

*City of Gulfport Municipal Police Officers' Trust Fund*  
**Minutes: Meeting of January 16, 2020**

**1. CALL TO ORDER**

Secretary Alex Falconeri called a meeting of the Board of Trustees for the Gulfport Municipal Officers' Police Trust Fund to order at 4:00 PM. Those persons present included:

TRUSTEES

Alex Falconeri  
Biff Lagan  
Jason Motte  
Thomas Woodman

OTHERS

Sara Carlson, Foster & Foster(Actuary)  
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. BOARD OFFICER ELECTIONS**

The Trustees discussed electing a new Board Chair.

Thomas Woodman made a motion to nominate Jason Motte to be the Board Chair. Alex Falconeri seconded the motion, approved by the Trustees 4-0.

Jason Motte made a motion to nominate Alex Falconeri to be Board Secretary. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

**4. BOARD SEAT UPDATE**

The Trustees were advised that Thomas Woodman was elected to the Board seat previously occupied by Josh Stone. Mr. Woodman's Board seat expires on December 31, 2023.

Jason Motte was re-elected to the seat he previously held. Mr. Motte's Board seat expires on December 31, 2023.

**5. MINUTES APPROVAL**

The Trustees reviewed the minutes of the October 17, 2019 meeting. The Board noted a change to the minutes as presented.

Alex Falconeri made a motion to approve the amended minutes of the October 17, 2019 meeting. Biff Lagan seconded the motion, approved by the Trustees 4-0.

**6. REPORTS**

- a. Investment Report( Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort stated that 2019 began with a strong rally in the stock markets, and ended similarly in the fourth quarter. Gains were realized in all major asset classes. Annual stock returns totaled approximately 30%. The US stock market hit a number of new record highs throughout the quarter and year. The Fed announced a third and final fed funds rate cut of 25 basis points for the year. A Phase 1 trade deal with China resulted in tariff relief, and a commitment by China to buy greater quantities of American crops, factory goods, and energy products. Further, the USMCA trade agreement passed the House and is expected to be finalized, bringing long awaited good news on the trade front. The US economy appears to be in a good place, with unemployment at 3.5%, rising wages, and consumers remaining confident.

Internationally, emerging markets led the way, outperforming domestic equities. Lastly, fixed income was positive for the quarter at 0.18%, and the Aggregate returned 8.72% for the calendar year.

The market value of the Fund was \$11,438,361 at 12/31/19. Actual assets were within target allocation ranges, with no rebalancing needed. Income and appreciation for the quarter totaled \$603,130. Total fund gross return for the quarter was 5.56% vs the total fund gross policy return of 5.45%. The one year return was 20.84% vs the total fund policy of 20.28%.

**b. Actuary Report (Sara Carlson, Foster & Foster)**

Sara Carlson presented the findings from the 2019 Actuarial Valuation. She began by stating that the 2018 Actuarial Valuation was amended to include the retroactive passage of an annuitant Cost of Living Allowance, effective October 2018. The amended 2018 Valuation was provided to the appropriate parties.

As to the findings of the 2019 Valuation, the rate to be paid by the City is decreasing from 13.5% to 12.1% of pay. The decrease is due to more turnover than expected in personnel, and to lower salary increases than expected. The funded ratio is 88.8%. The asset gains/losses are amortized over 4 years to smooth the effect on the employer contribution rate. The Fund needs a rate of return in the current year of at least 7.6% to avoid investment losses in the amortization schedule.

The salary assumption of 5.5% was discussed, with that assumption being reduced from 6% in a 2017 Experience Study. 10 years of experience were reviewed with increases in 2015 and 2016 being noted.

Alex Falconeri made a motion to approve the 2019 Actuarial Valuation as presented. Biff Lagan seconded the motion, approved by the Trustees 4-0.

A question was posed as to the cost of changing benefit levels dealing with both the age requirement and/or the benefit accrual. With negotiations set to occur in March 2021, a formal request in January of 2021 would provide adequate lead time.

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

Attorney Scott Christiansen advised of the need to adopt a Declaration of Returns, following adoption of the 2019 Actuarial Valuation. Jennifer Gainfort from AndCo recommended 7.5%.

Alex Falconeri made a motion on the advice of the Investment Consultant that the Board expects to achieve a 7.5% return on Pension Fund assets for the next year, for the next several years, and for the long term thereafter. Jason Motte seconded the motion, approved by the Trustees 4-0.

This information will be transmitted to the State, the actuary, and the City of Gulfport.

An Addendum to the Investment Policy Statement was presented. The Addendum pertains to investment managers Dana and Agincourt. The only change to the previous Addendum is the reference within it referring to the most recent Investment Policy Statement and its date of adoption (10/17/2019).

Alex Falconeri made a motion to approve the update to the Investment Policy Statement with Addenda. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

d. Administrator Report( Dale Everhart, Resource Centers)

Mr. Everhart referenced a summary of Cyber Liability Insurance coverage for all Board consultants. He stated that the summary was informational based upon prior discussions of the Board.

Mr. Everhart discussed the need for the Plan to submit a Records Management Liaison Officer Designation document to the Division of Library and Information Services, within the Florida Department of State. Mr. Christiansen indicated that there was a previous designation of Scott Baur of Resource Centers as that Officer. Notice of this designation will be forwarded to the Department of State by Resource Centers.

Mr. Everhart discussed the implementation of Ordinance No. 2019-06, an annuitant Cost of Living Allowance (COLA). Two annuitants were improperly granted that COLA. Section 15-70 of the Code of Ordinances for the Police Officers' Trust Fund states in part "Any overpayments or underpayments shall be corrected and paid or repaid in a reasonable manner determined by the board." The overpayments occurred over a 16 month period.

Alex Falconeri made a motion to have the pensions of the 2 individuals reduced to recover the overpayment, over the same 16 month period as the overpayment occurred. Biff Lagan seconded the motion, approved by the Trustees 4-0.

Mr. Everhart provided the Board with a list of conferences in 2020. Board members were reminded that according to their Operating Rules and Procedures, "Each Trustee is required to attend a seminar or conference regarding Trustee duties and responsibilities and matters relating to the investment program of the Plan at least once each term."

7. PLAN FINANCIALS

a. Warrant dated January 16, 2020

The Board reviewed the warrant dated January 16, 2020.

Alex Falconeri made a motion to approve the warrant dated January 16, 2020. Thomas Woodman seconded the motion, approved by the Trustees 3-0.

#### 8. OTHER BUSINESS

There was no other business

#### 9. SCHEDULED NEXT REGULAR MEETING

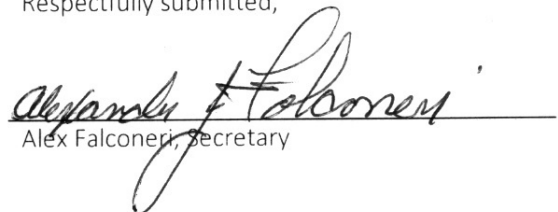
Thursday, April 16, 2020 at 4:00PM

#### 10. ADJOURNMENT

Alex Falconeri made a motion to adjourn the meeting. Biff Lagan seconded the motion, approved by the Trustees 4-0.

The meeting adjourned at 5:23pm.

Respectfully submitted,

  
Alex Falconeri, Secretary