

City of Gulfport Municipal Police Officers' Trust Fund
Minutes: Meeting of October 15, 2020

1. CALL TO ORDER

Jason Motte called a meeting of the Board of Trustees for the Gulfport Municipal Officers' Police Trust Fund to order at 4:00 PM. The Board was reminded that the meeting was being recorded, and that it was an electronic meeting. It was also stated that public comment is possible through emailing Gulfport@resourcecenters.com, with any comments being read into the record during the public comment section of the meeting.

Those persons present included:

TRUSTEES

Jason Motte, Chair
Biff Lagan
Larry Tosi
Thomas Woodman

OTHERS

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

2. APPROVAL MINUTES: Meeting July 16, 2020

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

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

3. REPORTS

A. Investment Report

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

Jennifer Gainfort noted the significance of the September 30, 2020 investment report, as it coincides with the actuarial valuation period. The past year's rate of return is compared to the actuarial assumption, and is factored into the upcoming actuarial valuation.

Domestic equities continued their rally from the second quarter, and achieved record highs in early September, bringing the market back into positive territory for the year. The S&P 500 was up 8.9% for the quarter, outperforming small caps shown by the Russell 2000, which were up 4.9%. Investors moved toward large companies for their profitability, lower leverage, and diversification of business models. Over the past year, large cap stocks were up 15.1%, with small caps up 0.4%. Growth stocks continued to outpace value, with the Russell 1000 Growth index up 13.2%, benefiting from weightings in technology, consumer discretionary and materials. The Russell 1000 Value index returned 5.6%, with exposure to financial related companies and the real estate sector lagging.

International equities were also up, with developed markets (MSCI-EAFE) up 4.8%. Emerging markets were up 9.6%. Over the past year, developed markets were up 0.5% and emerging markets were up 10.5%.

The aggregate for fixed income was 0.6% for the quarter, and 7% for the past year. The Fed continued to hold interest rates near zero, hoping to provide markets with liquidity. Returns in fixed income were led by high yield bonds. US Corporate Investment Grade bonds returned 1.5% for the quarter.

The upcoming quarter's volatility is dependent upon, among other things, COVID, the election, and any economic stimulus legislation.

The market value of the Fund was \$12,006,486 on September 30, 2020. Assets were within target allocation ranges, with no rebalancing needed. Income and appreciation for the quarter totaled \$579,359. Total fund gross return for the quarter was 5.15% vs the total fund gross policy return of 5.34%.

The total assets of the Fund increased over the past year from \$10,856,254 to \$12,006,486. Income and appreciation for the year totaled \$1,082,930. Total Fund return for the past year was 10.07% (gross), compared to the total fund policy return of 11.2% (gross). Net returns for the past year were 9.76% compared to the total fund policy return of 11.22%.

In conclusion, the past year was great, with the Fund exceeding the actuarial return assumption of 7.50%.

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

Mr. Christiansen presented the proposed 2021 schedule of regular meetings of the Board. The proposed schedule is as follows:

January 21, 2021 @ 4:00pm
April 15, 2021 @ 4:00pm
July 15, 2021 @ 4:00pm
October 21, 2021 @ 4:00pm

Thomas Woodman made a motion to adopt the proposed 2021 Board schedule. Biff Lagan seconded the motion, approved by the Trustees 4-0.

Mr. Christiansen discussed the opening of the position of 5th trustee on the Board. Alex Falconeri resigned as the 5th trustee effective October 15, 2020. Mr. Christiansen stated that the term of the new 5th trustee would run through October 2023.

Thomas Woodman made a motion to select Gulfport Police Sergeant Mike Vandenberg as the 5th trustee of the Board. Larry Tosi seconded the motion, approved by the Trustees 4-0.

Mr. Everhart was directed to request that Gulfport City Council ratify the appointment of Mr. Vandenberg as a ministerial act. Mr. Vandenberg's term will begin upon action by City Council.

In that Alex Falconeri is resigning from the Board, and that leaves the position of Secretary open.

Biff Lagan made a motion to select Thomas Woodman as Secretary. Jason Motte seconded the motion, approved by the Trustees 4-0.

Mr. Christiansen indicated that the Governor had extended the current waiver for a physical quorum for Board meetings until November 1, 2020.

Jason Motte stated that the contract for Municipal Police expires in October, 2021. He inquired as to the process for obtaining an actuarial cost note on the effect of increasing the benefit multiplier and eliminating the age requirement for unreduced retirement benefits after 25 years of service. Mr. Christiansen indicated that the cost of the actuarial study would need to be paid by the police union and/or the City.

Thomas Woodman made a motion to authorize the services of the Board's actuary to conduct a study of the effect of changes to the benefit provisions of the Plan, with the union and/or City to pay for the study. Biff Lagan seconded the motion, approved by the Trustees 4-0.

Mr. Everhart was directed to advise Foster & Foster, the Plan's actuary, of the authorization to conduct the study.

C. Administrator Report (Dale Everhart, Resource Centers)

Mr. Everhart reported that the 2019 Premium Tax distribution amount is \$102,009.35. The distribution amount for 2018 was \$105,893.06

Mr. Everhart informed the Board that the Florida Public Pension Trustees Association (FPPTA) annual 3-day conference is scheduled for October 26-28, 2020. It is a virtual summit, consisting of 8 90-minute educational modules. The modules can be viewed live or after the fact, until Thanksgiving. The Board members were informed that they should contact Mr. Everhart if they want to participate in this event.

Mr. Everhart presented a draft letter to the City, which will accompany the annual report of investment activity. This information is provided to the City in accordance with State law.

4. PLAN FINANCIALS

A. Warrant dated October 15, 2020

The Board reviewed the warrant dated October 15, 2020.

Biff Lagan made a motion to approve the warrant dated October 15, 2020. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

5. OTHER BUSINESS

Larry Tosi inquired as to the process for retirees to receive a cost of living increase. After discussion, the Board agreed to discuss the subject at its next meeting, on January 21, 2021.

A brief discussion then occurred as to the process for terminating members to receive benefits. Mr. Everhart indicated that members should contact him, and that he will guide members through that process.

6. PUBLIC COMMENT

There was no public comment.

7. SCHEDULED NEXT REGULAR MEETING

Thursday, January 21, 2021 at 4:00PM

8. ADJOURNMENT

The meeting adjourned at 5:00pm.

Respectfully submitted,



Thomas Woodman, Secretary