

ADMINISTRATION

BOARD OF TRUSTEES

John Dailey	Mayor
Curtis Richardson	Commissioner
Dianne Williams-Cox	Commissioner
Jeremy Matlow	Commissioner
Elaine Byrant	Commissioner
Steve Tiefel	Fire/Police Representative

INVESTMENT ADVISORY COMMITTEE

Michael Stehlik	Member
Nan Hillis	Member
William Christiansen	Member

SINKING FUND COMMISSION

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

GENERAL EMPLOYEES' PENSION ADVISORY COMMITTEE

Neha Kumar	Chair
Shane House	Vice-Chair
Sharon Ofuani	Member
Edward Young	Member
Arlecia Harris	Member
Chris Pandolfi	Member

FIREFIGHTERS' PENSION ADVISORY COMMITTEE

Byron Meadows	Chair
Mike Bellamy	Member
Jesse Lockhart	Member

POLICE OFFICERS' PENSION ADVISORY COMMITTEE

Brian Reeder	Chair
Aaron Scott	Member
Vacant	Vacant

CITY TREASURER-CLERK'S OFFICE

Jim Cooke
Kent Olson

City Treasurer-Clerk
Deputy Treasurer-Clerk

RETIREMENT ADMINISTRATION DIVISION

Angel Charlton
Kimberley Gilmore
Julie LaRocque
Beverly Howie
Vivian Chambliss
Anne Romans

Retirement Administrator
Senior Retirement Benefits Analyst
Retirement Benefits Analyst
Retirement Benefits Analyst
Retirement Benefits Analyst
Administrative Specialist I

CONSULTING ACTUARIAL FIRM

Gabriel, Roeder, Smith & Company

PERFORMANCE MONITOR

Segal Marco Advisors

THIRD PARTY ADMINISTRATORS

Defined Contribution Plan 401(k) - MAP Empower Retirement

Deferred Compensation Plan 457 - RSVP Empower Retirement

**CITY OF TALLAHASSEE
RETIREMENT SYSTEM REPORT
For Fiscal Year Ending September 30, 2020**

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DEFINED BENEFIT PLAN STATISTICS

<i>FY 2020 Changes</i>	General	Police	Fire	Total
New Participants	110	16	0	126
Participant Terminations	125	9	6	140
Deceased Active Participants	4	0	0	4
Retired Participants	83	17	11	111
Disability Retirees	5	0	1	6
Deceased Retirees	50	5	7	62
Vested Participants	21	1	0	22
DROP Participants	47	5	7	59

<i>Overall Trends</i>	FY16	FY17	FY18	FY19	FY20
Active Employees:					
General Employees	2,016	1,954	1,979	2,064	2041
Police Officers	331	332	356	362	356
Firefighters	<u>248</u>	<u>231</u>	<u>261</u>	<u>266</u>	<u>264</u>
Total	2,595	2,517	2,596	2,692	2,661
Terminated & Vested:					
General Employees	231	244	246	319	250
Police Officers	36	30	30	27	29
Firefighters	<u>7</u>	<u>7</u>	<u>7</u>	<u>15</u>	<u>7</u>
Total	274	281	283	361	286
DROP Participants:					
General Employees	135	149	130	142	132
Police Officers	39	43	45	35	34
Firefighters	<u>34</u>	<u>46</u>	<u>37</u>	<u>36</u>	<u>28</u>
Total	208	238	212	213	194
Retirees Receiving Benefits:					
General Employees	1,197	1,240	1,539	1,725	1658
Police Officers	208	215	245	259	275
Firefighters	<u>180</u>	<u>176</u>	<u>218</u>	<u>221</u>	<u>220</u>
Total	1,585	1,631	2,002	2,205	2,153
Average Retirement Age:					
General Employees	58	58	59	60	60
Police Officers	52	53	53	54	54
Firefighters	52	53	53	54	54
Average Years of Service:					
General Employees	24	24	24	25	27
Police Officers	26	26	26	27	27
Firefighters	27	27	27	28	28
Average Monthly Payment:					
General Employees	\$2,829	\$2,892	\$2,896	\$2,901	\$3,050
Police Officers	\$4,954	\$5,013	\$5,020	\$5,026	\$5,510
Firefighters	\$4,589	\$4,802	\$4,823	\$4,830	\$5,183
Beneficiaries Receiving Benefit:					
General Employees	234	235	203	247	241
Police Officers	17	18	16	20	20
Firefighters	15	19	18	22	20
Total	266	272	272	289	281

