



City of
Panama City Beach

17007 PCB Parkway
PCB, FL 32413
P: (850) 233-5100
F: (850) 233-5108
www.pcbfl.gov

General Employees' Pension Board

March 7, 2024

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 Sean Sendra with Klausner, Kaufman, Jensen & Levinson, Stephen Lambert-Oswald with Aon (virtual) 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 November 30, 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 November 30 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

Mr. Myton briefly reported that Guardian Capital Group recently reached an agreement with Sterling to acquire Sterling from Truist. Mr. Myton reported further that Guardian anticipated a June, July, or August closing. Mr. Myton noted he was excited about the move and Guardian would be taking 100% of the people of Truist, so they would be in tack and would run us as a standalone investment subsidiary. Mr. Myton called for comments regarding the acquisition. Hearing and seeing none from the General Employees Trustees.

Mr. Myton briefly discussed the end of the year performing well and referred to Page 5 in the performance report. Mr. Myton noted it was a good solid end to the year and a great start to the beginning of 2024. Mr. Myton briefly discussed AI tech stocks and Large Cap Growth being the winner.

Mr. Myton reported, looking into 2024, not a whole lot had changed with respect to rate changes by federal government. Mr. Myton reported that Sterling had not taken a lot of big bets with the portfolio this year and they were really close to the targets.

Mr. Myton reviewed the third quarter investments beginning with the Firefighter's portfolio on Page 25 – "Portfolio Summary." Mr. Myton reported it was a good solid performance, an increase of about 9% and 16 and ½% return for the year, reflected on Page 26. Discussion regarding Sterling's investment decisions contributing to a big part of that 6% return took place. Mr. Myton asked Trustees to turn to the graph on Page 27. Mr. Myton reported all of the asset classes Sterling manages were listed on Page 29. Mr. Myton noted that Sterling would continue to watch the Mid Cap Growth stocks. Mr. Myton asked Trustees to turn to Page 51 as he reviewed the "Historical Trailing Returns." Mr. Myton noted that it was a great quarter and called for further comments/questions from the Board. Hearing and seeing none.

Chair White thanked Mr. Myton and invited Burgess to report.

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

Mr. Chambers reported with respect to the big picture, the Plans were all performing well. Mr. Chambers reported looking globally with respect to what was going on in the US, there was weakness among smaller companies, as about 40% of those companies are not profitable. Mr. Chambers discussed higher interest rates and smaller companies feeling more of the drag.

Mr. Chambers briefly discussed the Russell 2000 Index and the "Magnificent 7" companies dominating and driving the market right now. Mr. Chambers briefly discussed the bond market. Mr. Chambers reviewed Page 4 "Investment Summary" of the Firefighters' Plan. Mr. Chambers reported that the results were in line with the strategic model and Trustees should be proud of the strong returns. Mr. Chambers also reported that this Plan looks very different compared to most other Plans, as his industry has "over-industrialized" other Plans, and those Plans cannot pivot like this one. Mr. Chambers further reported that the PCB Plan had strong returns relative to benchmarks. Mr. Chambers reviewed Page 7 "Investment Performance – Net, December 31, 2023" and Pages 8 and 9 "Actual vs. Target Assets Allocation, December 31, 2023." Mr. Burgess referred Trustees to 1) Page 12 and noted the standouts on that page were Loomis, Touchstone; and 2) Page 13 the standout was Federated Hermes MDT. Mr. Chambers reported TA Realty Core Property Fund had outperformed its benchmark, Page 14.

Chair White called for questions for Mr. Chambers. A brief discussion regarding interest rates and Canada deciding to keep its rates the same took place.

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

REPORT FROM ATTORNEY SEAN SENDRA WITH KLAUSNER, KAUFMAN, JENSEN & LEVINSON

Mr. Sendra provided a brief legislative update: 1) watching two Bills that may impact the Police and Fire Plans; 2) with respect to the Homeowners' insurance issue, the legislature was trying to address it and a new version of a Bill may be released within the week. Mr. Sendra reported the legislative session was supposed to end tomorrow, so hopefully they would know more about the proposed Bills next week. Mr. Sendra updated Trustees on electronically filing Financial Disclosure Form 1, noting the deadline was still July 1st. Mr. Sendra reminded the Police and Fire Trustees that they do qualify for a public records exemption with respect to their personal information and to complete the form and Ms. Fasone would assist them with filing it with the Ethics Commission.

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

QUARTERLY REPORT UPDATE BY DEBRA GIBSON, FINANCE DIRECTOR

Director Gibson reviewed “Activity in the Pension Accounts 10/1/2023 –09/30/2024” report. Director Gibson also reviewed the current **DROP Participants Report**.

Chair White called for questions for Director Gibson. A brief discussion regarding the “Regular / Return on Investment” column on the DROP Report took place.

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

NEW BUSINESS

General Employee – Incorrect Pension Payment - Chair White explained that a General Employee DROP participant was overpaid for the past six months, which amounted to approximately \$3,500. Chair White further explained that the error was discovered six months after the fact. Chair White reported the Boards have the ability to go back to the retiree to recover the money, or they have the legal ability to waive going back to the retiree, it was the Board’s decision. Chair White reported processes were being put into place to do things differently, so that this type of error does not happen again. Chair White asked the General Employees Trustees if they would like to recovery the funds or waive going back on the retiree. Mr. Sendra noted that Chair White had summed it up accurately, that the total incorrect pension payment amount was \$3,130.50, and there was case law to supersede available.

Chair White called for a motion from the General Employee Trustees. **Trustee Younce moved to waive collecting from the retiree. Trustee Shaeffer seconded the motion. All were unanimously in favor of waiving collecting the amount from the retiree by a voice vote (5-0).**

Appointments to Boards with terms ending 2024 - Chair White asked if those appointed to the Board by Council would like to serve another term. All responded yes. Chair White thanked them and noted she would take that back to Council. Chair White recommended with respect to the Employee appointments, each Board take those seats back to the membership and report back if the current Trustee would like to serve again or if you needed to find a new Trustee. Discussion regarding terms ending December 31, 2024.

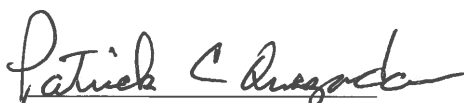
Chair White called for an update on any **training classes** planned for this quarter or taken last quarter. Hearing and seeing none from the General Employees’ Board.

Chair White called for further comments. Hearing and seeing nothing further, the March 7 meeting was **adjourned by unanimous consent at 12:34 p.m.**

READ AND APPROVED this 6TH day of June, 2024.



Holly White, Chair


Pat Quezada, Secretary