

**MEMORANDUM**

To: Board of Trustees  
Lynn Wenguer, Plan Administrator

From: Stephen H. Cypen, Esq. *SHC*  
Alison S. Bieler, Esq. *ASB*

Date: May 23, 2012

Re: Review of Cost-of-Living Adjustment ("COLA")

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**Background:** In this memorandum we review the history of the COLA and discuss the impact of various Plan amendments and Florida Law on the COLA. This memorandum supplements our April 12, 2011, letter to the Board. The April 12<sup>th</sup> letter, attached as Exhibit A, reviewed the legal considerations regarding a retiree's eligibility to participate in a COLA. As with our April 12<sup>th</sup> letter, this memorandum does not address whether the amount of any previous COLAs were properly calculated, as that determination is made by the Plan's actuaries.

**Documents provided:** Exhibit B sets forth the documents provided to us by the Pension Office.

**History of the COLA:**

- The Plan's original COLA provision was enacted on December 5, 1972 ("Original COLA"). The Original COLA did not contain a provision automatically repealing the COLA on a date certain. The Original COLA provided as follows:

Section 31-15.

\* \* \* \*

(6) Cost-of-living Adjustment.

To the extent possible, as provided herein, all benefits under this System being paid on a monthly basis shall be adjusted each year in order to reflect the change in cost-of-living. Any year's adjustment may be up to, but shall not exceed, the percentage increase in the cost-of-living as measured by the Consumer Price Index, or other similar index as determined by the Board; provided however, that in the event that prior years' adjustments during the past three (3) years were not equal to the full percentage increase in the index being used, the differences involved may be

cumulative and applied in addition to the current year's adjustment, subject to a total adjustment in any year of 4%

This adjustment must be made to the extent of at least 50%, up to a maximum of 100%, of the excess investment earnings for the year over and above the amounts required in the actuarial interest assumption used for purposes of the System's regular actuarial valuation and determination of required contributions. The procedures and methods to be followed in the determination of this benefit adjustment shall be as established and as subsequently modified from time to time by the Board, with the advice of the System's actuaries.

Ord. No. 72-94, § 6, 12-5-1972.

According to the records provided by the Pension Office, no adjustments were paid under this provision until calendar year 1983.<sup>1</sup>

- The Original COLA remained unchanged until July 24, 1986. With the passage of Ord. No. 86-58, the City Commission repealed the Original COLA and established a new COLA benefit ("New COLA"). The New COLA included a sunset clause automatically repealing the COLA "on July 1, 1991, unless readopted by the City Commission." The New COLA also established a different formula for funding the adjustment. The formula, originally set forth in Section 31-15(6) of the City Code, read as follows:

(6) Cost of living adjustments.

\* \* \* \*

(2) The amount of the cost of living adjustment shall be added to each monthly benefit paid after the effective adjustment date. Such amount shall be equal to a percentage of the basic monthly benefit, excluding any previous cost of living adjustment. The percentage amount of the adjustment shall be one of the following, whichever is less:

(a) A percentage which is not greater than the percentage increase in the Consumers' Price Index (United States, All Urban Consumers, or such other index as approved by both the Board and the City commission) for the calendar year immediately preceding the effective adjustment date; or

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<sup>1/</sup> Exhibit C, provided by the Pension Office, sets forth all COLAs paid by the Plan since the Original COLA's adoption in 1972.

(b) A percentage increase, the actuarial present value of which can be fully funded by the amount of excess gains existing at the end of the immediately preceding calendar year (the term "excess gains," as used in this subsection (6), means an amount of money equal to one-third (1/3) of the sum of all actuarial gains and losses of the System for the preceding three (3) calendar years, including the calendar year immediately preceding the adjustment).

The applicable percentage, as specified in subsections (6)(a) and (b) above, shall not exceed five (5) percent unless a greater percentage is approved by the City commission.

