



CITY of TALLAHASSEE

2021
Retirement System Report

Office of the City Treasurer-Clerk

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Tallahassee, FL 32301
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www.talgov.com/retirement

Angel Charlton, Retirement Administrator

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ADMINISTRATION

Board of Trustees

John Dailey	Mayor
Curtis Richardson	Commissioner
Dianne Williams-Cox	Commissioner
Jeremy Matlow	Commissioner
Jacqueline “Jack” Porter	Commissioner
Steven Tiefel	Fire/Police Representative

Investment Advisory Committee

Nan Hillis	Member
William Christiansen	Member
William McCloud	Member

Sinking Fund Commission

Consists of five members of the City Commission and the Investment Advisory Committee.

General Employees’ Pension Advisory Committee

Neha Kumar	Chair
Chris Pandolfi	Vice-Chair
James “Jim” Kinneer	Member
Edward Young	Member
Sharon Ofuani	Member
Jamea “Mia” Browdy	Member

Firefighters’ Pension Advisory Committee

Bryon Meadows	Chair
Mike Bellamy	Member
Vacant	Member

Police Officers’ Pension Advisory Committee

Brian Reeder	Chair
Aaron Scott	Member
Vacant	Member

City Treasurer-Clerk's Office

Jim Cooke, IV	City Treasurer-Clerk
Angel Charlton	Retirement Administrator
Kimberly Gilmore	Administrative Supervisor
Beverly Howie	Senior Retirement Benefits Analyst
Stacey Peter	Retirement Benefits Analyst
Robbie Burnett-Mendonca	Retirement Benefits Analyst
Anne Romans	Administrative Specialist I
Jay Nix	Empower
	Retirement Representative

Consulting Actuarial Firm

Gabriel, Roeder, Smith & Company

Investment Consultant

Segal Marco Advisors

Third Party Administrators

Defined Contribution Plan 401(k) – MAP

Deferred Compensation Plan 457 – RSVP

ROTH 457 Plan

PLAN STATISTICS

Defined Benefit Plan Statistics

FY 2021 Changes	General	Police	Fire	Total
New Participants	234	26	21	281
Participant Terminations	123	19	7	149
Deceased Active Participants	1	1	0	2
Retired Participants	79	19	7	105
Disability Participants	0	0	0	0
Deceased Retirees	39	3	4	46
Vested Participants	39	3	4	46
Drop Participants	33	5	0	38

Overall Trends	FY17	FY18	FY19	FY20	FY21
Active Employees:					
General Employees	1,954	1,979	2,064	2,041	2,083
Police Officers	332	356	362	356	356
Firefighters	231	261	266	264	269
Total:	2,517	2,596	2,692	2,661	2,708
Terminated & Vested:					
General Employees	244	246	319	250	142
Police Officers	30	30	27	29	19
Firefighters	7	7	15	7	7
Total:	281	283	361	286	168
DROP Participants:					
General Employees	149	130	142	132	166
Police Officers	43	45	35	34	40
Firefighters	46	37	36	28	29
Total:	238	212	213	194	235
Retirees Receiving Benefits:					
General Employees	1,240	1,539	1,725	1,658	1,728
Police Officers	215	245	259	275	290
Firefighters	176	218	2,321	220	238
Total:	1,631	2,002	4,305	2,153	2,256

Retirement System Report Fiscal Year 2021

Overall Trends continued...	FY17	FY18	FY19	FY20	FY21
Average Retirement Age:					
General Employees	58	59	60	60	61
Police Officers	53	53	54	54	54
Firefighters	53	53	54	54	54
Average Years of Service:					
General Employees	24	24	25	27	28
Police Officers	26	26	27	27	27
Firefighters	27	27	28	28	28
Average Monthly Payment:					
General Employees	\$2,892	\$2,896	\$2,901	\$3,050	\$3,141
Police Officers	\$5,013	\$5,020	\$5,026	\$5,510	\$5,625
Firefighters	\$4,802	\$4,823	\$4,830	\$5,183	\$5,347
Beneficiaries Receiving Benefit:					
General Employees	235	203	247	241	248
Police Officers	18	16	20	20	19
Firefighters	19	18	22	20	22
Total:	272	237	289	281	289

Defined Contribution and Deferred Compensation Plan Statistics

MAP 401(k) Defined Contribution Plan Statistics

	FY17	FY18	FY19	FY20	FY21
Active Participants:					
General Employees	2,241	2,217	2,206	2,215	2,215
Police Officers	30	34	36	36	38
Firefighters	18	18	17	17	14
Vested Participants	1,502	1,512	2,124	2,124	2,162
Total:	3,791	3,781	4,383	4,392	4,429
Average Biweekly Contributions (%):					
General Employees Matched	4.68	4.69	4.67	4.68	4.72
General Employees Unmatched	5.7	5.73	5.73	5.7	5.9
Police Officers	5.43	5.27	5.7	4.46	5.35
Firefighters	4.49	4.3	4.03	3.94	5.25
Retirees Receiving Monthly 401(k) Total:	866	854	860	865	880

