

City of Gulfport Police Pension Fund

Minutes: Meeting of July 18, 2019

1. CALL TO ORDER

Secretary Josh Stone called a meeting of the Board of Trustees for the Gulfport Police Pension Fund to order at 4:02 PM. Those persons present included:

TRUSTEES

Josh Stone, Chair
Alex Falconeri, Secretary
Biff Lagan
Larry Tosi

OTHERS

Scott Baur, Resource Centers (Administrator)
Dale Everhart, Resource Centers(Administrator)
Jennifer Gainfort, AndCo. Consulting (Consultant)
Scott Christiansen, Christiansen & Dehner (Attorney)

2. PUBLIC COMMENT

No members of the public had any comment.

3. MINUTES APPROVAL

The Trustees reviewed the minutes of the April 18, 2019 meeting.

Alex Falconeri made a motion to approve the minutes of the April 18, 2019 meeting. Biff Logan seconded the motion, approved by the Trustees 4-0.

4. REPORTS

a. Investment Report(Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort reported that the second calendar quarter was another strong, volatile quarter. Both the equity and fixed income indices continued their year-to-date gains. The markets have recovered most, if not all, of last year's losses, rewarding investors who stayed the course. Stocks suffered a setback in May, due to tariff wars and indications that economic growth was slowing. Trade negotiations fell apart as the US increased tariffs on certain Chinese goods from 10% to 25%, and as the US announced that it would also increase tariffs on the remaining Chinese imports. Further, the US President threatened the imposition of a 5% tariff on Mexican imports unless Mexico planned to reduce illegal immigration. Both sides were able to reach an agreement, so this did not happen.

In June, stocks rose to all time highs due largely to a dovish monetary policy change by the Federal Reserve, hinting at interest rate cuts. Markets also received a boost due to optimism from the G20 summit, where the US and China agreed to a cessation of escalations in tariffs.

Both domestic and international equity indices were positive for the quarter. Growth stocks outperformed value stocks, as has been the case in 9 of the last 10 quarters. Internationally, developed markets outperformed emerging markets. While international equities did not perform as well as domestic equities, the value of diversification and cheaper valuation levels are still traits making international equities attractive.

Fixed income returns were also positive for the quarter, as monetary policy lowered interest rates, increasing bond prices.

Ms. Gainfort reviewed the asset allocation of the Fund, and noted that there were no large shifts between the last 2 quarters. Fund assets totaled \$10,675,388 as of June 30, 2019. All allocations are within target range, so there is no need for rebalancing. The 2nd quarter dollar return totaled \$353,354, while the fiscal year to date dollar return was \$323,068. The 2nd quarter Fund return was 3.42% compared to the policy return of 3.53%. Fiscal year to date Fund return was reported to be 3.20% compared to the policy return of 4.40%.

It was reported that while domestic equity manager DANA had a good quarter, the firm has struggled over the last few quarters, leaving a large return hurdle to overcome. Negative performance in 2009, 2016, and 2018, make it difficult to recover from a return perspective. DANA represents 15% of the plan assets. AndCo recommends moving the assets currently managed by DANA to 2 new managers (large growth and large value), to increase diversification. After discussion, the Board decided it would like to wait another quarter before further consideration of making a manager move.

b. Attorney (Scott Christiansen, Christiansen & Dehner)

Mr. Christiansen reported that Larry Tosi was reappointed to the Board.

Mr. Christiansen reminded Board members to file the annual Financial Disclosure Form.

Mr. Christiansen informed the Board that Mr. Falconeri's Board seat expires on 10/1/19. Mr. Falconeri's seat is the seat elected by the other trustees.

Biff Lagan made a motion to nominate Mr. Falconeri for a new term. Larry Tosi seconded the motion, approved by the Board 3-0. Mr. Falconeri did not vote.

Mr. Christiansen discussed the Administrative Expense/Budget Report approved at the April 18, 2019 meeting.

Mr. Christiansen stated that the State money list should be coming out shortly.

Mr. Christiansen indicated that a new set of forms was prepared for members who elect to participate in the DROP.

c. Administrator Report(Scott Baur & Dale Everhart, Resource Centers)

Mr. Baur reviewed the fiduciary liability insurance renewal materials.

Alex Falconeri made a motion to approve the renewal of the Plan's fiduciary liability insurance effective 8/1/2019. Biff Lagan seconded the motion, which was approved by the Board 4-0.

Mr. Baur informed the Board that the 2018 Statements for the Share Plan had been completed. The Statements were given to Chair Josh Stone, who stated that he would distribute them to plan members.

Mr. Baur advised that he will send a package of materials to Chair Josh Stone for the purpose of conducting an election of a new trustee due to a current vacancy on the Board

5. PLAN FINANCIALS

a. Warrant dated July 18, 2019

The Board reviewed the warrant dated July 18, 2019.

Alex Falconeri made a motion to approve the warrant dated July 18, 2019. Biff Lagan seconded the motion, approved by the Trustees 4-0.

b. Benefit Approvals

1) Refund of Contributions

Alex Falconeri made a motion to approve an Application for Refund of Contributions. Biff Lagan seconded the motion, approved by the Trustees 4-0.

The Board was advised that retiree COLA distributions were made, along with a written notice to the retirees explaining the retroactive and prospective nature of the adjustments.

6. OTHER BUSINESS

Board members expressed an interest in attending the upcoming Florida Division of Management Services Police & Fire Pension Trustees' Conference in November. Dates of the conference have yet to be finalized.

7. SCHEDULED NEXT REGULAR MEETING

Thursday, October 17, 2019 at 4:00PM

8. ADJOURNMENT

Alex Falconeri made a motion to adjourn the meeting. Larry Tosi seconded the motion, which was approved by the Board 4-0.

The meeting adjourned at 4:40pm.

Respectfully submitted,


Joshua Stone for Alex Falconeri, Secretary