

**City of Tallahassee
Retirement System Report
For Fiscal Year Ended September 30, 2023**

Office of the City Treasurer-Clerk
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Angel Charlton, Retirement Administrator

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ADMINISTRATION

Board of Trustees

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

Investment Advisory Committee

William McCloud	Member
William Christiansen	Member
Seth Clark	Member

Sinking Fund Commission

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

General Employees’ Pension Advisory Committee

Edward Young	Chair
Sharon Ofuani	Vice-Chair
Josh Jordan	Member
Jamea Browdy	Member
Jim Kinneer	Member
Vacant	Member

Firefighters’ Pension Advisory Committee

Mike Bellamy	Chair
Vacant	Member
Vacant	Member

Police Officers’ Pension Advisory Committee

Brian Reeder	Chair
Aaron Scott	Member
Vacant	Member

City Treasurer-Clerk's Office

Jim Cooke
Jason Buchholz

City Treasurer-Clerk
Deputy Treasurer-Clerk

Retirement Administration Division

Angel Charlton
Kimberly Gilmore
Beverly Howie
Stacey Peter
Robbie Burnett-Mendonca
Alvin Black
Anne Romans
Jay Nix

Retirement Administrator
Administrative Supervisor
Senior Retirement Benefits Analyst
Retirement Benefits Analyst
Retirement Benefits Analyst
Retirement Benefits Analyst
Administrative Specialist I
Empower Retirement Representative

Consulting Actuarial Firm

Gabriel, Roeder, Smith & Company

Investment Consultant

Segal Marco Advisors

Third Party Administrators

Defined Contribution Plan 401(k) – MAP Empower Retirement

Deferred Compensation Plan 457 – RSVP Empower Retirement

Deferred Compensation Plan 457 – ROTH Empower Retirement

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PLAN STATISTICS

Defined Benefit Plan Statistics

<i>FY 2023 Changes</i>	General	Police	Fire	Total
New Participants	265	31	12	308
Participant Terminations	172	16	7	195
Deceased Active Participants	2	0	0	2
Retired Participants	102	17	6	125
Disability Retirees	5	0	0	5
Deceased Retirees	54	6	2	62
Vested Participants	25	3	2	30
DROP Participants	25	11	2	38

<i>Overall Trends</i>	FY19	FY20	FY21	FY22	FY23
Active Employees:					
General Employees	2,064	2,041	2,083	2,034	1997
Police Officers	362	356	356	354	351
Firefighters	<u>266</u>	<u>264</u>	<u>269</u>	<u>270</u>	<u>251</u>
Total:	2,692	2,661	2,708	2,658	2,599
Terminated & Vested:					
General Employees	319	250	142	190	387
Police Officers	27	29	19	15	34
Firefighters	<u>15</u>	<u>7</u>	<u>7</u>	<u>6</u>	<u>15</u>
Total:	361	286	168	211	436
DROP Participants:					
General Employees	142	132	166	103	128
Police Officers	35	34	40	25	36
Firefighters	<u>36</u>	<u>28</u>	<u>29</u>	<u>15</u>	<u>17</u>
Total:	213	194	235	143	181
Retirees Receiving Benefits:					
General Employees	1,725	1,658	1,728	1,822	1,730
Police Officers	259	275	290	301	318
Firefighters	<u>221</u>	<u>220</u>	<u>238</u>	<u>241</u>	<u>238</u>
Total:	2,205	2,153	2,256	2,364	2,286
Beneficiaries Receiving Benefits:					
General Employees	247	241	248	263	264
Police Officers	20	20	19	21	29
Firefighters	<u>22</u>	<u>20</u>	<u>22</u>	<u>23</u>	<u>20</u>
Total:	289	281	289	307	313
Average Years of Service:					
General Employees	25	27	28	28	28
Police Officers	27	27	27	26	27
Firefighters	28	28	28	27	27

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Average Monthly Payment:	FY19	FY20	FY21	FY22	FY23
General Employees	\$2,901	\$3,050	\$3,141	\$3,488	\$3,305
Police Officers	\$5,026	\$5,510	\$5,625	\$5,524	\$5,949
Firefighters	\$4,830	\$5,183	\$5,347	\$5,823	\$5,647

