

City of Gulfport Police Pension Fund

Minutes: Meeting of July 24, 2014

1. CALL TO ORDER

Josh Stone called a meeting of the Board of Trustees for the Gulfport Police Pension Fund to order at 3:07 PM. Those persons present included:

TRUSTEES

Rob Burkhart
Josh Stone
Wes Whittaker

OTHERS

Scott Baur, Resource Centers
Jack Evatt, The Bogdahn Group
Scott Christiansen, Christiansen & Dehner

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MINUTES

The Trustees reviewed the Minutes for the meeting of April 24, 2014.

Wes Whittaker made a motion to approve the Minutes of April 24, 2014 as submitted. Rob Burkhart seconded the motion, approved by the Trustees 3-0.

4. QUARTERLY INVESTMENT REPORT (Jack Evatt, Bogdahn Group)

Mr. Evatt reported that the markets provided excellent returns for the quarter ending June 30, 2014. The plan assets increased from \$8,139,169 as of March 31 to \$8486,006 as of June 30. Mr. Evatt reviewed the financial reconciliation for the quarter. The portfolio returned 3.74% for the quarter ending June 30, 2014, compared to 3.80% for the market benchmark. For the fiscal year to date, the portfolio gained 11.26% compared to 11.07% for the benchmark. Mr. Evatt noted that the managers had a difficult time outperforming the market benchmark for the quarter. He reviewed the performance for the individual managers, noting that Rockwood continued to underperform the benchmark for that portfolio. Mr. Evatt recommended replacement of Rockwood as a manager for the Pension Fund.

Mr. Evatt reviewed the results of the manager search completed by the Bogdahn Group to replace Rockwood. He preferred that the Board choose a dedicated small/ mid-cap manager to better complement Dana and increase the diversification of the portfolio assets. Mr. Evatt reviewed the portfolio characteristics for the recommended replacement managers. Mr. Whitaker disclosed that Lazard employed his godson. Jack also considered passive index strategies. He noted that Eaton Vance had a slightly larger cap holding than Brodview, another manager considered in the search. The Trustees considered the risk of a market correction, given the increase in the market in recent years. Mr. Evatt discussed the volatility of the various alternatives. The Vanguard index fund had strong relative performance, while the Eaton Vance portfolio also generated high returns with lower volatility.

Josh Stone made a motion to terminate Rockwood and transfer the assets managed by Rockwood to the Vanguard index alternative. Rob Burkhart seconded the motion, approved by the Trustees 3-0.

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

Mr. Christiansen reminded the Trustees that they must file the annual Form 1 financial disclosure form.

6. PLAN FINANCIALS

The Trustees reviewed the Warrant for payment of invoices.

Josh Stone made a motion to approve the Warrant dated July 24, 2014. Rob Burkhart seconded the motion, approved by the Trustees 3-0.

The Trustees reviewed the benefits for approval.

Josh Stone made a motion to approve the refund of contributions to former plan member Adam Phelps. Rob Burkhart seconded the motion, approved by the Trustees 3-0.

7. OTHER BUSINESS

The Board had no other business to discuss.

8. NEXT MEETING

The Trustees previously set the schedule for the next regular quarterly meeting on Thursday, July 24, 2014 at 3:00 PM.

9. ADJOURNMENT

There being no further business, Rob Burkhart made a motion to adjourn the meeting at 4:02 PM. Wes Whitaker seconded the motion, approved by the Trustees 3-0.

Respectfully submitted,

Josh Stone, Secretary