

TOWN OF PALM BEACH

Information for Town Council Meeting on: June 14, 2022

To: The Mayor and Town Council

From: The Town of Palm Beach Retirement Board

Re: The Annual Report from the Town of Palm Beach Retirement Board

Date: June 2, 2022

STAFF RECOMMENDATION

Staff recommends that the Town Council hear and accept the Town of Palm Beach Retirement System Board of Trustees Annual Report.

INTRODUCTION

Attached to this document you will find a two-page Mid-Year Review from Dave West from AndCo, the Town's investment consultant. You will also find attached the annual report from the actuaries for the Town, GRS. This report prepared by Pete Strong highlights a variety of funding issues for the obligations of the Town from an actuarial perspective.

Actuarial Considerations

Actuary Pete Strong, GRS, presents the annual report that discusses the impact of the retirement plan liabilities (attached). He discusses the annual process involved with calculating liabilities, comparing the actual fiscal year experiences against the actuarial assumptions. The result is published annually, and determines the unfunded actuarial accrued liability (UAAL), the funding ratio, and the actuarial determined employer contribution (ADEC). Mr. Strong then discusses the several changes made to assumptions and the associated costs. He notes that Town Council adopted a policy to allocate an additional \$5.42 million each year to help reduce the UAAL. The funded ratio of the retirement system as of 9/30/21, the end of our last fiscal year, was 76.1%.

Finally, Mr. Strong comments on the net actuarial experience gain of approximately \$6.72 million during FY2021 and the assumption that the total Town contributions to the Retirement System are expected to be in the range of \$13 to \$17 million over the next 8 years.

Investment Considerations

Investment Consultant, Dave West, AndCo, presents an investment review based on the quarter ending March 31, 2022. He discusses the plan's market performance, and he points out that real estate continued to provide a strong investment return.

Mr. West comments that investment allocations continue to be reviewed for allocation efficiency and expectations. The portfolio as of March 31, 2022 was valued as \$289,653,120.