MINUTES
CITY OF KISSIMMEE - **POLICE PENSION BOARD**
CITY HALL COMMISSION CHAMBERS – **Tuesday, November 2, 2021, 10:00 AM**

I. CALL MEETING TO ORDER

II. ROLL CALL
Wilson Munoz – Chairman - Absent
Lisandra Roman – Secretary - Present
Charles Willdigg – Vice Chairman - Present
Catalin Cruz – Trustee - Absent
Camille Alicia – Trustee – Present

III. HEAR THE AUDIENCE No one in the audience

IV. FINANCIAL AGENDA
AndCo - Dave West provided a review of the September 30, 2021, quarterly report. We did a lot of rebalancing and those have been adjusted. With the bond investment your bond prices are going down. One of the big items this year came from the bond allocation. Starting with page three for the quarter, bond market returns were muted as interest rates across the yield curve remained largely unchanged. While the Bloomberg (BB) US Aggregate Index returned 0.1%, the outlier was US TIPS which returned 1.8% on concerns about potential rising inflation.

On to page ten, the lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Beginning in the 4th quarter of 2020, longer-term interest rates began to move higher as investors anticipated improving economic conditions. Interest rates peaked in the 1st quarter as economic growth surprised to the upside. Since then, longer-term US interest rates have remained relatively steady.

Interest rates are still lower and are helpful for economic growth
page twelve with the asset allocation compliance for the total fund.
With page twenty you have the schedule of investment assets for the total fund. As the plan matures, you see that there are more pension benefit payments being made. Your plan is more on the conservative side even with that, the plan has been successful. On to page twenty-one, a review

of the comparative performance trailing returns. Best performers were mid cap and international equity manager and growth manager. Rounding it out on page twenty-three. Other contributors were your real estate performers. You have a small allocation to the Providence debt fund they provided great results. Wrap up with page twenty-six with the cash flow for the fiscal year. We must keep in mind that we are paying out more than is being contributed. No recommendations are needed at this time.

Approval of the 4th Quarter Expenses – July, August, and September 2021
Motion made by Camille Alicia to approve the 4th Quarter expenses July, August, and September 2021 seconded by Charles Willdigg Approved
3-0

Approval of the 4th Quarter Retirements/Return of Contributions/Share Allocation
Motion made by Charles Willdigg to approve the 4th Quarter Retirement/Return of Contributions and Share Allocation seconded by Lisandra Roman Approved 3-0

Retirement/Drop
Neftali Lugo – Lump Sum $17,795.27
Matthew Koski – Lump Sum $90,562.08
Camille Alicea – Drop $7,011.83

Share Allocation
Victor Guzman - $2,697.78
Maria Munoz - $2,587.43

Approval of the September 14, 2021, minutes
Motion made by Camille Alicia to approve the September 14, 2021 minutes seconded by Charles Willdigg Approved 3-0

Approval of actual administrative expenses for FY 2021
Motion made by Charles Willdigg to approve the actual administrative expenses for FY 2021 seconded by Camille Alicia Approved 3-0

Foster & Foster - Doug Lozen provided and overview of the requested study for the funding impact associated with the proposed assumption change. The Division of Retirement is lowering their assumption rate. We did lower it to 7.40% with the last actuarial valuation report. With the study, it shows what the impact would be to the City to lower the assumption rate. If you have a lower assumption and the investment are lower, it will be less. In February, your 4-year smooth is going to be very high over 10% we are at as assumption rate of 7.4%. Looking at this year's fiscal year report the City requirement should drop. Your role as Trustees is to pick an assumption rate. Trying to stay close to the Division of Retirement is what you want to mimic it. With the 7.2% assumption rate, this would not impact/cost the City because we had good investments.

Motion made by Charles Willdigg based on the recommendation from our Actuary the assumption rate used should be 7.2% for the 10/1/2021 valuation seconded Camille Alicia 3-0

V. HEAR THE ATTORNEY – Scott Christiansen first item that Charles Willdigg was re-elected, and Catalin Cruz was reappointed. The proposed Drop ordinance was approved by both unions. The first reading is scheduled for the November 16, 2021, and the second and final reading will be on December 7, 2021. The AndCo addendum has been signed and approved.

VI. OLD BUSINESS – none

VII. NEW BUSINESS - none

VIII. MEETING ADJOURNED 10:51

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Chairman – Wilson Munoz

ATTEST:_________________________