

**CITY OF KEY WEST POLICE & FIRE PENSION BOARD**  
**REGULAR MEETING MINUTES**  
**FRIDAY, JUNE 7, 2024 – 8:30 A.M.**

1. Call to Order and Roll Call

The meeting was called to order at 8:35 a.m. by the Chairman, Terry Garcia. The following Trustees were present: Kevin Cates, Matt Haley, and Chris Saunders. Alfredo Vazquez was excused. Service providers present were Don Dulaney, Plan Actuary, Stu Kaufman, Plan Attorney, John Thinnes, Investment Consultant, and Andrew O'Sullivan and Brian Escobedo, Investment Managers. Also present were Hannah Ross and Amanda Rekemeier from Bernstein Litowitz Berger & Grossman. Susy Pita, Plan Administrator, attended via conference call.

2. Approval of Minutes

A motion was made by Kevin Cates to approve the minutes from regular meeting held March 8, 2024. Seconded by Chris Saunders, the motion carried unanimously.

3. Disbursements

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

4. Simonton Center Property Manager's Report

Will Langley was unable to attend today's meeting but provided an update on the Simonton Center property. In summary, CVS has still not given a definite answer regarding their additional space but they have rebuilt their generator and one of the two HVAC units. Security in the parking lot is covered during peak times on Tuesday through Saturday and the tenants are satisfied. They recently sent out the annual hurricane preparation letter to make sure that everyone has a plan in place and knows their role in the event of a storm.

5. Presentation – Bernstein Litowitz Berger & Grossman

Hannah Ross and Amanda Rekemeier reviewed some current and past litigation cases where they have represented the KWP&F Pension Fund. Most recently, on May 17<sup>th</sup>, after engaging in a mediation process, parties reached an agreement to settle the Discovery/Time Warner matter for \$125 million. Following the review, and a brief discussion, a motion was made by Kevin Cates to ratify the Discovery/Time Warner matter on behalf of the Plan. Seconded by Matt Haley, the motion carried unanimously.

6. Investment Manager's Report

Andrew O'Sullivan and Brian Escobedo provided the Highland Capital Management report as of March 31, 2024. Ending market value was \$30,044,323 with an annual return of 10.45%.

7. Investment Consultant's Report

John Thinnes reviewed the portfolio results for the quarter ending March 31, 2024. The Asset Allocation (by manager) was as follows: Schrodgers Fixed Income - \$30,487,214, Highland Capital - \$30,044,152, Winslow Large Growth -\$15,974,914, Fred Alger - \$15,897,750, WCM Focused International Growth - \$10,992,710, JPM Infrastructure - \$10,488,949, Real Estate-SC \$8,861,285, American Funds Euro Pacific - \$8,702,645, Cambiar Investments - \$8,726,981, Rice James Equity - \$7,613,647, PIMCO Global Bonds - \$6,722,995, R&D Account/Escrow - \$1,010,223, and the Mutual Fund Account - \$592. The total market value of the portfolio was at \$155,524,058.

8. Actuarial Valuation Report

Don Dulaney presented the Actuarial Valuation Report as of October 1, 2023. Following the review and some discussion, a motion was made by Kevin Cates to approve the report as presented. Seconded by Matt Haley, the motion carried unanimously.

A discussion then took place regarding the annual Declaration of Returns letter. Following input from the investment professionals, attorney, and the Trustees, a motion was made by Chris Saunders to submit the annual letter to the Division of Retirement stating that the total expected annual rate of investment

return for the fund for the next year, the next several years, and the long-term thereafter, shall be 7%, net of investment expenses. Seconded by Matt Haley, the motion carried unanimously.

#### 9. Attorney's Report

Stu Kaufman began his report to the Board by reminding the trustees that their Financial Disclosure Forms by July 1<sup>st</sup>, via the new on-line methodology. He continued his report by informing the Trustees that on May 23<sup>rd</sup> he and Kevin Cates represented the Board in Ft. worth Texas at a scheduling conference before a judge regarding the Six Flags litigation case. Another meeting is scheduled for some time in August. He will keep everyone apprised as things progress.

#### 10. Old Business – Status of Ordinance – Extension of DROP Participation Period

Ordinance No. 24-12, regarding the extension of the DROP Participation Period, was passed unanimously by the City Commission at second reading at the meeting held on May 10<sup>th</sup>, 2024. The Plan Administrator worked with Stu and the acknowledgement forms were signed by each of the current DROP participants with the exception of one who will be retiring on July 31<sup>st</sup>. The Plan Administrator also reached out to the Actuary and requested the updated 8-year projection statements for the 16 current participants. Don will provide those in the coming week.

#### 11. New Business

The updated Summary Plan Description was reviewed. Following a brief discussion, a motion was made by Chris Saunders to approve of the updated SPD and to make it available to the members. Seconded by Matt Haley, the motion carried unanimously.

#### 12. Public Comments

There was none.

#### 13. Next Meeting Date

The next regular meeting date will be Friday, September 6, 2024 at 8:30 a.m.

#### 14. Adjournment

The meeting ended at 10:05 a.m.

*Approved by the Pension Board of Trustees at the regular meeting held on September 6, 2024.*