RSVP 457 Deferred Compensation Plan Statistics

	FY17	FY18	FY18	FY20	FY21
Active Participants:					
Permanent	2078	2057	2063	2057	2087
Temporary	1265	2203	3081	2243	2215
Average Biweekly Contributions (%)					
General Employees	5.57	5.87	5.9	5.05	6.13
Police Officers	6.66	6.78	6.79	5.24	7.07
Firefighters	4.62	4.82	4.85	4.29	4.86

ROTH 457 Deferred Compensation Plan Statistics

	FY17	FY18	FY19	FY20	FY21
Active Participants:					
Permanent	0	0	0	280	356
Average Biweekly Contributions(%):					
General Employees	0.00	0.00	0.00	3.13	3.89
Police Officers	0.00	0.00	0.00	8.44	7.23
Firefighters	0.00	0.00	0.00	5.40	12.40

Retirement System Report Fiscal Year 2021

Other Plan Statistics

	FY17	FY18	FY19	FY20	FY21
Retirement Counseling Sessions:					
General Employees	702	698	702	718	1,002
Police Officers	102	126	132	128	117
Firefighters	38	15	20	15	62
Total:	842	839	854	861	1,181

ACTIVITY HIGHLIGHTS

Retirement Highlights for Fiscal Year 2021

Our website on the City's Talgov.com has been revised and updated. In the past year we have updated our format, forms, and look to aid our visitors. This comprehensive website includes information for non-employees and retirees, while our active participants can access in-depth information through our City Retirement SharePoint site. The SharePoint provides immediate access to employee pension plan guides, the latest pension news and updates, electronic forms that can either be submitted to our office electronically or mailed. In addition, pension calculators are also available to provide up-to-date financial information along with the retirement estimate request form. The Retirement website and SharePoint provide staff and participants with the resources needed to complete vital requests.

The Roth-457 was implemented on April 1, 2020. Currently we have over 350 employees taking advantage of this new investment tool. This in addition to the City's retirement plan options was added in response to employee requests.

There were 31 New Employee Orientation sessions conducted virtually during FY 2021 with 281 new or rehired employees in attendance. In addition, pension information was presented during each of the quarterly review sessions that were conducted by our Empower Representative Jay Nix.

In an effort to move forward with advanced technology, Annual Pension Statements, Summary Plan Descriptions and Summary Plan Modifications were distributed electronically to participants this year. In addition, City retirees can now update, change, or cancel banking information, modify contact information, or view earning statements through the City's HRMS Self-Service module. Continuous modifications alike will greatly reduce costs of printing and mailing documents and most importantly providing an extra level of security to prevent identity fraud.

Annual cost of living increases was updated and processed for eligible retirees and beneficiaries. In addition, 3% interest was credited to all active and vested participants' pension accounts. COLA notices are provided to retirees on the earnings statement in which the COLA is effective.

During the FY2021 Health Insurance Open Enrollment, educational materials were processed and mailed out to the over 2,194 retirees. Medicare continues to present additional challenges with additional processing requirements.

The average time in the DROP Program is tending slightly upward. General Employees, Firefighters and Police Officers no longer have to contribute employee pension contributions while in the DROP Program. Additionally, effective October 1, 2020 Police Officers and Firefighters who enroll into the DROP Program will no longer receive a COLA (Cost of Living Adjustment) while in the DROP program, this coincides with General Employees which plan modifications went into effect on March 1, 2020.

We had 27 requests for buyback calculations in FY 2021, with 1,930 requests since inception. Of those calculated in FY 2021, fifteen employees purchased one or more types of service, totaling just over \$888,866. Since inception, over \$17,192,963 has been paid to purchase additional service.

Defined Contribution, Deferred Compensation and Supplemental Share Plans

401(k) – Matched Annuity Pension (MAP)

- The MAP 401(k) Loan Program continues to be popular with employees and retirees. There were 177 new loans in FY 2021.

457 Deferred Compensation Plan (RSVP)

- There were 118 new loans from RSVP accounts in FY 2021.
- The Temporary Employees Deferred Compensation Plan (Temp-DC Plan) was established in 1994 as an alternative retirement plan for temporary employees. Upon leaving employment, temporary employees may receive a distribution of the balance in their account, or they may maintain their accounts with Empower. In FY 2021, approximately 1,264 temporary employees ended their employment with the City of Tallahassee.

457 Roth

- The Roth 457 was added in 2020 and has been a continuous hit. Implemented a little less than two years, and we now have more than 350 enrollees. A clear sign, employees aren't slowing down.

