



City of  
**Panama City Beach**

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**General Employees' Pension Board**

August 31, 2023

Regular Meeting Minutes

**CALL TO ORDER**

General Employee Chair Holly White called the meeting to order at 11:30 a.m. Those present were:

**Holly White, Chair**  
**Pat Quezada, Secretary**

**Joey St. Germain, Trustee**  
**Mark Shaeffer, Trustee**  
**Kathy Younce, Trustee**

**A quorum was present with all five members.**

Also present were Blake Myton with Sterling Capital Management, LLC, Burgess Chambers with Burgess Chambers & Associates, Attorney Stu Kaufman with Klausner, Kaufman, Jensen & Levinson, Stephen Lambert-Oswald with Aon, Finance Director Debra Gibson, City Clerk Lynne Fasone and city staff.

**INVITE PUBLIC COMMENT**

Chair White invited public comment. Hearing and seeing none.

**APPROVAL OF MEETING MINUTES**

Chair White called for approval of the June 1, 2023 General Employees Board meeting minutes. **Trustee Younce moved to approve the meeting minutes, as written. The motion was seconded by Secretary Quezada.** Hearing and seeing no comments, **the motion to adopt the June 1<sup>st</sup> meeting minutes was unanimously passed by a (5-0) voice vote.**

Chair White invited Blake to report.

**REPORT FROM BLAKE MYTON WITH STERLING CAPITAL MANAGEMENT, LLC - Virtual**

Mr. Myton reviewed the second quarter report beginning on **Page 2, "Assets Under Management."** Mr. Myton reported it had been a solid quarter. Mr. Myton further discussed Artificial Intelligence ("AI") investments and the Russell 3000 Index. Mr. Myton speculated that the feds would keep the rates unchanged or stable. Mr. Myton reviewed **Page 7, "Asset Allocation Summary Outlook."** Mr. Myton called for questions before reviewing the portfolio. Hearing and seeing none.

Mr. Myton noted he thought that the **Firefighters' portfolio** was next up in the rotation and reviewed **Pages 22-23, "Portfolio Summary."** Mr. Myton reviewed **Pages 25-26, "Current Holdings by Sub-Asset Class."** Mr. Myton briefly discussed the performance of Loomis as a manager on **Page 27.** Mr. Myton reported that small gap growth funds were not performing well.

Chair White called for questions for Mr. Myton. Hearing and seeing none, Chair White thanked Mr. Myton and invited Burgess to report.

**REPORT FROM BURGESS CHAMBERS WITH BURGESS CHAMBERS & ASSOCIATES, INC. - Virtual**

Mr. Chambers reviewed the proposed **Investment Policy Statement**. Mr. Chambers recommended a small change on **Page 8** with respect to "...filing a comprehensive report by December 15 of each odd-numbered year." Attorney Kaufman concurred and noted his firm would take care of the reporting. Chair White called for comments/questions with respect to the proposed Investment Policy Statement. Hearing and seeing none, Chair White called for a motion from each Board to accept the Investment Policy Statement, as revised. **Trustee Younce moved to approve the Investment Policy, as revised. The motion was seconded by Secretary Quezada.** Hearing and seeing no comments, **the motion to accept the Investment Policy as revised was unanimously passed by a (5-0) voice vote.** Chair White noted Ms. Fasone would file the Policy with the Division of Retirement.

Mr. Chambers turned to review of the second-quarter investment performance report of the Firefighters' Plan. Mr. Chambers briefly discussed the housing affordability crisis on **Page 1** and lowering borrowing rates in the future to help ease the burden and free up new housing inventory. Mr. Chambers reviewed the **"Total Fund Investment Summary"** on **Page 4**. Mr. Chambers reviewed **"Investment Performance – Net"** on **Page 7**. Mr. Chambers reviewed **"Asset Allocation & Performance - Gross"** on **Page 14**. Mr. Chambers called for comments / questions. Hearing and seeing none, Mr. Chambers noted that he felt that Blake was doing a great job, the program was stabilized, and he recommended no changes.

Chair White called for questions for Mr. Chambers. Hearing and seeing none, Chair White thanked Mr. Chambers and invited Stephen to report.

**REPORT FROM MR. STEPHEN LAMBERT-OSWALD WITH AON - Virtual**

Mr. Lambert-Oswald reviewed his PowerPoint entitled **"2023 Actuarial Valuations Results"** (attached), including present value of projected benefits, how the Plans were funded, unfunded accrued liability, and valuation updates and funding risk assessment.

