

## *City of Gulfport Police Pension Fund*

# **Minutes: Meeting of October 23, 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  
Alex Falconeri  
Larry TOsi

#### 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 July 24, 2014.

**Rob Burkhart made a motion to approve the Minutes of July 24, 2014 as submitted. Alex Falconeri seconded the motion, approved by the Trustees 3-0.**

### **4. QUARTERLY INVESTMENT REPORT**

#### **Dana Investment Advisors (John Hamilton)**

John Hamilton reviewed the performance of the portfolio managed by Dana for the quarter ending September 30, 2014. He reported a rotation during the quarter from small cap to large cap stocks. He explained that Dana manages a sector neutral portfolio for the pension fund, where no single position exceeds 4% of the portfolio assets. With problems in Europe and growing weakness in many other parts of the world, small cap stocks may ultimately perform well due to lower international exposure.

Mr. Hamilton noted that securities selection particularly in the energy sector hurt performance during the quarter. With deflationary pressures beginning in some regions overseas, the market holds much uncertainty. Inflation remains low, however, and domestic corporate earnings continue to increase. Dana sees increased volatility but continued gains from the markets in the near term as a result.

Mr. Hamilton also noted the end of the fed tapering of the most recent quantitative easing program.

#### **Quarterly Investment Report (Jack Evatt, Bogdahn Group)**

Mr. Evatt reported that international markets and smaller cap issues declined particularly toward the end of the quarter. The plan had assets of \$8,502,243 as of September 30, 2014, up from \$8,486,006 due primarily to contributions. The plan still experienced strong growth for the fiscal year ending September 30, with assets of \$7,596,312 as of September 30, 2013. The portfolio lost -0.58% for the quarter before expenses, compared to a loss of -

0.77% for the benchmark. For the fiscal year, the assets gained 10.61% gross of fees compared to a return of 10.29% for the benchmark.

Mr. Evatt noted that Fifth Third, custodian for the plan assets, would no longer accept standing instructions to raise cash and rebalance portfolio assets. He therefore provided alternative instructions for the Board to direct Fifth Third.

**Rob Burkhart made a motion to adopt the new instructions for Fifth Third to allocate cash. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

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

Mr. Christiansen provided the Trustees with the quarterly meeting dates for 2015.

**Rob Burkhart made a motion to approve the meeting dates for 2015. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

Scott Christiansen then noted that the administrator should provide the fiscal year end report to City Council showing the plan assets as of September 30, 2014. He confirmed that the Investment Policy was signed and distributed as well.

**6. ADMINISTRATOR REPORT** (Scott Baur, Resource Centers)

Mr. Baur explained the letter from Foster with the proposal by the actuary to meet the GASB 67, GASB 68, and SB 534 reporting requirements. GASB 67 requires the City to include additional footnotes by the actuary for the plan on the 2014 CAFR (Consolidated Annual Financial Report). GASB 68 requires the City to include pension liabilities on the 2015 CAFR. SB 534 requires additional reports by the plan to the Division of Retirement, including projections of the plan performance with returns 2% lower than the assumed rate of investment return.

**Rob Burkhart made a motion to approve the actuary to provide the GASB 67 disclosures and only the reports required to comply with SB 534. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

Scott Baur provided the Board with details regarding the renewal of the fiduciary liability insurance with Travelers.

**Rob Burkhart made a approve the renewal of the fiduciary liability insurance policy with Travelers. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

**7. PLAN FINANCIALS**

The Trustees reviewed the Warrant for payment of invoices.

**Rob Burkhart made a motion to approve the Warrant dated October 23, 2014. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

The Trustees reviewed the benefits for approval.

**Rob Burkhart made a motion to approve the refund of contributions to former plan member Douglas Meriam. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

**8. OTHER BUSINESS**

The Board had no other business to discuss.

**9. NEXT MEETING**

The Trustees previously set the schedule for the next regular quarterly meeting on Thursday, January 22, 2015 at 3:00 PM.

**10. ADJOURNMENT**

**There being no further business, Rob Burkhart made a motion to adjourn the meeting at 3:52 PM. Alex Falconeri seconded the motion, approved by the Trustees 3-0.**

Respectfully submitted,

---

Josh Stone, Secretary