Defined Contribution and Deferred Compensation Plan Statistics

MAP 401(k) Defined Contribution Plan Statistics

	FY19	FY20	FY21	FY22	FY23
Participants with Balances:					
General Employees	2,206	2,215	2,215	2,368	2,319
Police Officers	36	36	38	55	186
Firefighters	17	17	14	27	36
Total:	2,259	2,268	2,267	2,450	2,541
Average Biweekly Contributions (%):					
General Employees Matched	4.67	4.68	4.72	4.54	4.23
General Employees Unmatched	5.73	5.70	9.14	9.75	6.34
Police Officers	5.70	4.46	5.35	1.84	2.63
Firefighters	4.03	3.94	5.25	3.92	2.30
Retirees Receiving Monthly 401(k) Distributions:					
Total	860	865	880	1,119	1,158

RSVP 457 Deferred Compensation Plan Statistics

	FY19	FY20	FY21	FY22	FY23
Participants with Balances:					
Total:	2,063	2,057	2,087	2,193	2,247
Average Biweekly Contributions (%):					
General Employees	5.90	5.05	6.13	5.66	5.69
Police Officers	6.79	5.24	7.07	7.25	7.63
Firefighters	4.85	4.29	4.86	4.47	4.91
Retirees receiving Monthly RSVP 457 Distributions:					
Total	*0	*0	*0	*0	154
Temporary Participants with Balances:					
Temporary	3,081	2,243	2,215	3,849	3,446

ROTH 457 Deferred Compensation Plan Statistics

	FY19	FY20	FY21	FY22	FY23
Participants with balances:					
Total:	*0	280	326	332	433
Average Biweekly Contributions (%):					
General Employees	*0	3.13	3.89	4.90	5.41
Police Officers	*0	8.44	7.23	7.24	6.87
Firefighters	*0	5.40	12.40	7.77	5.51

Other Plan Statistics

	FY19	FY20	FY21	FY22	FY23
Empower Counseling Sessions:					
General Employees	702	718	1,002	853	872
Police Officers	132	128	117	85	92
Firefighters	<u>20</u>	<u>15</u>	<u>62</u>	<u>49</u>	<u>48</u>
Total	854	861	1,181	987	1,012
Empower Orientation Sessions:					
General Employees	*0	*0	*0	26	24
Police Officers	*0	*0	*0	2	2
Firefighters	<u>*0</u>	<u>*0</u>	<u>*0</u>	<u>2</u>	<u>2</u>
Total	*0	*0	*0	30	28

*Item was not tracked in this year

ACTIVITY HIGHLIGHTS

Retirement Highlights for Fiscal Year 2023

Education

In 2023, the Retirement Office emphasized education for both employees and retirees. Notably, the department launched its new educational learning presentation titled “Retirement Readiness Review.” The Retirement Readiness Review provides employees with a personalized, comprehensive pension calculation which includes calculations from the 401k-MAP, 457-RSVP, 457-ROTH, 175/185 Supplemental Share, and DROP accounts as applicable. The informative, concise information is presented in a group setting with ten to fifty participants. Employees have the benefit of a skilled retirement employee to go over the pension calculation in detail, and have the ability to ask retirement-related questions. To date, Retirement Readiness Reviews have been provided to over 400+ employees.

The Retirement Division also hosted a first-of-its-kind Retiree Educational Seminar. Designed to cover areas of interest for those who have already retired, the seminar featured a representative from the local office of Social Security who addressed Medicare and other matters. The event was held at the City of Tallahassee Smith-Williams Center with approximately 140+ retirees in attendance.

There were 24 New Employee Orientation sessions conducted virtually and 4 Police and Fire orientation sessions conducted in person during FY 2023 with 308 new or rehired employees in attendance; Retirement is an integral part of these sessions. In addition, pension information was presented during quarterly review sessions that were conducted by our Empower Representative Jay Nix.

As an ongoing part of retirement readiness education, the Retirement Division has slated multiple Retirement Readiness Reviews for currently enrolled DROP employees and has planned additional retiree seminars.

Information

Eligible retirees and beneficiaries received an annual Cost-of-Living Adjustment (C.O.L.A) of 3% and General Employees (Permanent and Vested) were credited 3% interest on their pension accounts. C.O.L.A notices were provided to all eligible retirees via their earnings statement, which included their effective C.O.L.A date.

