PENSACOLA
FLORIDA'S FIRST & FUTURE

GENERAL PENSION BOARD OF TRUSTEES MEETING
WEDNESDAY, MAY 14, 2025, 11:30 AM
OR IMMEDIATELY FOLLOWING THE POLICE PENSION BOARD MEETING
HAGLER/MASON CONFERENCE ROOM
SECOND FLOOR, CITY HALL

Any person who decides to appeal any decision of the Pension Board with respect to any matter considered at such meeting will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

I. CALL TO ORDER

II. DETERMINATION OF A QUORUM

III. APPROVAL OF MINUTES
   a. February 12, 2025 meeting

IV. OFFICER AND MEMBER REPORTS

V. ACTUARIAL PRESENTATION
   a. Todd Green, CavMac

VI. MONEY MANAGERS' REPORTS *(review of quarterly performance for period ending March 31, 2025)*
   a. Integrity Fixed Income, Inc.

VII. MONEY MONITOR'S REPORT *(review of quarterly performance for period ending March 31, 2025)*
   a. Larry Cole, Burgess Chambers & Associates – review of quarterly performance for period ending March 31, 2025

The City of Pensacola adheres to the Americans With Disabilities Act and will make reasonable accommodations for access to City services, programs and activities. Please call 435-1606 (or TDD 435-1666) for further information. Requests must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.

VIII. ATTORNEY'S REPORT

IX. ADMINISTRATOR'S REPORT

X. UNFINISHED BUSINESS

a. Joe Griffin with Foster & Foster - Final Audit Report

b. Proposed Benefit Changes requested from CavMac

XI. NEW BUSINESS

a. Approval of payment of invoices for management fees for the period ending March 31, 2025, from the following:

- Advent Capital Management, LLC in the amount of $10,713.40
- DePrince, Race and Zollo, Inc. in the amount of $7,469.00
- Fiduciary Management, Inc. in the amount of $8,183.00
- Frontier Capital Management in the amount of $10,135.98
- Integrity Fixed Income, Inc. in the amount of $24,084.50
- Polen Capital in the amount of $16,524.31
- Sawgrass Asset Management in the amount of $10,612.40
- SSI Investment Management in the amount of $10,337.00
- Vulcan Value Partners, LLC in the amount of $12,979.87

b. Approval of payment of invoice from Burgess Chambers & Associates, Inc. in the amount of $12,500.00

c. Approval of payment of invoice from CavMac in the amount of $8,254.50 and $14,996.25

d. Approval of payment of invoice from Leuchtman Law in the amount of $3,518.00

e. Approval of Widow's Notice of Pension for Lana M. Cash and Mary H. Powers

f. Approval of In-Service Notice of Pension for Matthew Park

XII. REQUESTS FROM THE PUBLIC / EMPLOYEES PRESENT

XIII. INFORMATION ITEMS

a. Memorandum - General Pension Cost of Living Increase

XIV. ADJOURNMENT

Amy Lovoy

Amy Lovoy
Plan Administrator

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PENSACOLA
FLORIDA'S FIRST & FUTURE

MINUTES OF MEETING
GENERAL PENSION BOARD
FEBRUARY 12, 2025

The trustees of the City of Pensacola General Pension Plan held a meeting this date.

Members Present:
- Mick Novota
- William "Rusty" Wells
- Laura Picklap
- Amy Miller
- Debra Little
- P. Cheryl Jackson

Members Absent:
- None

Others Present:
- Joe Griffin, Foster & Foster Actuaries and Consultants (by Teams Meeting)
- Michael Stanley, Fiduciary Management, Inc.
- Larry Cole, Burgess Chambers and Associates
- Gary Leuchtman, Pension Attorney (by Teams Meeting)
- Richard Russo, Help Desk Technician
- Amy Lovoy, Plan Administrator
- Michelle Madril, Payroll & Retirement Manager

The meeting was called to order by Chairman Amentler at 11:30 a.m. Chairman Amentler stated there was a quorum present to hold a meeting.

Ms. Miller made a motion to approve the minutes of the November 22, 2024 meeting. Mr. Wells seconded the motion and it passed unanimously.

Michael Stanley with Fiduciary Management addressed the Board and provided a review of the quarterly performance of the diversified large cap equity portfolio for the period ending December 31, 2024. He stated the total value of the portfolio as of December 31, 2024 was $5,877,350. Mr. Stanley stated that the portfolio had an annualized 11.11% rate of return (gross of fees) for the quarter ending December 31, 2024. The annualized three-year return for the period ending on December 31, 2024 was 5.44% (gross of fees) and the annualized five-year return for the period ending on December 31, 2024 was 9.21% (gross of fees).

The report from Fiduciary Management is on file.

Mr. Larry Cole with Burgess Chambers & Associates addressed the Board and reviewed the total Fund's performance for the quarter ending December 31, 2024. Mr. Cole stated the total return for the quarter ending on December 31, 2024 was negative 2.0% net of fees. The return for one-year period ending on December 31, 2024 was 6.7%, the return for the three-year period ending on December 31, 2024 was negative 0.5% and the return for five-year period ending on December 31, 2024 was 4.8% all net of fees. He stated the total value of the Fund as of December 31, 2024 was $149,638,206. Mr. Cole then reviewed the individual money managers and asset allocation.

The report from Burgess Chambers & Associates is on file.

Ms. Miller made a motion to approve the revised City of Pensacola General Pension and Retirement Fund's Investment Policy Statement. Mr. Wells seconded the motion and it passed unanimously.

Mr. Joe Griffin with Foster & Foster Actuaries and Consultants introduced himself to the General Pension Board and stated that he would be presenting a level one, full-scope actuarial audit replicating the original actuarial valuation, based on the same census data for the General Pension. Mr. Griffin stated that Foster & Foster believe the original actuarial valuation results are reasonable and found no major deficiencies. More specifically, they found that:

- The contribution requirements developed are sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;
- The valuation report complies with the Actuarial Standards of Practice that apply specifically to valuing pensions and is sufficient in communicating actuarial results; and
- The valuation has been completed in accordance with State and Federal requirements.

