

City of Gulfport Municipal Police Officers' Trust Fund
Minutes: Meeting of April 15, 2021

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 4:01 PM.

Those persons present included:

TRUSTEES

Jason Motte, Chair
Thomas Woodman, Secretary
Biff Lagan
Michael Vandenberg

OTHERS

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

2. BOARD SEAT UPDATE

Mr. Everhart informed the Board that City Council appointed Biff Lagan to serve a 4 year term as a trustee of the Gulfport Municipal Police Officers' Trust Fund with the term expiring on April 30, 2025.

3. APPROVAL MINUTES: Meeting January 21, 2021

The Trustees reviewed the minutes of the January 21, 2021 meeting.

Thomas Woodman made a motion to approve the minutes of the January 21, 2021 meeting. Michael Vandenberg seconded the motion, approved by the Trustees 4-0.

4. REPORTS

A. Investment Report

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

Jennifer Gainfort indicated that the domestic equity markets continued their rally during the first quarter of 2021. The darkest days of the pandemic are behind us as the economy continues to reopen with strong job numbers and corporate earnings. The S&P 500 large cap index returned 6.2% for the quarter, the Russell midcap index returned 8.1%, and small caps led the way with the Russell 2000 index up a strong 12.7%. Investor rotation from growth to value continued to gain momentum, with the Russell 1000 value index up 11.3%, while the Russell 1000 growth index returning 0.9%. Much of the differential can be attributed to sector differences between the 2 styles. Energy and financials were the top performing sectors, which have the largest exposure in the value index, while technology, health care, and utilities lagged. Investors are trading out of last year's winners.

International equities were also up for the quarter. The MSCI EAFE developed market index returned 3.5% for the quarter, and 44.6% for the year. The MSCI emerging markets recorded a return of 2.3%, and were up 58.4% for the year.

Lastly, fixed income returns were negative, as interest rates rose for the quarter. Since bond prices have an inverse relationship with interest rates, as interest rates rose, bond prices fell. The aggregate return was -3.4% for the quarter, with the one year return being 0.7%

The market value of the Fund was \$13,440,432 as of March 31, 2021. Asset allocations were within target ranges, such that no rebalancing is recommended.

Income and appreciation for the quarter totaled \$357,818. Total fund gross return for the quarter was 2.73% vs the total fund gross policy return of 2.17%.

Total equities returned 6.56% for the quarter, with the total fund policy return being 5.66%. Total fixed income return was -3.73% for the quarter compared to -3.38% for the total fixed income policy. Finally, total real estate return was 1.87%, with no total real estate policy return available as of the date of the Board meeting.

Ms. Gainfort highlighted positive performance of DANA and Transamerica International Equity, both due to a value concentration. American EuroPacific Growth Fund underperformed due to an underweighting in value stocks.

In conclusion, Ms. Gainfort stated that total fund results continue to be encouraging.

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

Mr. Christiansen reminded the Board of the need to submit Form 1, the Financial Disclosure Form, by July 1, 2021 for the year ending December 31, 2020. Mr. Everhart provided Board members with Form 1.

Mr. Christiansen presented the updated Summary Plan Description dated April 1, 2021. He provided details to the Board on the changes from the 2019 Summary Plan Description.

Michael Vandenberg made a motion to approve the updated Summary Plan Description dated April 1, 2021. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

Mr. Everhart indicated that he would provide the approved Summary Plan Description to Gulfport Human Resources for distribution to the membership.

Mr. Christiansen informed the Board of proposed legislation (SB 758) in Tallahassee that would require public officials to get 5 additional hours of training.

Mr. Christiansen also described SB 1314, which proposes to add as a presumptive disease for in-line of duty disability, that being an infectious disease that occurs during a time of a declared public emergency.

Mr. Christiansen indicated that a Plan change should be considered in that the Internal Revenue Code changed the required minimum distribution age from 70½ to 72. Mr. Christiansen requested permission to construct a proposed ordinance to make this change to the pension plan.

Michael Vandenberg made a motion to authorize an Internal Revenue Code change to the Plan in the form of a proposed ordinance, to be provided to the Board at the July 15, 2021 Board meeting. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

Mr. Christiansen stated that a copy of materials concerning the disability application of Michael Rossi, had been distributed to all Board members, and that the Independent Medical Examiner's findings were also to be distributed. Mr. Everhart indicated that he would distribute the findings. The Board will be contacted at such time as a hearing can be held concerning the application.

C. Administrator Report (Dale Everhart, Resource Centers)

Mr. Everhart presented the Expense Report for Fiscal Year 2019-2020, and a proposed budget for Fiscal Year 2021-2022 for the Board's consideration.

Michael Vandenberg made a motion to approve the Expense Report for Fiscal Year 2019-2020 and the proposed budget for Fiscal Year 2021-2022. Biff Lagan seconded the motion, approved by the Trustees 4-0.

Mr. Everhart indicated that 2020 Share Plan Statements had been prepared by Foster & Foster and that he had printed copies of those statements for distribution. The Share Plan Statements were given to Board Chair Jason Motte, who indicated that he would distribute them to the membership.

5. PLAN FINANCIALS

A. Disbursements: Warrant dated April 15, 2021

The Board reviewed the warrant dated April 15, 2021.

Michael Vandenberg made a motion to approve the warrant dated April 15, 2021. Biff Lagan seconded the motion, approved by the Trustees 4-0.

B. Benefit Approval Dated April 15, 2021

Michael Vandenberg made a motion to approve the Benefit Approval dated April 15, 2021. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

6. OTHER BUSINESS

A discussion took place concerning changes to pension benefits. Scott Christiansen indicated that pension benefits are bargainable. He further stated that the Board can make recommendations to plan benefit provisions. He also indicated that any recommendation is subject to negotiation between the City and the union.

Benefits under consideration involve the benefit multiplier, and age and service requirements to attain full retirement benefits.

7. PUBLIC COMMENT

There was no public comment.

8. SCHEDULED NEXT REGULAR MEETING

Thursday, July 21, 2021 at 4:00PM

9. ADJOURNMENT

The meeting adjourned at 5:01pm.

Respectfully submitted,



Thomas Woodman, Secretary