

*City of Gulfport Municipal Police Officers' Trust Fund*  
**Minutes: Meeting of January 18, 2024**

**1. CALL TO ORDER**

Chair Jason Motte called a meeting of the Board of Trustees for the Gulfport Municipal Police Officers' Trust Fund to order at 4:04 PM.

Those persons present included:

**TRUSTEES**

Jason Motte, Chair  
Thomas Woodman, Secretary  
Daniel Liedtke  
Michael Vandenberg

**OTHERS**

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

**2. Board Seat Election/ Officer Election**

Dale Everhart updated the Board on the Board seat terms of Jason Motte and Thomas Woodman, scheduled to end on December, 2023. He stated that nominations were received for Jason Motte and Thomas Woodman. In that the only nominations received were for Jason Motte and Thomas Woodman, no election was necessary and both Mr. Motte and Mr. Woodman will serve new 4-year terms beginning January 1, 2024.

Mr. Christiansen informed the Board of the need to elect Board officers.

**Daniel Liedtke made a motion to elect Jason Motte as Board Chair. Mike Vandenberg seconded the motion, approved by the Trustees 3-0. Jason Motte abstained.**

**Jason Motte made a motion to elect Thomas Woodman as Board Secretary. Daniel Liedtke seconded the motion, approved by the Trustees 3-0. Thomas Woodman abstained.**

**3. REPORTS**

**A. Actuary Report ( Sara Carlson, Foster & Foster)**

Sara Carlson provided an overview of the 2023 Actuarial Valuation results. These results are used to calculate the City's contribution rate for Fiscal Year 2024-25.

The minimum contribution rate increased from 30.7% to 30.9%. Unfavorable plan experience occurred due to the continued amortization of previous investment return losses, particularly in the fiscal year ending September 30, 2022, and due to higher than expected salary increases.

Plan changes included an increase in the employee contribution rate from 8% to 8.5% of pay. The benefit accrual rate increased to a fixed rate of 3.0%. Members are now eligible for unreduced benefits at any age after attainment of 25 years of credited service. Finally, all future State contributions will be used by the City to offset their annual funding requirement.

The Minimum Required Contribution was calculated to be 30.9% of payroll for Fiscal Year 2024-25. This rate is composed of 13.6% Normal Cost, 2.7% Administrative Expenses, and 14.6% for payment required to amortize the Unfunded Actuarial Accrued Liability over 20 years. In that members contribute at 8.5% of payroll, the City and State contribution rate is 22.4% ( $30.9\% - 8.5\% = 22.4\%$ ). The State contribution is estimated to be 5.6%, hence the City Required Contribution is 16.8% of payroll ( $22.4\% - 5.6\% = 16.8\%$ ).

The funded ratio of plan decreased from 82.5% to 78.6%.

**Mike Vandenberg made a motion to approve the 2023 Actuarial Valuation. Thomas Woodman seconded the motion, approved by the Trustees 4-0.**

#### **4. APPROVAL MINUTES: Meeting October 19, 2023**

The Trustees reviewed the minutes of the October 19, 2023 meeting.

**Jason Motte made a motion to approve the minutes of the October 19, 2023 meeting. Daniel Liedtke seconded the motion, approved by the Trustees 4-0**

### **3. Reports (continued)**

#### **B. Investment Report (Jennifer Gainfort, AndCo)**

Jennifer Gainfort stated that the S&P 500 was up 11.69% for the quarter ending December 31, 2023. Small and mid cap equities outpaced the large caps, with 12.8% quarterly gains. Growth stocks outpaced value by close to 5%. For the previous year, sectors leading the market were information technology, communication services, and consumer discretionary. Fed increases in interest rates typically precede a recession 2 years out from the increases. Rates started going up in March of 2022. Finally, fixed income returns have been very good historically.