The actuary for the System shall calculate and certify to the Board both the amounts of the excess gains and the cost of living adjustment that such excess gains will fund in full. For this purpose, actuarial gains or losses in a given calendar year shall be based upon the actuarial assumptions used in the official actuarial valuation as of January 1 of that year and shall exclude gains or losses related to changes in Plan benefits, changes in actuarial assumptions, or both. Actuarial present values shall be based upon the actuarial assumptions used in the official actuarial valuation as of January 1 preceding the effective adjustment date.

\* \* \* \*

See Ord. No. 86-58, §2, 7-24-1986. Similar to the Original COLA, the New COLA contained a catch-up provision in the event that the three previous COLAs were less than the Consumer Price Index ("CPI"). The New COLA also enlarged the maximum overall percentage increase from 4% to 5%.

- On May 19, 1987, Ord. No. C-87-36 was passed. This ordinance amended the distribution methodology the Board could use to pay out any available COLA funds. Rather than adding the adjustment to the monthly benefit, on the next two occasions when a COLA was due the Board was authorized to pay the adjustment as a lump sum. In addition, after making two lump sum adjustments, the Board was then authorized to use a distribution method which allowed for a graduated percentage adjustment based upon length of retirement. The graduated percentage adjustment was required to be added to a retiree's monthly benefit amount. The only restriction placed on the Board's selection of a particular distribution method was that the total sum paid could not "exceed actuarial equivalent of the amount generated by the applicable computation formula." See Ord. No. C-87-36 § 1.

- According to records provided by the Pension Office, no COLAs were paid for calendar years 1987 and 1988. See Exhibit C.
- The City Code was re-codified in 1990 and the Plan was transferred from Chapter 31 to Chapter 20 of the City Code.
- On May 5, 1992, Ord. No. C-92-20 again amended the distribution methods the Board could utilize. This amendment gave the Board the discretion to select any distribution methodology, subject to 2 limitations. First, as long as the total sum paid out by the Board did not exceed the actuarial equivalent of the amount generated by the applicable computation formula, the Board could pay all retirees the same monthly adjustment or pay a graduated percentage based upon length of retirement. Second, the adjustment was to be added to the monthly benefit payment. The ordinance also extended the New COLA's sunset provision to July 15, 1994.
- On July 6, 1994, the New COLA's sunset provision was extended to July 15, 1997 by Ord. No. C-94-26.
- According to records provided by the Pension Office, no COLA was paid for calendar year 1994. See Exhibit C.
- On July 16, 1996, Ord. No. C-96-35 amended the formula for determining the amount of funds available to finance any adjustment in the event that the Board elected to allocate and recognize investment earnings over a period of three years or more. The ordinance revised Section 20-129(f) as follows:

Section 20-129. Retirement dates and benefits.

\* \* \* \*

(f) Cost of living adjustments.

\* \* \* \*

(2) The amount of the cost of living adjustment shall be added to each monthly benefit paid after the effective adjustment date. Such amount shall be equal to a percentage of the basic monthly benefit, excluding any previous cost of living adjustment. The percentage amount of the adjustment shall be one of the following, a. or b., whichever is less:

a. A percentage which is not greater than the percentage increase in the Consumers' Price

Index (United States, All Urban Consumers, or such other index as approved by both the Board and the City commission) for the calendar year immediately preceding the effective adjustment date; or

b. A percentage increase, the actuarial present value of which can be fully funded by the amount of excess gains existing at the end of the immediately preceding calendar year. ~~(the~~ The term "excess gains," as used in this subsection (f), means an amount of money equal to one-third (1/3) of the sum of all actuarial gains and losses of the System for the preceding three (3) calendar years, including the calendar year immediately preceding the adjustment) provided however, if investment earnings for the calendar year immediately preceding the adjustment are allocated and recognized by the Plan's actuary over a period of three or more years, then the term "excess gains" as used herein shall mean an amount equal to the sum of all actuarial gains and losses of the system for the calendar year immediately preceding the adjustment.

