



City of
Panama City Beach

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Firefighters' Pension Board
December 1, 2022
Regular Meeting Minutes

CALL TO ORDER

General Employee Chair Holly White called the meeting to order at 11:54 a.m. Those present were:

Shawn Legleiter, Chair
Tim Smith, Secretary
Jacob Gorman, Trustee
Jonathan Miller, Trustee

Robert Demeester, Trustee – Excused

A quorum was present with four members.

Also present were Blake Myton with Sterling Capital, Burgess Chambers with Burgess Chambers & Associates, Attorney Stu Kaufman with Klausner, Kaufman, Jensen & Levinson, City Clerk Lynne Fasone and city employees.

INVITE PUBLIC COMMENT

Chair White invited public comment. Hearing and seeing none.

APPROVAL OF MEETING MINUTES

Chair White called for approval of the September 1, 2022 Firefighters' Employees Board meeting minutes. **Chairman Legleiter moved to approve the meeting minutes, as written. The motion was seconded by Trustee Gorman. Hearing and seeing no comments, the motion to adopt the September 1st meeting minutes was unanimously passed by a (4-0) voice vote.**

Chair White invited Mr. Blake Myton to report.

REPORT FROM BLAKE MYTON WITH STERLING CAPITAL

Mr. Myton reported on the poor performance of the three Plans in the last quarter/entire fiscal year. Mr. Myton reported interest rates were slightly decreasing, which was good news. Mr. Myton turned to **Page 5, the Scorecard of the General Employees' Report**. Mr. Myton reported the end of the quarter with respect to Russell, all of the benchmarks were bad, everything was off, even the recognizable named investments were off. Mr. Myton reported it was a difficult environment all around. Mr. Myton reported the Firefighters' and Police Officers' Plans were pretty much identical to General Employees' Report. Mr. Myton reviewed **Page 33, Historical Trailing Returns, Benchmark Returns**. Mr. Myton reported AON's Actuary Plan very good with respect to the smoothing technique, so the Plans were in very good shape. Mr. Myton reported Sterling would stay disciplined and focus.

Chair White called for questions for Mr. Myton. Chair White inquired, historically periods of downturn had been followed by upturns, what was Mr. Myton's thoughts on that. Mr. Myton concurred that yes, historically the market had snapped back pretty quickly. Mr. Myton added that Sterling felt this market would snap back a little more slowly, after the Fed's get a handle on interest rates.

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

REPORT FROM BURGESS CHAMBERS WITH BURGESS CHAMBERS & ASSOCIATES, INC.

Mr. Chambers noted he would stick with the **General Employee’s Plan, Pages 43-44**. Mr. Chambers reported the Feds were trying to get the interest rates back to where they should be and further discussed the topic. Mr. Myton concurred with everything Mr. Myton reported and added that the Feds were controlling the quarter. Mr. Chambers continued review of the report. Mr. Chambers further reported on the TA Realty transaction and added it had done pretty good. Mr. Chambers commented the losses were paper losses, not realized losses. Mr. Chambers reported the fiscal year was down 15.3%, the worst year ever for the Plans. Discussion regarding cash being the best investment right now. Mr. Chambers reviewed **Page 7** of the report.

Chair White called for questions for Mr. Chambers. Trustee Miller inquired as to how fast the Feds were talking about dropping interest rates. Mr. Chambers noted that that was a great question, he had no real answer, however he felt that the Feds would like to normalize everything fairly quickly. Mr. Chambers discussed mortgage rates.

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

REPORT FROM MR. STU KAUFMAN WITH KLAUSNER, KAUFMAN, JENSEN & LEVINSON

Mr. Kaufman and Mr. Chambers discussed the Florida Retirement System reducing its rates employees contribute still being reasonable.

Mr. Kaufman discussed preparing a memo on proxy voting for the corporate officers. Mr. Chambers concurred. Mr. Kaufman explained how this would apply to the Board. Mr. Myton reported, when it comes to proxy voting, every year there are companies that Sterling may not feel comfortable voting with the management, in that case, Sterling would sell the company and find another company it felt more comfortable with the management. Mr. Chambers inquired if the Board needed to vote on this today. Mr. Kaufman stated, no down the road, after he does more research.

Mr. Kaufman briefly discussed the Federal Public Safety Officer Support Act of 2022 recently signed into law to support first responders who were injured in the line of duty and with a PTSD diagnosis.

Mr. Kaufman reported there were no pending legal issues. Mr. Kaufman wished everyone a Merry Christmas and Happy New Year. Mr. Kaufman reported that his firm would be getting their client conferences back up and running – a 3-day educational seminar, free of charge except for travel and room costs the Board’s expense.

Chair White called for questions for Mr. Kaufman.

Trustee Gorman requested the Board look at “20 years and Out” for the Firefighters. Trustee Gorman inquired as to the process for that.

Mr. Kaufman explained, if there was an appetite, they would task the Actuary to prepare an impact statement and he would draft an Ordinance to go before City Council. Chair White explained the City’s position is that the City would not fund it, however, similar to the Police Officers’, they make a higher contribution to fund that portion.

A brief discussion took place regarding PTSD diagnosis and the burden being on the employee took place. Chair White inquired if the Firefighter Trustees' wished to direct her to reach out to the Actuary to cost out the "20 years and Out" provision. Firefighter Trustees were unanimously in favor.

Chair White called for additional questions for Mr. Kaufman. Hearing and seeing none, Chair White thanked Mr. Kaufman.

QUARTERLY REPORT UPDATE BY DEBRA GIBSON, FINANCE DIRECTOR

Chair White invited Finance Director Debra Gibson to the podium. Director Gibson reviewed the following reports:

- **Review and adoption of FY2023 Pension Budgets** – Director Gibson and Chair White noted this was typically reviewed in September, would be reviewed in September in 2023, and would be posted on the City's website. **Chair Legleiter moved to accept the Firefighters' 2023 Pension Budget. Trustee Miller seconded the motion. All were in favor of approval by a voice vote (4-0).**
- **Review and adoption of the FY2022 Pension Accounts Administrative Expenses** - Director Gibson noted these were actual expenses, the report would be forwarded to the State and would be posted on the City's website. **Chair Legleiter moved to accept the Firefighters' 2022 Administrative Expenses. Trustee Gorman seconded the motion. All were in favor of approval by a voice vote (4-0).**
- **Quarterly Report through September 2022** – Director Gibson reviewed the activity in the pension accounts.
- **Police & Fire Premium Tax Distribution Checks for 2021** - Director Gibson reviewed. Trustee Legleiter inquired as to how these funds were used. Chair White reported to buy down the contributions. A brief discussion regarding AON looking at using these funds toward the "20 & Out" provision for the Fire Department. Chair White noted she would confirm that with Stephan at AON.

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

NEW BUSINESS

Chair White called for new business, including a report of any training classes planned for this quarter, expenses approved in advance and classes taken last quarter for the record. Hearing and seeing none.

Chair White called for further comments. Hearing and seeing nothing further, the December 1st meeting was adjourned by unanimous consent at 12:41 p.m.

READ AND APPROVED this 2nd day of March, 2023.



Tim Smith, Secretary



Shawn Legleiter, Chair