

## *City of Gulfport Police Pension Fund*

# **Minutes: Meeting of July 21, 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 3:01 PM. Those persons present included:

#### TRUSTEES

Rob Burkhardt, Chairman  
Alex Falconeri  
Josh Stone  
Larry Tosi

#### OTHERS

Audrey Ross, Resource Centers  
Jack Evatt, The Bogdahn Group  
Scott Christiansen, Christiansen & Dehner  
Thomas Woodman, Active Police Officer

### **2. PUBLIC COMMENT**

Mr. Woodman addressed the Board as an active member and also on behalf of other members of the Plan as well. He was inquiring about the Plan's benefits and how they could look into improving some areas. The first would be to change the normal retirement eligibility to 25 years of service and out (no age requirement), implementing a DROP, and increasing the Plan's multiplier to 3%. Mr. Christiansen stated that this Plan already has a PLOP and discussed the benefits of it compared to a DROP. In regards to the 25 years and out, all the membership would first need to agree to pay the additional contributions for the benefit. Some members might not agree because they are past that point in their career and the 25 years and out would not benefit them so essentially some members would be paying for a benefit that they would not get the benefit of. Lastly the rule of thumb for increasing the Plan's multiplier is that it will cost an additional 1% of payroll for every 10<sup>th</sup> you increase it by. Either way all these proposed benefit changes would ultimately require an actuarial impact statement that would reflect the costs associated with each benefit change, but Mr. Christiansen recommends discussing the changes with the entire membership first to get their thoughts and see if they are interested in moving forward.

### **3. APPROVAL OF MINUTES**

The Trustees reviewed the Minutes for the meeting of April 21, 2016

**Alex Falconeri made a motion to approve the Minutes of April 21, 2016. Larry Tosi seconded the motion, approved by the Trustees 4-0.**

### **4. REPORTS**

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

Mr. Evatt presented the Board with the June 30, 2016 performance report. He briefly reviewed the market environment during the quarter and noted that towards the end the big event of the BREXIT occurred, which slightly impacted the equities short term but overall they still did not do bad. Mr. Evatt commented that they started the quarter with \$8.2M and ended slightly above at \$8.6M. All allocations are in line with their targets and on the last day of the quarter American Realty was funded. Mr. Evatt reviewed the Plan's performance for the quarter and noted that the total fund net of fees underperformed the index at 1.48% versus 2.02%. For the fiscal year to date the total fund is also in the same position at 4.55% versus the index at 7.01%. He reviewed each manager's performance during the quarter and stated that all the international equity managers underperformed as well as the domestic equity managers. Vanguard outperformed for the quarter and Fixed income held was the largest contributor during the quarter. He discussed the Dana equity

account and stated that they are still lagging the benchmark and this is the 5<sup>th</sup> quarter in a row. Mr. Evatt stated that his firm reached out to Dana regarding the underperformance and after conversations the Bogdahn Group still feels comfortable with the firm and their strategy. Dana is not market neutral and since the larger companies are outperforming smaller companies it has hurt their performance. Mr. Evatt commented that they will continue to monitor this account and report back to the Board. Overall the portfolio is doing well and Mr. Evatt does not have any recommendations for changes.

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

Mr. Christiansen commented that all the Trustees have filed their Annual Form 1 Disclosures with the exception of Mr. Stone who will be turning his in shortly. He reminded the Trustees that the State starts imposing late fees effective September 1, 2016.

Ms. Christiansen stated that the IRS Ordinance was adopted by the City on May and has been filed with the Division of Retirement.

**Administrator Report (Audrey Ross, Resource Centers)**

Ms. Ross presented the Board with their fiduciary liability insurance renewal quote which is set to expire on August 1, 2016. The policy is a 1 year term quoted at \$2,634.00. This is an increase of \$41 per year compared to the last year's fee.

**Josh Stone made a motion to authorize and approve the renewal of the Plan's Fiduciary Liability Insurance premium as presented; \$2,634.00 (8/1/2016-8/1/2017). Alex Falconeri seconded the motion, approved by the Trustees 4-0.**

Ms. Ross presented the Board with the proposed administrative budget for the fiscal year beginning October 1, 2016 that needs to be filed with the Plan's sponsor.

**Josh Stone made a motion to approve the proposed administrative budget for the fiscal year beginning October 1, 2016 as amended. Alex Falconeri seconded the motion, approved by the Trustees 4-0.**

Ms. Ross stated that Mr. Stone & Mr. Burkhardt were reelected by default amongst the active members to serve another term on the pension Board (set to expire on 12/31/2019).

Ms. Ross stated that Mr. Whittaker was chosen to attend the 2017 FPPTA New York Stock Exchange Program. Per the Plan document the Board will need to approve this payment.

**Larry Tossi made a motion to authorize and approve the payment to FPPTA for Wes Whittaker's registration fee for the 2017 New York Stock Exchange Program. Alex Falconeri seconded the motion, approved by the Trustees 3-1.**

**5. PLAN FINANCIALS**

The Trustees reviewed the Benefit Approvals provided by the Administrator.

**Josh Stone made a motion to approve the refund of contributions for David Cavanah. Larry Tosi seconded the motion, approved by the Trustees 4-0.**

The Trustees reviewed the Warrant for payment of invoices.

**Josh Stone made a motion to approve the Warrant dated July 21, 2016. Alex Falconeri seconded the motion, approved by the Trustees 4-0.**

**6. OTHER BUSINESS**

The Trustees tabled the discussion regarding “banking service consolidation” until the next meeting when all the Trustees are present.

**7. NEXT MEETING**

The Trustees previously set the schedule for the next regular quarterly meeting on Thursday, October 20, 2016 at 3:00 PM.

**8. ADJOURNMENT**

**There being no further business, the meeting was adjourned at 4:09 PM.**

Respectfully submitted,

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Wes Whittaker, Secretary