MAP 401(k) DEFINED CONTRIBUTION PLAN STATISTICS

	FY16	FY17	FY18	FY19	FY20
Active Participants:					
General Employees	2,242	2,241	2,217	2,206	2,215
Police Officers	32	30	34	36	36
Firefighters	24	18	18	17	17
Vested Participants	1,419	1,502	1,512	2,124	2,124
Total	3,717	3,791	3,781	4,383	4,383
Average Biweekly Contributions (%):					
General Employees Matched	4.59	4.68	4.69	4.67	4.68
General Employees Unmatched	5.33	5.70	5.73	5.73	5.70
Police Officers	5.49	5.43	5.27	5.70	4.46
Firefighters	4.91	4.49	4.30	4.03	3.94
Retirees Receiving Monthly 401(k):					
Total	788	866	854	860	865

RSVP 457 DEFERRED COMPENSATION PLAN STATISTICS

	FY16	FY17	FY18	FY19	FY20
Active Participants:					
Permanent:	2,064	2,078	2,057	2,063	2,057
Temporary:	1,093	1,265	2,203	3,081	2,243
Average Biweekly Contributions (%):					
General Employees	5.36	5.57	5.87	5.90	5.05
Police Officers	6.70	6.66	6.78	6.79	5.24
Firefighters	4.76	4.62	4.82	4.85	4.29

RSVP 457- ROTH DEFERRED COMPENSATION PLAN STATISTICS

	FY16	FY17	FY18	FY19	FY20
Active Participants:					
Permanent:	0.00	0.00	0.00	0.00	280
Average Biweekly Contributions (%):					
General Employees	0.00	0.00	0.00	0.00	3.13
Police Officers	0.00	0.00	0.00	0.00	8.44
Firefighters	0.00	0.00	0.00	0.00	5.40

OTHER PLAN STATISTICS

	FY16	FY17	FY18	FY19	FY20
Retirement Counseling Sessions:					
General	232	702	698	702	718
Police Officers	57	102	126	132	128
Firefighters	30	38	15	20	15
Total	319	842	839	839	861

SUMMARY OF ACTIVITY
For Fiscal Year Ending September 30, 2020

Retirement Highlights for Fiscal Year 2020

- The average time in the DROP Program is trending slightly upward. General Employees, Firefighters and Police Officers no longer have to contribute employee pension contributions while in the DROP Program. In addition, effective March 1, 2020, General Employee enrollees will not receive a COLA (Cost of Living Adjustment) while in the DROP Program.
- Annual Pension Statements, Summary Plan Descriptions and Summary Plan Modifications were distributed electronically to participants this year. This is an ongoing effort to transition to an electronic version of Annual Pension Statements that can be accessed through the City's HRMS Self-Service module. As well as providing convenient access to pension information, the electronic pension statements greatly reduce costs by not printing and mailing statements.
- Annual cost of living increases were implemented 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.
- We had 47 requests for buyback calculations in FY 2020, with 1,903 requests since inception. Of those calculated in FY 2020, nineteen employees purchased one or more types of service, totaling just over \$995,252.25. Since inception, over \$16,304,096.18 has been paid to purchase additional service.
- Our website on the City's Talgov.com has been a hit. This past year we have updated our forms and information page. This comprehensive website includes information for both active employees and retirees. Our participants have immediate access to their pension plan guides, the latest pension news and updates, electronic forms that can either be submitted to our office electronically or printed off and mailed, and calculators that provide their current financial status. The website also provides staff convenient access to the resources they need to complete vital tasks all in one location.
- There were 30 New Employee Orientation sessions conducted virtually during FY 2020 with 126 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.
- During the FY 2020 Health Insurance Open Enrollment, educational materials were processed and mailed out to the over 2,153 retirees. Medicare continues to present additional challenges with additional processing requirements.
- Most excitingly, a Roth -457 was implemented on April 1, 2020. Currently we have over 250 employees taking advantage of this new investment tool.

