

City of Fort Lauderdale



Police & Firefighters' Retirement System Annual Report 2009

Chairman's Report

On behalf of the board of trustees, I am pleased to share with you the *Annual Report* for fiscal year 2009, ending December 31. This report provides information on the financial status of your retirement system.

Your plan is strong and retiree benefits will be continued to be paid in a timely fashion. No one needs to be concerned about the stability of the plan or their benefits.

While FY 2009 was a difficult year for the economy, the financial markets regained some of their losses. Your retirement system is a long-term investor, with significant exposure to financial markets. We have a long-term investment strategy – targeted for 50 years; we are not short-term traders who chase returns.

The trustees employ solid investment and business strategies designed to serve the best interests of our current and future members and their beneficiaries. Our goal is to achieve a long-term investment return of 7.75% per year. For the past 19 years, we surpassed that goal, achieving an average return of 8.77%. Your plan paid out \$46.8 million in benefits during 2009.

In 2009, the plan's assets grew by 13.9% (based on market value at the end of the year) vs. a loss of 22.1% in 2008. The dividends totaled \$6 million, while the gains on investments totaled \$45 million. Charts on the inside of this report show historically these trends. These charts also show that as the number of retirees continues to grow (having surpassed the number of active members in 2003); there is

an increase in actives because of hiring by the city and filling vacancies beginning in 2006.

Your trustees are the fiduciaries of your retirement system – administering benefits promised by the employer, according to the plan documents and state law. The Police and Firefighters' Retirement System, like public pension funds throughout the nation, are not immune from volatile economic times or taxpayer concerns about costs. We are firmly committed to protecting and growing the plan's assets to ensure Fort Lauderdale's public safety officers continue to have a secure and safe retirement through a defined benefit plan that guarantees your pension to you and your beneficiaries.



All members are encouraged to visit our website, www.ftlaudpfpension.com, to learn more about your retirement system. We hold monthly meetings and the agenda is posted at various sites at the police and fire stations; additionally, the agenda and meeting minutes on our website. Retirees are represented at every meeting by Gregg Gurdak, president of the Retirees Association, and the retirees are afforded an opportunity to give input. The work of the trustees is transparent and conducted in public.

I encourage you to be involved in your retirement system and to utilize the resources of your pension office to assist you with all your retirement questions and decisions.

Michael Dew
Chairman

2009 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= 804	Market Value of Plan Assets = \$416,587,706
Retirees/Beneficiaries = 839	Benefits Paid = \$46,803,906
Disability Members = 21	Member Contributions = \$4,264,471
DROP Members = 70	City Contributions = \$25,456,535
Terminated Vested = 18	State Contributions = \$4,409,900
Total Plan Participants = 1752	Dividends and Interest = \$6,092,184
New Entrants = 81	Gains and Investments = \$44,625,838

Asset Allocation of Pension Plan Investments

Often members ask trustees about the size, investments and growth of the retirement system's assets. While all three are important, perhaps the item of greatest interest is how the system's assets are invested in the market and in what type of funds.

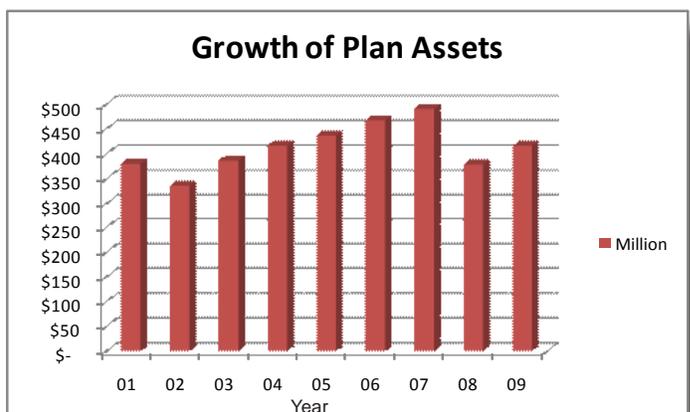
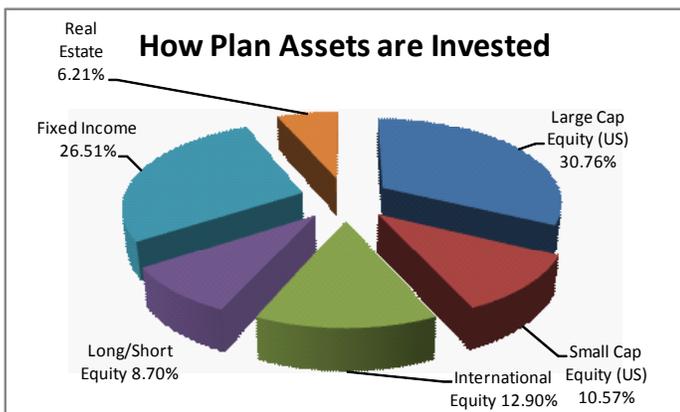
The chart, "How Plan Assets are Invested" shows the asset allocation of the plan. The plan assets are invested in equities (both US and International), fixed income, and real estate according to an Investment Policy adopted by the board of trustees. The chart shows the diversification of the plan's investments as of December 31, 2009.