In completing the review, Foster & Foster also made several observations and recommendations for the Board's consideration. The most notable of these observations/recommendations are summarized below:

- Funding Calculations and Actuarial Methods Review
    - The Plan is currently using a 5-year closed amortization period. This can result in contribution requirements that can be volatile each year. While we recognize that this plan has been closed since 2007, we recommend using a closed amortization period between 10-15 years for the current unfounded liability, with future gains and losses amortized over a 10–15-year period.

- Assumption Review
    - Consider using the same inflation rate for interest rate and salary increase assumptions. Currently, a 2.40% inflation rate is being used for the interest rate assumption and a 3.00% inflation rate is being used for salary increases.
    - The investment rate of return is currently being stepped down. Considering recent changes in capital market assumptions, the Board may wish to reconsider this approach. We recommend engaging your investment consultant on their long-term expectation for investment returns given your target asset allocation.

- Report Review
    - We recommend the actuarial report disclose the following assumptions/methods:
        - 75% of retirements are assumed to be DROP entries.
        - DROP participants are assumed to remain in DROP for 5 years (for purposes of the supplement and deferral of cost-of-living adjustments).
        - No disability rates apply following eligibility for retirement or a terminated vested benefit.

Ms. Miller made a motion to approve payment of the following invoices for the quarter ending December 31, 2024:

- Advent Capital Management, LLC in the amount of $11,497.59
- DePrince, Race & Zollo, Inc. in the amount of $7,502.00
- Fiduciary Management, Inc. in the amount of $8,081.00
- Frontier Capital Management in the amount of $11,088.59
- Integrity Fixed Income management, LLC in the amount of $24,290.58
- Polen Capital in the amount of $17,289.21
- Sawgrass Asset Management, LLC in the amount of $11,237.45
- SSI in the amount of $11,332.00
- Vulcan Value Partners, LLC in the amount of $12,950.12

- Burgess Chambers & Associates, Inc. in the amount of $12,500.00
- Foster & Foster Actuaries and Consultants in the amount of $20,000.00
- Leuchtman Law in the amount of $2,445.50

Ms. Little seconded the motion and it passed unanimously.

Ms. Little made a motion to approve the following Widow's Notice of Pension:

Emma Jean Dess
Type of Pension: Widow
Effective Date: 10.31.24
Monthly Pension: $1,100.04
Annual Pension: $13,200.48

Ms. Miller seconded the motion and it passed unanimously.

Ms. Jackson made a motion to approve the following Notice of Pension:

James "Seamas" Hunt
Type of Pension: Normal
Effective Date: 12.25.24
Monthly Pension: $2,431.80
Annual Pension: $29,181.60

Ms. Little seconded the motion and it passed unanimously.

There being no further business to come before the Board, the workshop was adjourned at 12:45 p.m.

Amy Lovoy

Amy Lovoy
Plan Administrator

PENSACOLA GENERAL PENSION AND RETIREMENT FUND

Actuarial Audit of the
September 30, 2022 Valuation

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

VIA E-MAIL

April 11, 2025

The City of Pensacola and
The Board of Trustees
Pensacola General Pension and Retirement Fund
Pensacola, FL

Re: Actuarial Audit of October 1, 2022 Valuation

Dear Members of the Board:

We are pleased to present to the Board of Trustees (Board) this report of the actuarial audit of the Pensacola General Pension and Retirement Fund. Foster & Foster was retained by the Board to perform a full-scope actuarial audit of the September 30, 2022 actuarial valuation report produced by Cavanaugh Macdonald Consulting, LLC (CavMac). Accordingly, we have performed the following tasks:

- Verified the data used by Cavanaugh Macdonald sufficiently supports the measurement of Plan liabilities;
- Verified the actuarial assumptions and methods are reasonable;
- Verified the plan provisions summarized in the report reflect Chapter 9-4 Article V – General Pension and Retirement Fund of the City's Ordinance;
- Verified the actuarial value of assets is developed appropriately;
- Replicated the liabilities and funding requirements;
- Verified compliance with Actuarial Standards of Practice, Governmental Accounting Standards, and applicable State and Federal laws; and
- Developed recommendations regarding potential improvements to the valuation.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to other parties only in its entirety and only with the permission of the Board. Foster & Foster will not accept any liability for any misuse of this report.

In conducting the valuation, we have relied on personnel and liability information supplied by the Plan's actuary and various report and asset information supplied by Plan staff. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned is familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Pensacola, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Pensacola. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully Submitted,

Foster & Foster, Inc.

By:

Joseph L. Griffin, ASA, EA, MAAA
Enrolled Actuary #23-6938

Dante A. Curcione

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EXECUTIVE SUMMARY

An actuarial valuation provides a best estimate of the plan's liabilities, assets, funded status and annual contribution requirements at a particular point in time. This estimate helps ensure that current assets and future contribution requirements will be sufficient to fund the benefits as they are earned by working members and provide benefits promised to members throughout retirement. Future liabilities are determined by projecting future benefit payments for each member based on individual census data, the plan's provisions, and a set of actuarial assumptions regarding future salary increases and future member behavior. The extent to which an actuarial valuation accurately measures a plan's liabilities, funded status and contribution levels depends on a variety of factors including:

- The accuracy and completeness of the underlying census and financial information;
- Accurate incorporation of the plan's provisions into the actuarial model;
- The extent to which actuarial assumptions predict future participant behavior and future economic outcomes; and
- The appropriateness of the actuarial methods being used.

A thorough actuarial audit will include review of the above factors to ensure the actuary's valuation provides the best estimates possible. In addition, there are several other items an actuary must take into consideration when performing an actuarial valuation. An actuary must consider the Actuarial Standards of Practice, which provide guidelines in assessing the underlying data, setting appropriate actuarial assumptions/methods, and disclosing results. State and federal laws related to maintaining and funding pension systems is another important consideration. Accordingly, a thorough actuarial audit will include review of these factors in conjunction with the ones mentioned previously.