SUMMARY OF ACTIVITY - CONTINUED

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 192 new loans in FY 2020, bringing the total to over 6,909 since inception March 24, 1999.

457 - Deferred Compensation Plan (RSVP)

- There were 96 new loans from RSVP accounts in FY 2020, bringing the total to 1,374 since its inception, in FY2005.
- 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 2020, approximately 458 temporary employees ended their employment with the City of Tallahassee.

457 - Roth

- The Roth 457 added in 2020 has been a hit. Within five months, there were 280 enrollees and 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 2020 amount received for Firefighters was \$1,162,350.83. The 2020 amount received for Police Officers was \$1,654,235.38. 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. We completed the annual distribution of the 175/185 shares to all eligible Police Officers and Firefighters.

Other Activities

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

DEFINED BENEFIT PLAN STATEMENT OF CHANGES IN NET ASSETS For Fiscal Year Ending September 30, 2020
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BEGINNING NET ASSETS - OCTOBER 1, 2019	\$1,706,123,920
Increases in Net Assets:	
Change in Fair Value of Investments	91,093,554
Interest and Dividends	27,286,304
Securities Lending Income	490,068
Commission Recapture Income	8,651
Less Investment Expense	(6,445,698)
City Contributions	42,041,000
Employee Contributions	12,923,792
Miscellaneous	4,856
TOTAL INCREASE IN NET ASSETS	167,402,527
Decreases in Net Assets:	
Benefit Payments	(102,636,537)
Administrative Expenses	(823,119)
	(896,593)
TOTAL DECREASE IN NET ASSETS	(104,356,249)
NET CHANGE IN NET ASSETS	63,046,278
ENDING NET ASSETS - SEPTEMBER 30, 2020	\$1,769,170,198

DEFINED BENEFIT PLAN BALANCE SHEET For Fiscal Year Ending September 30, 2019

ASSETS:

Equity in Pooled Cash	\$19,076,554
Investments	1,747,201,776
Accrued Interest Receivable	2,891,868
Accounts Receivable	0
Securities Lending Collateral	100,978,000
Miscellaneous	0

TOTAL ASSETS	<u>\$1,870,148,198</u>
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LIABILITIES AND NET ASSETS:

Obligation Under Securities Lending	100,978,000
Open Purchases/Other Payable	<u>0</u>

TOTAL LIABILITIES	<u>\$100,978,000</u>
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Net Assets – Reserved for Employee Retirement Plans	<u>1,769,170,198</u>
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TOTAL LIABILITIES AND NET ASSETS:	<u><u>\$1,870,148,198</u></u>
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**DEFINED BENEFIT PLAN
ASSET SUMMARY
For Fiscal Year Ending September 30, 2020**

	<u>9/30/2019</u>	<u>09/30/2020</u>
<u>DEFINED BENEFIT:</u>		
Net Assets	\$ 1,700,978,372	\$ 1,769,170,198
<u>TOTAL FUND RETURN – FY 2020</u>		5.89%

