

CITY OF KEY WEST POLICE & FIRE PENSION BOARD
REGULAR MEETING MINUTES
FRIDAY, DECEMBER 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 Vice-Chairman, Terry Garcia. The following Trustees were present: Kevin Cates, Bill Fortune, Chris Saunders, and new Trustee Matt Haley who replaced Alfredo Vazquez as the member elected Police representative. 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 Marcus DelValle, David Hadas, and Alfredo Vazquez were in the audience.

Appointment of Officers:

A motion was made by Bill Fortune to appoint Terry Garcia as the new Chairman. Seconded by Kevin Cates, the motion carried unanimously.

A motion was made by Bill Fortune to appoint Kevin Cates as the new Vice-Chairman. Seconded by Matt Haley, the motion carried unanimously.

A motion was made by Kevin Cates to appoint Chris Saunders as the new Secretary. Seconded by Kevin Cates, the motion carried unanimously.

2. Approval of Minutes

A motion was made by Bill Fortune to approve the minutes from regular meeting held September 9, 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 Matt Haley, the motion carried unanimously.

4. Simonton Center Property Manager's Report

Will Langley informed the board that the annual appraisal has been completed and the property value increased by \$1.4MM since last year. The Subway store will be moving into their new location on December 16th and CVS will then be able to expand into their new units. A discussion took place regarding the possibility of installing an ATM machine in the parking lot once all the construction has been completed. Will is going to investigate this matter and report back to the board at the next meeting.

5. Investment Manager's Report

Steve Stack provided the Highland Capital Management report as of September 30, 2022. Ending market value was \$23,306,230 with an annualized return of 5.41%.

6. Investment Consultant's Report

John Thinnies began his report to the board by reviewing the portfolio for the quarter ending September 30, 2022. The Asset Allocation (by manager) was as follows: Schroders Fixed Income - \$31,969,066, Highland Capital - \$23,322,790, Fred Alger - \$9,624,710, Winslow Large Growth -\$9,412,678, WCM Focused International Growth - \$7,439,631, PIMCO Global Bonds - \$6,836,994, Real Estate-SC \$6,951,584, Cambiar Investments - \$6,408,842, American Funds Euro Pacific - \$6,133,960, Rice James Equity - \$6,130,674, JPM Infrastructure - \$5,212,676, R&D Account/Escrow - \$1,433,785, and the Mutual Fund Account - \$554. The total market value of the portfolio was at \$120,607,942.

7. Custodian's Report

Karen Russo was not able to attend today's meeting but will plan to be at the March meeting.

8. Actuary's Report

Don Dulaney began his report by handing out and reviewing the 09/30/2022 Share Plan Distribution for the retirees. A few changes were noted. Don will finalize the list and send it to the Plan Administrator who will then work with Salem Trust on the distribution to the retirees.

9. Attorney's Report

On December 2nd Bob Klausner reached out to the Plan Administrator and each of the Trustees

regarding the Class Action Complaint against the Discovery Corporation. The Complaint was reviewed and the documents were signed. A motion was made by Kevin Cates to ratify the actions taken by the Attorney. Seconded by Bill Fortune, the motion carried unanimously. Stu then provided a brief legislative update and continued his report to the Board under the agenda items requiring his input.

10. Old Business – Status of Ordinance – Insurance Stipends

The City Commission tabled the *revised* Ordinance that was presented to them (which removed the 13th check provision). Union President Marcus DelValle said that concerns were raised about paying the stipend out for the lifetime of the retiree. The Actuary handed out and reviewed a summary of costs associated with increasing the stipend and a lengthy discussion ensued. Following the discussion the Trustees directed Don to update the cost study allowing for the stipend to be paid out according to the State mandated mortality tables (which may be around the age of 85). When he completes that he will share it with Stu who will then revise the Ordinance (again) and submit it to the City for their review and (hopefully) adoption.

11. New Business

(a) The Plan Administrator reviewed the Annual Expense Report for the Fiscal Year ending 09/30/2022. Following a brief discussion, a motion was made by Chris Saunders to approve the Annual Expense Report as presented. Seconded by Kevin Cates, the motion carried unanimously. The Plan Administrator will see to the proper distribution.

(b) The 2023 Meeting Schedule was reviewed and approved.

(c) A motion was made by Matt Haley to approve of the normal retirement for Frank Blasberg effective 05/06/2022. Seconded by Bill Fortune, the motion carried unanimously.

(d) A motion was made by Chris Saunders to approve of the DROP entry for Tyrone Cervantes effective 07/31/2022, Alan Averette effective 09/30/2022, and Keith Saunders effective 09/30/2022. Seconded by Matt Haley, the motion carried unanimously.

ADDED ON:

The Plan Administrator informed the Trustees that she has been communicating with the City IT liaison and will begin posting the Newsletters on the City's Web Site.

Bill Fortune announced his intentions to step down from his Trustee position as the police retiree representative. The Plan Administrator will send a letter to the City Clerk and the Mayor's Office requesting an appointed replacement.

A motion was made by Bill Fortune to pay the Plan Administrator an \$800 Christmas Bonus. Seconded by Terry Garcia, the motion carried unanimously.

12. Public Comments

There were none.

13. Next Meeting Date

The next regular meeting date will be Friday, March 10, 2023 at 8:30 a.m.

14. Adjournment

The meeting ended at 10:20 a.m.

Approved by the Pension Board of Trustees at the regular meeting held on March 10, 2023.