The remainder of this report focuses on the audit of the September 30, 2022 actuarial valuation report for the Pensacola General Pension and Retirement Fund provided by CavMac. We have organized this audit report into the following key categories which correspond to the objectives outlined above:

- Member Data Review;
- Asset Data and Asset Method Review;
- Liability Review;
- Funding Calculation and Actuarial Methods Review;
- Assumption Review;
- Plan Provisions Review, and
- Report Review.

For each of the above categories, we have provided details regarding the review we performed along with key observations and recommendations. In general, we believe the valuation results are reasonable and we found no major deficiencies. More specifically, we find that:

- The contribution requirements developed are sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent, and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;
- The valuation report complies with the Actuarial Standards of Practice that apply specifically to valuing pensions and is sufficient in communicating actuarial results; and
- The valuation has been completed in accordance with State and Federal requirements.

In completing our review, we also made several observations and recommendations for the Board's consideration. The most notable of these observations / recommendations are summarized below:

- Funding Calculations and Actuarial Methods Review
  - The Plan is currently using a 5-year closed amortization period. This can result in contribution requirements that can be volatile each year. While we recognize that this plan has been closed since 2007, we recommend discussing with the actuaries at the Division of Retirement if the closed amortization period for the current unfunded liability could be extended. We would recommend that future gains and losses be amortized over a 10–15 year period.
- Assumption Review
  - Consider using the same inflation rate for interest rate and salary increase assumptions. Currently, a 2.40% inflation rate is being used for the interest rate assumption and a 3.00% inflation rate is being used for salary increases.
  - The interest rate is currently being stepped down. Considering recent changes in capital market assumptions, the Board may wish to reconsider this approach. We recommend engaging your investment consultant on their long-term expectation for investment returns given your target asset allocation.
- Report Review
  - We recommend the actuarial report disclose the following assumptions/methods:
    - 75% of retirements are assumed to be DROP entries.
    - DROP participants are assumed to remain in DROP for 5 years (for purposes of the supplement and deferral of cost-of-living adjustments).
    - No disability rates apply following eligibility for retirement or a terminated vested benefit.

MEMBER DATA REVIEW

An actuarial valuation determines liabilities based on current and projected benefits to be paid to each member of the plan. As such, one of the key items provided for the actuarial valuation is data on each of the current members. Member data includes the status of the member (active, terminated, disabled, retired, beneficiary), key dates (birth, hire, retirement, termination), gender, pensionable pay, benefit amounts, and forms of payment.

There are typically two levels of data review:

- Review unprocessed data that was provided to the actuary to perform the valuation. The goal here is to determine if the audit would arrive at substantially the same final data as the Plan's actuary after processing was complete.
- Review the final data that was provided by the Plan's actuary against plan provision requirements and the member data summaries provided in the valuation report.

The scope of our audit only included the second level of data review. We found the data provided to be sufficient to measure the benefits provided by the City. Further, we found no material differences between the data and report summaries. As such, the actuarial valuation appropriately reflected the member data provided by the Plan.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSET DATA AND ASSET METHOD REVIEW

An actuarial valuation compares the plan's liabilities to the assets to determine the plan's funded status and the resulting need for addition contributions. We confirmed that the valuation used assets consistent with those shown in the annual financial report for the fiscal year ended September 30, 2022, with only minor differences resulting from the audit.

While assets are measured on a market-value basis, an actuarial value of assets is used to measure the funded status of the plan and determine contribution requirements. The actuarial value of assets is based on a method that recognizes asset gains and losses over a period of time. This produces an asset value that is less volatile than the market value, resulting in less volatile contribution requirements. An acceptable smoothing method will dampen volatility and will meet the following three requirements:

1. Will not produce an actuarial value of assets that is unreasonably higher or lower than the market value of assets~~.~~ ~~To achieve this, an appropriate market value corridor is applied to the actuarial value of assets~~;

2. Will not be biased (systematically higher or lower than the market value); and

3. Will not spread asset gains and losses over an unreasonable length of time.

The Plan's actuarial value of assets is based on a commonly accepted and widely used method that smooths market value gains and losses over a 5-year period. Since the method recognizes market value gains and losses over a 5-year period, the actuarial value of assets will converge with the market value absent future gains and losses on assets. Therefore, the method is unbiased. We find this portion of the method used to be reasonable and consistent with actuarial standards of practice.

OBSERVATIONS / RECOMMENDATIONS

None.

LIABILITY REVIEW

In order to confirm the accuracy of the liabilities provided in the actuarial valuation report, we developed an independent actuarial model. The model used the same plan provisions, member data, actuarial assumptions, and methods that were used by the Plan's actuary to independently calculate (replicate) the liabilities as of the valuation date.

The actuarial valuation process, while sophisticated in its calculation methodology, is an estimate of the financial value of benefits payable on contingent events, most of which occur many years into the future. This means that the estimates contain a considerable amount of uncertainty and variability. As actuaries, we recognize that small differences in the results do not change the overall financial results portrayed in the valuation. Furthermore, the actuarial software used by different firms has implicit differences that create variances in valuation numbers. For these reasons, we have displayed the comparison of key valuation results in terms of both value and percentage differences. As a general rule, results that are within 2% of the plan actuary's calculation of present value of future benefits and within 5% for the plan actuary's calculation of actuarial accrued liability and normal cost are deemed acceptable. However, further research may be required if the results are close to these margins. In such cases, further research may involve comparing sample liability calculations with those produced by the Plan's actuary.

Below is a summary of the results of the replication process, which shows that the results are within the thresholds outlined above. As a result, it was not necessary to review sample liability calculations. Based on these results, it is our professional assessment that the Plan's actuary has provided a reasonable valuation of the liabilities.