<u>INDIVIDUAL MANAGERS:</u>	<u>ANNUAL RETURN</u>
DOMESTIC EQUITY	
SSgA S&P 500 Index NL	15.20%
T. Rowe Price	36.50%
AJO Partners	-10.20%
Times Square Capital Mgmt	23.50%
Iridian	6.30%
Wedge Capital	-18.60%
Emerald Advisers	22.50%
FIXED INCOME	
Fidelity – Core Fixed	9.10%
Voya	0.00%
Metropolitan West Asset Mgmt	7.00%
Pugh Capital	7.60%
Semper Capital	3.90%
PRIVATE CREDIT	
Brightwood Capital SBIC III	0.00%
Crescent Private Credit Partners	4.02%
Golub Capital Partners 12, LP	0.24%
Oaktree MMDL	16.76%
REAL ESTATE	
Heitman Value Partners III	8.93%
Heitman Value Partners IV	0.02%
JP Morgan SPF	1.80%
CenterSquare U.S Real Estate Securities	-15.20%
TA Realty Core Property Fund	3.70%
TA Realty Fund X	-3.48%
TA Realty Fund XI	0.76%
TA Realty Fund XII	0.00%
AG Realty Fund IX	0.26%
AG Realty X	4.44%
AG Core Plus Realty Fund III, L.P.	-4.66%
AG Core Plus Realty Fund IV, L.P.	2.81%
Northwood Real Estate Partners VIII	-19.45%
Northwood Real Estate Partners IV	-0.59%
Westport Real Estate Fund IV	4.75%
Westport Real Estate V	0.00%

INTERNATIONAL

JP Morgan Emerging Markets Equity Focused	17.80%
Artisan Partners – International Growth	4.30%
Alliance Bernstein – International Value	-5.50%

PRIVATE EQUITY

BlackRock Diversified Private Equity V	-9.32%
BlackRock Private Equity Partners VII US, LP	14.33%
Lexington Capital Partners VIII, L.P.	-2.65%
Lexington Middle Market Investors IV, LP	-9.44%
Pomona VIII	3.97%
Pomona IX	4.18%
Horsley Bridge XI Venture, L.P.	9.44%
Horsely Bridge XII Venture, LP	5.00%
TrueBridge IV	16.91%
TrueBridge V	10.24%

TIMBER

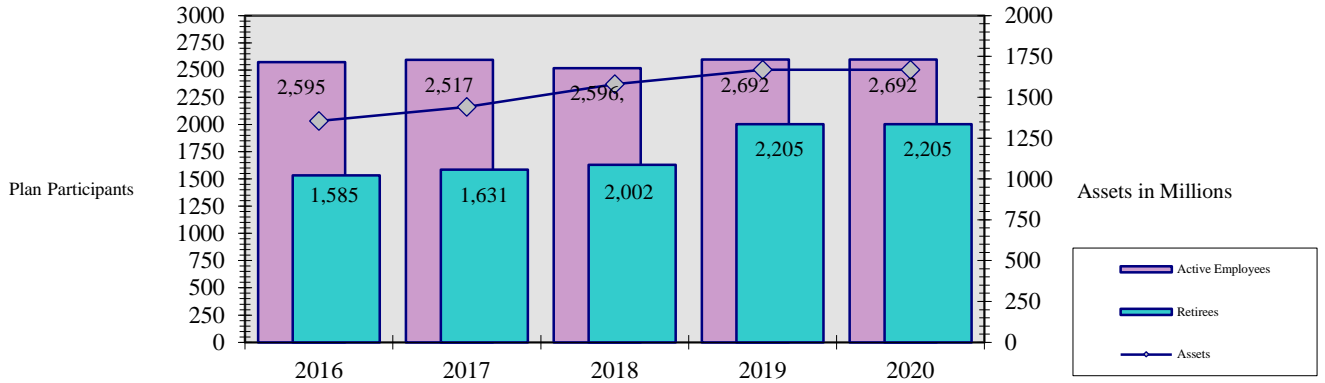
Molpus Woodlands Fund IV, L.P.	-3.73%
Molpus Woodlands Fund V	0.00%
Stafford Int'l Timberland VIII	2.53%
BTG Pactual Open Ended Core US Timberland	0.00%
Eastern Timberland Opportunities III	0.00%

CASH

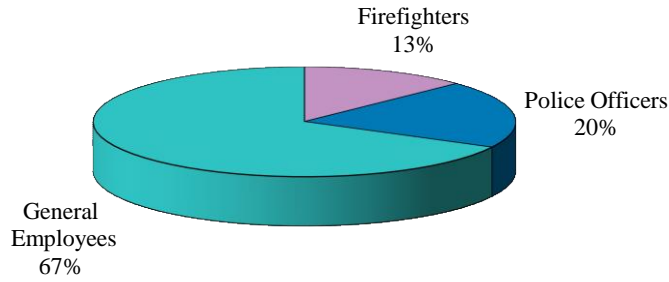
Master Account	0.35%
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DEFINED BENEFIT PLAN