There were 20 requests for buyback calculations in FY 2023. Of those calculated in FY 2023, eleven employees purchased one or more types of service, totaling just over \$200,300. Since inception, \$16,909,916 has been paid to purchase additional service.

During the FY2023 Health Insurance Open Enrollment, educational materials were processed and mailed out to the over 1,977 retirees with approximately 59 retirees enrolling in the City of Tallahassee Medicare Advantage health plan.

In November 2023, a retiree appreciation event was held at the Tallahassee Automobile Museum. Over 350 participants attended this retiree event.

Defined Contribution, Deferred Compensation and Supplemental Share Plans

The Roth 457 was implemented and made available to participants in the spring of 2020. Over the past four years of implementation, there are 348 enrollees.

Supplemental share plan information is as follows:

- 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.
- The 2023 amount received for Firefighters was \$1,203,741.04 with an additional surplus issued and deposited in FY2024 \$132,963.91
- The 2023 amount received for Police Officers was \$1,739,483.08.

FINANCIAL INFORMATION

Defined Benefit Plan

Balance Sheet

September 30, 2023

Assets:

Equity in Pooled Cash	\$18,666,144
Investments	2,033,594,976
Accrued Interest Receivable	5,601,280
Securities Lending Collateral	69,635,000

Total Assets **\$2,127,497,400**

Liabilities and Net Assets:

Obligation Under Securities Lending	\$69,635,000
Open Purchases/Other Payable	<u>0</u>

Total Liabilities 69,635,000

Net Assets – Reserved for Employee Retirement Plan	<u>2,057,862,400</u>
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Total Liabilities and Net Assets: **\$2,127,497,400**

Statement of Changes in Net Assets

Beginning Net Assets – October 1, 2022	<u>\$1,998,055,125</u>
Increases in Net Assts:	
Change in Fair Value of Investments	86,679,409
Interest and Dividends	46,482,481
Securities Lending Income	0
Commission Recapture Income	0
Less Investment Expense	(6,988,782)
City Contributions	43,237,000
Employee Contributions	13,364,699
Miscellaneous	<u>0</u>
Total Increase in Net Assets:	<u>182,774,807</u>
Decreases in Net Assets:	
Benefit Payments	(120,933,649)
Refund of Employee Contributions/Interest	(937,130)
Administrative Expenses	<u>(1,096,753)</u>
Total Decrease in Net Assets	<u>(122,967,532)</u>
Net Change in Net Assets	<u>59,807,275</u>
Ending Net Assets – September 30, 2023	<u><u>\$2,057,862,400</u></u>

Defined Benefit Plan Investment Returns

FY2023

Annual Return

Total Fund

3.6%

Equity

SSGA S&P 500 Index	21.6%
T. Rowe Price	29.7%
Aristotle	16.2%
Times Square Capital Mgmt.	15.2%
Earnest Partners	N/A
CRM	N/A
Emerald Advisers	10.8%
Wedge Capital	19.9%
Artisan Partners	22.7%
Alliance Bernstein	31.6%
JP Morgan Emerging Markets	12.1%

Fixed Income

Fidelity	1.6%
Metropolitan West Asset Mgmt.	2.3%
Pugh Capital	0.6%
Nuveen	N/A

Private Credit

Brightwood Capital Fund V	17.5%
Crescent Private Credit Partners	7.5%
Crescent Credit Solutions VIII	6.3%
Golub Capital Partners 12	7.1%
Golub Capital Partners 14	6.1%
Oaktree MMDL	12.6%
Neuberger Private Debt Fund IV	10.0%

Real Estate

JP Morgan SPF	-12.1%
TA Realty Core Property Fund	-9.0%
AG Core Plus Realty Fund IV	-23.8%
AG Realty Fund IX	-21.3%
AG Realty Value Fund X	-2.3%
TA Realty Fund XI	-21.3%
TA Realty Fund XII	-4.6%
Northwood Real Estate Partners IV	2.1%
Northwood RE Partners VIII	9.7%
Heitman Value Partners IV	-1.4%
Heitman Value Partners V	-3.8%
Westport Real Estate Fund IV	-36.3%
Westport Real Estate Fund V	14.7%
WCP RC Feeder	22.6%