Key Liability Results
($ thousands)

Liability Measure	CavMac	F&F	Diff	%
Present Value of Future Benefits				
Active	25,054	24,915	(139)	-0.55%
Inactive	23,569	23,425	(144)	-0.61%
Total	48,623	48,340	(283)	-0.58%
Actuarial Accrued Liability				
Active	22,203	21,997	(206)	-0.93%
Inactive	23,569	23,425	(144)	-0.61%
Total	45,772	45,422	(350)	-0.76%
Normal Cost plus Expenses	556	583	27	4.86%

FUNDING CALCULATION AND ACTUARIAL METHODS REVIEW

Review of the calculation of the recommended contributions consists of several components as follows:

- Review of the accuracy of the calculations used to determine the contribution requirements.
- Review of the appropriateness of the underlying actuarial funding method used to calculate the normal cost (the annual amount needed to fund the benefits as they are earned by members).
- Review of the funding policy used to pay off (amortize) unfunded liabilities.

Below is an analysis of each of these items:

Review of the Accuracy of the Calculations Used

The contribution requirement is the sum of the normal cost (ongoing cost of benefit accruals) plus expected administrative expenses to be paid from plan assets in the upcoming year plus an amortization payment of the unfunded liabilities. We reviewed the calculation of the required contribution based on the underlying assumptions and methods and found the calculations to be accurate.

Review of the Appropriateness of the Underlying Actuarial Funding Method

The normal cost was determined using the Entry Age Normal Funding method. The Entry Age Normal funding method generally produces normal costs that remain level (as a percentage of payroll) over a member's career, is consistent with the method used by most public sector funds and will produce liabilities that are consistent with the liabilities required for financial accounting purposes.

Review of the Policy Used to Amortize Unfunded Liabilities

The unfunded liability payment is the level dollar amount needed to reduce the unfunded liability to zero over a 5-year period (5-year closed, level dollar method). Since the amortization period is closed, the period of time needed to recognize the current unfunded liability will be reduced by 2 years for each subsequent biannual valuation.

OBSERVATIONS / RECOMMENDATIONS

The Plan is currently using a 5-year amortization period, which can produce volatile contributions requirements, especially given the next scheduled valuation will amortize the remaining unfunded liability over a 3-year period. We recommend using an amortization period of 10-15 years to help reduce volatility associated with future gains and losses.

ASSUMPTION REVIEW

Actuarial assumptions are used within a valuation to measure the future benefits to be paid from a plan by considering economic and demographic factors that will impact the plan. Economic assumptions include investment rates of return/discount rates, inflation rates, and salary scales. Demographic assumptions include rates for mortality, retirement, termination, and disability.

As part of any audit, assumptions are to be reviewed in terms of their reasonableness and appropriateness as well as their compliance with applicable Actuarial Standards of Practice. Our review has considered all the assumptions, both individually and collectively, and we find them to be reasonable and appropriate. Further, we believe the assumptions and methods are in compliance with Actuarial Standards of Practice, most notably Statements 4, 27, and 35. It should be noted however, that a detailed review of the assumptions based on past and anticipated future experience or prior gains and losses is beyond the scope of this report.

OBSERVATIONS / RECOMMENDATIONS

- It was noted in the valuation that the last detailed study of Plan experience was completed January 7, 2011 for a period that was not clarified. Having a regularly scheduled review of experience is best practice. We recommend reviewing assumption once every three to five years for a plan of your size.
- The investment return assumption is being lowered by 0.2% in biennial steps for each valuation until the assumed rate of return is 6.00%. We recommend reviewing this approach and engaging your investment consultant in an analysis of expected returns given current capital market expectations and the plan's asset allocation.
- We recommend using the same inflation rate for interest rate and salary increase assumptions. Currently, a 2.40% inflation rate is being used for the interest rate assumption and a 3.00% inflation rate is being used for the salary increase assumptions.
- Mortality assumptions are based on the latest tables produced for public sector plans, include an appropriate adjustment for future mortality improvements, and are consistent with the Actuarial Standards of Practice. This assumption is mandated under Florida Statute to be consistent with the tables used by the Florida Retirement System.

PLAN PROVISIONS REVIEW

The benefits available to Plan membership are outlined in Title IX, Chapter 9-4 of the Code of the City of Pensacola, Florida (Code). The plan provisions section of the valuation report provides a summary of the relevant provisions of the Code. Our audit compared this summary to the Code, considering both the content as well as the clarity of the provisions shown. We found the summary to be complete, subject to the observations / recommendations below.

OBSERVATIONS / RECOMMENDATIONS

None

REPORT REVIEW

VALUATION REPORT

The valuation report summarizes the work completed as part of the valuation process. In doing so, the report should meet certain requirements and objectives. Below is a summary of the key requirements and objectives:

- The report should clearly and concisely relay the results of the valuation;
- The report should include a summary of the data, assumptions, methods and plan provisions used to develop the results;
- The report should provide discussion of the key risks that should be considered by the reader in reviewing the results and a discussion of the impact on plan maturity (including measures of maturity where appropriate) when reviewing these risks;
- The report should provide certain disclosures that clarify and supplement the results as required by the Actuarial Standards of Practice; and
- The report should provide information sufficient to allow another actuary to reasonably verify the results.

We find that the report meets the above requirements and objectives.

OBSERVATIONS / RECOMMENDATIONS

- We recommend clarifying that all assumptions disclose rationale (based on experience study from specific date).
- Report did not disclose the following assumptions/methods:
    - 75% of retirements are assumed to be DROP entries
    - DROP participants are assumed to remain in DROP for 5 years (for purposes of the supplement and deferral of cost-of-living adjustments).
    - No disability rates apply following eligibility for retirement or a terminated vested benefit.

PLAN ACTUARY COMMENTS

The pages following are comments from Cavanaugh Macdonald Consulting, LLC upon their review of the draft audit report. These comments are included so that the report reflects a comprehensive summary from all sides involved in the process.

Todd Green, the Fund's actuary, had the following comments related to the audit report:

"I am glad that you concluded that valuation results are reasonable and that you found no major deficiencies. The only comment I have is in the Assumption Review section, where you note that we are using two different inflation assumptions. I just want to clarify that the salary inflation assumption includes both wage inflation and CPI. Aside from that, we appreciate your feedback and will take your comments into consideration."