Fire and Police Supplemental Share Plans

- These supplemental share plans were established to receive money from the State of Florida and distribute it to all Police Officers and Firefighters with at least five years of service with the City. Set-up as 401(a) share plans that are administered by Empower Retirement, the number of shares each participant receives is determined by their years of service.
- The 2021 amount received for Firefighters was \$1,097,088.42.
- The 2021 amount received for Police Officers was \$1,679,241.74.
- Share amounts are contingent upon the amount received from the state each year and the total number of shares that are distributed each October 1st.

Other Activities

Due to the COVID-19 pandemic, the Annual Retiree Appreciation dinner was canceled.

FINANCIAL INFORMATION

Defined Benefit Plan

**Statement of Changes in Net Assets
Fiscal Year Ending September 30, 2021**

Beginning Net Assets – October 1, 2020	<u>\$1,769,170,198</u>
Increases in Net Assts:	
Change in Fair Value of Investments	428,450,993
Interest and Dividends	35,160,346
Securities Lending Income	256,622
Commission Recapture Income	5,607
Less Investment Expense	(7,384,751)
City Contributions	44,398,000
Employee Contributions	12,771,594
Miscellaneous	<u>146,460</u>
Total Increase in Net Assets	<u>513,804,871</u>
Decreases in Net Assets:	
Benefit Payments	(109,321,806)
Refund of Employee Contributions/Interest	(1,173,140)
Administrative Expenses	<u>(1,011,930)</u>
Total Decrease in Net Assets	<u>(111,506,876)</u>
Net Change in Net Assets	<u>402,297,995</u>
Ending Net Assets – September 30, 2021	<u><u>\$2,171,468,193</u></u>

Balance Sheet

Fiscal Year Ending September 30, 2021

Assets

Equity in Pooled Cash	\$32,973,495
Investments	2,135,601,272
Accrued Interest Receivable	2,893,426
Securities Lending Collateral	119,470,000

Total Assets

\$2,290,938,193

Liabilities and Net Assets

Obligation Under Securities Lending	\$119,470,000
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Total Liabilities

119,470,000

Net Assets – Reserved for Employee Retirement Plan

2,171,468,193

Total Liabilities and Net Assets

\$2,290,938,193

Asset Summary

9/30/2021

Net Assets	\$2,171,468,193	
Total Fund Return – FY 2021		25.90%

Individual Managers

Annual Return

Domestic Equity

SSgA S&P 500 Index	30.00%
T. Towe Price	32.50%
Aristotle	Inception FY21
Times Square Capital Mgmt.	31.50%
Iridian	30.70%
Wedge Capital	58.10%

International Equity

JP Morgan Emerging Markets Equity Focused	21.00%
Artisan Partners – International Growth	15.20%
Alliance Bernstein – International Value	33.90%

Fixed Income

Fidelity - Core Fixed	1.50%
Metropolitan West Asset Mgmt.	0.60%
Pugh Capital	-0.20%
Semper Capital	2.40%
Voya	7.60%

Real Estate

Heitman Value Partners III	40.30%
Heitman Value Partners IV	35.80%
JP Morgan SPF	14.00%
Center Square U.S. Real Estate Securities	38.30%
TA Realty Core Property Fund	23.80%
TA Realty Fund X	2.50%
TA Realty Fund XI	26.00%
TA Realty Fund XII	4.60%
AG Realty Fund IX	9.20%
AG Realty X	19.60%

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AG Core Plus Realty Fund III	-7.00%
AG Core Plus Realty Fund IV	10.80%
Northwood Real Estate Partners	18.80%
Northwood Real Estate Partners IV	30.00%
Westport Real Estate Fund IV	7.40%
Westport Real Estate V	0.00%

Individual Managers

Annual Return

Private Equity

BlackRock Diversified Private Equity V	32.40%
BlackRock Private Equity Partners VII US	48.30%
Lexington Capital Partners VIII	37.20%
Lexington Middle Market Investors IV	50.70%
Pomona VIII	58.80%
Pomona IX	52.30%
Horsley Bridge XI Venture	81.50%
Horsley Bridge XII Venture	77.50%
True Bridge IV	90.80%
True Bridge V	88.30%

Timber

Molpus Woodlands Fund IV	-5.60%
Molpus Woodlands Fund V	3.90%
Stafford Int'l Timberland VIII	10.80%
BTG Pactual Open Ended Core US	10.30%
Timberland Eastern Timberland Opportunities III	12.10%

