

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

1. Call to Order and Roll Call

The meeting was called to order at 8:45 a.m. by the Chairman, Terry Garcia. The following Trustees were present: Matt Haley, Chris Saunders, and Alfredo Vazquez. Kevin Cates was excused. Service providers present were Susy Pita, Plan Administrator, Don Dulaney, Plan Actuary, Lindsey Garber, Plan Attorney, Steve Stack, Investment Manager, John Thinnies, Investment Consultant, Eric Leventhall, Plan Auditor, and Will Langley, Simonton Center Property Manager. Also present were Greg Gosh and Alona Gornick from Churchill/Nuveen.

2. Approval of Minutes

A motion was made by Matt Haley to approve the minutes from regular meeting held December 8, 2023. Seconded by Alfredo Vazquez, the motion carried unanimously.

3. Disbursements

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

4. Simonton Center Property Manager's Report

Will Langley provided an update on the Simonton Center property. In summary, management and operations continue to go well and we are bringing in 15% more base rent this year compared to last year. The 2023 appraisal came in slightly less than last year due to the cost of capital and interest rate increases. The security service was reinstated to address unauthorized parking and to ensure a safe environment for shoppers.

5. Annual Audit Presentation

Eric Leventhall of Kabat, Schertzer, DeLaTorre, Taraboulos & Co. presented the Annual Audit as of September 30, 2023. Following the review, and a brief discussion, a motion was made by Chris Saunders to approve the audit as presented and to authorize the Chairman to sign the Management Representation Letter. Seconded by Alfredo Vazquez, the motion carried unanimously.

6. Investment Presentation – Churchill/Nuveen

Greg Gosh and Alona Gornick presented the Churchill Middle Market Senior Loan Fund V – Levered Evergreen investment opportunity to the Board. Following the presentation, and a recommendation from the Investment Consultant, a motion was made by Matt Haley to authorize a \$10MM investment as soon as administratively possible. Seconded by Chris Saunders, the motion carried 3-1 with Alfredo Vazquez voting no.

7. Investment Manager's Report

Steve Stack provided the Highland Capital Management report as of December 31, 2023. Ending market value was \$27,424,096 with a cumulative return of 8.85%.

8. Investment Consultant's Report

John Thinnies reviewed the portfolio results for the quarter ending December 31, 2023. The Asset Allocation (by manager) was as follows: Schroders Fixed Income - \$30,699,373, Highland Capital - \$27,424,424, Winslow Large Growth -\$14,074,632, Fred Alger - \$13,693,690, JPM Infrastructure - \$9,981,342, WCM Focused International Growth - \$9,830,809, Real Estate-SC \$8,848,316, American Funds Euro Pacific - \$8,099,961, Cambiar Investments - \$8,252,227, Rice James Equity - \$7,220,770, PIMCO Global Bonds - \$6,661,544, R&D Account/Escrow - \$1,606,619, and the Mutual Fund Account - \$585. The total market value of the portfolio was at \$146,394,291.

John concluded his report to the Board by informing the Trustees that AndCo was recently purchased by Mariner. The Board will continue to be serviced by the same consulting team but the acquisition by Mariner is considered a change in control and, therefore; requires consent of assignment of the current investment management agreement. A motion was made by Matt Haley to consent to the assignment of the agreement and to authorize the chairman to sign the document on behalf of the Board. Seconded by Chris Saunders, the motion carried unanimously.

9. Actuary's Report

Don Dulaney handed out and reviewed the GASB 67 report as of September 30, 2023.

10. Attorney's Report

Lindsey Garber began her report to the Board by reminding the trustees that their Financial Disclosure Forms by July 1st, via the new on-line methodology.

She continued her report by reviewing her memo regarding potential claims that may be asserted on behalf of the stockholders of Cummins, Inc. The memo recommends that the Board authorize KTMC to make a demand to pursue litigation against Cummins longstanding practice of emissions compliance evasion and to file derivative claims seeking award of damages and other relief. Following a brief discussion, the Board decided that they did not want to participate in the claims procedures.

11. Old Business – Status of Ordinance – DROP Extension Period

The drafted Ordinance regarding the extension of the DROP Participation Period has been reviewed by the City Manager and Attorney and is scheduled to be placed on the City Commission Agenda at one of the April meetings.

12. New Business

(a) The Plan Attorney reviewed the Assignment, Ratification, and Assumption of the Salem Trust Custodian Agreement as a result of the name change from TMI Trust Company to Argent Institutional Trust Company. A motion was made by Matt Haley to approve of the assignment and assumption agreement. Seconded by Chris Saunders, the motion carried unanimously.

(b) A motion was made by Alfredo Vazquez to approve the DROP entry for Frank Duponty and Brian Leahy effective November 1, 2023. Seconded by Matt Haley, the motion carried unanimously.

13. Public Comments

Daniel DelGuidice, a local investment advisor, handed out his flyer and informed the Trustees that he will be meeting with the police officers and firefighters in the coming weeks to assist them with their personal financial planning.

14. Next Meeting Date

The next regular meeting date will be Friday, June 7, 2024 at 8:30 a.m.

15. Adjournment

The meeting ended at 10:45 a.m.

Approved by the Pension Board of Trustees at the regular meeting held on June 7, 2024.