

City of Gulfport Municipal Police Officers' Trust Fund
Minutes: Meeting of July 21, 2022

1. CALL TO ORDER

Thomas Woodman 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

Thomas Woodman, Acting Chair
Larry Tosi
Michael Vandenberg

OTHERS

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

2. APPROVAL MINUTES: Meeting April 21, 2022

The Trustees reviewed the minutes of the April 21, 2022 meeting.

Michael Vandenberg made a motion to approve the minutes of the April 21, 2022 meeting. Larry Tosi seconded the motion, approved by the Trustees 3-0

3. REPORTS

A. Investment Report

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

Jennifer Gainfort explained that inflation is a big reason for the market downturn. The Core CPI was up 5.9% year-over-year in June 2022. The CPI-U was up 9.1% year-over-year in June 2022, the highest level since November 1981. The Core CPI excludes food and energy components, while those items are included in the CPI-U. Fears continue over lower growth and continued inflation. Value stocks outperformed growth stocks. Fixed income investments are sensitive to interest rate increases. The Federal Reserve could continue to tighten the money supply and increase short term interest rates. The market may not yet have reached the bottom.

The market value of the Fund was \$11,963,510 as of June 30, 2022. No rebalancing of asset classes is needed. Income and depreciation for the quarter totaled \$-1,535,874. Total fund gross return for the quarter was -11.35% vs the total fund gross policy return of -10.96%. For the previous one year period, return was -14.05% compared to a policy return of -11.28%. For the quarter, total equities returned -16.38% compared to the policy index of -15.91%. Fixed income returned -4.73% vs the policy index of -4.69%. Real estate returned 4.84% for the quarter with the policy index return being 4.55%.

Jennifer Gainfort reviewed an amended Investment Policy Statement increasing the real estate allocation from 5% to 10%.

Mike Vandenberg made a motion to approve the amended Investment Policy Statement increasing the real estate allocation to 10%. Larry Tosi seconded the motion, approved by the Trustees 3-0.

After discussion on the reallocation of assets, Jennifer Gainfort recommended that \$480,000 be transferred from Agincourt to ARA Core Property Fund.

Mike Vandenberg made a motion to transfer \$480,000 from Agincourt to ARA Core Property Fund. Larry Tosi seconded the motion, approved by the Trustees 3-0.

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

Mr. Christiansen indicated that all Trustees filed the required Financial Disclosure Form.

Mr. Christiansen stated that he had provided a draft ordinance to the City Manager which provides for a 3% benefit multiplier and a 25 & out provision for normal retirement benefits.

Mr. Christiansen reported that the State premium tax monies should soon be sent to the City

Mr. Christiansen advised of the completion of a new contract for Foster & Foster, and an addendum to the existing contract with The Resource Centers, as approved at the April 21, 2022 Board meeting.

Mr. Christiansen presented a draft ordinance that provides for the following:

- 1) Authorizes increased flexibility for investing of pension funds
- 2) Technical amendment for IRS compliance
- 3) Change to pre-retirement death benefit language

Mike Vandenberg made a motion to approve the presented draft ordinance, and authorize plan counsel to provide it to the Gulfport City manager. Larry Tosi seconded the motion, approved by the Trustees 3-0.

The Board reviewed the Disability Affidavit submitted by retiree Samantha Crane. There was a consensus of the Board to take no further action.

C. Administrator Report (Dale Everhart, Resource Centers)

Mr. Everhart reviewed the fiduciary liability insurance policy and quote for the period 8/1/22 to 7/31/23. He explained the reason for the increase from the current year's premium, which included a surcharge due to the Florida Insurance Guaranty Association.

Mike Vandenberg made a motion to renew the fiduciary liability insurance at the quoted cost of \$2,868.24. Larry Tosi seconded the motion, approved by the Trustees 3-0.

4. PLAN FINANCIALS

A. Disbursements: Warrant dated July 21, 2022

Michael Vandenberg made a motion to approve the warrant dated July 21, 2022. Larry Tosi seconded the motion, approved by the Trustees 3-0.

B. Benefit Approval Dated July 21, 2022

The Board reviewed the Benefit Approval document.

Michael Vandenberg made a motion to approve the Benefit Approval document dated July 21, 2022. Larry Tosi seconded the motion, approved by the Trustees 3-0.

5. OTHER BUSINESS

The Board reviewed the April 15, 2022 Actuarial Experience Study presented by Foster & Foster at the April 21, 2022 meeting.

Mike Vandenberg made a motion to accept the recommendations of Foster & Foster regarding the April 15, 2022 Actuarial Experience Study, including those on salary increases, withdrawal rates, entry age normal cost allocation, and a rate of return assumption of 7.15%. Further, the results of the Experience Study are to be used for the October 1, 2022 Actuarial Valuation. Larry Tosi seconded the motion, approved by the Trustees 3-0.

6. PUBLIC COMMENT

There was no public comment.

7. SCHEDULED NEXT REGULAR MEETING

Thursday, October 20, 2022 at 4:00PM

8. ADJOURNMENT

The meeting adjourned at 5:02pm.

Respectfully submitted,



Thomas Woodman, Secretary