

## *City of Gulfport Police Pension Fund*

### **Minutes: Meeting of July 19, 2018**

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

Chair Rob Burkhardt called a meeting of the Board of Trustees for the Gulfport Police Pension Fund to order at 2:41PM. Those persons present included:

##### TRUSTEES

Rob Burkhardt, Chairman  
Josh Stone  
Larry Tosi

##### OTHERS

Audrey Ross & Scott Baur, Resource Centers  
Jennifer Gainfort, AndCo. Consulting  
Scott Christiansen, Christiansen & Dehner  
Richelle Hayes, American Realty

#### **2. PUBLIC COMMENT**

N/A

#### **3. PLAN FINANCIALS**

The Trustees reviewed the minutes of the April 19, 2018 meeting.

Josh Stone made a motion to approve the minutes of the April 19, 2018 meeting. Larry Tosi seconded the motion, approved by the Trustees 3-0.

#### **4. REPORTS**

##### Investment Manager Presentation (Richelle Hayes, American Realty)

Ms. Hayes introduced herself and reminded the Trustees and stated that her firm already works for the General Plan and she is here to review why this Plan should be adding real estate to their investment allocation. She gave a brief update on the Firm and stated that they are 100% employee owned with 8 office locations throughout the United States and currently have over \$8.4B in assets. They have a very large Florida client base and she reviewed Real Estate as a whole and why it would be beneficial for this Plan in regards to diversification. You will be adding better returns with less risk as they only buy properties that are going to add value and are highly occupied. This asset class also offers great cash flow. Ms. Hayes reviewed the Plan detail and properties in great detail and stated that there is currently a queue to get in and \$1M is their minimum investment but willing to go down to \$500K. The fee is 1.10%. The Trustees had a lengthy discussion.

Josh Stone made a motion to invest 5% (\$500K) with American Realty and authorize the Plan's Attorney to draft the contract. Larry Tosi seconded the motion, approved by the Trustees 3-0.

##### 6/30/2018 Quarterly Investment Report (Jennifer Gainfort, AndCo Consulting)

Ms. Gainfort welcomed herself back and stated that Mr. Evatt could not attend today. She gave a brief update on the market environment during the quarter and stated that emerging markets were the worst performers and fixed income remained flat. She reviewed the Plan's asset allocation and stated that they are in line with the Plan's policy and there is no recommendation at this time for rebalancing. For the quarter they were up 1.5% and for the fiscal year to date they are up 4.97%. She briefly reviewed each manager's performance and stated all outperformed their relative indexes with the exception of Dodge and Cox.

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

Mr. Christiansen notified the Board that all Trustees turned in their annual form 1 disclosure forms

Mr. Christiansen stated that he will be updating the Plan documents as they need to maintain their qualified tax exempt status and he will need authorization from the Board to do so.

**Josh Stone made a motion to authorize the Plan's Attorney to update the Plan documents so that the Plan remains tax exempt qualified. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

Lastly Mr. Christiansen discussed benefits that are payable to a member but cannot be paid out because the member cannot be located. There needs to be a process in place when it comes to locating members and we will need to update the Plan documents to add this language and process in. This relates to the new IRS guidance that was recently issued.

**Josh Stone made a motion authorize the Plan's Attorney to add in the "missing person's language" into the Plan's operating rules and procedures. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

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

Ms. Ross stated that it is that time of year again to renew the Plan's Fiduciary Liability Insurance. The rate this year increased by \$51 to \$2,694.

**Josh Stone made a motion to renew the Plan's Fiduciary Liability Insurance for 2018/2019. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

Ms. Ross presented the Board with the Administrative budget for the FY beginning October 1, 2018. She reminded the Trustees that this is an exercise they complete each year as required by the Division of Retirement.

**Josh Stone made a motion to approve the administrative budget for the FY beginning October 1, 2018 as presented. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

**5. PLAN FINANCIALS**

The Trustees reviewed the Warrant for payment of invoices.

**Josh Stone made a motion to approve the Warrant dated July 19, 2018. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

**6. OTHER BUSINESS**

Mr. Tosi explained that he thinks the Board needs to look at their COLA benefit as an increase to retirees has not been paid in years. The Board had a lengthy discussion on the one time COLA.

**Josh Stone made a motion to authorize the Plan's Attorney to draft an Ordinance regarding a one-time COLA increase for the retirees. Larry Tosi seconded the motion, approved by the Trustees 3-0.**

Ms. Stone discussed adding in a DROP account to the Plan. Currently the Plan has a PLOP and the Board spent some time discussing the differences between a DROP and a PLOP. Ultimately the DROP will be cost neutral to the Plan and the City.

Josh Stone made a motion to authorize the Plan's Attorney to draft an Ordinance regarding a DROP. Larry Tosi seconded the motion, approved by the Trustees 3-0.

**7. NEXT MEETING**

The Trustees previously set the schedule for the next regular quarterly meeting on Thursday, October 18, 2018 at 2:30 PM.

**8. ADJOURNMENT**

There being no further business, the meeting was adjourned at 4:05PM.

Respectfully submitted,

---

Josh Stone, Secretary