

CITY OF KEY WEST POLICE & FIRE PENSION BOARD
REGULAR MEETING MINUTES
FRIDAY, SEPTEMBER 9, 2022 – 8:30 A.M.

1. Call to Order and Roll Call

The meeting was called to order at 8:30 a.m. by the Chairman, Alfredo Vazquez. The following Trustees were present: Kevin Cates, Bill Fortune, Terry Garcia, and Chris Saunders. Also present was Susy Pita, Plan Administrator, Don Dulaney, Plan Actuary, Stu Kaufman, Plan Counsel, Steve Stack, Investment Manager, and John Thinnies, Investment Consultant. Members Matt Haley, Frank Betz, and Marcus DelValle were in the audience.

2. Approval of Minutes

A motion was made by Bill Fortune to approve the minutes from regular meeting held June 3, 2022. Seconded by Kevin Cates, the motion carried unanimously.

3. Disbursements

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

4. Simonton Center Property Manager's Report

Will Langley informed the board that Subway continues to make progress in their new location and expects to move into the unit by the end of September to mid-October. They are also working with CVS on their plans to take over their third unit once Subway has moved out. Overall, the center is operating smoothly.

5. Investment Manager's Report

Steve Stack provided the Highland Capital Management report as of June 30, 2022. Ending market value was \$24,944,972 with an annualized return of 7.70%.

6. Investment Consultant's Report

John Thinnies began his report to the board by reviewing the portfolio for the quarter ending June 30, 2022. The Asset Allocation (by manager) was as follows: Schroders Fixed Income - \$33,534,114, Highland Capital - \$24,951,778, Fred Alger - \$9,925,713, Winslow Large Growth -\$9,684,541, WCM Focused International Growth - \$8,095,312, PIMCO Global Bonds - \$6,978,717, Real Estate-SC \$6,949,088, Cambiar Investments - \$6,788,930, American Funds Euro Pacific - \$6,765,315, Rice James Equity - \$6,421,195, JPM Infrastructure - \$5,101,086, R&D Account/Escrow - \$1,490,653, and the Mutual Fund Account - \$551. The total market value of the portfolio was at \$126,686,994.

7. Actuary's Report

Don Dulaney began his report by reviewing the City's minimum funding requirement for 2021 which will be 28.4%. He continued his report by handing out and reviewing the Annual Chapter 112 Compliance Report. The report has been sent to the City for posting on their web site.

8. Attorney's Report

Stu Kaufman provided his report to the Board under the agenda items requiring his input.

9. Old Business – Status of Ordinance – Insurance Stipends & 13th Checks

The City Commission tabled the Ordinance at their meeting on September 6th. The Trustees believe that the cost was a big factor. A discussion ensued and it was agreed that a revised Ordinance would be in order. The revised Ordinance will not include a 13th check, and the insurance stipend will be reduced to \$325-\$335 range. It will still include all retirees (past, present and future) until death. The Actuary was directed to provide a cost impact statement and the Attorney will prepare the revised Ordinance for submission to the City.

10. New Business

(a) Back in June the Attorney reached out to the Chairman regarding a securities case against Natera and recommended that the Fund file for lead plaintiff. The Chairman reviewed the complaint, retainer and certification and executed the documents. A motion was made by Terry Garcia to ratify the actions taken by the Attorney and the Chairman. Seconded by Kevin Cates, the motion carried unanimously.

(b) The Plan Administrator reviewed the Annual Budget Projection for the Fiscal Year ending 09/30/2023. Following a brief discussion, a motion was made by Bill Fortune to approve the proposed budget as presented. Seconded by Alfredo Vazquez, the motion carried unanimously. The Plan Administrator will see to the proper distribution.

(c) A motion was made by Kevin Cates to approve of the term/vested normal retirement for Kuniko Keohane effective 10/01/2022. Seconded by Bill Fortune, the motion carried unanimously.

(d) A motion was made by Kevin Cates to approve of the DROP exit/retirements for Daniel Blanco effective 06/30/2022, Jorge Galvan effective 08/31/2022, and Kenneth Wardlow, Jr. effective 09/30/2022. Seconded by Bill Fortune, the motion carried unanimously.

11. Public Comments

There were none.

12. Next Meeting Date

The next regular meeting date will be Friday, December 9, 2022 at 8:30 a.m.

13. Adjournment

The meeting ended at 10:15 a.m.

Approved by the Pension Board of Trustees at the regular meeting held on December 9, 2022.