

## *City of Gulfport Police Pension Fund*

### **Minutes: Meeting of July 23, 2015**

#### **1. CALL TO ORDER**

Chair Rob Burkhardt called a meeting of the Board of Trustees for the Gulfport Police Pension Fund to order at 3:30 PM. Those persons present included:

##### TRUSTEES

Rob Burkhardt, Chairman  
Wes Whitaker, Secretary  
Josh Stone  
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 April 23, 2015, noting that Rob Burkhardt should appear as the Secretary.

Wes Whitaker made a motion to approve the Minutes of April 23, 2015 as amended. Josh Stone seconded the motion, approved by the Trustees 4-0.

#### **4. REPORTS**

##### Quarterly Investment Report (Jack Evatt, Bogdahn Consulting)

Jack Evatt reported that the quarter included many unusual events around the world that affected the markets. Domestic equities still had narrow gains for the quarter, while fixed income securities overall experienced modest losses.

The portfolio for the Pension Fund had \$8,827,275 of assets as of June 30, 2015. Jack Evatt noted that the portfolio had modest outflows during the quarter, with distributions slightly greater than the contributions. The assets had a return of -0.92% for the quarter compared to -0.48% for the benchmark. For the fiscal year to date, the assets gained 4.77% net of expenses compared to 4.09% for the benchmark. Mr. Evatt reviewed the performance of the individual managers. All asset classes mostly posted modest losses for the quarter.

##### Attorney (Scott Christiansen, Christiansen & Dehner)

Scott Christiansen stated that elections for Trustees should be held prior to the next quarterly meeting. He confirmed distribution of the updated Summary Plan Description to the members. He also reminded Trustees to complete and file the annual Form 1 Financial Disclosure.

He reported that the updates to the ordinance for compliance with the Internal Revenue Code were finalized. He is also drafting an ordinance to establish a Share Plan due to the new State legislative

mandates. The Share Plan will only get funded when the City and the bargaining unit cannot mutually agree on the use of the Chapter 185 premium tax distributions. The plan currently uses the excess available funds to increase the benefit multiplier above 2.75%. Mr. Christiansen addressed the new reporting requirements for the Board, including the requirement to adopt an administrative budget prior to September 30 for the fiscal year starting October 1, 2015. The Board will need to produce an Expense report following October 1 as well, for the fiscal year ending September 30, 2015.

Scott Christiansen reviewed the updated Operating Rules and Procedures. The new document incorporates changes over the past 12 years. The updated Operating Rules address the Plan Administrator retained by the Board, the changes to the Trustee terms, the education requirements for Trustees, attending Board meetings by phone, and the \$3,000 exemption from income taxes that retired members can take for medical insurance premiums deduction from pension benefit payments.

Josh Stone made a motion to approve the updated Operating Rules and Procedures. Wes Whittaker seconded the motion, passed by the Trustees 4-0.

#### Administrator Report (Scott Baur, Resource Centers)

Mr. Baur explained the construction of the proposed administrative expense budget for the fiscal year starting October 1, 2015. The expense categories follow the same general classifications for plan expenses reported by the auditors, and Mr. Baur based the amounts for the expense categories based on the 2014 Annual Report. The budget includes a buffer of 25% to each category, given the substantial variation to predict actual pension plan expenses year over year. Even with the budget requirement, the pension Board as fiduciaries must spend the amounts needed to operate the plan and no more. The budget also included an allocation to a Miscellaneous Expense category that the Board could reallocate during the year if necessary without having to amend and refile the expense budget. Mr. Christiansen stated that most Boards adopted similar buffers in the Administrative Expense Budget to allow for variations in plan expenses.

Larry Tosi made a motion to adopt the proposed 2015-16 administrative expense budget. Josh Stone seconded the motion, approved by the Trustees 4-0.

Mr. Baur reviewed the renewal for the Fiduciary Liability Insurance Policy maintained by the Board. The renewal premium remained essentially unchanged from the prior year.

Wes Whittaker made a motion to approve the renewal of the Fiduciary Liability Insurance Policy. Larry Tosi seconded the motion, passed by the Trustees 4-0.

#### **5. PLAN FINANCIALS**

The Trustees reviewed the Benefit Approvals provided by the Administrator.

Wes Whittaker made a motion to approve the refund of contributions to Jonathan Kinsel. Josh Stone seconded the motion, approved by the Trustees 4-0.

The Trustees reviewed the Warrant for payment of invoices.

Larry Tosi made a motion to approve the Warrant dated July 23, 2015. Josh Stone seconded the motion, approved by the Trustees 4-0.

**6. OTHER BUSINESS**

The Trustees briefly considered the plan provisions for early retirement.

**7. NEXT MEETING**

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

**8. ADJOURNMENT**

There being no further business, the meeting was adjourned at 4:19 PM.

Respectfully submitted,

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Wes Whittaker, Secretary