



**CITY OF FORT LAUDERDALE**  
**POLICE AND FIREFIGHTERS'**  
**RETIREMENT SYSTEM**

**FOR IMMEDIATE RELEASE**

Press Release 09-01

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**Police and Firefighters' Pension Fund Beat S&P 500 in 2008**

Fort Lauderdale, FL – The City of Fort Lauderdale Police and Firefighters' Pension System annual report shows that the return on investments beat the S&P 500 return. In a turbulent market during 2008, the pension system's market value of its investments in the stock market declined 22%, while the S&P 500 stock index lost nearly 38% during the same period. The police and firefighter pension plan had a negative return in only four of the past 18 years – all related to slumps in the market.

“We are pleased that our investment strategies enabled the pension fund to beat the benchmark return and we are looking for a turnaround in the market during 2009,” stated Michael Dew, Chairman of the Board of Trustees. The trustees reviewed the actuary's annual report at its June meeting.

Public pension plans nationwide had negative returns during 2008 because they invested in the stock market and the market underperformed. The Florida Retirement System (FRS) had a negative 27% return for the past 13 months through September 30, after which the market declined an additional 20%. CalPERS, the largest plan in the United States covering public workers in California, had a negative return of 31%. Both public and private pension plans are invested in the market and saw declines because of the nation's economy and downward spiral in the market.

“Pension funds are invested for the long-term and designed for the ‘ups and downs’ of the market and to ride out the short term losses,” stated pension trustee chairman Dew.

The city's pension plan is a defined benefit plan that provides reliable benefits throughout retirement. This plan is advantageous to Fort Lauderdale as it gives the city the ability to recruit and retain qualified public safety officers. The cost of re-training state and municipal employees is significant. Locally administered DB plans provide flexible incentives that encourage employees to work longer and give the city control over the plan.

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## Press Release 09-01 – Police and Firefighters Retirement System

The value of the police and firefighters pension fund as of December 31, 2008, is \$379.2 million. The market value of the fund uses the current trading price of the security. It assumes that all securities are sold and represents the total proceeds from the sale of securities on that date.

The police and firefighter pension plan is financed by employee contributions of 7%, funding from the state of Florida insurance premium tax, earnings generated on investments, and the City of Fort Lauderdale. In 2008, the total revenues to the pension fund were \$37.6 million. Over the past 14 years, earnings on investments have averaged \$9.7 million per year in income to the pension fund. Plan investment earnings reduce future employer contributions.

Because the fund declined in market value in 2008, the city will have to increase its contribution to fund the pensions to 48% of payroll. Last year, the city reduced its contributions to the pension fund from 49% of public safety payroll to 37%, thus saving over \$2.2 million in the first year alone.

The amount the city contributes fluctuates each year, based on the investment returns of the pension fund. The pension plan's actuary determines the amount of the city's contribution to ensure the plan is funded to meet all present and future pension obligations.

Fort Lauderdale currently has 487 police officers and 378 firefighters. These public safety officers provide services to nearly 200,000 citizens and over 10 million visitors annually; respond to over 260,000 emergency and non-emergency calls per year, and patrol 497 miles of city streets, 7 miles of beach frontage, and 25 miles of intracoastal waterways. They are the first responders to all emergencies in the city, including hurricanes.

The Fort Lauderdale Police and Firefighters' Retirement System was established by City Ordinance and became effective January 3, 1973.

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