ADVENT
CAPITAL MANAGEMENT, LLC

tel (212) 482.1600
fax (212) 480.9655
www.adventcap.com
888 Seventh Avenue, 31^{st} Floor
New York, New York 10019

April 2025

Cheryl Jackson
****City of Pensacola - General****
Payroll & Retirement Manager (339)
222 West Main Street
Pensacola, FL 32502

Dear Cheryl Jackson

Please find enclosed the Management Fee Invoice for Advent Capital Management LLC for the period ending March 31, 2025.

Advent Capital Management
STATEMENT OF MANAGEMENT FEES

Portfolio Value as of 01-31-25	5,489,300.65
Portfolio Value as of 02-28-25	5,393,154.62
Portfolio Value as of 03-31-25	5,187,647.03
Average of 3 Months	5,356,700.77
5,356,701 @ 0.8000% per annum	10,713.40
Quarterly Management Fee	10,713.40
TOTAL DUE AND PAYABLE	**10,713.40**

Please remit payment via wire or check to

Domestic Wire
Bank Name: Bank of New York Mellon
Account Name: Advent Capital Management
ABA Number: 021-000-018
Account Number: 630-226-3025

International Wire
Correspondent Bank: Bank of New York, Frankfurt
Swift Code: IRVTDEFX
Account Number: 4688009710
IBAN: DE60503303004688009710

Benificiary Bank: Bank of New York Mellon, NY
Swift Code: IRVTUS3N
For final credit: Advent Capital Management
Account Number: 630-226-3025

Check
Advent Capital Management, LLC
888 Seventh Avenue - 31st Floor
New York, NY 10019
Attention: Accounting/Finance Department

If you have any questions regarding this invoice, please contact Pjerina Bode at pbode@adventcap.com or 212-479-0619.

Best regards,

Robert J. White
Chief Financial Officer

Invoice

DRZ | Investment Advisors

250 S Park Ave
Suite 250
Winter Park, FL 32789
(407) 420-9903

Invoice Date	Invoice #
4/9/2025	202501050

Due upon receipt

Pensacola General Pension and Retirement Fund
Michelle Madril
MMadril@CityofPensacola.com

Description	Portfolio Value	Quarterly Fee
U.S. Large-Cap Value account		
Management fees-Quarter ended March 31, 2025	6,224,264	7,469.00
Annual Fee Schedule: 0.48% on balance (0.60% net 20% discount)		
cc: Melanie Winslow with Burgess Chambers: MWinslow@BurgessChambers.com		

Please remit payment checks to:
DePrince, Race & Zollo, Inc.
ATTN: Angela Johnston, CFO
250 Park Ave. South, Suite 250
Winter Park, FL 32789

Invoice questions: AR@DRZ-Inc.com
Audit requests: Compliance@DRZ-Inc.com

Wire and ACH Instructions:
Account Name: DePrince, Race & Zollo, Inc.
Account #: 4007002407
ABA/Routing#: 063114661
Cogent Bank, 1113 Saxon Blvd
Orange City, FL 32763
*****Please include Invoice# in Special instructions/Originator to Beneficiary Info*****

Quarterly Management Fee Due **$7,469.00**

FIDUCIARY
MANAGEMENT, INC.
Investment Counsel

April 15, 2025

Ms. Michelle Madril

CITY OF PENSACOLA GENERAL PENSION AND RETIREMENT FUND

STATEMENT OF MANAGEMENT FEES

Fiduciary Management, Inc.

For The Period January 1, 2025 to March 31, 2025	
Portfolio Valuation as of 03-31-25	5,951,088
5,951,088 @ 0.5500% per annum	8,183
Quarterly Management Fee	8,183
TOTAL DUE AND PAYABLE	**8,183**

Remit to:
Accounts Receivable
Fiduciary Management, Inc.
790 N. Water Street
Suite 2100
Milwaukee, WI 53202

Fiduciary Management, Inc.'s Wire Instructions:
Bank name: Johnson Bank
ABA routing Number: 075911852
Account Number: 1002052254
Account name: Fiduciary Management, Inc.
Address: 790 N. Water Street, Suite 2100, Milwaukee, WI 53202

FRONTIER CAPITAL MANAGEMENT CO., LLC 99 Summer Street, Boston, MA 02110 617-261-0777
frontiercap.com

FRONTIER

The City of Pensacola
222 West Main Street
Pensacola, FL 32502

Invoice Date: 4/15/2025
Invoice Number: 0033233-IN

Billing Details

Billing Period: 1/1/2025 - 3/31/2025

Account Name: Pensacola General Pension and Retirement Fund

Date	Assets in USD
01/31/2025	$4,532,069.00
02/28/2025	$4,073,440.00
03/31/2025	$3,557,672.00

Asset Basis: $12,163,181.00 / 3 = $4,054,394.00

Management Fee Calculation

4,054,394.00 X 1% X 1/4 = $10,135.98

Billing Summary

Management Fee $10,135.98

Total Current Charges: $10,135.98

Thank you for investing with Frontier Capital Management.
Payment is due within 30 days of invoice date.

If you have any questions, please contact Finance at (617) 261-0777 or via e-mail at finance@frontiercap.com

Check Instructions: *Frontier Capital Management Co., LLC*
99 Summer Street, Suite 2000
Boston, MA 02110

Bank Instructions: *Bank: Dedham Savings Bank*
ABA # 211371722
Account Number: 550103469
Account Name: Frontier Capital Management Co Operating Account

INVOICE 522909

Pensacola General Employees

Integrity Fixed Income Management, LLC
651 Bryn Mawr Street
Orlando, FL 32804

ATTENTION:

Pensacola-Gen Emp P&Rtrmnt Fnd
180 Governmental Center
Pensacola, FL 32521

PERIOD: **01/01/25 - 03/31/25**

TOTAL ASSETS: **48,169,000.29**

FEE STRUCTURE: Assets Under Management				
	48,169,000.29	@5.0000	BPS/qtr	24,084.50
	48,169,000.29			**24,084.50**
Account Management Fee				**24,084.50**

polen capital

Invoice date:	**Apr 09, 2025**
Invoice Number:	**CITY01370325.1**

Michele Madril

Billing Period	**Jan 01, 2025 - Mar 31, 2025**
Account Name	**Amount Due**
CITY OF PENSACOLA GENERAL PENSION AND RETIREMENT FUND - CITY0137	16,524.31
Total in USD:	**$ 16,524.31**
Total Balance Due in USD:	**$ 16,524.31**