Private Equity

BlackRock Diversified Private Equity V	1.3%
BlackRock Private Equity Partners VII US, LP	5.3%
Lexington Capital Partners VIII, L.P.	.08%
Lexington Middle Market Investors IV, L.P.	3.1%
Pomona Capital IX	5.7%
Horsley Bridge XI Venture, L.P.	-6.7%
Horsley Bridge XII Venture, L.P.	-7.7%
True Bridge IV	-12.7%
True Bridge Fund V	-11.9%

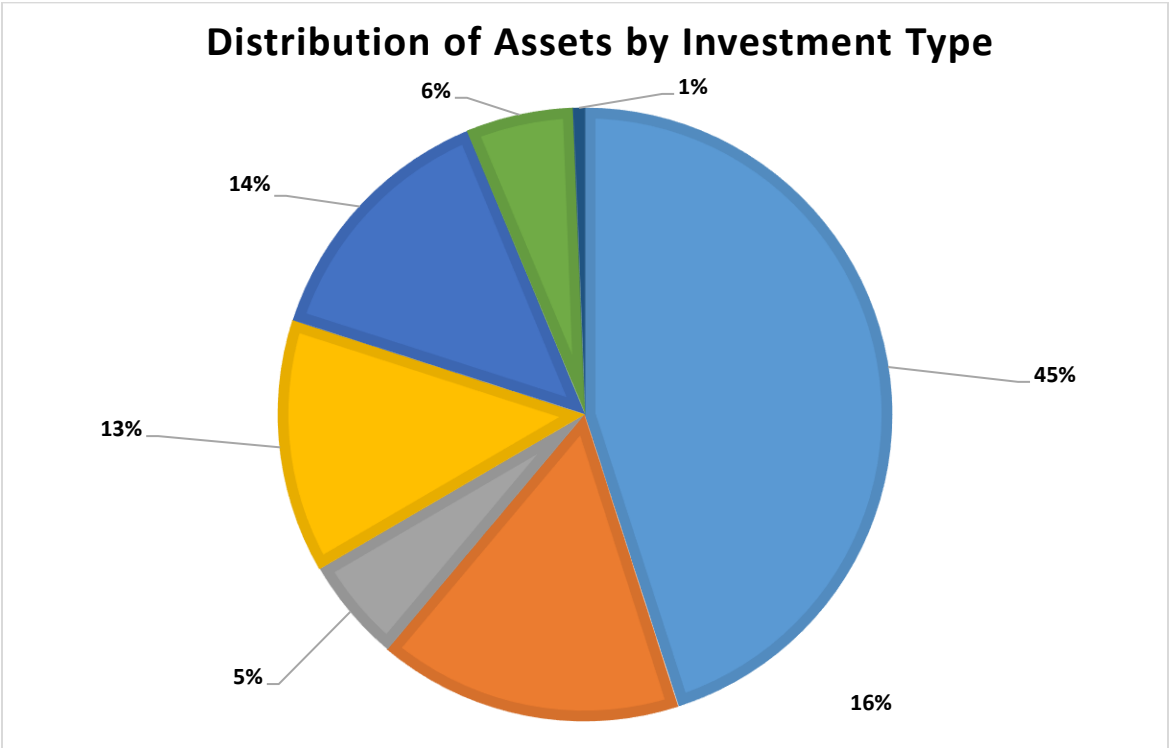
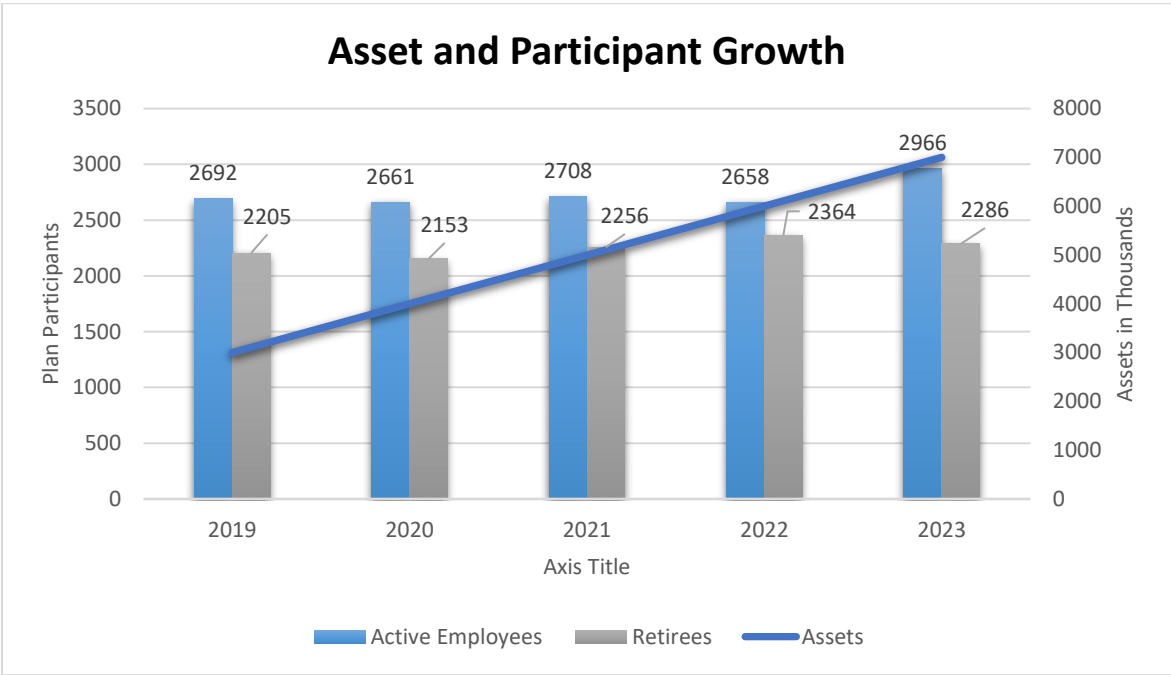
Timber