The applicable percentage, as specified in subsections (f)(2)a. and (f)(2)b. above, shall not exceed five (5) percent unless a greater percentage is approved by the City Commission.

Ord. No. C-96-35 §1.

\* \* \* \*

Ord. No. C-96-35 also contained the following recital clause: "WHEREAS, it is the intent of the City Commission that upon adoption this amendment be applied to the July 1, 1996 cost of living adjustment determination made by the Board of Trustees on the basis of the year ending December 31, 1995 actuarial report for the Retirement System."

- On September 17, 1996, the New COLA's sunset provision was extended to July 15, 2000, by Ord. No. C-96-47.
- On July 18, 2000, the New COLA's sunset provision was extended to July 15, 2005, by Ord. No. C-00-34.

- According to records provided by the Pension Office, the last COLA adjustment received by retirees was paid in 2001 for calendar year 2000. See Exhibit C.
- On July 6, 2005, the New COLA's sunset provision was extended to July 15, 2006, by Ord. No. C-05-16. This ordinance further provided that "no cost of living adjustments shall be granted based upon the Plan's performance in calendar year 2005."
- On July 18, 2006, the New COLA's sunset provision was extended to July 15, 2007, by Ord. No. C-06-23. The ordinance further provided that "no cost of living adjustments shall be granted based upon the Plan's performance in calendar year 2006."
- On July 17, 2007, the New COLA's sunset provision was extended to July 15, 2008, by Ord. No. C-07-64. The ordinance further provided that "no cost of living adjustments shall be granted based upon the Plan's performance in calendar year 2007."
- On April 15, 2008, the New COLA was amended by Ord. No. C-08-17 to provide that "no cost of living adjustment may be granted, authorized, paid or distributed during calendar year 2008." The ordinance did not extend the New COLA's sunset provision.
- The New COLA's sunset provision has not been extended by the City Commission beyond July 15, 2008. Therefore, the New COLA stands repealed as of that date.<sup>2</sup>

#### **Applicable Florida Statutes:**

The Fort Lauderdale Police and Firefighters' Retirement System ("Plan") is currently set forth in Chapter 20 of the City of Fort Lauderdale City Code. The Plan is a defined benefit plan governed by Chapters 175 & 185 of the Florida Statutes. The Plan is also governed by the "Florida Protection of Public Employee Retirement Benefits Act" ("Act"). The Act is set forth in Part VII of Chapter 112 of the Florida Statutes.

The Act was adopted in 1978 by the Florida Legislature for the purpose of implementing §14, Art. X of the Florida Constitution.<sup>3</sup> The Act establishes minimum

<sup>2/</sup> Employees first eligible for normal retirement on or after July 15, 2008, are precluded from receiving a COLA. See Mayo Clinic v. Dept of Prof. Reg., 625 So. 2d 918, 919 n.2 (Fla. 1<sup>st</sup> DCA 1993).

<sup>3/</sup> §14, Art. X of the Florida Constitution provides:

State retirement systems benefit changes.—A governmental unit responsible for any retirement or pension system supported in whole or in

standards for the operation and funding of public retirement plans in Florida. The Legislature's intent was set forth in Chapter 78-170, Laws of Florida § 1.<sup>4</sup>

112.61 Legislative intent.—It is the intent of the Legislature in implementing the provisions of s. 14, Art. X of the State Constitution, relating to governmental retirement systems, that such retirement systems or plans be managed, administered, operated, and funded in such a manner as to maximize the protection of public employee retirement benefits.

The Act expressly preempts any conflicting provisions found in any local retirement plan, including Fort Lauderdale's Plan. It provides, in relevant part:

112.62. Application.—The provisions of this part are applicable to any and all units, agencies, branches, departments, boards, and institutions of state, county, special district, and municipal governments which participate in, operate, or administer a retirement system or plan for public employees, funded in whole or in part by public funds. The provisions of this part supplement and, to the extent there are conflicts, prevail over the

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part by public funds shall not after January 1, 1977, provide any increase in the benefits to the members or beneficiaries of such system unless such unit has made or concurrently makes provision for the funding of the increase in benefits on a sound actuarial basis.