Custodian Account Number: 1001012866

Invoice Number:	**CITY01370325.1**	**Billing Period:**	**Jan 01, 2025 - Mar 31, 2025**
Invoice date:	**Apr 09, 2025**		

Amount due in USD: $ 16,524.31

Please Make Check Payable To:
Polen Capital Management LLC
P.O. Box 919766, Orlando, FL 32891-9766

Overnight Address:
Attn: Polen Capital Management LLC #919766
7699 Golf Channel Drive, Orlando, FL 32819

Wire Instructions for Payment:
Bank of America
ABA Routing Number: 026009593 / SWIFT: BOFAUS3N
Account Name: Polen Capital Management, L.L.C.
Account Number: 004451940867
Reference:Your Account Name/Invoice Number

RE: CITY0137

SAWGRASS
ASSET MANAGEMENT LLC

INVOICE

TO
Pensacola General Employees Pension
Attn: Michelle Madril
180 Governmental Center
Pensacola, Florida 32502

DATE 04/04/25
INVOICE # peng1l2s-033125
CUSTODIAL ACCT # 3050000164

PAYMENT IS DUE UPON RECEIPT
RELATIONSHIP MANAGER Cristine Turner
CONTACT (904)493-5507 | turnerc@saw-grass.com

For The Period Ending 3/31/2025

Portfolio Value with Accrued Interest as of 3/31/2025 $8,019,102.00

Percent of Total 47.08

Brackets	Rates		Management Fee
0 – $10,000,000	0.5500	$10,000,000 @ 0.259% per annum	6,473.74
Over $10,000,000	0.5000	$7,032,300 @ 0.235% per annum	4,138.66

TOTAL DUE AND PAYABLE	**$10,612.40**

If you have any questions concerning this invoice, please contact your Relationship Manager at the details above or email operations@saw-grass.com.

Thank You for Your Business

To Pay via Wire/EFT/ACH ***** NEW WIRE INSTRUCTIONS *****

RECEIVING FINANCIAL INSTITUTION:	SEACOAST BANK 815 COLORADO AVENUE STUART, FL 34994
ROUTING NUMBER:	067005158
BENEFICIARY NAME:	SAWGRASS ASSET MANAGEMENT
BENEFICIARY ACCOUNT NUMBER:	4122216835
BENEFICIARY ADDRESS:	5000 SAWGRASS VILLAGE CIRCLE, STE 32 PONTE VEDRA BEACH, FL 32082

To Pay via Check
SAWGRASS ASSET MANAGEMENT
ATTN: ACCTS RECEIVABLE
5000 SAWGRASS VILLAGE CIRCLE, STE 32
PONTE VEDRA BEACH, FL 32082
(904) 493-5500

SSI Investment Management

City of Pensacola General	
Pension and Retirement Plan	
ATTN: Ms. Michelle Madril	
222 W. Main Street	
Pensacola, FL 32502	

Invoice Date:	April 21, 2025
Invoice #:	002025-0066
SSI Account #:	100821
Account Name:	City of Pensacola General Pension and Retirement Plan
Custodian:	Regions Trust
Custodian Acct #:	3050000191

SSI MANAGEMENT FEE

For the Period January 1, 2025 through March 31, 2025

Date	Asset Value	Quarterly Rate	Fee
1/31/2025	$5,693,839		
2/28/2025	$5,532,938		
3/31/2025	$5,068,171		
Total	$16,294,948		
3-Month Average	$5,431,649	0.1875%	$10,184
Prorated Fee Adj.			$153*

Investment Management Fee Due: $10,337

**Fee adjustment based on 1/16/2025 withdrawal of $250,000 x 0.1875% x 15/90 days and 3/17/2025 withdrawal of $225,000 x 0.1875% x 16/90 days*

Please remit payment via wire using instructions below or via check to SSI's office:

JPMorgan Chase Bank, N.A.
(877) 743-7777
ABA# 321081669
SSI Investment Management
Account # 80007591110

Should you have any questions, please contact your SSI Account Manager at (310)595-2000.

cc: Burgess Chambers & Associates

2121 Avenue of the Stars | Suite 2050 | Los Angeles, CA 90067 | Tel: (310)595-2000 | Fax: (310)595-2089 | www.ssi-invest.com

VULCAN
VALUE
PARTNERS

Three Protective Center

2801 Hwy 280 South Ste 300

Birmingham, AL 35223

INVOICE

Account:
VVP5455 - City of Pensacola General Pension & Retirement Plan - Large

Custodian: REGIONS TRUST

Custodian Account #: 3050000495

Invoice #: 43331

Invoice Period: 1/1/2025 - 3/31/2025

Invoice Date: 4/3/2025

Portfolio Value

Portfolio Value			**$6,489,934**
Values comprising the average period total:	01/31/2025	$6,723,214	
	02/28/2025	$6,483,196	
	03/31/2025	$6,263,392	
Amount Due, PAYABLE UPON RECEIPT			**$12,979.87**

Fee Calculation

RATE APPLIED	ASSETS UNDER MANAGEMENT		AMOUNT BASE ON RATE APPLIED	% OF RATE PERIOD	AMOUNT DUE (INCLUDING ADJUSTMENT)
0.8000 %	On the first:	6,489,934	51,919.47		12,979.87
	Total Fee		**51,919.47**	**0.2500**	**12,979.87**

Payment Detail

Please send payment via ACH or Wire to:

Bank: Pinnacle Bank, 150 3rd Avenue South, Nashville, TN 37201

ABA: 064008637

Name: Vulcan Value Partners, LLC

Acct #: 800108721655

2801 Hwy 280 South, Suite 300 Birmingham AL 35223

BURGESS CHAMBERS & ASSOCIATES, INC.
S.E.C. REGISTERED
315 E. Robinson Street, Suite 690
Orlando, Florida 32801