Molpus Woodlands Fund IV, L.P.	12.8%
Molpus Woodlands Fund V	17.4%
Stafford Int'l Timberland VIII	11.2%
BTG Pactual Open Ended Core US Timberland Fund, LP	4.3%
Eastern Timberland Opportunities III	3.7%

Cash

Master Account	4.9%
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Defined Benefit Plan Summary Charts

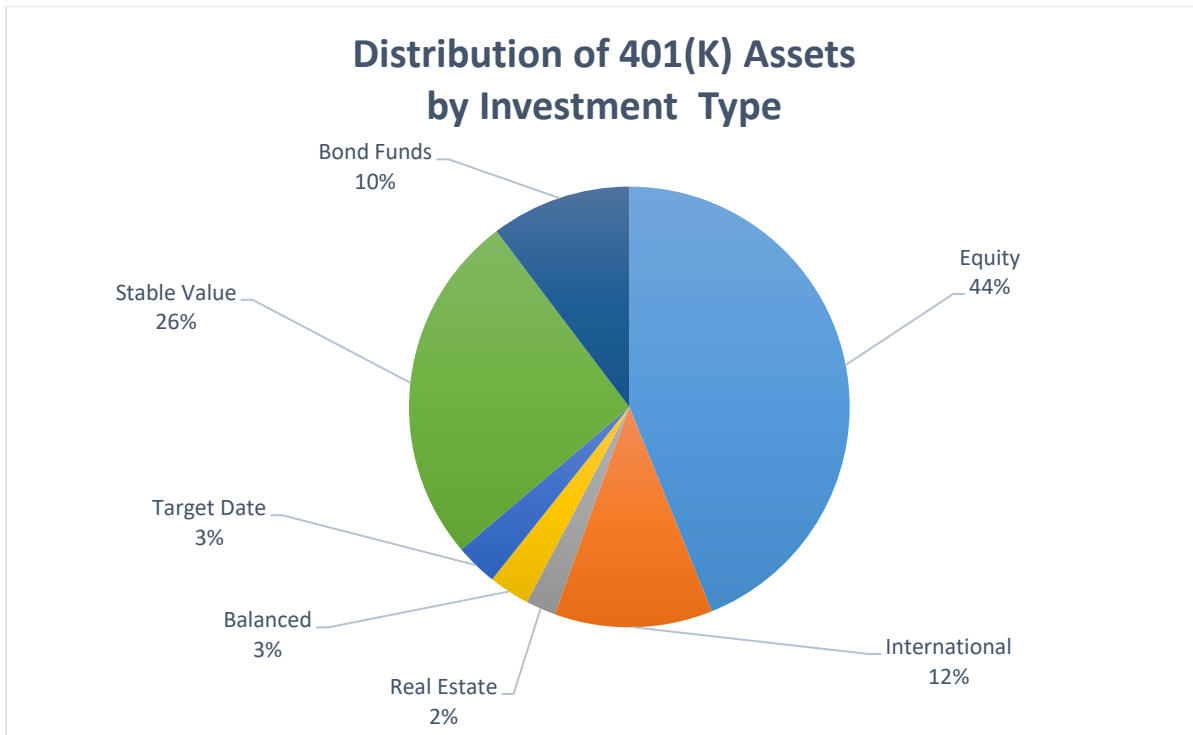
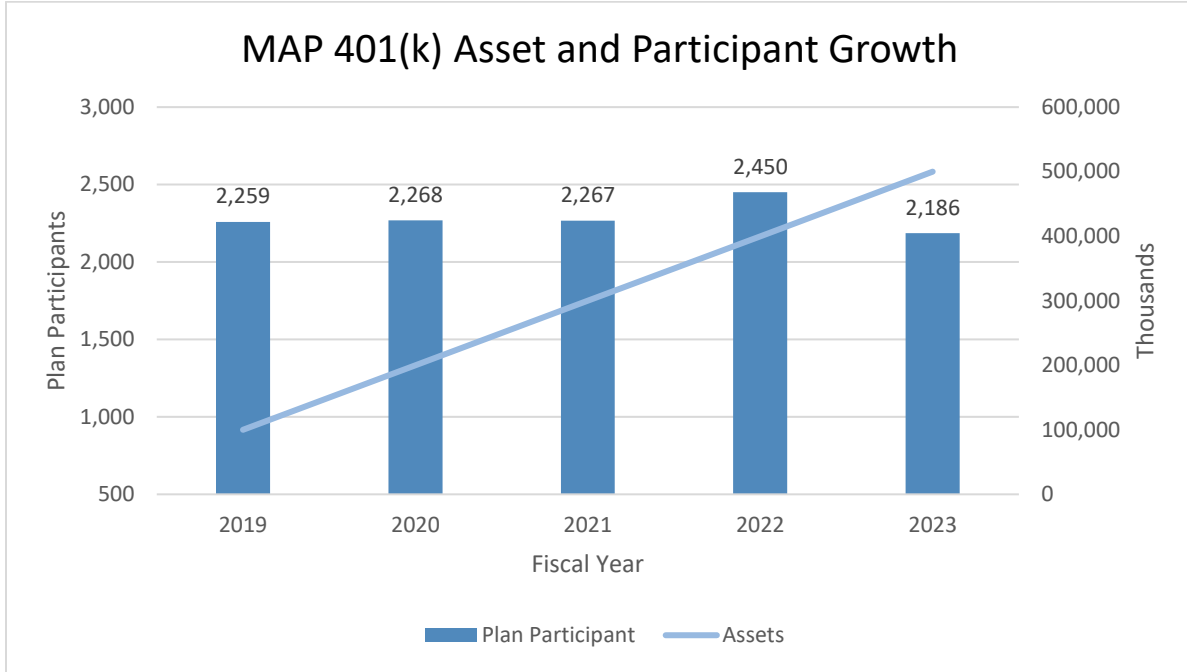


Defined Contribution Plan (401K) – MAP

Statement of Changes in Net Assets

Beginning Net Assets – October 1, 2022	<u>\$618,485,725</u>
Increases in Net Assts:	
Contributions	30,303,154
Change in Fair Value of Investments	70,452,151
Miscellaneous	<u>(8,531,066)</u>
Total Increase in Net Assets:	<u>92,224,239</u>
Decreases in Net Assets:	
Disbursements	(25,966,387)
Fees	<u>(495,718)</u>
Total Decrease in Net Assets	<u>(26,462,106)</u>
Ending Net Assets – September 30, 2023	<u>\$684,247,859</u>