It is important to have a diversified portfolio that helps the trustees reach the assumed rate of return on investments (7.75%) and reduces risks by spreading the investments among a wide variety of investment

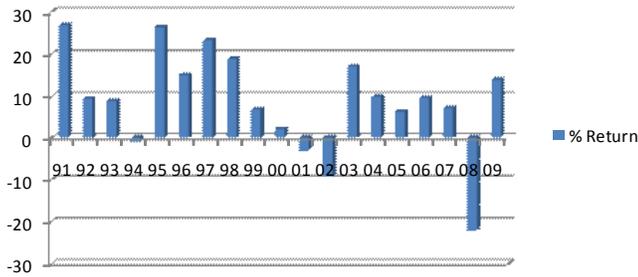
funds. The trustees continue to rebalance the portfolio based on changes in the stock market.

The other two charts show the growth of the plan's assets (during the past nine years) and the historical returns on investments for the past 19 years. It is important to note that the assets have continually grown, except in 2002 and 2008, in both cases reflecting the downturn in the value of stocks on the stock market. This means the market value declined because stock prices took a tumble in turbulent markets.

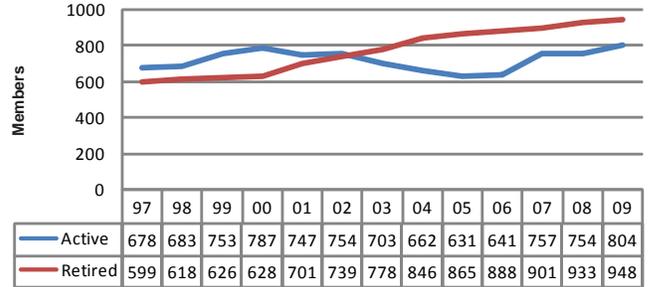
As noted in the chairman's report, the return on investments has been positive over the past 19 years, except for four years that were the result of a downturn in the stock market. The worst year was 2008. The retirement plan recouped some of its losses by achieving a 13.9% gain in 2009.



% Return on Investments 1991-2009



Active and Retired Members 1997-2009



Your Pension Staff

The day-to-day operations of the retirement system are run by a professional staff of three individuals. These staff members are there to assist both active and retired members in a number of functions – everything from retirement decisions to questions about direct deposit on your monthly retirement check.



Pictured (l to r) Amanda Cintron, Assistant Plan Administrator; Lynn Wenguer, Plan Administrator; Laurie DeZayas, Pension Secretary

Meet the people in the pension office who provide you with daily information about your retirement benefits.

Board of Trustees

Michael Dew (Police)
Chairman

J. Scott Bayne (Fire)

Kenneth Rudominer (Fire)
Vice Chairman

Dennis Hole (Consensus)

Richard Fortunato (Police)
Secretary

Mark Burnam (Appointed)

Jim Naugle (Appointed)



Seated (l to r) Dennis Hole; Michael Dew, Chairman; Rich Fortunato, Secretary
Standing (l to r) Ken Rudominer, Vice Chairman; Jim Naugle; J. Scott Bayne; (Not pictured Mark Burnam)

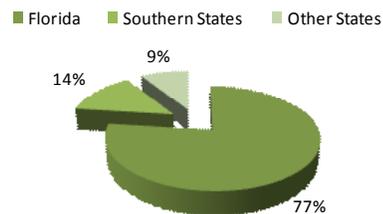
Where Retirees Live

Each year, the number of retirees continues to grow as does the total size of the retirement system. New public safety officers are hired by the city and join the retirement system, while other officers retire and begin enjoying their retirement years. As the chart shows, the number of retired and active members has increased over the past 14 years. The exception was active members, which declined from 2003-2007.

After retirement, people wonder what happens to police officers and firefighters. The chart shows you the residence of our retirees. Three-quarters live in Florida, with the remaining 23% scattered among other states. Remember, retirees are an important

contributor to the economic environment where they live and spend their retirement checks. For every \$1 in pension benefits retirees receive, that dollar generates \$1.41 in economic activities in the area.

Where Retirees Live and Spend Their Pension Dollars



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

First Class Mail

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
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The City of Fort Lauderdale Police and Firefighters' Retirement Board efficiently provides the highest quality of administrative services, within the applicable laws, professional and ethical standards, so that each member has the opportunity for a successful retirement.

Pension Website

One way to keep up-to-date with your retirement system is to visit the Police and Firefighters' Retirement System website. The website contains information about the upcoming agenda, minutes from all meetings, forms, plan summary description and many other items of interest to you. It also has a Newsletter section – where we will be posting quarterly updates on your plan.

The website is for you – your suggestions for improvement are always welcome. The retirement system will be enhancing the website over the next year to provide you with additional information and to make it more user-friendly. The website address is www.ftlaudpfpension.com

Use Emails to Receive Information

We want to stay in touch with you. The easiest way is to send emails to you when important pension issues arise and to report any changes made by the board of trustees. This way, we can quickly and accurately communicate important information directly to you.

Please provide us with your email address – it will be used exclusively for pension issues and will not be sold or shared with any vendors, organizations or individuals.

Send the following information to:
amandac@fortlauderdale.gov

Provide us with your email address and your full name so we can add you to our email list.

Save the Date

2010 Police and Firefighter Retirement Planning Seminar

When: Monday September 13th and
Tuesday September 14th
Where: City Hall Commission Chambers
100 N Andrews Ave, Fort Lauderdale

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

RSVP by September 6th to 954-828-5595 or amandac@fortlauderdale.gov