



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 st Reading	2 nd Reading
5/5/2021	<input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Other	Ordinance Reading	N/A	N/A
		Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
		Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
File No.:				
21-107				
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
N/A	N/A	N/A	N/A	
Contract/P.O. Required		RFP/RFQ/Bid Number:	Sponsor Name:	Department:
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	N/A	Radu Dodea, Human Resources Director	Human Resources/Risk Management
Strategic Plan Focus Areas:				
<input type="checkbox"/> Finance & Budget		<input checked="" type="checkbox"/> Organizational Capacity		<input type="checkbox"/> Infrastructure/Projects
Implementation Timeline:				
Estimated Start Date: 10/1/2020 Estimated End Date: 9/30/2021				

SHORT TITLE:

PRESENTATION OF INVESTMENT RESULTS OF THE GENERAL EMPLOYEES AND PROFESSIONAL/MANAGEMENT EMPLOYEES DEFINED BENEFIT PENSION PLANS BY THE PRINCIPAL FINANCIAL GROUP (PFG) FOR THE PERIOD OF JANUARY 1, 2020 THROUGH DECEMBER 31, 2020, AS WELL AS THE ANNUAL ACTUARIAL VALUATION REVIEW AS OF OCTOBER 1, 2020.

STAFF SUMMARY:

Summary:

Principal Financial Group (PFG) is the City's consultant managing the investments for the City's General Employees and Professional/Management Employees Defined Benefit Pension Plans. On an annual basis, PFG representatives provide an overview of the investment results for the previous calendar year, as well as the results of the annual actuarial valuation as of October 1, 2020.

Background:

Per City Commission directive, PFG presents to the City Commission the investments results on an annual basis to keep the City Commission informed and to receive further direction by the City Commission on investment strategies as might be needed.

Current Situation:

Accordingly, PFG representatives will present the investment results for the period January 1, 2020 through December 31, 2020, for the General employees and Professional/Management employees defined benefit pension plans (Exhibit 1), as well as the Annual Actuarial Valuation Review as of October 1, 2020 (Exhibit 2). Kara Koch, Relationship Manager, Steve Geadelmann, Senior Portfolio Strategist, and Dave Stocklas, Consulting Actuary will be making the presentation to the City Commission.

Notable highlights:

General Employees Retirement Plan

- ✓ Plan assets increased approximately \$5M in Calendar Year 2020
- ✓ Funding status based on Market value of assets is 88%
- ✓ Unfunded Liability - \$8.10M
- ✓ Active Participants - 72

Professional/Management Retirement Plan

- ✓ Assets increased approximately \$1.6M in Calendar Year 2020
- ✓ Funding status based on Market value of assets is 91%
- ✓ Unfunded Liability - \$1.82M
- ✓ Active Participants - 4

Why Action is Necessary:

Per City Commission directive, this action is necessary on an annual basis.

Cost Benefit:

The annual presentation provides a platform for staff and consultants to update the City Commission on the results of investments for the above mentioned plans and the actuarial update.

PROPOSED ACTION:

The City Commission to consider and discuss, as appropriate, the investment results of the General employees and Professional/Management employees Defined Benefit Pension plans managed by PFG for the period January 1, 2020 through December 31, 2020, as well as the Annual Actuarial Valuation Review as of October 1, 2020.

ATTACHMENT(S):

Exhibit 1 – Investment Review as of 12/31/2020
Exhibit 2 – Actuarial Update as of 10/01/2020

Prepared By: Radu Dodea

Radu Dodea
Human Resources Director

Reviewed By: Noemy Sandoval

Noemy Sandoval
Assistant City Manager

Approved By: Jeremy Earle

Dr. Jeremy Earle
City Manager