Invoice

Date	Invoice #
3/14/2025	25-219

Bill To
City of Pensacola General Pension Michelle Madril PO Box 12910 Pensacola, FL 32521

Description	Amount
First Quarter 2025 Investment & Performance Monitoring and Advisory Fee per Contract	12,500.00

Total	$12,500.00
Payments/Credits	$0.00
Balance Due	$12,500.00

Phone #	Fax #
4076440111	(407) 644-0694

E-mail
dlong@burgesschambers.com

Invoice

Date	Invoice #
2/28/2025	35226

CavMac
Actuarial Consulting Services

Bill To
Ms. Amy Lovoy Finance Director City of Pensacola P.O. Box 12910 Pensacola, FL 32521-0061

Department:

City of Pensacola, FL

Billing Period: February 2025

Services Rendered	Amount
Progress Toward Completion of Setpember 30, 2024 Valuation	8,254.50
Total	**$8,254.50**

Payment due upon receipt.
Thank you for your business!

TAX ID #: 61-1489078

Please include your invoice number on your check or ACH payment

3550 Busbee Parkway | Suite 250 | Kennesaw, GA 30144
Phone: 678-388-1700 | **CavMacConsulting.com**

CavMac
Actuarial Consulting Services

Invoice

Date	Invoice #
3/31/2025	35441

Bill To
Ms. Amy Lovoy Finance Director City of Pensacola P.O. Box 12910 Pensacola, FL 32521-0061

Department:

City of Pensacola, FL

Billing Period: March 2025

Services Rendered	Amount
Progress Toward Completion of Setpember 30, 2024 Valuation, Submitted April 16, 2025	9,821.25
Completion of Actuarial Impact Statement (Proposed Benefit Changes), Submitted March 17, 2025	5,175.00
Total	**$14,996.25**

Payment due upon receipt.
Thank you for your business!

TAX ID #: 61-1489078

Please include your invoice number on your check or ACH payment.

3550 Busbee Parkway | Suite 250 | Kennesaw, GA 30144
Phone: 678-388-1700 | **CavMacConsulting.com**

LEUCHTMAN LAW

222 West Cervantes Street
Pensacola, FL 32501
850-316-8179
Fax: 850-898-3377
leuchtmanlaw.com

Gary B. Leuchtman
Board Certified in Wills, Trusts & Estates

Pensacola General Pension & Retirement Fund
Attention: Amy Lovoy
Post Office Box 12910
Pensacola, FL
32521 USA

Date:	Apr 1, 2025
File #:	1001-001
Atty:	GBL
Inv #:	6852

RE: Pensacola General Pension & Retirement Fund - Trust Administration

FOR PROFESSIONAL SERVICES RENDERED:

DATE	ATTY/ ASST	DESCRIPTION	HOURS	RATE	AMOUNT
01-07-25	GBL	Review RG Reports	0.20	$325.00	$65.00
01-10-25	GBL	Receive and review email from Alex; prepare email to Alex; review and revise Minutes; receive and review email from Michelle	0.60	$325.00	$195.00
01-22-25	GBL	Review Vulcan quarterly report; review Churchill correspondence	0.50	$325.00	$162.50
01-24-25	GBL	Review TSW Quarterly Statement	0.20	$325.00	$65.00
01-28-25	GBL	Review Polen quarterly report; review Cohen & Steers quarterly report	0.60	$325.00	$195.00
02-03-25	GBL	Review correspondence	0.20	$325.00	$65.00
02-05-25	GBL	Receive and review email from Churchill	0.20	$325.00	$65.00
02-06-25	GBL	Review Updated Investment Policy Statement; receive and review email from Larry(3); prepare email to Larry (2)	1.00	$325.00	$325.00
02-09-25	GBL	Review Meeting Package; preparation for meeting; review 2024 legislation	1.00	$325.00	$325.00
02-12-25	GBL	Final meeting preparation; attend meeting; telephone call with Joe Griffin; legal research section 112.64 issue	2.50	$325.00	$812.50
02-14-25	GBL	Telephone call with Amy Lovoy; telephone call with Joe Griffin; prepare email to Joe/Amy; receive and review email from Michelle	1.00	$325.00	$325.00
02-16-25	GBL	Receive and review email from Churchill; review RG Reports	0.40	$325.00	$130.00
02-27-25	GBL	Review Nuveen Quarterly Statement	0.20	$325.00	$65.00

03-04-25	GBL	Receive and review email from Michelle; prepare email to Michelle	0.30	$325.00	$97.50
03-06-25	GBL	Receive and review email from Michelle; legal research; prepare email to Michelle	0.40	$325.00	$130.00
03-12-25	GBL	Review RG Reports; receive and review email from Michelle; prepare email to Michelle	0.40	$325.00	$130.00
03-31-25	GBL	Receive and review email from Alex; prepare email to Alex; review and revise Minutes; Review and approve statement	1.00	$325.00	$325.00
04-01-25	JEL	Review file; prepare and review statement for services rendered and costs incurred; prepare correspondence to Amy Lovoy	0.30	$135.00	$40.50
Fees Since Last Billing			**11.00**		**$3,518.00**

Total Fees and Expenses Since Last Billing	**$3,518.00**
Previous Balance	$2,445.50
Less Payments Received Since Last Billing	$2,445.50
TOTAL BALANCE DUE	**$3,518.00**

This statement reflects our fees for services rendered and costs incurred to date in this matter. In addition, you will note this statement shows your retainer balance which is currently held in our trust account. Our firm policy, as reflected in our engagement letter, requires a retainer balance at all times.

Our statement is due and payable upon receipt. If not paid within thirty (30) days interest will be charged as provided in our engagement letter.

Thanking you in advance for your prompt payment of this statement.

Payment can be made in one of three ways:
1. At leuchtmanlaw.com (hover over "Make a Payment" and then select "Invoice Payment" in the dropdown menu);
2. Use the QR code at the right (open your smartphone camera and focus on the QR code, then follow the link); or
3. Mail a check to our office (Leuchtman Law, 222 West Cervantes Street, Pensacola, FL 32501).