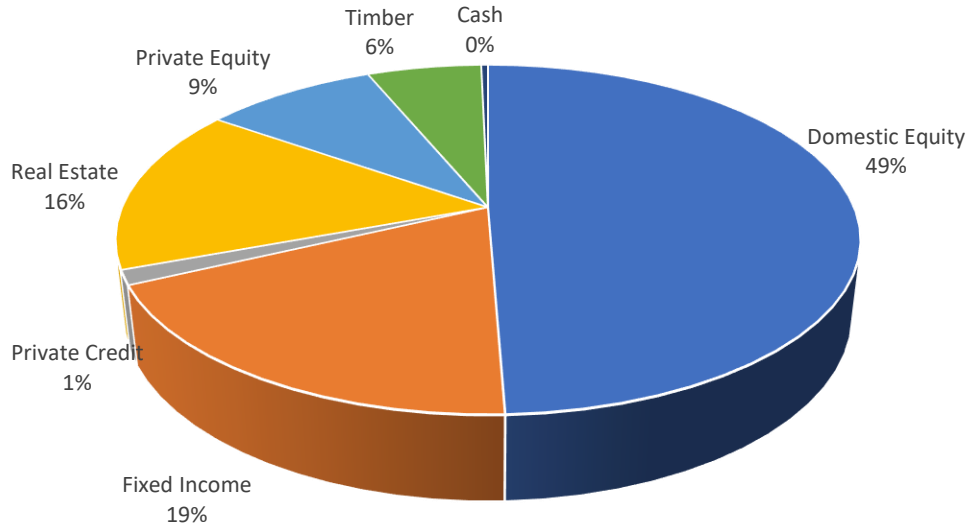
Asset and Participant Growth



Assets by Class of Employee



Distribution of Assets by Investment Type

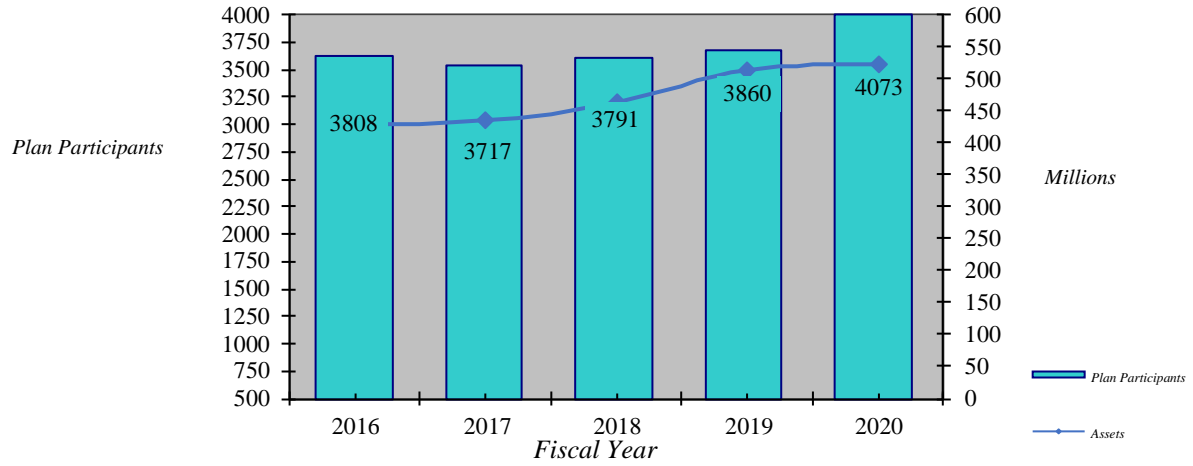


<p>DEFINED CONTRIBUTION PLAN 401(k) MATCHED ANNUITY PENSION (MAP) STATEMENT OF CHANGES IN NET ASSETS For Fiscal Year Ending September 30, 2020</p>

