

# City of Fort Lauderdale



## Police & Firefighters' Retirement System Annual Report 2014

### Chairman's Report



On behalf of the seven member Board of Trustees, I am pleased to report to you that our retirement plan is financially solid and we are able to pay the guaranteed benefits to our retired police officers and firefighters or their beneficiaries.

During this fiscal year (October 1 – September 30), the trustees made changes in

investment managers, replacing three managers who were not performing and not adding value to the return on investments. We replaced them with investment managers who are expected to contribute to our assumed rate of return of 7.5% annually. The plan's return for the year was 8.6%. Over the past 24 years, we have had a positive return in 19 of those years, with an overall average return of 9.05%. An investment seminar was held with all our money managers and the board heard about their performance and projections going into the next few years.

At fiscal year's end, the plan's assets grew from \$719 million to \$785 million. This growth was due to dividends and interest along with appreciation of investments in an improving economic climate and securities market. The plan is pre-funded at 97.6%, far exceeding 70%, which is considered adequate funding for such plans. Our returns have exceeded the interest rate on the pension obligation bonds since their purchase: 8.6% return this year vs. 4.12% bond interest rate. Again, the retirement plan was recognized by the Public Pension Coordinating Council for meeting the national standards in plan funding.

I am pleased we were able to assist the Retirees' Association with dues deductions from city retirement checks. Each month, the board's agenda has a special item for input from active and retired police officers and firefighters. This

gives the Retirees' Association the opportunity to present information to the board and ask questions. Their input is valuable and respected by the pension board trustees.

During the year, the police officers ratified a new contract that contained changes in their pension provisions. These changes have been implemented. The board adopted a new mortality table and method for calculating the plan's overall gains/losses. The latter change is awaiting state approval. Our annual retirement planning seminar for members and spouses was again very successful and another is planned for 2015 in the fall.

The city has been put on notice by IRS regarding in-service distributions – rehiring retired employees. The board is working with the city's legal team to resolve the issue.

Your trustees take their fiduciary responsibilities seriously. All seven trustees are certified as CPPT (Certified Public Pension Trustee) by the Florida Public Pension Trustee Association. Our staff also has their CPPT certification. To keep this certification requires continuing education each year. Trustees attend schools, conferences and educational seminars to maintain their certification. They also do self-education to remain current with their duties and responsibilities.

Your trustees meet monthly (usually the second Wednesday of each month) to conduct the business of your retirement plan. These meetings are open to the public and I invite you to attend. If you cannot attend, the minutes of the meeting and next month's agenda are posted on our website, along with other valuable information for you. I invite you to visit our website: [ftlaudpfpension.com](http://ftlaudpfpension.com). We are proud of the services we provide to our active and retired members and pledge to continue our highest standards on your behalf.

*Michael Dew*  
Chairman

# 2014 Retirement Plan Highlights

The Fort Lauderdale Police and Firefighters' Retirement System provides retirement, disability, and survivor benefits to police officers and firefighters of the City of Fort Lauderdale. The retirement system was established January 1, 1973 by city ordinance and is administered by the board of trustees according to this ordinance and Florida state statutes.