Private Credit

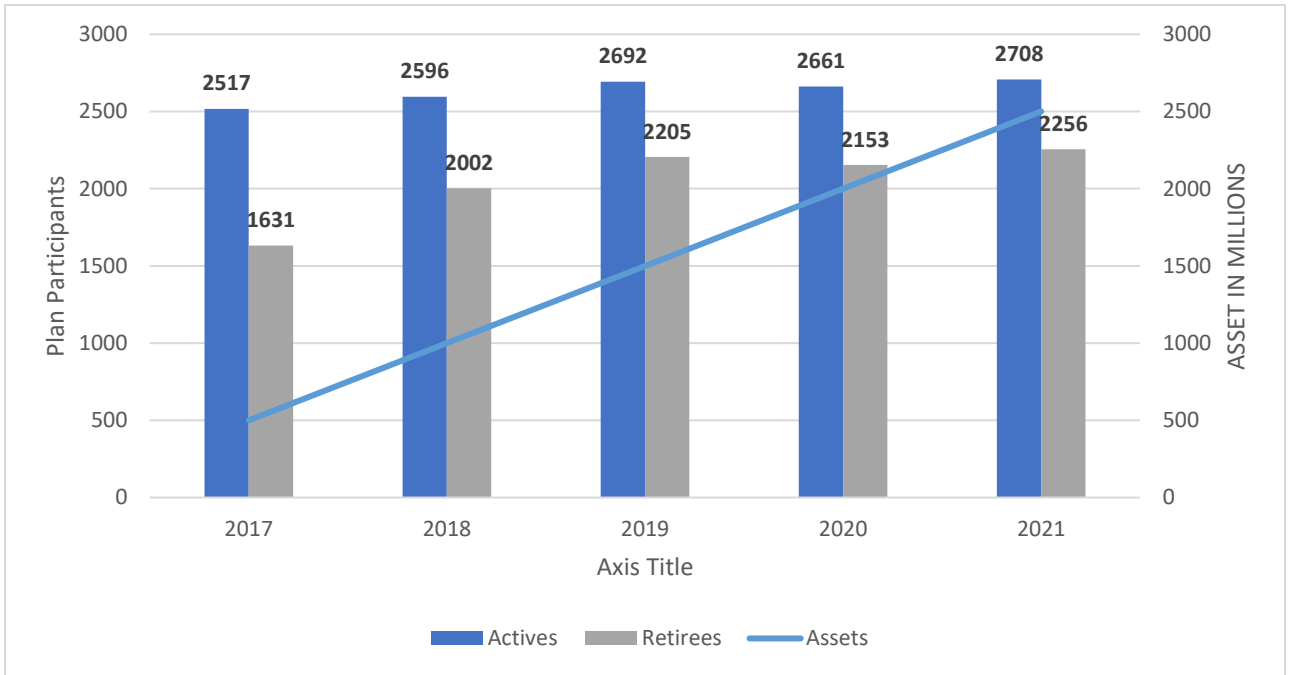
Brightwood Capital SBIC III	Inception FY21
Crescent Private Credit Partners	14.00%
Golub Capital Partners 12	15.30%
Oaktree MMDL	12.90%

Cash

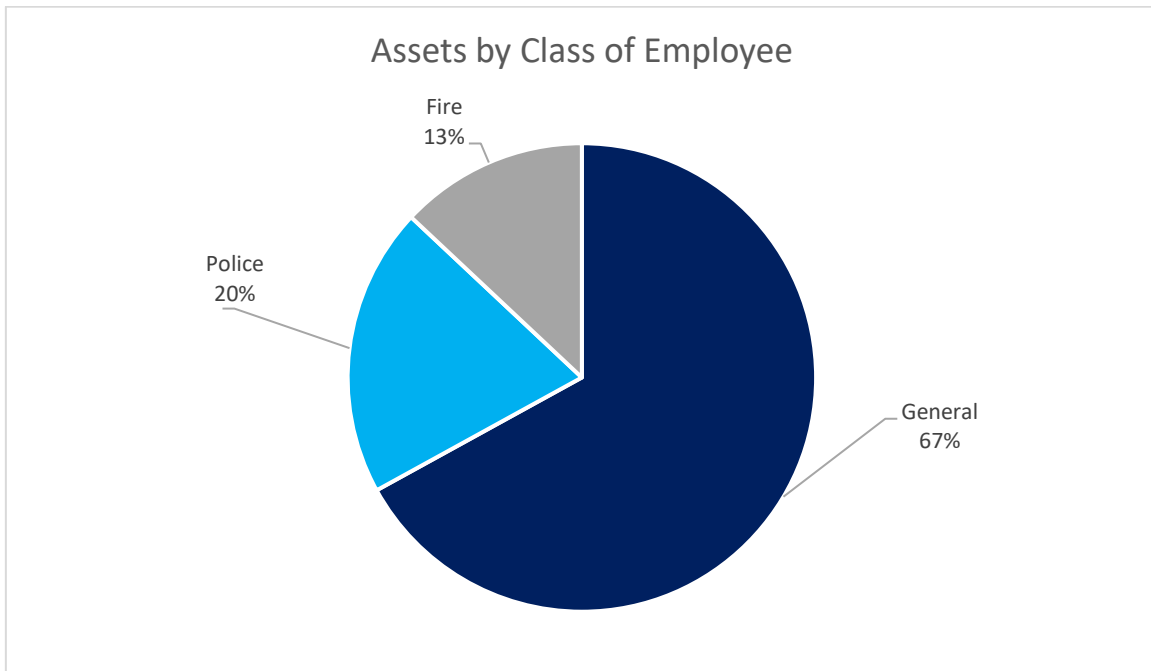
Master Account	0.80%
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Asset Summary Charts