<sup>4/</sup> Section 112.61 currently reads as follows:

112.61 Legislative intent.—It is the intent of the Legislature in implementing the provisions of s. 14, Art. X of the State Constitution, relating to governmental retirement systems, that such retirement systems or plans be managed, administered, operated, and funded in such a manner as to maximize the protection of public employee retirement benefits. Inherent in this intent is the recognition that the pension liabilities attributable to the benefits promised public employees be fairly, orderly, and equitably funded by the current, as well as future, taxpayers. Accordingly, except as herein provided, it is the intent of this act to prohibit the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers. Actuarial experience may be used to fund additional benefits, provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses. This act hereby establishes minimum standards for the operation and funding of public employee retirement systems and plans.

Fla. Stat. § 112.661 (2011).

provisions of existing laws and local ordinances relating to such retirement systems or plans.

Fla. Stat. § 112.62 (Emphasis added.)

In July of 1994, the Legislature amended the Act to address concerns related to the funding of retirement benefits using actuarial experience. The following limitation was added to Section 112.61:

Actuarial experience may be used to fund additional benefits, provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses.

See Chapter 94-259, Laws of Florida, §3.

To date, both Fla. Stat. §§ 112.61 & 112.62 remain unchanged.

**Analysis:**

**The COLA is a contingent benefit.**

Both the Original COLA adopted in 1972, and the New COLA adopted in 1986, authorize payment of a COLA only when and if certain criteria have been met. The Original COLA provided that an adjustment would be given "to the extent possible." It further provided that:

This adjustment must be made to the extent of at least 50%, up to a maximum of 100%, of the excess investment earnings for the year over and above the amounts required in the actuarial interest assumption used for purposed of the System's regular actuarial valuation and determination of required contribution.

See Ord. C-72-94 §1.

Similarly, the New COLA provided that retirees would receive a COLA equal to the lesser of the CPI or "a percentage increase, the actuarial present value of which can be fully funded by the amount of excess gains existing at the end of the immediately preceding calendar year." See Ord. 86-58 §1. Accordingly, under either provision receipt of an adjustment in any particular year was a contingent, rather than a guaranteed, benefit. Dept. Mgt. Svs. v. City of Delray Bch., 40 So. 3d 835, 841 (Fla. 1<sup>st</sup> DCA 2010); see also Williams v. Scott, Case No. 2011 CA 1584 (Fla. 2<sup>nd</sup> Cir. Ct. March 6, 2012) (finding that a straight percentage COLA was a guaranteed benefit that could



not be changed).<sup>5</sup> Further, although worded differently, the funding contingency of both COLA provisions can generally be described as requiring payment of a COLA only when certain criteria have been met.

**The Board's authority to determine the manner by which it would distribute available COLA funds changed over time.**

Through the years, the City Commission amended the methods the Board could use to distribute any available COLA funds. For example, in 1987 the Commission authorized the Board to first pay the COLA twice as a lump sum and thereafter to pay the COLA in equal amounts to all retirees or as a graduated benefit based upon length of retirement.<sup>6</sup> At no time, however, was the Board ever given the authority to modify the Plan's formula for determining the amount of funds available to finance the COLA.

**The Legislature's 1994 amendment to the Act preempts the Plan's COLA formulas.**

As discussed above, the Florida Legislature amended the Act to limit how actuarial experience could be used to fund benefits. As of July 1, 1994, "actuarial experience may be used to fund additional benefits, provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses." See Fla. Stat. § 112.61.<sup>7</sup> Prior to July 1, 1994, both the Original COLA formula and the New COLA formula limited the accumulation of actuarial

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<sup>5</sup>/ The inclusion of the sunset provision as part of the New COLA further demonstrates that it was not intended to be a continuing benefit. See Fla. Hosp. Waterman, Inc. v. Buster, 984 So. 2d 478, 490 (Fla. 2008) ("To be vested, a right must be more than a mere expectation based on an anticipation of the continuance of an existing law...").

