

City of Gulfport Municipal Police Officers' Trust Fund
Minutes: Meeting of April 21, 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 4:16 PM.

Those persons present included:

TRUSTEES

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

OTHERS

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

2. APPROVAL MINUTES: Meeting January 20, 2022

The Trustees reviewed the minutes of the January 20, 2022 meeting.

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

3. REPORTS

A. Investment Report

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

Jennifer Gainfort indicated that the quarter was difficult across the board, with a sell-off related to the Ukraine conflict. Both Russia and Ukraine play a big role in the global economy. China was negatively impacted by increasing Covid-19 infections with new restrictions in Shanghai. While US equities declined in the quarter due to Ukraine, large cap value was the best performing domestic segment. International equities also struggled, due to the Ukraine conflict and rising US dollar. Performance across most bond market sectors was negative, with US high yield corporate bonds and US Treasury Inflation-Protected Securities down the least. The Bloomberg US Aggregate Index return was the worst in more than 40 years. As to sectors, energy, utilities, and materials were the best performing. The crisis in Ukraine will likely be a drag on global economic growth for the foreseeable future.

The market value of the Fund was \$13,605,325 as of March 31, 2022. No rebalancing of asset classes is needed. Income and depreciation for the quarter totaled \$-339,807. Total fund gross return for the quarter was -6.23% vs the total fund gross policy return of -4.85%. For the previous one year period, return was 2.28% compared to a policy return of 5.04%. For the quarter, total equities returned -7.63% compared to the policy index of -5.28%. Fixed income returned -5.76% vs the policy index of -5.93%. Real estate returned 8.46% for the quarter with the policy index return being 7.97%.

It was recommended that the fund increase its asset allocation to 10% in real estate, with an investment policy change being considered at the July 21, 2022 meeting.

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

Sara Carlson presented the Actuarial Experience Study dated April 15, 2022. This study compiled and reviewed plan experience from October 1, 2011 through September 30, 2021. Highlights of the study include:

- 1) The expected portfolio long-term arithmetic rate of return on assets was 8.27%, which was greater than the rate of return assumption of 7.15%. No change was recommended.
- 2) The salary growth assumption was recommended to decrease from 5.50% to 5.07%, using a service based table.
- 3) Withdrawal rates were higher than the expected rate of 7.7%, with 9.0% being proposed using a service based table.
- 4) All future layers of unfunded actuarial accrued liabilities were recommended to be funded over 20 year periods.
- 5) The entry age normal cost allocation was recommended to be changed from the first valuation date an employee becomes a member, to the full career of an employee.
- 6) No changes were recommended to mortality rates, retirement rates, and disability rates.

Thomas Woodman made a motion to table any action on the presented Experience Study until the July 21, 2022 Board meeting. Michael Vandenberg seconded the motion, approved by the Trustees 4-0.

Michael Vandenberg made a motion to submit a recommendation for a 3% benefit multiplier and a 25 years & out normal retirement benefit to the City Manager. Biff Lagan seconded the motion, approved by the Trustees 4-0.

A Foster & Foster fee increase was discussed.

Michael Vandenberg made a motion to approve the presented fee schedule and to authorize Scott Christiansen to prepare a new actuarial services contract, with the fee schedule to be effective October 1, 2022. Biff Lagan seconded the motion, approved by the Trustees 4-0.

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

Mr. Christiansen reminded the Trustees of the need to file the Financial Disclosure Form by July 1, 2022.

Mr. Christiansen informed the Board that no legislation was enacted.

There was a discussion concerning the Operating Rules and Procedures related to the periodic review of the status of disability retirees.

Michael Vandenberg made a motion to waive the disability review requirement for retirees Ronald Fleming and Harold Byron Twigg. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

Thomas Woodman made a motion to direct the plan administrator and plan counsel to send an Affidavit of Disability Benefit Recipient Form (PF-6) to disability retiree Samantha Crane. Biff Lagan seconded the motion, approved by the Trustees 4-0.

D. Administrator Report (Dale Everhart, Resource Centers)

Dale Everhart presented the Board with the proposed Fiscal Year 2022--2023 Administrative Expense Budget. The document provided to the Board also included actual expenses for FY 2020-2021 and the previously adopted budget for FY 2021-2022.

Michael Vandenberg made a motion to accept the proposed Fiscal Year 2022-2023 Administrative Expense Budget. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

Mr. Everhart presented a proposed fee increase for The Resource Centers effective May 1, 2022.

Michael Vandenberg made a motion to approve the presented fee increase and to authorize Scott Christiansen to prepare a new plan administrator contract, with the fee schedule to be effective May 1, 2022. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

4. PLAN FINANCIALS

A. Disbursements: Warrant dated April 21, 2022

Michael Vandenberg made a motion to approve the warrant dated April 21, 2022. Biff Lagan seconded the motion, approved by the Trustees 4-0.

B. Benefit Approval Dated April 21, 2022

The Board reviewed the Benefit Approval document.

Michael Vandenberg made a motion to approve the Benefit Approval document dated April 21, 2022. Biff Lagan 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 21, 2022 at 4:00PM

8. ADJOURNMENT

The meeting adjourned at 6:22pm.

Respectfully submitted,


Thomas Woodman, Secretary