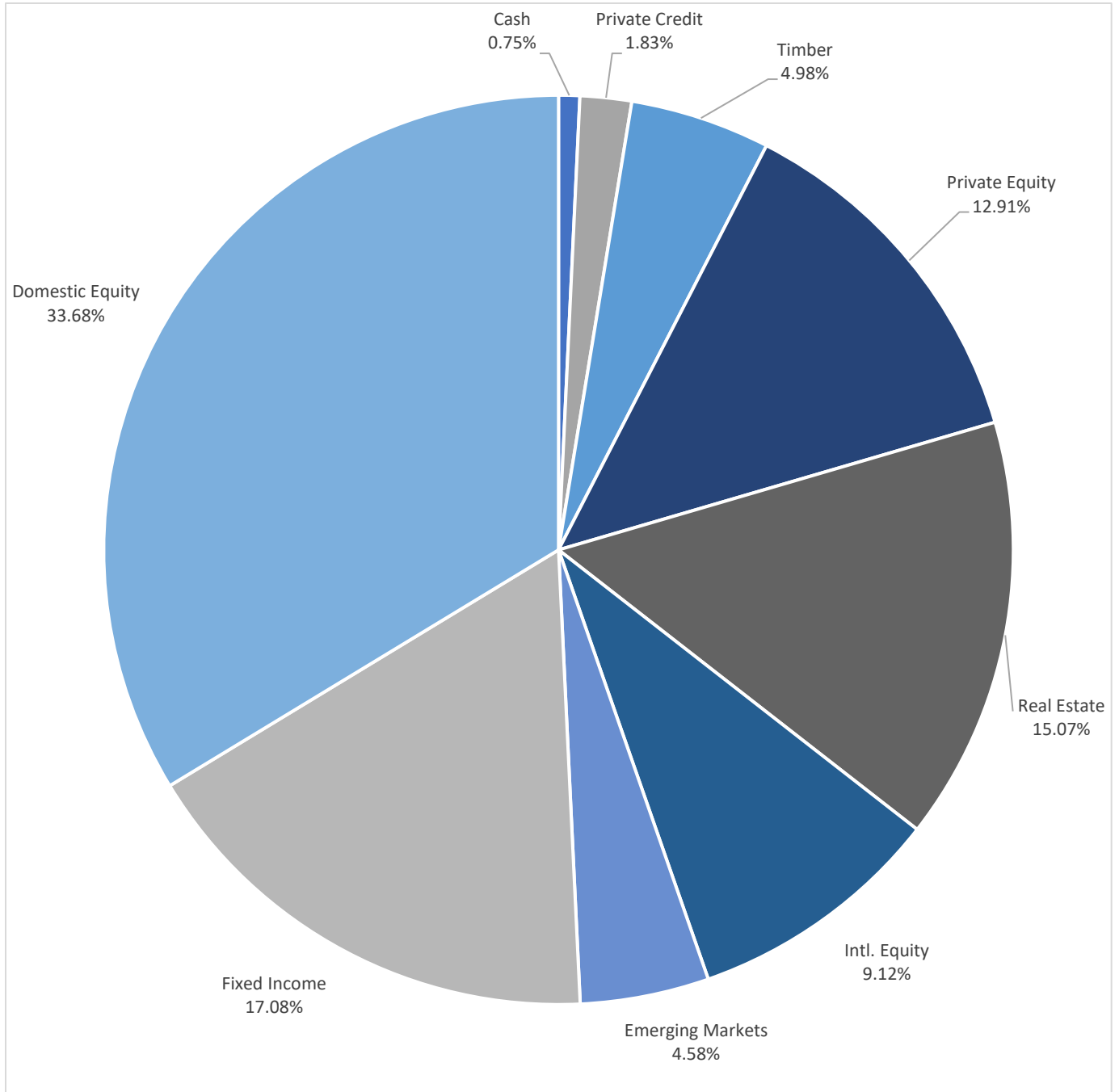
Asset and Participant Growth



Assets by Class of Employee



DISTRIBUTION OF ASSETS by INVESTMENT TYPE



