

CITY OF KEY WEST POLICE & FIRE PENSION BOARD
REGULAR MEETING MINUTES
FRIDAY, JUNE 2, 2023 – 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. Also present was Susy Pita, Plan Administrator, Don Dulaney, Plan Actuary, Stu Kaufman, Plan Counsel, Steve Stack, Investment Manager, Will Langley, Simonton Center Property Manager, John Thinnies, Investment Consultant and Daniel Galinko and Katie Hammond from JP Morgan.

2. Approval of Minutes

A motion was made by Chris Saunders to approve the minutes from regular meeting held March 10, 2023. Seconded by Kevin Cates, the motion carried unanimously.

3. Disbursements

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

4. Simonton Center Property Manager's Report

Will Langley informed the board that they are still working with Waste Management and the HARC to get a fence installed to block the dumpsters from street view. They addressed two roof leaks and found that the CVS HVAC units are penetrating the roof membrane. They have sent a notice to CVS to repair or replace the units. Next week they will be sending out the annual hurricane letter to all the tenants reminding them to be prepared and proactive in the coming season. Overall, the Simonton Center is operating smoothly and the goal this quarter is to get the fence up and work with CVS to open their three vacant spaces.

5. Investment Manager's Report

Steve Stack provided the **Highland Capital** Management report as of March 31, 2023. Ending market value was \$24,937,991 with an annualized return of 7.23%.

Daniel Galinko and Katie Hammond presented the **JP Morgan Infrastructure** Investment report. Ending market value as of March 31, 2023 was \$9,532,165.51.

6. Investment Consultant's Report

John Thinnies began his report to the board by reviewing the portfolio for the quarter ending March 31, 2023. The Asset Allocation (by manager) was as follows: Schroders Fixed Income - \$30,323,853, Highland Capital - \$24,939,283, Winslow Large Growth - \$10,925,055, Fred Alger - \$10,869,118, JPM Infrastructure - \$9,695,883, WCM Focused International Growth - \$9,326,176, Real Estate-SC \$8,361,796, American Funds Euro Pacific - \$7,668,482, Cambiar Investments - \$7,579,284, Rice James Equity - \$6,760,936, PIMCO Global Bonds - \$6,332,882, R&D Account/Escrow - \$1,093,043, and the Mutual Fund Account - \$564. The total market value of the portfolio was at \$133,840,356.

7. Actuarial Valuation Report

Don Dulaney presented the Actuarial Valuation Report as of October 1, 2022. Following the review and some discussion, a motion was made by Kevin Cates to approve the report as presented. Seconded by Chris Saunders, 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.

8. Attorney's Report

Stu Kaufman began his report by handing out and reviewing the drafted Ordinance regarding the Cancer Presumption and Secure Act 2.0. Following a brief discussion, a motion was made by Kevin Cates to approve the drafted Ordinance and to authorize the Actuary to prepare the accompanying Actuarial Impact Statement for presentation to the City. Seconded by Terry Garcia, the motion carried unanimously.

Stu continued his report by the Firm's memo regarding House Bill 3 which takes effect starting July 1, 2023. Governmental plans must file a comprehensive report detailing governance policies beginning December 15, 2023. His office will closely follow the process for the adoption of rules and keep everyone apprised of any additional compliance information as it becomes public.

Stu went on to review a memorandum from Grant & Eisenhofer (G&E) recommending that the Board serve a demand for inspection of books and records upon PGT Innovations. Following a brief discussion, a motion was made by Matt Haley to authorize G&E to move forward with the demand process. Seconded by Chris Saunders, the motion carried unanimously.

Stu concluded his report by informing the Trustees that his office recently received the last of the medical records needed to schedule the IME for Officer Nolan (Craig) Wynn. Once they receive and review the IME report from the doctor they will work with the Plan Administrator to schedule the Disability Hearing.

9. Old Business – Status of Ordinance – Insurance Stipends

We have not heard from the City regarding the final version of the Ordinance. A new City Manager is now on staff and union negotiations are moving forward. This may offer an opportunity to bring this matter to the bargaining table. We will continue to communicate with the Union President for updates.

10. New Business

A motion was made by Chris Saunders to approve the early retirement for Janeth DelCid effective 04/04/2023 and the normal retirement for Michael Keilman effective 04/10/2023. Seconded by Matt Haley, the motion carried unanimously.

The Trustees were reminded to file their Financial Disclosure Forms by July 1, 2023.

11. Public Comments

There were none.

12. Next Meeting Date

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

13. Adjournment

The meeting ended at 10:30 a.m.

Approved by the Pension Board of Trustees at the regular meeting held on September 8, 2023.