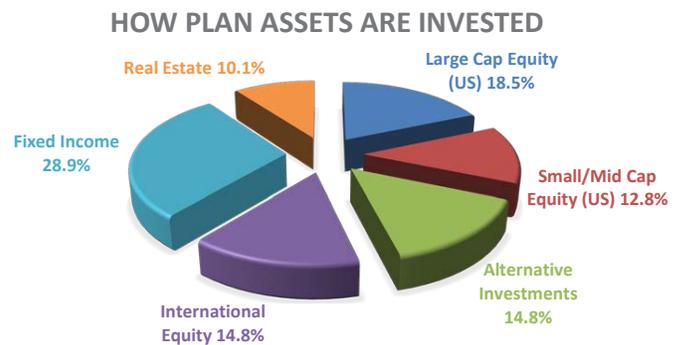
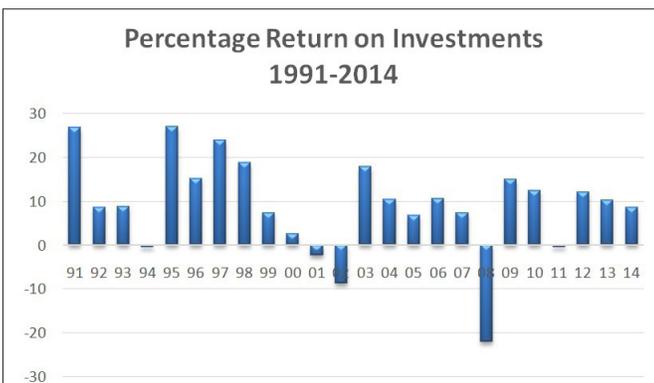
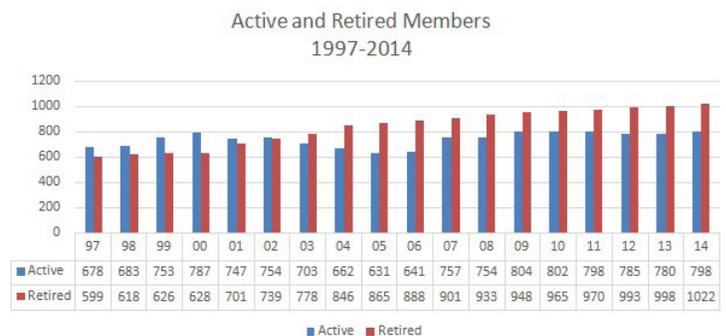
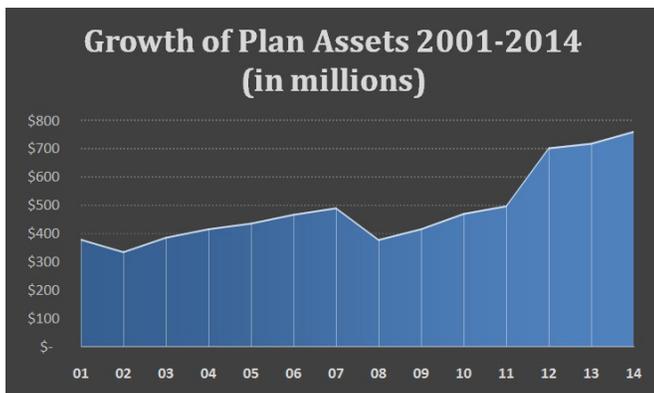
Active Members = 798  
 Retirees/Beneficiaries = 889  
 Disability Members = 25  
 DROP Members = 89  
 Terminated Vested = 19  
 Total Plan Participants = 1,820  
 New Entrants = 51

Market Value of Plan Assets = \$785 million  
 Benefits Paid = \$44 million  
 Member Contributions = \$5.5 million  
 City Contributions = \$14.5 million  
 State Contributions = \$5.9 million  
 Dividends and Interest = \$11.9 million  
 Gains on Investments = \$49.6 million

## Overview of Your Plan's Finances

Below is an overview of your retirement plan. The assets of the plan have grown over the past 14 years – from \$380 million to \$785 million (a growth of over 100%). The return on plan investments over the past 24 years is 9.05% - compared to the assumed return of 7.5%. The plan had positive returns in 19 out

of 24 years. The plan's membership continues to increase – from 1,788 in 2013 to 1,820 as of October 1, 2014 and continues to mature as the gap between active and retired members increases. The plan's funds are invested in a diversified portfolio of stocks and bonds – and rebalanced when needed.



# Board of Trustees

**Michael Dew** (Police)  
*Chairman*

**J. Scott Bayne** (Fire)

**Kenneth Rudominer** (Fire)  
*Vice Chairman*

**Dennis Hole** (Consensus)

**Jim Naugle** (Appointed)

**Richard Fortunato** (Police)  
*Secretary*

**Jeffrey Cameron** (Appointed)



Seated (l to r) Trustees Dennis Hole; Kenneth Rudominer, Vice Chairman; Jeffrey Cameron; Standing (l to r) Trustees Jim Naugle; Michael Dew, Chairman; Richard Fortunato, Secretary; and J. Scott Bayne

## Your Pension Staff



Pictured (l to r) Lynn Wenguer, Executive Director; Laurie DeZayas, Pension Secretary; and Amanda Cintron, Deputy Director. The pension office is located at 888 S. Andrews Avenue, Suite 202 in Fort Lauderdale, FL 33316 or call 954-828-5595. Information

about your retirement plan is available on the website at [www.ftlaudpfpension.com](http://www.ftlaudpfpension.com).