Chair White called for questions for Mr. Lambert-Oswald. Hearing and seeing none, Attorney Kaufman recommended a motion from each Board to accept the actuarial valuation report.

**Secretary Quezada moved to accept the actuarial valuation report. Trustee Shaeffer seconded the motion. All General Employee Board members were in favor of the motion by a voice vote (5-0).**

Attorney Kaufman explained, per Florida Statute, a second motion was needed after the adoption of actuarial valuations from each Board to approve the discount rate, the investment return assumption, which was 7%. Attorney Kaufman further explained the language in the statute for the motion, for each Plan, should be **"the Board approves 7.0% as the appropriate investment return assumption for the current year, and for each of the next several years, and for the long-term thereafter."**

**Secretary Quezada so moved. Trustee Shaeffer seconded the motion. All General Employee Board members were in favor of the motion by a unanimous voice vote (5-0).**

Chair White called for questions for Mr. Lambert-Oswald. Hearing and seeing none, Chair White thanked Mr. Lambert-Oswald and invited Stu to report.

**REPORT FROM ATTORNEY STU KAUFMAN WITH KLAUSNER, KAUFMAN, JENSEN & LEVINSON - Virtual**

Mr. Kaufman noted the Board discussed the **Investment Policy** during Burgess' report and added that he would continue to wait for any rules updates/changes and report back to the Board.

Mr. Kaufman reported with respect to the codification of Pension Ordinances, he and Holly discussed for some time adding the ordinances to the city code, giving everyone easy access on Municode. Mr. Kaufman

reported he sent drafts to Holly, and they were in the process of finalizing three separate ordinances to add a new Chapter 30 to the City Code, given City Council's approval.

Chair White asked Mr. Lambert-Oswald to discuss updating the mortality rate table being included in the ordinances. Mr. Lambert-Oswald reported he briefly had discussed with the Board in the past that we were using an older mortality table from 1983. Mr. Lambert-Oswald recommended updating the table to the 2000 version. Mr. Lambert-Oswald explained the benefit of using the updated 2000 table would be having more recent data, since there have been a lot of changes in peoples' health since 1983. Mr. Lambert-Oswald noted he felt the 2000 table was a better reflection of reality.

Chair White called for a motion from each Board to update the mortality rate table from 1983 to 2000. **Secretary Quezada so moved. The motion was seconded by Trustee St. Germain.** Hearing and seeing no comments, **the motion to use the updated 2000 mortality rate table was unanimously passed by the General Employee Board members by a (5-0) voice vote.**

Mr. Kaufman presented the 2024 proposed meeting dates to the Board: Thursday, March 7; Thursday, June 6; Thursday, August 29; and Thursday, December 5, all beginning at 11:30 a.m. Hearing and seeing no comments, **all were in favor of the 2024 meeting dates by unanimous consent.**

Chair White called for questions for Mr. Kaufman. Hearing and seeing none, Chair White thanked Mr. Kaufman and invited Director Gibson to report.

#### **QUARTERLY REPORT UPDATE BY DEBRA GIBSON, FINANCE DIRECTOR**

Director Gibson reviewed the **"Activity in the Pension Accounts 10/1/2022 –07/31/2023"** report. Director Gibson also reviewed the current **DROP Participants Report.**

Director Gibson reviewed **FY2023-2024 Pension Budgets.** Director Gibson reported there was a slight increase in insurance costs. Chair White called for a motion from each Board to accept the FY2023-2024 Pension Budgets. **Trustee Younce so moved. The motion was seconded by Secretary Quezada.** Hearing and seeing no comments, **the motion to accept the FY2023-2024 General Employees' Pension Budget was unanimously passed by a (5-0) voice vote.**

Director Gibson reviewed 2022 Premium Tax Distributions for Police Officers and Firefighters.

Chair White called for comments / questions for Director Gibson. Hearing and seeing none, Chair White thanked Director Gibson.


#### **NEW BUSINESS**

Chair White called for an update on any **training classes** planned for this quarter or taken last quarter. Discussion regarding Mr. Kaufman arranging an on-site training class in 2024 took place.

Chair White called for further comments. Hearing and seeing nothing further, the August 31<sup>st</sup> meeting was **adjourned by unanimous consent at 12:41 p.m.**

**READ AND APPROVED** this 30 day of November, 2023.

  
Pat Quezada, Secretary

  
Holly White, Chair