

City of Gulfport Police Pension Fund

Minutes: Meeting of January 28, 2016

1. CALL TO ORDER

Chair Rob Burkhardt called a meeting of the Board of Trustees for the Gulfport Police Pension Fund to order at 3:06 PM. Those persons present included:

TRUSTEES

Rob Burkhardt, Chairman
Wes Whitaker, Secretary
(arrived 3:27PM)
Alex Falconeri
Larry Tosi
Josh Stone

OTHERS

Scott Baur & Audrey Ross, 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 October 22, 2015.

Josh Stone made a motion to approve the Minutes of October 22, 2015. Larry Tosi seconded the motion, approved by the Trustees 4-0.

4. REPORTS

Quarterly Investment Report (Jack Evatt, Bogdahn Consulting)

Mr. Evatt reviewed the market environment during the quarter ending December 31, 2015 and noted that it remains volatile. The total fund was positive but underperformed the index net of fees at 2.21% versus 3.12%. He briefly reviewed each manager's performance during the quarter and noted that Dana underperformed as well as Vanguard and Agincourt. Fixed income was the worst performing sector during the quarter followed by international equities which underperformed their benchmark as well. Mr. Evatt reviewed the Vanguard fund which has been underperforming for quite some time now so he would like the Board to look at some other alternative asset classes. Mr. Evatt is recommending moving away from the passive index funds for international equity and recommended some other managers. These other managers are more concentrated than the current manager and the other firms. Mr. Evatt stated that his recommendation would be to terminate Vanguard and split the funds 50/50 between TSW and EuroPacific and explained why. EuroPacific is more growth focused and TSW is more value focused and both managers complement each other very well. The Trustees reviewed each manager's long term returns and performance as well as their downside and upside protection. Also the fees are reasonable at 95 basis points for TSW and 49 basis points for EuroPacific. The Trustees had a very lengthy discussion on the Mr. Evatt's recommendation as well as the managers.

Josh Stone made a motion to liquidate the Vanguard account and to buy TSW and EuroPacific with the proceeds, split 50/50 between the two managers. Wes Whitaker seconded the motion, approved by the Trustees 5-0.

Attorney (Scott Christiansen, Christiansen & Dehner)

Mr. Christiansen stated that there is a Bill pending in the current Legislative Session regarding the presumption disease as they are adding to the list cancer, all cancer types. This Bill has been presented twice before in the past, but never passed. Mr. Christiansen stated that he will update the Board as more information becomes available on the Legislative session.

Mr. Christiansen reviewed the proposed Ordinance regarding the new State Statutes, specifically the 175 Share accounts that need to be added to the Plan. He explained that the City and the Union need to negotiate how to split the excess State money and fund the Share accounts. There needs to be a mutual agreement between the City and the Union, and if one is not reached then the State has issued a default provision in which the money is split 50/50 between the City and the pension fund. Mr. Burkhart asked to table this subject until the next meeting once he has time to go back and speak with the City and the Union regarding this.

Administrator Report (Scott Baur & Audrey Ross, Resource Centers)

Mr. Baur stated that he is still waiting on the GL or the CAFR from the City to be able to complete the Administrative budget for this fiscal year.

Mr. Baur stated that he has the revised Fifth Third acknowledgment with him today to be executed by the Board per Mr. Christiansen's recommendation.

Wes Whitaker made a motion to approve the Fifth Third client disclosure form as presented. Josh Stone seconded the motion, approved by the Trustees 5-0.

5. PLAN FINANCIALS

The Trustees reviewed the Benefit Approvals provided by the Administrator.

Alex Falconeri made a motion to approve the annual adjustments for Thomas Adams, Alex Falconeri, and Terry Taylor. Larry Tosi seconded the motion, approved by the Trustees 5-0.

The Trustees reviewed the Warrant for payment of invoices.

Josh Stone made a motion to approve the Warrant dated January 28, 2016. Wes Whitaker seconded the motion, approved by the Trustees 5-0.

6. OTHER BUSINESS

Mr. Christiansen notified the Trustees of the upcoming Trustee schools if they were interested.

7. NEXT MEETING

The Trustees previously set the schedule for the next regular quarterly meeting on Thursday, April 21, 2016 at 3:00 PM.

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:13 PM.

Respectfully submitted,

Wes Whittaker, Secretary