

CITY OF KEY WEST POLICE & FIRE PENSION BOARD
REGULAR MEETING MINUTES
FRIDAY, MARCH 7, 2025 – 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, Chris Saunders, and Alfredo Vazquez. Service providers present were Susy Pita, Plan Administrator, Stu Kaufman, Plan Attorney, John Thinnes, Investment Consultant, Steve Stack, Investment Manager, Don Dulaney, Plan Actuary, and Eric Leventhall from KSDT.

2. Approval of Minutes

A motion was made by Matt Haley to approve the minutes from regular meeting held December 6, 2024 and the Disability Hearing held on December 6, 2024. Seconded by Kevin Cates, 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 informed the Board that the management and operations at the Simonton Center continue to go well. As of March 31st, the operating account balance was \$224,340 and they are also expecting a large triple net check for approximately \$168,000 from CVS in the coming weeks. Following a brief discussion a motion was made by Matt Haley to make an initial transfer of \$100,000 into the R&D Account and to transfer the CVS payment to the R&D Account upon receipt. Those funds will be invested according to the Investment Policy Statement. Seconded by Chris Saunders, the motion carried unanimously. The Plan Administrator will coordinate the transfer.

5. Presentation of Annual Audit Report for FYE 09/30/2024

Eric Leventhall of Kabat, Schertzer, DeLaTorre, Taraboulos & Co. presented the Annual Audit as of September 30, 2024. Following the review, and a brief discussion, a motion was made by Alfredo Vazquez to approve the audit as presented and to authorize the Chairman to sign the Management Representation Letter. Seconded by Kevin Cates, the motion carried unanimously.

6. Investment Manager's Report

Steve Stack provided the Highland Capital Management report as of December 31, 2024. Ending market value was \$30,261,300 with an annualized return of 8.63%.

7. Investment Consultant's Report

John Thinnes reviewed the portfolio results for the quarter ending December 31, 2024. The Asset Allocation (by manager) was as follows: Highland Capital - \$30,262,609, Fred Alger - \$17,798,715, Winslow Large Growth -\$18,531,201, Cambiar Investments - \$7,437,711, Rice James Equity - \$7,653,316, American Funds Euro Pacific - \$8,508,511, WCM Focused International Growth - \$10,513,895, Schroders Fixed Income - \$27,325,855, PIMCO Global Bonds - \$4,454,732, Churchill Middle Market Loan Fund - \$10,000,000, Real Estate-SC \$9,804,645, JPM Infrastructure - \$10,978,235, R&D Account/Escrow - \$2,121,955, and the Mutual Fund Account - \$614. The total market value of the portfolio was at \$165,391,994; an increase of \$691,632 since the last quarter.

8. Actuary's Report

Don Dulaney began his report by handing out and reviewing the GASB 67 report as of September 30, 2024. He concluded his report by presenting the Share Plan allocation statements. He will present the Actuarial Valuation Report to the Board at the June meeting.

9. Attorney's Report

Stu Kaufman began his report to the Board with a brief legislative update and continued his report to the Board under the agenda items requiring his input.

10. Old Business

There was none.

11. New Business

(a) A motion was made by Alfredo Vazquez to approve the DROP entry for Henry DelValle, Jr., and Jason Means effective 11/01/2024 and J. Bradley Lariz effective 01/01/2025. Seconded by Matt Haley, the motion carried unanimously.

(b) A lengthy discussion took place regarding possible changes to the Annual Insurance Stipend. Following the discussion a motion was made by Chris Saunders to authorize the Actuary to prepare a study increasing the annual stipend from \$269 per month to \$300, \$350 or \$400 and to allow the stipend to be paid to age 65 or the retiree's lifetime. Seconded by Matt Haley, the motion carried unanimously. Don will present the study results to the Trustees at the June meeting.

12. Public Comments

There were none.

13. Next Meeting Date

The next regular meeting date will be Friday, June 6, 2025 at 8:30 a.m.

14. Adjournment

The meeting ended at 9:50 a.m.

Approved by the Pension Board of Trustees at the regular meeting held on June 6, 2025.