Jennifer Gainfort stated that the market value of the Fund was \$13,607,348 as of December 31, 2023. Income and appreciation for the quarter totaled \$1,154,707. Total fund gross return for the quarter was 9.26% vs the total fund gross policy return of 8.95%. The total fund gross policy return does not include real estate, as it was not available at the time of the report. For the quarter, total equities returned 12.52% compared to the policy index of 11.51%. Fixed income returned 6.99% vs the policy index of 6.82% for the quarter. Real estate returns were -5.99% for the quarter compared to the policy return of approximately -5.00%. Real estate returns reflect high interest rates and office vacancies.

Ms. Gainfort indicated that overall returns this quarter were a good start to the fiscal year. She stated that uncertainty for this year focuses on when and how fast the fed rates may decrease, as well as the fact that this year is an election year.

A U.S. Large Cap Core Manager Analysis was presented, as previously scheduled.

Dana Investment Advisors has been a manager for the fund, whose strategy was protection on the down side of markets, and that the driver (down side protection) of why Dana was hired has eroded over time.

Ms. Gainfort presented an overview of 5 managers, those being AQR Large Cap Defensive Style, Atlanta High Quality Select Equity, Eagle Capital-Equity, JP Morgan US Research Enhanced Equity, and Dana Large Cap Equity. Portfolio characteristics, performance, risk, up and down market capture, and fees were reviewed for each of the managers.

**Thomas Woodman made a motion to terminate Dana Investment Advisors, and to allocate 75% of those funds to JP Morgan US Research Enhanced Equity and 25% of available funds to AQR Large Cap Defensive Style. Mike Vandenberg seconded the motion, approved by the Trustees 4-0.**

#### **A. Actuary Report (continued)**

The Board discussed a retiree cost of living adjustment.

**Mike Vandenberg made a motion to authorize plan legal counsel to draft an ordinance for a 6% ad hoc cost of living adjustment for those who were retired on or before October 1, 2022, with an increase effective date of October 1, 2023, and further authorizes the actuary to prepare an actuarial impact statement based on the draft ordinance, and that the draft ordinance and actuarial impact statement be forwarded to City Council as a Board recommendation. Daniel Liedtke seconded the motion, approved by the Board 4-0.**

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

Mr. Christiansen discussed the need for the Board to approve a Declaration of Returns. Jennifer Gainfort of AndCo stated that 7.15% was a reasonable return expectation.

**Mike Vandenberg made a motion that based on the advice of its investment consultant, the Board declares that it expects the total expected annual rate of investment return for the fund next year, the next several years and the long-term thereafter, shall be 7.15%. Thomas Woodman seconded the motion, approved by the Trustees 4-0.**

Mr. Christiansen discussed the new electronic filing requirement for Form 1. He provided information to the Trustees on how to file online. He stated that Form 1 will no longer be filed with the Supervisor of Elections office.

Mr. Christiansen stated that in the current legislative session, there are no proposed changes to 175 or 185 plans.

Mr. Christiansen informed the board of the completion and use of a final version of the proposed reporting document to comply with legislation enacted last year prohibiting consideration of environmental, social, and governance factors in investing.

**D. Administrator Report (Dale Everhart, Resource Centers)**

Mr. Everhart presented the Fiscal Year 2022-23 Administrative Expense Report to the Board.

Daniel Liedtke made a motion to approve the FY 2022-23 Administrative Expense Report. Mike Vandenberg seconded the motion, approved by the Trustees 4-0.

**4. PLAN FINANCIALS**

**A. Disbursements: Warrant dated January 18, 2024**

Mike Vandenberg made a motion to approve the warrant dated January 18, 2024. Thomas Woodman seconded the motion, approved by the Trustees 4-0.

**B. Benefit Approval dated January 18, 2024**

Mike Vandenberg made a motion to approve the Benefit Approval document dated January 18, 2024. Daniel Liedtke 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, April 18, 2024 at 4:00pm

**8. ADJOURNMENT**

The meeting adjourned at 5:38pm.

Respectfully submitted,

  
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Thomas Woodman, Secretary