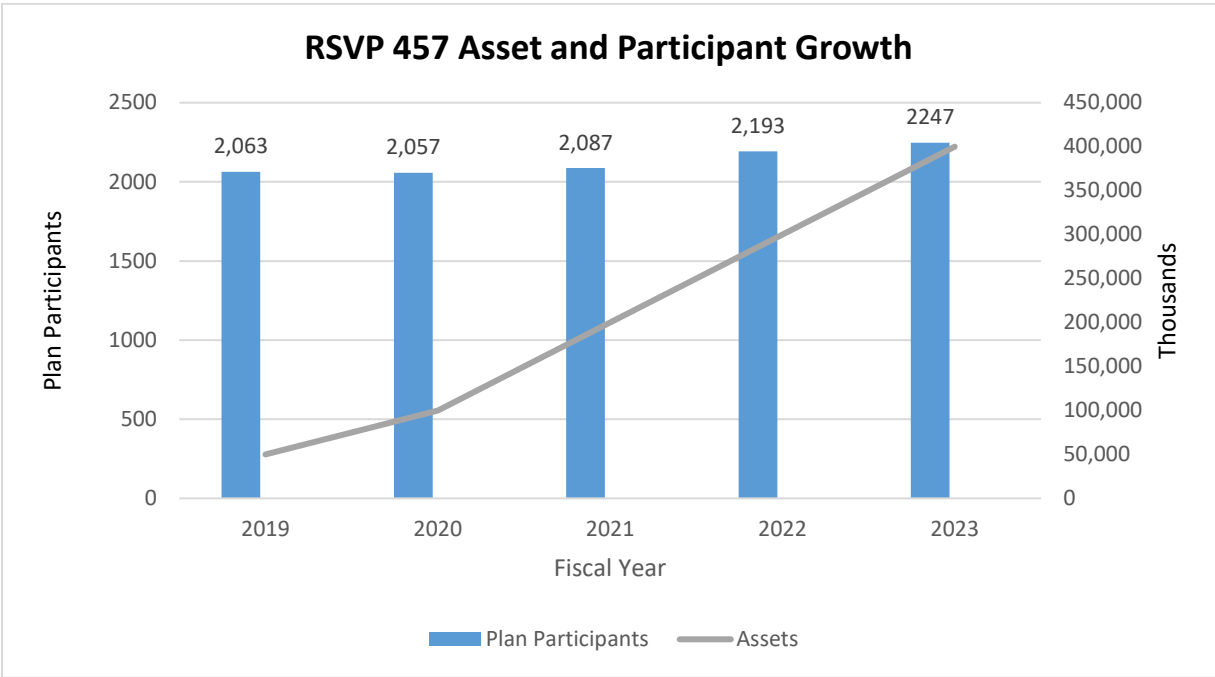
Summary Charts



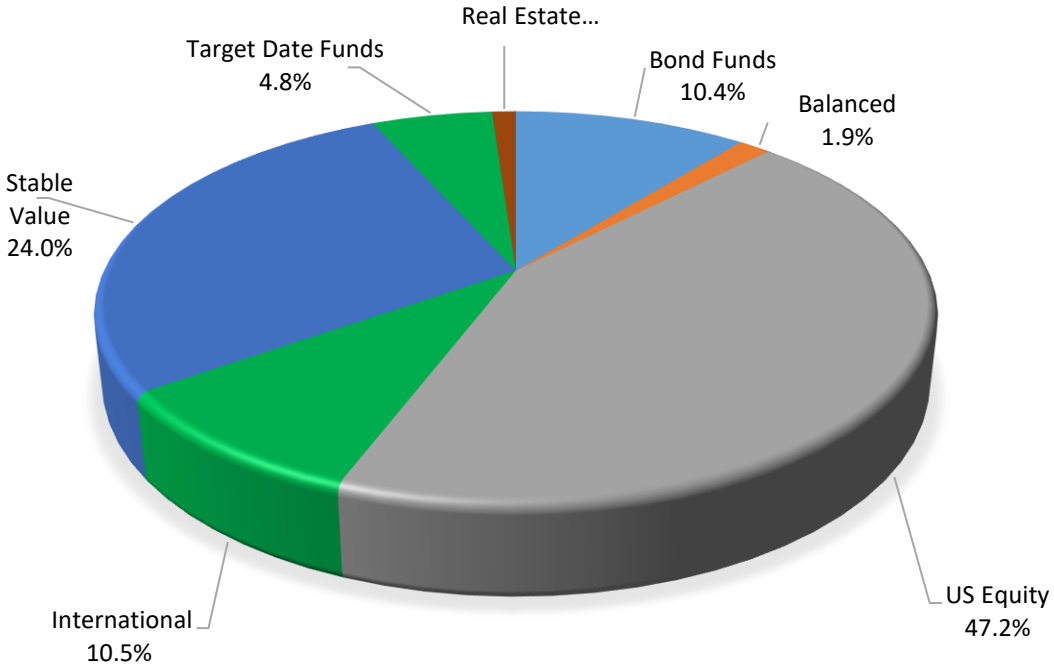
Deferred Compensation Plan (457) – RSVP
Statement of Changes in Net Assets

