr. Christiansen points out that salary increases are a part of the assumptions when the plan is valued. A one-time COLA for the retirees would need to be funded and authorized by the Board. To do a regular COLA is very expensive, and if there is not enough State money then the City would have to make up the difference. The Board discussed valuation of the plan and the impact of lower salary increases than expected and its affect on the plan.

5. PLAN FINANCIALS

Josh Stone made a motion to approve the Warrant dated April 25, 2013 as submitted. Rob Burkhart seconded. The motion passed 3-0.

Rob Burkhart made a motion to approve the Benefit Approvals dated April 25, 2013 as submitted. Josh Stone seconded. The motion passed 3-0.

6. OLD BUSINESS

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7. NEW BUSINESS

The Board discussed the FPPTA Annual Conference being held in Orlando June 23-26, 2013.

Rob Burkhart made a motion that the Board sponsor all Trustees able to attend the FPPTA Conference June 23-16, 2013. Josh Stone seconded. The motion passed 3-0.

8. NEXT MEETING

The Board has previously approved July 25, 2013 as the next meeting date.

9. ADJOURNMENT

There being no further business, Josh Stone made a motion to adjourn the meeting at 4:15 PM. Rob Burkhart seconded. The motion passed 3-0.

Respectfully submitted,

Josh Stone, Secretary