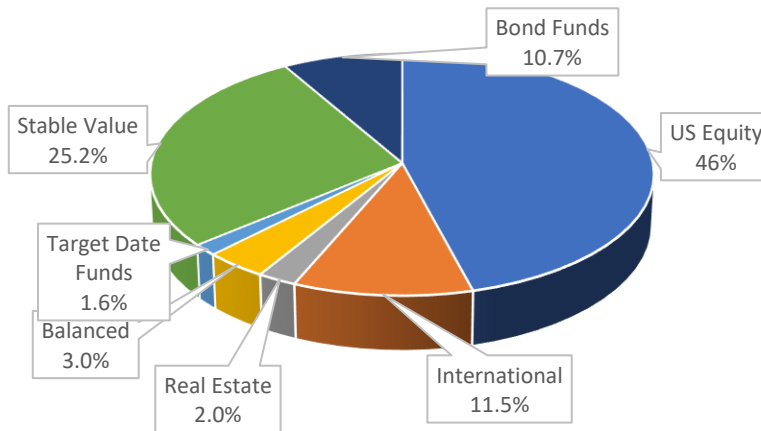
BEGINNING NET ASSETS – OCTOBER 01, 2019	<u>\$553,887,634</u>
Increases in Net Assets:	
Contributions	26,681,130
Net Appreciation in Fair Value of Investments	62,005,949
Miscellaneous Transactions	(9,492,442)
TOTAL INCREASE IN NET ASSETS	<u>79,194,637</u>
Decreases in Net Assets:	
Disbursements	(18,091,633)
Fees	(2,067,952)
TOTAL DECREASE IN NET ASSETS	<u>(16,023,681)</u>
ENDING NET ASSETS - SEPTEMBER 30, 2020	<u>\$617,058,590</u>

**DEFINED CONTRIBUTION PLAN
401(k) MATCHED ANNUITY PENSION (MAP)
ASSET SUMMARY CHARTS**

401(k) Asset and Participant Growth



Distribution of 401(k) Assets by Investment Type

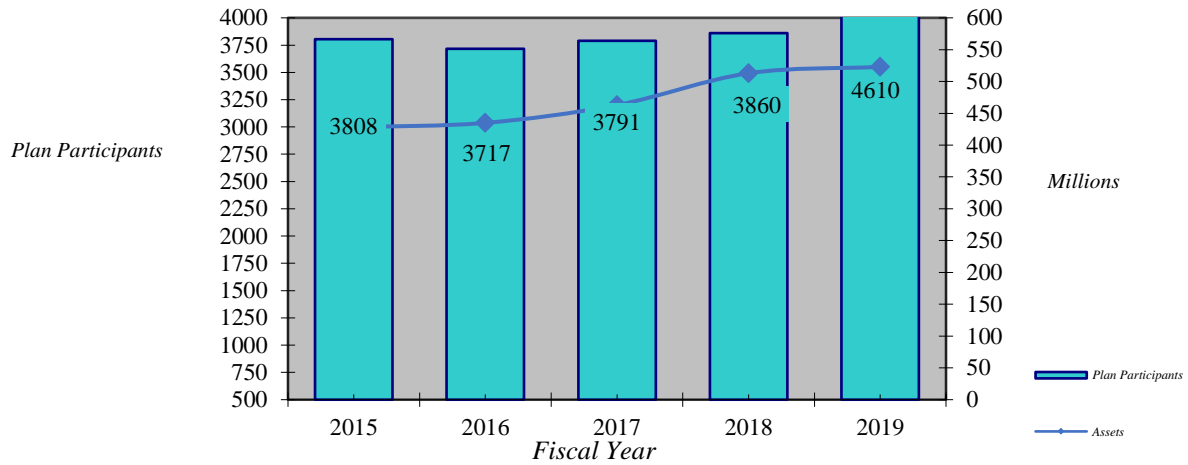


DEFERRED COMPENSATION PLAN 457 RETIREMENT SAVINGS VOLUNTARY PLAN (RSVP) STATEMENT OF CHANGES IN NET ASSETS For Fiscal Year Ending September 30, 2020

