

*City of Gulfport Police Pension Fund*  
**Minutes: Meeting of October 18, 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 2:39 PM. Those persons present included:

TRUSTEES

Rob Burkhardt, Chairman  
Josh Stone, Secretary  
Alex Falconeri

OTHERS

Audrey Ross & Scott Baur, Resource Centers  
Jack Evatt and Jennifer Gainfort, AndCo. Consulting  
Scott Christiansen, Christiansen & Dehner

**2. PUBLIC COMMENT**

No members of the public had any comment.

**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 Consultant (Jack Evatt and Jennifer Gainfort, AndCo Consulting)**

Jennifer Gainfort provided an overview of the market for the quarter ending September 30, 2018, which included increasing volatility with interest rate increases and trade tensions with China. She reviewed the returns for various market sectors and indices for the period, both domestic and internationally. She stated that growth issues out performed value stocks for both the quarter and the year ending September 30. For all market segments, domestic equities had the largest gains.

For the quarter year ending September 30, 2018, the plan assets gained 3.27% gross and 3.25% net of fees compared to a gain of 3.34% for the benchmark. For the fiscal year, the portfolio gained 8.14% gross and 8.01% net of fees compared to 7.58% for the Policy benchmark. The fiscal year return finished ahead of the 7.25% actuarial assumed rate of return adopted by the Board. The plan had a net investment return of 8.84% for the trailing 3 years, and the Pension Fund had total assets of \$10,523,779 as of September 30, 2018. Jennifer Gainfort reviewed performance for each manager, as well as the overall asset allocation. She reported that the assets remained within the guideline ranges established by the Investment Policy.

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

Scott Christiansen reviewed the proposed ordinance to add a 3% one-time COLA increase for all retired members receiving benefits. The Board noted that retired members had not received any benefit increases since 2004. Furthermore, Council granted a similar increase to retired members of the General Employees Pension Fund.

Josh Stone made a motion to forward the proposed ordinance for the one-time COLA increase for retired members to the City along with an impact statement prepared by the actuary. Alex Falconeri seconded the motion, approved by the Trustees 3-0.

Scott Christiansen then reviewed the proposed ordinance adding a DROP Plan and various “housekeeping” changes for compliance with the Internal Revenue Code. The proposed ordinance amended the definition of retirement for the DROP, rules for participants in the DROP participating in Trustee elections. For IRC compliance, he added language both for missing benefit recipients and members rehired after retirement. The proposed ordinance also added required language to establish a Share Plan. Mr. Christiansen reviewed proposed options to credit investment earnings to member DROP Accounts, either a fixed 3% return or the net investment return on plan assets, allowing members to change the earning election one time during participation in the DROP.

Josh Stone made a motion to forward the proposed ordinance with the DROP, Share Plan additions, and IRC compliance changes to the City for consideration. Alex Falconeri seconded the motion, approved by the Trustees 3-0.

The Board discussed current negotiations to update retirement eligibility to allow for retirement with 25 years of service regardless of age.

Josh Stone made a motion for the Board to determine the cost for the actuary to produce a study amending changing retirement eligibility to allow for retirement at 25 years of service regardless of age. Alex Falconeri seconded the motion, approved by the Trustees 3-0.

Scott Christiansen reviewed updated to the Operating Rules and Procedures. He added sections to address missing benefit recipients, Share Account provisions, and DROP Plan rules. Among the minor changes, he extended the timeline to process disability claims from 90 days to 180 days and a procedure to identify deceased members receiving benefits.

Alex Falconeri made a motion to approve the revised Operating Rules and Procedures. Josh Stone seconded the motion, approved by the Trustees 3-0.

The Trustees considered the proposed meeting dates for 2019. The Board prefers to meet later at 4:00 PM if the Firefighter Board of Trustees agrees to switch meeting times.

Alex Falconeri made a motion to approve the proposed quarterly meeting dates for 2019. Josh Stone seconded the motion, approved by the Trustees 3-0.

Scott Christiansen advised that the Administrator should now send the annual report by the Board to the City Council.

#### **Administrator Report (Audrey Ross and Scott Baur, Resource Centers)**

Audrey Ross reported that the Actuary will present the annual valuation at the next quarterly meeting. The Board also received \$101,800.83 for the 2017 Chapter 185 premium tax distribution from Florida, up from \$93,186.46 in 2016.

**5. PLAN FINANCIALS**

The Trustees reviewed the Warrant for payment of expenses dated October 18, 2018.

Josh Stone made a motion to approve the Warrant dated October 18, 2018. Alex Falconeri seconded the motion, approved by the Trustees 3-0.

**6. OTHER BUSINESS**

The Trustees executed the addendum to the agreement between the Board and Foster and Foster, actuary for the plan.

**7. NEXT MEETING**

The Trustees previously set the schedule for the next regular quarterly meeting for Thursday, January 17, 2019 at 4:00 pm, pending approval by the Firefighter Board of Trustees.

**8. ADJOURNMENT**

There being no further business, Alex Falconeri made a motion to adjourn the meeting at 3:32 PM, seconded by Josh Stone, and approved by the Trustees 3-0.

Respectfully submitted,

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Josh Stone, Secretary