

City of Gulfport Municipal Police Officers' Trust Fund
Minutes: Meeting of January 20, 2022

1. CALL TO ORDER

Jason Motte called a meeting of the Board of Trustees for the Gulfport Municipal Police Officers' Trust Fund to order at 4:03 PM.

Those persons present included:

TRUSTEES

Jason Motte, Chair
Biff Lagan
Larry Tosi
Michael Vandenberg (arrived at 4:20 pm)

OTHERS

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

2. ELECTION OF OFFICERS

Biff Lagan made a motion to nominate Jason Motte as Board Chair and Thomas Woodman as Board Secretary. Larry Tosi seconded the motion, approved by the Trustees 3-0.

3. APPROVAL MINUTES: Meeting October 21, 2021

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

Biff Lagan made a motion to approve the minutes of the October 21, 2021 meeting. Larry Tosi seconded the motion, approved by the Trustees 3-0

4. REPORTS

A. Investment Report

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

Jennifer Gainfort stated that the quarter ending 12/31/21 was volatile, and that large cap stocks dominated the market. Positive signs were strong consumer spending, lower unemployment, and an increase in gross domestic product of 4-7%. In domestic equities, the Russell 1000 Growth Index was the best performing index at 11.64%, while the Russell 2000 Index was the worst performing at 2.14%. Four sectors outperformed the S&P 500 Index, those being energy, real estate, financials, and information technology. The strong dollar negatively impacted international stocks, with emerging markets showing the worst performance at -1.31%. In fixed income, the yield curve flattened.

The market will continue to be affected by COVID, falling unemployment, and a trend of workers leaving employers, with jobs available being greater than employees available in the work force. A shortage of employees in the market place is driving up wage growth. Further, supply chain issues remain, inflation is at a multi-decade high, and the fed has indicated that they are going to scale back bond purchases, and begin to raise interest rates.

The market value of the Fund was \$14,585,559 as of December 31, 2021. No rebalancing of asset classes is needed. Income and appreciation for the quarter totaled \$566,843. Total fund gross return for the quarter was 4.04% vs the total fund gross policy return of 4.45%. For the previous one year period, return was 12.06% compared to a policy return of 12.55%.

Michael Vandenberg joined the meeting.

B. Actuary Report (Sara Carlson, Foster & Foster)

Sara Carlson presented the October 1, 2021 Actuarial Valuation. The minimum required contribution was calculated as a percentage of the projected annual payroll, to be 24.9%, compared to 22.7% for the period ending September 30, 2020. The increase in the minimum required contribution was due primarily to a decrease in the investment return assumption. The City contribution rate increased to 13.0%, from the previous year of 10.8%. The unfunded actuarial accrued liability increased to \$1,517,702, with the major reason for the increase being the change in the rate of return assumption to 7.15%. The assumption change loss was somewhat mitigated by an actuarial gain related to investment return.

Biff Lagan made a motion to approve the October 1, 2021 Actuarial Valuation. Michael Vandenberg seconded the motion, approved by the Trustees 4-0.

At least every 5 years, an Experience Study should be done to review the Plan's assumptions. Experience over the last 10 years is reviewed, with any recommendations for change being proposed to the Board. The last Experience Study was done in 2017.

Biff Lagan made a motion for Foster & Foster to perform an actuarial experience study for an amount not to exceed \$8,000, with the results to be presented at the July 21, 2022 Board meeting. Michael Vandenberg seconded the motion, approved by the Trustees 4-0.

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

Mr. Christiansen indicated a need for the Board to declare an expected rate of return.

Biff Lagan made a motion that based on the advice of the Plan's investment consultant, the expected annual rate of investment return for the fund for next year, the next several years, and the long-term thereafter, shall be 7.15%, net of investment related expenses. Michael Vandenberg seconded the motion, approved by the Trustees 4-0.

Scott Christiansen informed the Board of legislation that is pending, which would add COVID as a presumptive line of duty disability.

Mr. Christiansen stated that the special meeting of the Board with City council, concerning a benefit enhancement ordinance, did not occur. This special meeting was discussed at the October 21, 2021 Board meeting.

Mr. Christiansen informed the Board that the disability retirement application, and resultant appeal by the claimant, has been terminated. The member dropped his appeal and requested a refund of his member contributions.

A re-examination of disability retiree Samantha Crane was discussed. No action was taken by the Board.

D. Administrator Report (Dale Everhart, Resource Centers)

Dale Everhart presented the Board with the Fiscal Year 2020-2021 Administrative Expense Report. This report is to be submitted to the plan sponsor and made available to the Fund's members.

Biff Lagan made a motion to accept the Fiscal Year 2020-2021 Administrative Expense Report. Michael Vandenberg seconded the motion, approved by the Trustees 4-0.

Mr. Everhart presented an invoice for 2022 membership in the Florida Public Pension Trustees Association (FPPTA).

Biff Lagan made a motion to approve membership and associated costs in the FPPTA for 2022. Michael Vandenberg seconded the motion, approved by the Trustees 4-0.

5. PLAN FINANCIALS

A. Disbursements: Warrant dated January 20, 2022

Michael Vandenberg made a motion to approve the warrant dated January 20, 2022. Biff Lagan seconded the motion, approved by the Trustees 4-0.

B. Benefit Approval Dated January 20, 2022

The Board reviewed the Benefit Approval document.

Michael Vandenberg made a motion to approve the Benefit Approval dated January 20, 2022. Biff Lagan seconded the motion, approved by the Trustees 4-0.

6. OTHER BUSINESS

There was no other business.

7. PUBLIC COMMENT

There was no public comment.

8. SCHEDULED NEXT REGULAR MEETING

Thursday, April 21, 2022 at 4:00PM

9. ADJOURNMENT

The meeting adjourned at 5:23pm.

Respectfully submitted,



Thomas Woodman, Secretary