<sup>6</sup>/ Prior to 1987, the COLA could only be added to a retiree's monthly retirement benefit.

<sup>7</sup>/ There is no indication that the Legislature intended the amendment to Fla. Stat. § 112.61 to apply retroactively to benefits previously granted by a public pension plan. Generally, a substantive statute will not operate retrospectively absent clear legislative intent to the contrary. Coventry First LLC v. Fla. Off. of Ins. Reg., 30 So. 2d 552 (Fla. 1<sup>st</sup> DCA 2010). Even if the Legislature intended retroactive application of Section 112.61, it would violate the constitutional ban on impairment of contracts. Yamaha Parts Distributors, Inc. v. Ehrman, 316 So. 2d 557 (Fla. 1975). Moreover, retroactive application of the amendment would likely violate the "anti-cutback" rule of the Internal Revenue Code. See IRC § 411(d)(6) (Generally, a tax-qualified retirement plan may not be amended to reduce or eliminate a participant's accrued benefit.).

experience and the sources of gains and losses.<sup>8</sup> Beginning on July 6, 1994, any COLA calculations were now subject to the Act's requirement concerning actuarial experience.<sup>9</sup> See Metropolitan Dade Cnty v. Chase Fed. Housing Corp., 737 So. 2d. 494, 504 (Fla. 1999) (finding that if the Legislature intends to comprehensively regulate an area of statewide concern, then it has the authority to prevent local government from acting contrary to its intent).

On July 16, 1996, the City Commission amended the New COLA's formula to add an alternate definition for the term "excess gains." See Ord. No. C-96-35 §1. The amendment stated that excess gains were to be calculated as "an amount equal to the sum of all actuarial gains and losses of the system for the calendar year immediately preceding the adjustment" in the event that the fund's investment earnings were allocated over a period of three or more years by the Board. Because the alternate definition of excess gains is limited to only the prior calendar year, it too is in conflict with Act.

**Conclusion.** Our review of the documents provided by the Pension Office indicates that the Plan's actuaries determined the availability of COLAs in a manner consistent with applicable law.<sup>10</sup>

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<sup>8</sup>/ The Original COLA provided that a COLA would be paid "to the extent of at least 50%, up to a maximum of 100%, of the excess investment earnings for the year over and above the amounts required in the actuarial interest assumption used for purposes of the System's regular actuarial valuation and determination of required contributions." See Ord. No. 72-94 § 1. Similarly, under the New COLA retirees would receive an adjustment equal to the lesser of the CPI or "a percentage increase, the actuarial present value of which can be fully funded by the amount of excess gains existing at the end of the immediately preceding calendar year." See Ord. 86-58 §2. The New COLA further defined the term "excess gains" as "an amount of money equal to one-third (1/3) of the sum of all actuarial gains and losses of the System for the preceding three (3) calendar years, including the calendar year immediately preceding the adjustment."

<sup>9</sup>/ On July 6, 1994, Ord. No. C-94-26 extended the COLA's sunset provision to July 15, 1997. Because the COLA is contingent rather than guaranteed, and because the City Commission re-adopted the COLA by extending it to 1997, the Act preempts the formula as of July 6, 1994, the effective date of Ord. No. C-94-26.

<sup>10</sup>/ Williams v. Scott, Case No. 2011 CA 1584 (Fla. 2<sup>nd</sup> Cir. Ct. March 6, 2012) is pending before the Florida Supreme Court. Oral argument has been scheduled for September 5, 2012. The Court's ruling may impact this Memorandum's conclusions.