Beginning Net Assets – October 1, 2022	<u>\$82,470,124</u>
Increases in Net Assts:	
Contributions	9,464,948
Change in Fair Value of Investments	9,706,209
Miscellaneous	(69.23)
Total Increase in Net Assets:	<u>19,171,087</u>
Decreases in Net Assets:	
Disbursements	(7,580,312)
Fees	(82,174)
Total Decrease in Net Assets	<u>(7,662,487)</u>
Ending Net Assets – September 30, 2023	<u>\$93,978,725</u>

Summary Charts



Distribution of 457 Assets by Investment Type



Defined Contribution Plans Fund Performance

Fund	Rating		Annual Return	Expense Ratio
	Morningstar	Segal Marco		
TARGET DATE				
American Funds 2010 Trgt Date Retire R6	5	N/A	9.03%	0.29%
American Funds 2015 Trgt Date Retire R6	5	N/A	10.00%	0.30%
American Funds 2020 Trgt Date Retire R6	5	N/A	10.91%	0.31%
American Funds 2025 Trgt Date Retire R6	5	N/A	12.29%	0.32%
American Funds 2030 Trgt Date Retire R6	5	N/A	15.06%	0.33%
American Funds 2035 Trgt Date Retire R6	5	N/A	17.85%	0.35%
American Funds 2040 Trgt Date Retire R6	5	N/A	20.57%	0.37%
American Funds 2045 Trgt Date Retire R6	5	N/A	21.49%	0.37%
American Funds 2050 Trgt Date Retire R6	5	N/A	22.08%	0.38%
American Funds 2055 Trgt Date Retire R6	5	N/A	22.72%	0.38%
American Funds 2060 Trgt Date Retire R6	4	N/A	22.90%	0.39%
INDEX				
Vanguard Institutional Index	5	A	30.41%	0.04%
Vanguard Mid Cap Index	4	A	14.25%	0.04%
Vanguard Small Cap Index	4	A	13.15%	0.05%
Vanguard Developed Markets Index	4	A	13.87%	0.05%
Vanguard Total Bond Market Index	3	A	3.43%	0.04%
Vanguard High-Yield Corporate Index	4	B	9.73%	0.13%
Vanguard Real Estate Index	3	B	4.32%	0.10%
ACTIVE				
Jennison Fund Large Cap Growth	N/A	A	57.94%	0.56%
T. Rowe Price Large Cap Value	N/A	A	11.69%	0.57%
Goldman Sachs Mid Cap Growth	3	A	17.71%	1.38%
JPMorgan Mid Cap Value	4	A	11.48%	0.84%
AB Small Cap Growth	3	A	16.00%	0.78%
Boston Partners Small Cap Value	3	B	7.14%	1.04%
MFS International Growth	4	A	13.80%	0.72%
Harbor International	3	B	12.15%	0.89%
Invesco Developing Markets	2	B	2.60%	1.01%

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Janus Henderson Flexible Bond	3	A	3.29%	0.45%
BALANCED				
PGIM Balanced Z	4	A	17.95%	0.85%
Empower SecureFoundation Balanced Inv.	3	A	11.26%	0.62%
Tallahassee Guaranteed Income Account.	N/A	N/A	N/A	0.30%