TRUST STATEMENT

	Disbursements	Receipts
Total Trust	$0.00	$0.00
Trust Balance		**$0.00**

NOTICE OF PENSION

Name: Lana Mary Cash
Pension Fund: General
Address:

Effective Date: February 20, 2025
Type: Widow (X)
Widower ( )
Child ( )
Date placed on agenda: 5/14/2025
Date approved by board: ____________

PERSONAL DATA

Survivor's Social Security Number	:	
Survivor's Date of Birth	:	
Survivor's Current Age	:	67
Date of Marriage, if applicable	:	05/31/1975
Soc Sec Number Deceased Spouse	:	
Name & Department Deceased Spouse	:	Ronald Ray Cash (050000)
Deceased Date of Death	:	02/19/2025
Dependents under 18 Years of age	:	

FINANCIAL DATA

	Percent		Retiree's Monthly Pension		
Pension Funds	80%	of	$ 1,142.40	=	$913.92
City Funds	____	of	$________	=	$________
Full Monthly Pension				=	$ 913.92

Monthly Pension: $913.92

Annual Pension: $10,967.04

Semi-Monthly Pension: $456.96

A/C# 515000.9999.600005 $456.96

A/C# 9108-001 Salary Group: genpen

Certified By Plan Administrator
or Designated Representative

Certified By Payroll Representative

NOTICE OF PENSION

Name: Mary H Powers
Pension Fund: General
Address: ____________________

Effective Date: January 25, 2025
Type: Widow (X)
Widower ( )
Child ( )
Date placed on agenda: 5/14/2025
Date approved by board: ____________

PERSONAL DATA

Survivor's Social Security Number	:	
Survivor's Date of Birth	:	
Survivor's Current Age	:	82
Date of Marriage, if applicable	:	03/16/1989
Soc Sec Number Deceased Spouse	:	
Name & Department Deceased Spouse	:	Richard M. Powers (001048000)
Deceased Date of Death	:	01/24/2025
Dependents under 18 Years of age	:	

FINANCIAL DATA

	Percent		Retiree's Monthly Pension		
Pension Funds	80%	of	$ 886.50	=	$709.20
City Funds	______	of	$________	=	$________
Full Monthly Pension				=	$ 709.20

Monthly Pension: $709.20

Annual Pension: $8,510.40

Semi-Monthly Pension: $354.60

A/C# 515000.9999.600005 $354.60

A/C# 9108-001 Salary Group: genpen

Certified By Plan Administrator
or Designated Representative

Certified By Payroll Representative

IN-SERVICE PARTICIPANT

NOTICE OF PENSION

Name: Matthew Park
Pension Fund General
Address:

Effective Date: March 17, 2025
Type: Normal (X) Vested ( )
Disability ( )
Job Related: Yes ( ) No ( )
Date approved by Board:

EMPLOYMENT DATA

Job Title	:	Sanitation Equipment Operator II
Department	:	Sanitation (402057010)
Date(s) of Employment	:	02/02/2004 thru 03/16/2025
Length of Employment	:	21 Years 1 Months 14 Days

PERSONAL DATA

Employee's Social Security #	:	
Employee's Date of Birth	:	
Employee's Current Age	:	56
Date of Marriage	:	03/07/2003
Spouse's Name	:	Jennifer Park
Spouse's Date of Birth	:	(46)
Spouse's Social Security #	:	
Dependents Under 18 Years of Age	:	

FINANCIAL DATA

Total Contributed to Pension Fund = $
Total Pre-tax Contributions = $
Total After-tax Contributions = $

from 12/23/24	thru 03/16/25	= $ 15,512.82		
from 12/25/23	thru 12/22/24	= $ 67,096.74		
from 12/26/22	thru 12/24/23	= $ 56,934.01		
from 12/27/21	thru 12/25/22	= $ 52,302.46		
from 12/28/20	thru 12/26/21	= $ 52,084.55		
from 03/17/20	thru 12/27/20	= $ 38,858.49		
		= $282,789.07	- 60 =	Average Monthly Salary: 4,713.15

Percent		Amount		
75%	of $	200.00	= $	150.00
50%	of $	100.00	= $	50.00
40%	of $	4,413.15	= $	1,765.26
			= $	1,965.26

Percent	Yrs. of Service	Avg. Mo. salary		
2.10%	8.66	$ 4,713.15	= $	857.12
1.75%	12.34	$ 4,713.15	= $	1,017.80
Total Pension			$	1,874.92

Disability Adjustment:
Percentage Adjustment:
Monthly Pension : 1,965.26
Annual Pension : 23,583.12
Semi-Monthly Pension : 982.63

Reduction for Spousal Benefit:
X 100% ___ 75% ___ 662/3% ___ 50% $ 1,791.52
Semi-Monthly Pension After Reduction $ 895.76

Account # 515000-9999-600001
Salary Group genpen1 PCN#9101-432

Certified By Pension Plan Administrator
or Designated Representative

Certified By Payroll Representative

MEMORANDUM

TO: General Pension and Retirement Fund Board of Trustees

FROM: Amy Lovoy, Plan Administrator

DATE: May 14, 2025

SUBJECT: General Pension Cost of Living Increase

The Consumer Price Index increase from April 1, 2024 to March 31, 2025 is 2.4%. Current law provides for up to a 1.5% Cost of Living Adjustment (COLA) for those retired prior to October 1, 2012, therefore a COLA of 1.5% will be given to each retiree who retired prior to October 1, 2012 from the General Pension and Retirement Fund effective July 1, 2025.

Current law provides for up to a 1% COLA for those retired on or after October 1, 2012, therefore a COLA of 1.0% will be given to each retiree who retired on or after October 1, 2012 from the General Pension and Retirement Fund effective July 1, 2025.

Those entering DROP prior to October 1, 2012, receive the aforementioned COLA adjustment. However, those entering DROP on or after October 1, 2012, will not receive a COLA increase while participating in DROP.

If you have any questions, please do not hesitate to contact me.