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VIA EMAIL and REGULAR US MAIL

April 12, 2011

Board of Trustees  
City of Fort Lauderdale Police and Firefighters'  
Retirement System  
888 South Andrews Avenue, Suite 202  
Ft. Lauderdale, Florida 33316

**Re: Police and Firefighters' Retirement System ("Plan")\Cost of  
Living Adjustment ("COLA")**

Dear Trustees:

The purpose of this letter is to advise the Board on the current state of the law as it applies to the automatic repeal of the Plan's COLA.

The Plan's COLA provision was originally enacted on December 5, 1972, and did not provide for the automatic repeal of the COLA on a date certain. See Ord. No. 72-94, § 6, 12-5-1972. Such automatic repeal provisions are commonly known as "sunset provisions." The Plan's original COLA provision remained unchanged until July 24, 1986, when it was amended to include a sunset provision repealing the COLA "on July 1, 1991, unless readopted by the City Commission." See Ord. No. 86-58, §2, 7-24-1986.

Since the sunset provision was originally inserted into the Plan's COLA provision in July of 1986, it has been extended six times by the City Commission. The last extension occurred on July 17, 2007. See Ord. No. 07-64, §1. It is currently set forth in City Code Section 20-129(f), "Retirement Dates and Benefits," and reads as follows:

Exhibit "A"

(f) Cost of Living Adjustments

The provisions of this subsection (f) are repealed on July 15, 2008, unless readopted by the City Commission; provided, however, that nothing herein shall permit reduction of any cost of living adjustment previously granted and being received by any retiree or beneficiary as of such date of repeal; provided, further however, that no cost of living adjustments shall be granted based upon the Plan's performance in calendar year 2007 and provided further that no cost of living adjustment may be granted, authorized, paid or distributed during calendar year 2008.

(Emphasis added.)

As you are aware, the City Commission has not voted to extend the COLA again. Consequently, the Plan's COLA provision was automatically repealed on July 15, 2008.

In Florida, it is well-established that a public employee's right to benefits under a retirement system cannot be reduced once the public employee retires or becomes eligible for normal retirement. The public employer cannot amend a retirement system to reduce a retiree's right to receive benefits in place at the time of retirement. Further, if an active employee is eligible for normal retirement at the time the public employer amends the retirement system to reduce benefits, the employee's right to receive the unreduced benefits is legally protected. State ex. Rel. Stringer v. Lee, 2 So. 2d 127, 132-3 (Fla. 1941); O'Connell v. State of Florida, Dept. of Admin., Div. of Retirement, 557 So. 2d 609 (Fla. 3d DCA 1990).

In the case City of Fort Lauderdale v. City of Fort Lauderdale Police and Firefighter Retirement System, Case No. CACE 04-3578 (Fla. 17<sup>th</sup> Cir. Ct. 2007) *per curiam affirmed* 983 So. 2d 592 (Fla. 4<sup>th</sup> DCA 2008), the court was asked to decide whether employees who were eligible for normal retirement, and did not retire prior to the City's repeal of the Plan's "additional benefits clause," were bound by the City's repeal of the clause. Both the trial court and the appellate court found that active employees who were eligible for normal retirement prior to the repeal of the Plan's "additional benefits clause" were not bound by the repeal. In other words, the employees had a right to receive the benefit of the Plan's "additional benefits clause" because they were eligible for normal retirement prior to the clause's repeal by the City Commission.

The State of Florida's Division of Retirement also recognizes that certain active employees have the right to receive unreduced retirement benefits despite benefit reductions made by the public employer. On September 1, 2010, Sarabeth Snuggs, the State Retirement Director for the Division of Retirement, wrote to the Chairman of the San Carlos Fire Control District and advised:

. . . When a member has reached normal retirement, entered DROP or is retired, his benefits may not be reduced. For active members who are not eligible for normal retirement or are not participating under a DROP option, the employer may prospectively change the plan. No such change may adversely affect the value of the benefits already earned by an active or terminated vested member.