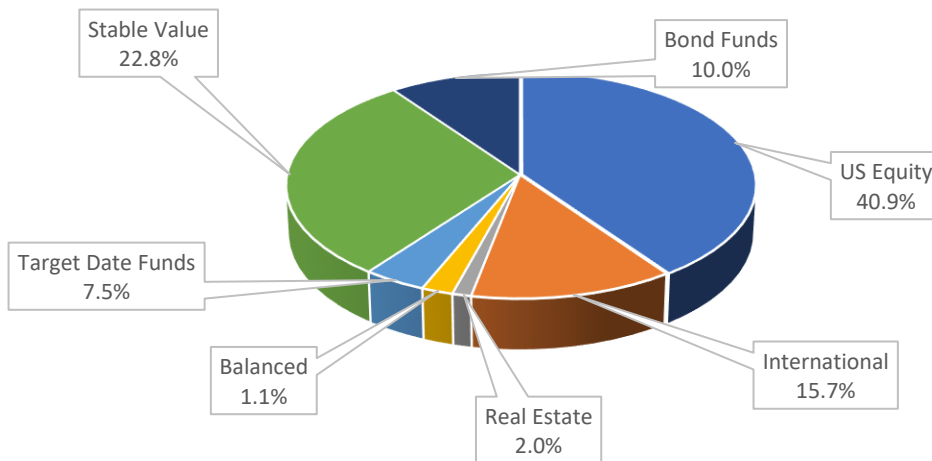
BEGINNING NET ASSETS – OCTOBER 01, 2019	<u>\$69,354,478</u>
Increases in Net Assets:	
Contributions	7,104,646
Net Appreciation/Depreciation in Fair Value of Investments	(754,691)
Miscellaneous Transactions	7,560,918
TOTAL INCREASES IN NET ASSETS	<u>13,910,873</u>
Decreases in Net Assets:	
Disbursements	(5,583,830)
Fees	(651,980)
TOTAL DECREASE IN NET ASSETS	<u>(4,931,850)</u>
ENDING NET ASSETS - SEPTEMBER 30, 2020	<u>\$ 78,333,501</u>

DEFERRED COMPENSATION PLAN (457) ASSET SUMMARY CHARTS

457 Asset and Participant Growth



Distribution of 457 Assets by Investment Type



<p>DEFINED CONTRIBUTION PLANS (401k), DEFERRED COMPENSATION PLAN (457), AND ROTH-457 ASSET SUMMARY For Fiscal Year Ending September 30, 2020</p>

<u>DEFINED CONTRIBUTION:</u>	<u>10/1/2019</u>	<u>9/30/2020</u>
Investments	\$647,384,635	\$707,058,098

<u>INDIVIDUAL MANAGERS:</u>	<u>ANNUAL RETURN</u>
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EQUITY

Harbor International	2.81%
Vanguard Institutional Index Fund	15.13%
JPMorgan Mid Cap Value	-10.91%
Prudential Jennison Growth	55.10%
Vanguard Small Cap Index	1.34%
MFS International Growth	13.18%
Invesco Developing Markets	10.44%
Goldman Sachs Growth Opportunities	29.43%
Vanguard Mid Cap Index	7.08%
Vanguard REIT Index Fund	-12.17%
T. Rowe Price Large Cap Value	-8.40%
Boston Partners Small Cap	-15.53%
AB Small Cap	36.96%
Vanguard Developed Markets	2.18%

MANAGED

PGIM Balanced	5.90%
Great-West SecureFoundation	7.36%
Target Date Funds	7.07% - 14.63%

FIXED INCOME

Janus Flex Bond	9.22%
Guaranteed Income Fund	2.45%
Vanguard Total Bond Market Index	7.03%
Vanguard High-Yield Corporate	3.27%