

City of Gulfport Police Pension Fund

Minutes: Meeting of July 20, 2017

1. CALL TO ORDER

Chair Rob Burkhardt called a meeting of the Board of Trustees for the Gulfport Police Pension Fund to order at 3:04 PM. Those persons present included:

TRUSTEES

Rob Burkhardt, Chairman
Alex Falconeri
Josh Stone
Larry Tosi

OTHERS

Scott Baur, Resource Centers
Jack Evatt, AndCo. Consulting
Brian King, AndCo. Consulting
Scott Christiansen, Christiansen & Dehner
Patrick Donlan, Foster & Foster

2. PUBLIC COMMENT

N/A

3. REPORTS

Actuary Report (Patrick Donlan, Foster & Foster)

Mr. Donlan presented the Board with an experience study. He first reviewed the investment return history compared to assumptions. The Plan earned 7.1% over 28.75 years compared to 8% assumption for most of the period (now at 7.75%). He also reviewed the funding requirement changes for changes to the return assumption. The current funding method being used is the frozen entry age method and recommends a change to this. Another recommendation Mr. Donlan does have is to lower the assumed salary increases. He explained that the mortality table just changed to reflect the required FRS mandates. Mr. Donlan's recommendation to the Board is to change the funding method to entry age normal method and with some other adjustments as well, it would cause a net decrease of -7% in required overall contributions.

Josh Stone made a motion to adopt the recommendations as presented with changes to the funding method and lowering the Plan's assumed rate of return to 7.5% effective with the October 1, 2017 valuation. Larry Tosi seconded the motion, approved by the Trustees 4-0.

Lastly Mr. Donlan provided the Board with a report on the use of the Chapter 185 premium tax receipts. Since the Union and the City do not have a mutual agreement, the Plan has \$5,929.88 to allocate the members through their Share accounts. The Trustees discussed the amount and Mr. Donlan stated that he will start working on the statements.

Quarterly Investment Report (Jack Evatt & Brian King, AndCo Consulting)

Mr. Evatt presented the Board with the June 30, 2017 performance report. He briefly reviewed the market environment during the quarter and noted that the equities continue to post gains, with the largest increases in International equities and foreign currencies gained against the dollar. The fixed income market showed weakness over the past year, but was slightly a little stronger this past quarter. As of June 30, 2017 the Plan's assets have increased to \$9,408,149. Mr. Evatt reviewed the Plan's cash reconciliation for the quarter and noted that the portfolio was up 3.13% versus the index at 308%. For the fiscal year to date the fund is up 7.48% versus the index at 6.71%, which puts them in the top 10th percentile against their peers. He reviewed each manager's performance during the quarter and noted that they had strong results from the domestic and international equity funds. The

American Realty does not have their final numbers in yet. Mr. Evatt stated that the prior Custodian has some limits on some investments so therefore he will now be recommending some other asset classes to diversify the portfolio some more. He reviewed global bonds which is an additional bond class that reduces exposure to interest rate changes. Mr. Evatt stated that he will bring back more information on this to the next meeting as well as some more recommendations.

Attorney (Scott Christiansen, Christiansen & Dehner)

Mr. Christiansen stated that Trustees have filed their annual form 1 disclosures with the exception of Wes Whittaker. They were due July 1.

Mr. Christiansen reviewed the outcome of the recent Legislation session and noted that there are some impacts on pensions through SB80, in specific the public records act. Also HB455 provides for an additional property tax exemption for disabled police officers and firefighters if they meet the requirements of a social security disability.

Mr. Christiansen reviewed the securities monitoring services offered by Kesler, Topaz for security litigation matters. This firm will also monitor the portfolio and will occasionally ask Board's to become plaintiff on a matter. Also this firm will provide quarterly reports to the Board. The Trustees had a lengthy discussion and Mr. Christiansen recommended that the Board enter an agreement with them as there are no fees associated with it.

Josh Stone made a motion to engage Kessler Topaz as their securities monitor. Larry Tosi seconded the motion, approved by the Trustees 4-0.

Administrator Report (Scott Baur, Resource Centers)

Mr. Baur presented the Board with the administrative budget for the fiscal year 2017/2018.

Alex Falconeri made a motion to approve the 2017/2018 admin budget as presented. Josh Stone seconded the motion, approved by the Trustees 4-0.

Mr. Baur presented the Board with the fiduciary liability insurance renewal quote. He noted that the fee increased this year by \$10.

Alex Falconeri made a motion to approve the fiduciary liability insurance renewal. Josh Stone seconded the motion, approved by the Trustees 4-0.

4. PLAN FINANCIALS

The Trustees reviewed the Warrant for payment of invoices.

Josh Stone made a motion to approve the Warrant dated July 20, 2017. Larry Tosi seconded the motion, approved by the Trustees 4-0.

The Trustees reviewed the application for a duty disability for Samantha Crane.

Josh Stone made a motion to approve the application for a duty disability for Samantha Crane. Larry Tosi seconded the motion, approved by the Trustees 4-0.

5. OTHER BUSINESS

N/A

6. NEXT MEETING

The Trustees previously set the schedule for the next regular quarterly meeting on Thursday, October 19, 2017 at 3 PM.

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:23PM.

Respectfully submitted,

Wes Whittaker, Secretary