This same analysis and reasoning apply to the Plan's COLA provision. Members who retired prior to July 15, 2008, regardless of whether the member began to receive benefits immediately upon separation, remain eligible for a COLA. In addition, members who were eligible for normal retirement prior to July 15, 2008, but remained actively employed with the City after this date, are eligible for a COLA.

In closing, it should be noted that this letter only addresses the issue of eligibility to participate in the COLA. It does not address the question of whether a COLA is actually due and payable at a particular point in time, as that is determined by the Plan's actuary.

Should you have any questions, please do not hesitate to contact us.

Very truly yours,



Alison S. Bieler  
For the firm

ASB/arc  
Enclosures

cc: Lynn Wenguer, Plan Administrator

## EXHIBIT B

### Documents Provided by Pension Office

#### Documents prepared by Pension Office:

- Cola Timeline of Commission and Pension Board Actions
- Cost of Living Timeline
- Schedule of Cost of Living Adjustments

#### Board Minutes:

- July 10, 1991; pages 1 and 2
- January 8, 1992
- March 11, 1992; pages 1 and 2
- April 15, 1992; page 4
- March 9, 1994; page 4
- February 8, 1995; page 4
- April 10, 1996; pages 2 and 3
- May 2, 1996; page 3
- June 12, 1996; pages 2 and 3
- August 14, 1996; page 3
- June 13, 2001; pages 3 and 4
- November 13, 2002; page 6
- January 8, 2003; pages 4 and 5
- April 11, 2007; page 4
- May 9, 2007; page 6
- October 3, 2007; page 4
- November 14, 2007; pages 4, 5 and 6
- March 12, 2008; pages 4 and 5
- April 9, 2008; page 6
- May 7, 2008; pages 4 and 5

#### City Commission Minutes:

- Commission Meeting Minutes June 21, 1994 pages 24, 25 and 26

**City Ordinances:**

- Ordinance C-72-94
- Ordinance C-86-58
- Ordinance C-87-36
- Ordinance C-87-41
- Ordinance C-87-107
- Ordinance C-88-93
- Ordinance C-90-48
- Ordinance C-91-48
- Ordinance C-91-80
- Ordinance C-91-86
- Ordinance C-91-90
- Ordinance C-92-19
- Ordinance C-92-20
- Ordinance C-94-26
- Ordinance C-96-35
- Ordinance C-96-47
- Ordinance C-00-34
- Ordinance C-05-16
- Ordinance C-06-23
- Ordinance C-07-64
- Ordinance C-08-17

**Correspondence:**

- Letter dated May 27, 1983 from Leonard Olivieri to Police & Fire Pension Board Members
- Letter dated March 14, 1984 from H.G. Boggs & Assoc. to Leonard Olivieri
- Letter dated April 16, 1984 from H.G. Boggs & Assoc. to Leonard Olivieri
- Memorandum dated May 3, 1984 from Leonard Olivieri to Police & Fire Pension Board Members
- Memorandum 84-54 dated May 3, 1984 from Damon R. Adams, Finance Director to Constance Hoffman, City Manager
- Memorandum 84-313 dated May 4, 1984 from Constance Hoffman, City Manager to Leonard Olivieri
- Letter dated April 18, 1985 from Len Olivieri to Recipient
- Letter dated April 25, 1991 from H.G. Boggs & Assoc. to Lenny Olivieri
- Memorandum dated March 27, 1992 from H.G. Boggs & Assoc. to Lenny Olivieri (re: Cost of Living Adjustment)