Defined Contribution Plan (401K) – MAP

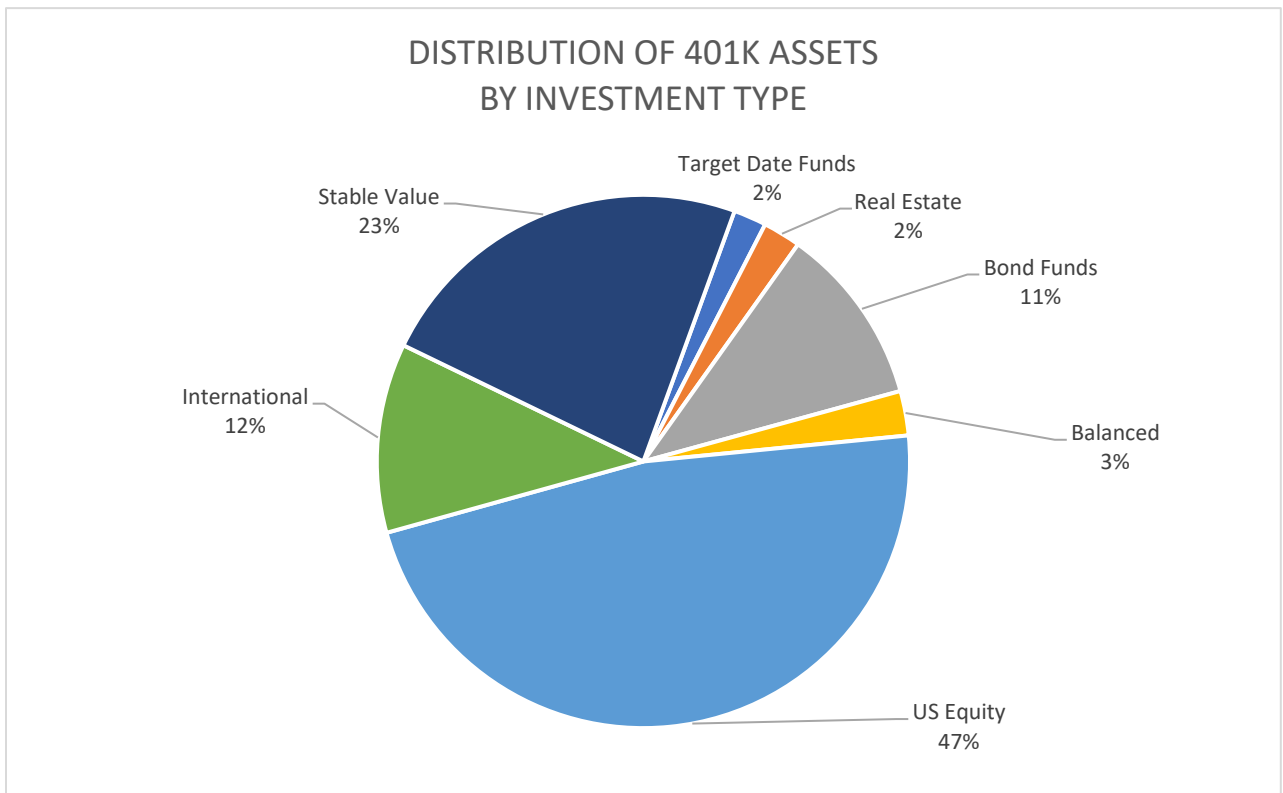
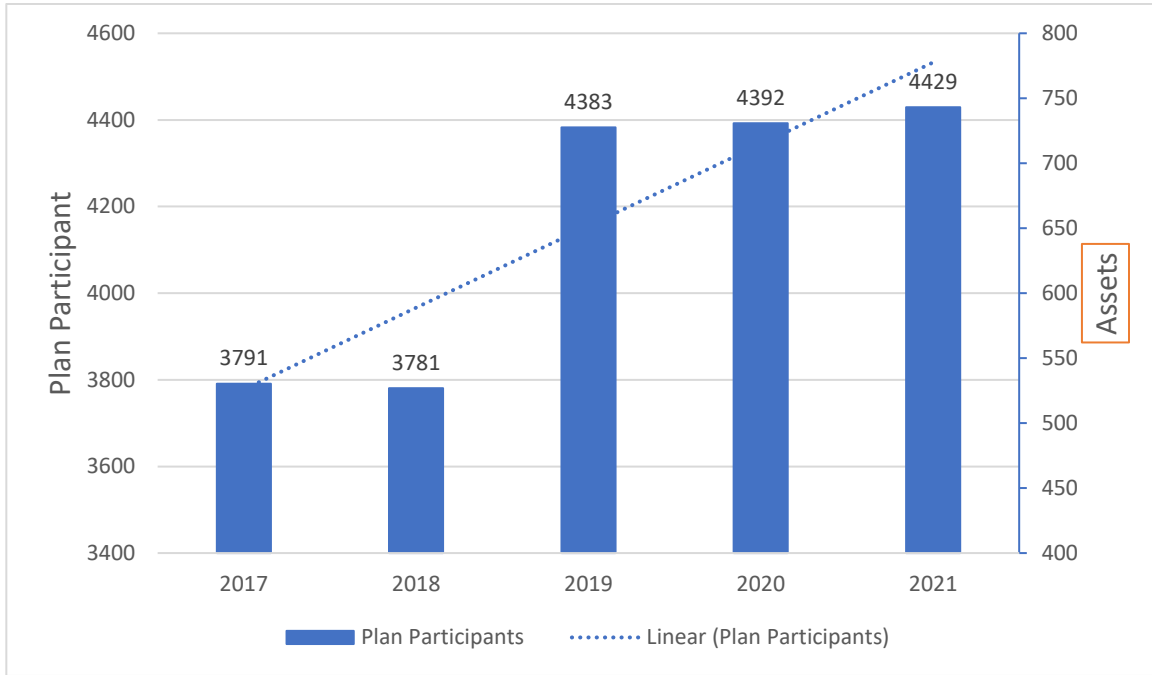
Statement of Changes in Net Assets