## Thank you Ray Edmondson

In July, the pension board publicly thanked Ray Edmondson for his 30 years of service to the Florida Public Pension Trustees Association (FPPTA) at the annual conference. Ray's history with FPPTA is pre-dated by his history in our city. In January 1971, Ray was a young rookie patrolman in the Fort Lauderdale Police Department. He went on to serve 21 years before retiring. He helped start the FOP Chapter to represent police officers and served as its president. He negotiated the first labor contract for

the officers. Ray helped establish the pension plan as we know it today – creating a trust of independent trustees responsible for collecting the pension contributions, investing the funds, and distributing benefits to retired public safety officers and survivors.

Ray served as a trustee on the Fort Lauderdale Board of Trustees from May 1985 until December 1991. He attended trustee meetings prior to becoming a trustee and continued after his term ended. When Ray was a trustee, we had 715 active members, 187 retirees, 21 beneficiaries, and 6 disabilities. The assets of the plan were \$64.3 million. Today, we have grown to 798 active members, 1,022 retirees, with total plan assets in excess of \$761 million.



Board of Trustees Vice Chairman Kenneth Rudominer (l) presents a special plaque to Ray Edmondson in recognition of Ray's years of service for defending and protecting guaranteed public pension benefits.

## What Americans Think about Pensions

A recent study by the National Institute for Retirement Security shows that the average American is very concerned about pensions in general. An overwhelming majority (86%) believe our nation faces a retirement crisis. And 75% remain highly anxious about their personal retirement outlook, although the improving economy has reduced that number from 85%. Support for defined benefit pensions is high: 82% say a pension (steady and reliable income) is worth having because it won't run out; and 67% indicate they would be willing to take less pay in exchange for a defined benefit pension.

There is strong support for public sector pensions. Few Americans (75%) realize that our pension costs are paid for with employee contributions and investment returns. Over 80% say all Americans should have a pensions, not just public employees, additionally some 87% say pensions are a good way to recruit qualified police officers and firefighters. Americans (73%) say it is a mistake to cut government spending that reduces Social Security benefits for current retirees; 69% oppose cuts to benefits for future retirees. When it comes to raising the Social Security retirement age (currently 67), 48% agree and 52% disagree.

Police and Firefighters' Retirement System  
888 S. Andrews Avenue, Suite 202  
Fort Lauderdale, Florida 33316

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*The trustees adopted a new mission statement, which details the purpose and operation of the police and firefighters' retirement system. "The pension plan for the police officers and firefighters in the City of Fort Lauderdale is a defined benefit plan. The plan is administered by the Fort Lauderdale Police and Firefighters' Board of Trustees. The mission of the trustees is the efficient stewardship of the statutory pension benefits of its active members, retirees, and beneficiaries in such a manner as to safeguard retirement security."*

## Customer Service Survey Goes Online

In our continuous efforts to improve the service provided to our valued members, and move toward a greener office, the Board of Trustees is asking for a few minutes of your time to complete our new Electronic Customer Service Survey.

The survey can be found at :

[www.surveymonkey.com/s/ftlaudpfpension](http://www.surveymonkey.com/s/ftlaudpfpension) ; a link has also been added to our website for your convenience. For those active members who prefer to fill out a paper survey, please contact our office for one to be mailed to you. We ask that you complete the survey by May 15, 2015.

The results will be compared to the results from prior surveys, and will be addressed at a future board meeting.

## Five Years in a Row

For the fifth consecutive year, the Fort Lauderdale Police and Firefighters' Retirement System has received the Public Pension Coordinating Council's (PPCC) award for plan funding of its retirement system. The award recognizes the professional standards for retirement plan funding and administration as set forth in the Public Pension Standards. Approximately 200 retirement systems received this recognition in 2014 out of over 2,500 public pension plans.

*Save  
the Date*

### 2015 Police and Firefighter Retirement Planning Seminar

**When:** Full Day Event - Friday October 23rd  
**Where:** City Hall Commission Chambers  
100 N Andrews Ave, Fort Lauderdale

*It's never too early or too late to plan for your retirement*