

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

1. CALL TO ORDER

Board Chair Jason Motte called a meeting of the Board of Trustees for the Gulfport Municipal Officers' Police Trust Fund to order at 4:09 PM. The Board was reminded that the meeting was being recorded, and that it was an electronic meeting. Those persons present included:

TRUSTEES

Jason Motte, Chair
Biff Lagan
Larry Tosi
Thomas Woodman

OTHERS

Scott Baur, Dale Everhart, Resource Centers(Administrators)
Scott Christiansen, Christiansen & Dehner (Attorney)
Jonathan Davidson, KTMC(Attorney)
Jennifer Gainfort, AndCo. Consulting (Consultant)
Greg Peters, Dana Investment Advisors(Manager)

2. APPROVAL MINUTES: Meeting January 16, 2020

The Trustees reviewed the minutes of the January 16, 2020 meeting.

Jason Motte made a motion to approve the amended minutes of the January 16, 2020 meeting. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

3. REPORTS

A. Investment Report

1) Quarterly Performance Report (Jennifer Gainfort, AndCo Consulting)

Jennifer Gainfort stated that AndCo was not making any recommendations for change, from a portfolio or asset allocation perspective. She stated that the portfolio is constructed in anticipation of an underperforming market.

The first half of the first quarter of 2020 continued with equities performing well, steadily increasing to all time highs. The S&P 500 then experienced the fastest 30% decline in its history, in just 22 days. This marked the end of the longest bull market in history of 11 years and 3 days. The market sell-off came from the emergence of COVID-19. The full impact on the global economy is still developing, with unprecedented levels of volatility on both the down- and up-side. Equity market indices in the first quarter were universally negative. Growth, large cap and domestic investments outperformed value, small cap, and emerging market indices.

The federal government has provided fiscal and monetary stimulus to temper the financial impact of the crisis. Economic stimulus legislation was also enacted. The Board was reminded of the Fund's long term horizon, with short term market movements not changing the long term goals and objectives of the plan. The investment policy was created with target long term asset allocations. The broadly diversified portfolio is designed to participate in the gains when the market is rising, and to minimize as much as possible, the declines when the markets sell off.

The market value of the Fund was \$9,863,380 on March 31, 2020. Assets were within target allocation ranges, with no rebalancing needed. Income and depreciation for the quarter totaled \$-1,517,053. Total fund gross return for the quarter was -13.30% vs the total fund gross policy return of -11.75%. The one year return was -3.91% vs the total fund policy of -2.50%. All manager performance was discussed with no changes of investment managers recommended. The quarter was tough from a returns perspective, but the Board was asked to remain patient.

2) Dana Investment Advisor Update (Greg Peters, Client Service & Portfolio Specialist)

Greg Peters gave an overview of the Dana portfolio and performance. During the quarter ending March 31, 2020, the S & P 500 was down 19.60%, while Dana was down 21.54%. He indicated that the technology sector performed the best over the quarter, while financials and energy returns were the worst. He indicated that growth has outperformed value in 4 of the last 5 years, and that Dana is a value manager. From an historical perspective, Mr. Peters noted that since 1926, the S&P 500 Index has had a positive yearly return in 69(73%) of the years.

Sector contributors in the portfolio for the first quarter of 2020 were utilities and the selling of Delta Air Lines. Eaton Corporation, and Waste Management performed above sector average, and real estate investments in American Tower Corporation and Prologis, Inc. held up well.

Sector detractors were the financial sector holdings of Starwood Property Trust and Citizens Financial Group. In information technology, CDW Corporation and Zebra Technologies Corporation underperformed. Finally, in consumer discretionary, D.R. Horton, Best Buy and AutoZone were significant detractors.

Dana's investment process has led to consistent excess returns over time, through various market cycles and levels of volatility.

Lastly, Mr. Peters indicated that month to date (April, 2020), the S&P 500 increased 7.8%, while the Dana portfolio increased 7.9%.

B. Attorney Report (Scott Christiansen, Christiansen & Dehner)

Scott Christiansen indicated that the firm of Kessler, Topaz, Meltzer & Check, LLP(KTMC) presented a fee change for Board consideration. Jonathan Davidson from KTMC detailed the current duties of the firm, which include monitoring all security fraud cases for the Fund, filing proof of claim forms, and then collecting the proceeds of the cases for payment to the pension fund. He explained that originally, there was no fee for the services of KTMC. Other KTMC clients now using their services, require a payment for these services. To best deal with the legal issues arising from defendants in the cases, it is now necessary for all KTMC clients to pay for the services. KTMC is proposing that a fee of 4% be charged on the proceeds of any payment to the Fund as a result of successful claims.

Tom Woodman made a motion to authorize the Board Chair to sign an addendum to the KTMC agreement, providing for a 4% fee. Jason Motte seconded the motion, approved by the Trustees 4-0.

Mr. Christiansen informed the Board that Financial Disclosure Forms(Form 1) will be mailed to Board members in the near future, with the filing due date being July, 1,2020.

Mr. Christiansen informed the Board that due to the passage of a law permitting notaries to do remote notarizations, his firm will be revising existing plan forms that contain a notarization requirement. He stated that to perform remote notarizations, it will require that notaries obtain additional training and insurance, and that they have a means to record the remote notarization.

C. Administrator Report (Dale Everhart, Resource Centers)

Dale Everhart presented a document listing actual plan administrative expenses for fiscal years 2018 and 2019, and a proposed budget for Fiscal Year 2021.

Jason Motte made a motion to approve the administrative report and budget. Tom Woodman seconded the motion, approved by the Trustees 3-1. Biff Lagan voted no.

4. PLAN FINANCIALS

A. Warrant dated April 16, 2020

The Board reviewed the warrant dated April 16, 2020.

Jason Motte made a motion to approve the warrant dated April 16, 2020. Larry Tosi seconded the motion, approved by the Trustees 4-0.

B. Benefit Approvals

The Trustees reviewed the Benefit Approval dated April 16, 2020.

Jason Motte made a motion to approve the Benefit Approval dated April 16, 2020. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

5. OTHER BUSINESS

There was no other business

6. PUBLIC COMMENT

There was no public comment.

7. SCHEDULED NEXT REGULAR MEETING

Thursday, July 16, 2020 at 4:00PM

8. ADJOURNMENT

Jason Motte made a motion to adjourn the meeting. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

The meeting adjourned at 5:10pm.

Respectfully submitted,

x Alexander Falconeri
Alex Falconeri, Secretary