Fiscal Year Ending September 30, 2021

Beginning Net Assets – October 1, 2020	<u>\$628,683,381</u>
Increases in Net Assts:	
Contributions	28,516,753
Net Appreciation in Fair Value of Investments	121,544,676
Miscellaneous Transactions	(11,294,146)
Total Increase in Net Assets	<u>138,767,284</u>
Decreases in Net Assets:	
Disbursements	(24,761,464)
Fees	2,056,781
Total Decrease in Net Assets	<u>(22,704,683)</u>
Ending Net Assets – September 30, 2021	<u>\$744,745,982</u>

Asset Summary Charts

401(K) Asset and Participant Growth



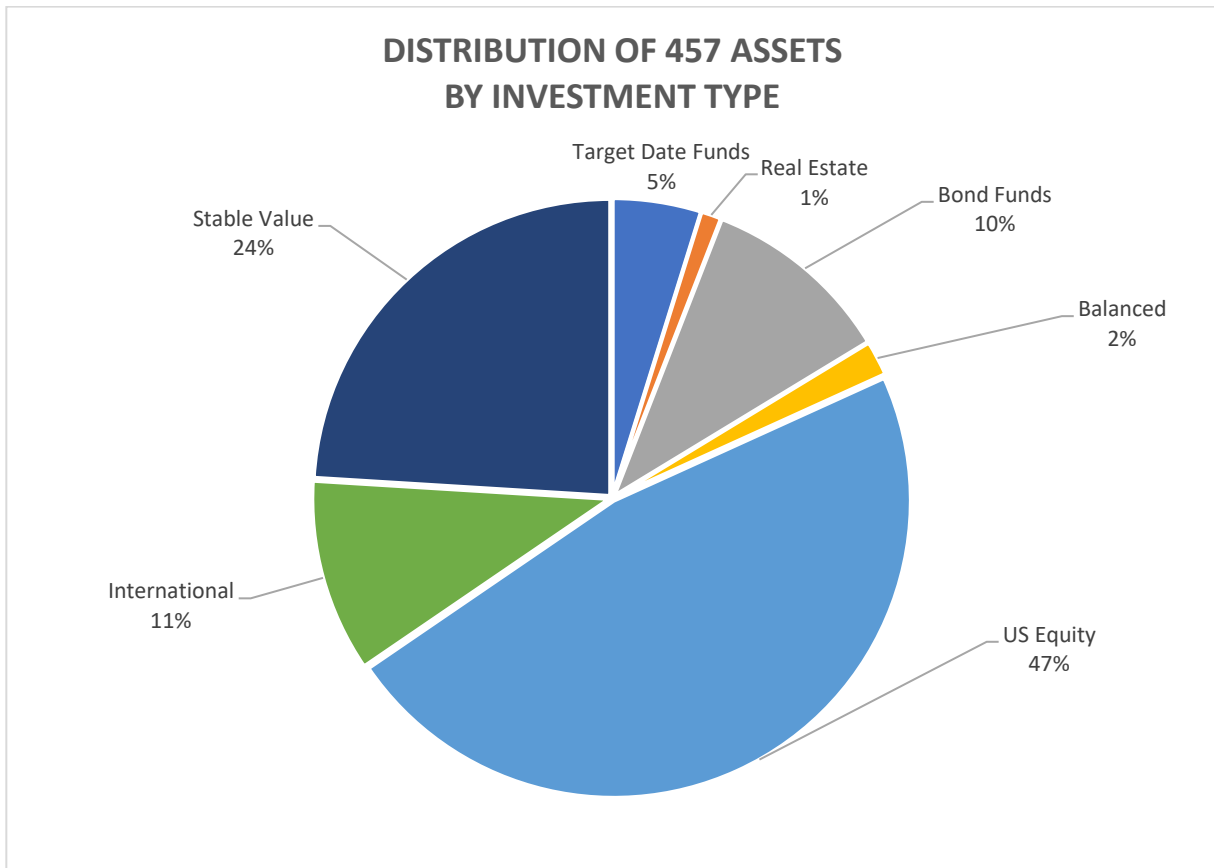
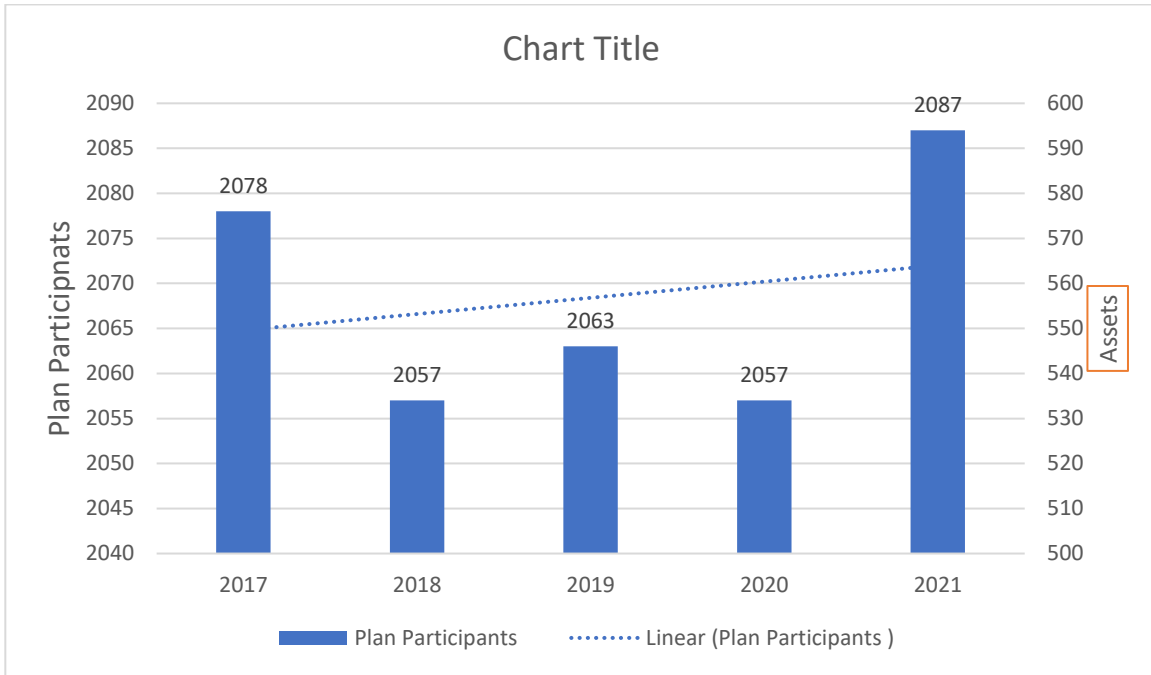
Deferred Compensation Plan (457) – RSVP

