

CITY OF KEY WEST POLICE & FIRE PENSION BOARD
REGULAR MEETING MINUTES
FRIDAY, SEPTEMBER 8, 2023 – 10:30 A.M.

1. Call to Order and Roll Call

The meeting was called to order at 10:30 a.m. by the Chairman, Terry Garcia. The following Trustees were present: Kevin Cates, Matt Haley and Chris Saunders. Alfredo Vazquez was excused. Also present was Susy Pita, Plan Administrator, Don Dulaney, Plan Actuary, Stu Kaufman and Lindsey Garber, Plan Counsel, Steve Stack, Investment Manager, Will Langley, Simonton Center Property Manager, and John Thinnis, Investment Consultant.

2. Approval of Minutes

A motion was made by Kevin Cates to approve the minutes from regular meeting held June 2, 2023. Seconded by Chris Saunders, the motion carried unanimously.

3. Disbursements

A motion was made by Kevin Cates to approve the disbursement report as presented. Seconded by Chris Saunders, the motion carried unanimously.

4. Simonton Center Property Manager's Report

Will Langley informed the board that they received notification that the insurance company was going to drop the wind insurance unless the roof was replaced. They reached out to six different local roofing companies in an attempt to get a letter of certification for the condition of the roof but none of them would provide a letter indicating that the roof still had life left. They went out to three companies for new roof bids and went with a local company called Roof Assassins. The cost is approximately \$293,200 and, based on the excess cash currently in the operating account, the Board will need to provide an additional \$150,000 to cover the total cost. Will will send the Plan Administrator a request for the funds and she will direct Salem Trust to send him a check from the R&D Account.

5. Investment Manager's Report

Steve Stack provided the Highland Capital Management report as of June 30, 2023. Ending market value was \$26,051,837 with an annualized return of 7.85%.

6. Investment Consultant's Report

John Thinnis began his report to the board by reviewing the portfolio for the quarter ending June 30, 2023. The Asset Allocation (by manager) was as follows: Schroders Fixed Income - \$30,128,569, Highland Capital - \$26,053,148, Winslow Large Growth -\$12,361,242, Fred Alger - \$12,378,108 JPM Infrastructure - \$9,845,229, WCM Focused International Growth - \$9,660,786, Real Estate-SC \$8,822,543, American Funds Euro Pacific - \$7,834,4822, Cambiar Investments - \$7,814,395, Rice James Equity - \$6,942,418, PIMCO Global Bonds - \$6,335,226, R&D Account/Escrow - \$841,426, and the Mutual Fund Account - \$571. The total market value of the portfolio was at \$139,018,144.

John continued his report by reviewing the updated Investment Policy Statement to include the new compliance language under House Bill 3. Following a brief discussion, a motion was made by Terry Garcia to approve the updated IPS. Seconded by Matt Haley, the motion carried unanimously. The Plan Administrator will see to the proper distribution.

7. Actuarial Valuation Report

Don Dulaney handed out and reviewed the Annual Chapter 112 Compliance Report. The report has been sent to the City for posting on their web site.

8. Attorney's Report

Lindsey Garber began the Attorney's report by discussing the new IPS compliance language under House Bill 3 along with regulations adopted by the Division of Management Services. We can expect to hear more from the DMS regarding the statutory reporting requirements in the coming months. Stu Kaufman concluded the attorney's report by reminding the Trustees that the disability hearing for Mr. Wynn will take place immediately after today's regular meeting.

9. Old Business – Status of Ordinance – Insurance Stipends

The Ordinance for the Cancer Presumption and Secure Act 2.0 will be presented to the City Commission for 1st reading on September 14th.

10. New Business

- (a) A motion was made by Matt Haley to approve the DROP entry for Hollis Wood effective March 31, 2023. Seconded by Kevin Cates, the motion carried unanimously.
- (b) A motion was made by Kevin Cates to approve the term/vested retirements for Gary Celcer and Gary Lovette effective August 1, 2023. Seconded by Chris Saunders, the motion carried unanimously.
- (c) The Plan Administrator reviewed the Annual Budget Projection for the Fiscal Year ending 09/30/2024. Following a brief discussion, a motion was made by Chris Saunders to approve the proposed budget as presented. Seconded by Kevin Cates, the motion carried unanimously. The Plan Administrator will see to the proper distribution.
- (d) The 2024 Meeting Schedule was reviewed and approved.

ADDED ON:

A lengthy discussion took place regarding the current DROP participation period. Several Plan members have approached some of the Trustees asking if the DROP period can be extended from 5 years to 8 years. The Actuary indicated that there would be no cost to the City to do so, however; the Attorney reminded them that they would have to present this option in the form of an Ordinance. The Trustees indicated that they would like to make an attempt to present this option to the City to see how far it will go since there is no cost and, therefore; may not have to wait until the next round of bargaining with the Unions. The Plan Administrator was directed to send an email to the Attorney for a drafted Ordinance and to place this item on the December meeting agenda for additional review and discussion by the Board.

11. Public Comments

There were none.

12. Next Meeting Date

The next regular meeting date will be Friday, December 8, 2023 at 8:30 a.m.

13. Adjournment

The meeting ended at 11:30 a.m.

Approved by the Pension Board of Trustees at the regular meeting held on December 8, 2023.