Statement of Changes in Net Assets

Fiscal Year Ending September 30, 2021

Beginning Net Assets – October 1, 2020	<u>\$78,374,748</u>
Increases in Net Assts:	
Contributions	7,919,390
Net Appreciation/Depreciation in Fair Value of Investments	14,619,469
Miscellaneous Transactions	(1,000,479)
Total Increase in Net Assets	<u>21,538,380</u>
Decreases in Net Assets:	
Disbursements	(7,073,518)
Fees	1,299,405
Total Decrease in Net Assets	<u>(5,774,113)</u>
Ending Net Assets – September 30, 2021	<u>\$94,139,015</u>

Assets Summary Charts



DEFINED CONTRIBUTION PLANS

(401k, Deferred Compensation Plan (457), and ROTH-457)

Fund Performance

Investments	<u>10/01/2020</u>	<u>9/30/2021</u>
	\$707,058,098	\$837,559,554
<u>Individual Managers</u>		
Equity		<u>Annual Return</u>
Harbor International		
Vanguard Institutional Index		28.90%
JPMorgan Mid Cap Value		30.00%
Prudential Jennison Growth		43.60%
Vanguard Small Cap Index		26.20%
MFS International Growth		44.10%
Invesco Developing Markets		16.60%
Goldman Sachs Growth Opportunities		15.00%
Vanguard Mid Cap Index		29.30%
Vanguard REIT Index		36.10%
T. Rowe Price Large Cap Value		33.50%
Boston Partners Small Cap		42.20%
		57.80%
AB Small Cap		36.50%
Vanguard Developed Markets Index		26.60%
Managed		
PGIM Balanced		19.00%
Great-West Secure Foundation		19.00%
American Target Date Funds		11.50%-25.60%
Fixed Income		
Janus Flex Bond		1.40 %
Guaranteed Income Fund Vanguard		2.10 %
Vanguard Total Bond Market Index		-0.90%
Vanguard High-Yield Corporate Index		8.00 %