- Memorandum dated March 27, 1992 from H.G. Boggs & Assoc. to Lenny Olivieri (re: Use of Asset Smoothing Technique)
- Memorandum 92-101 dated March 24, 1992 from George L. Hanbury, City Manager to Mayor Jim Naugle
- Letter dated April 14, 1992 from Len Olivieri to George Hanbury, City Manager
- Memorandum dated April 29, 1992 from H.G. Boggs & Assoc. to Lenny Olivieri
- Letter dated May 1, 1992 from H.G. Boggs & Assoc. to Leonard Olivieri
- Memorandum dated April 2, 1993 from H.G. Boggs & Assoc. to Lynn Wenguer
- Memorandum dated May 27, 1993 from H.G. Boggs & Assoc. to Lynn Wenguer
- Correspondence dated June 29, 1995 from Gabriel, Roeder, Smith & Company to Lynn Wenguer
- Cost of Living Adjustment from 1996 from Gabriel, Roeder, Smith & Company dated July 9, 1996
- Excerpt from 1996 Actuarial Valuation Results from Gabriel, Roeder, Smith & Company dated July 9, 1996 (2 pages)
- Correspondence dated August 8, 1996 from Gabriel, Roeder, Smith & Company to Lynn Wenguer
- Correspondence dated June 11, 1997 from Gabriel, Roeder, Smith & Company to Lynn Wenguer
- Correspondence dated May 4, 1999 from Gabriel, Roeder, Smith & Company to Lynn Wenguer
- Correspondence dated May 9, 2001 from Gabriel, Roeder, Smith & Company to Lynn Wenguer

**Actuarial Experience Studies:**

- 1997 – 2001 Experience Study – Stanley Holcombe & Associates
- 2002 – 2006 Experience Study – Stanley Holcombe & Associates

**Actuarial Valuation Reports:**

- 1990 Actuarial Review – H.G. Boggs & Assoc.
- 1991 Actuarial Review – H.G. Boggs & Assoc.
- 1992 Actuarial Review – H.G. Boggs & Assoc.  
(Revised July 9, 1992)
- 1993 Actuarial Review – H.G. Boggs & Assoc.
- 1994 Actuarial Valuation – The Segal Company
- Summary Pages from 1994 Actuarial Valuation – The Segal Company



- 1994 Actuarial Valuation – Gabriel, Roeder, Smith & Company
- 1995 Actuarial Valuation – Gabriel, Roeder, Smith & Company
- (Revised July 11, 1996)
- 1996 Actuarial Valuation – Gabriel, Roeder, Smith & Company
- 1997 Actuarial Valuation – Gabriel, Roeder, Smith & Company
- 1998 Actuarial Valuation – Gabriel, Roeder, Smith & Company
- 1999 Actuarial Valuation – Gabriel, Roeder, Smith & Company
- 2000 Actuarial Valuation – Gabriel, Roeder, Smith & Company
- 2001 Actuarial Valuation - Gabriel, Roeder, Smith & Company
- 2002 Actuarial Report – Stanley Holcombe & Associates
- 2003 Actuarial Report – Stanley Holcombe & Associates
- 2004 Actuarial Report – Stanley Holcombe & Associates
- 2005 Actuarial Report – Stanley Holcombe & Associates
- 2006 Actuarial Report – Stanley Holcombe & Associates
- 2007 Actuarial Report – Stanley Holcombe & Associates
- 2008 Actuarial Report – Stanley Holcombe & Associates
- 2009 Actuarial Report – Stanley Holcombe & Associates
- 2010 Actuarial Report – Stanley Holcombe & Associates
- 2011 Actuarial Report – Stanley Holcombe & Associates

COLA bytd

<b>COLA's</b>					
1982 to Present					
<b>Year Ended</b>	<b>Year Paid</b>	<b>CPI</b>	<b>COLA %</b>	<b>COST</b>	<b>COLA Payment Formula</b>
(No COLA granted prior to 1982)					
1982	1983	3.90%	4%	\$400,000	\$564 base plus \$346 for each year of retirement
1983	1984	3.80%	4%	\$484,480	\$564 base plus \$346 for each year of retirement
1984	1985	4.00%	4%	\$400,200	\$564 base plus \$346 for each year of retirement
1985	1986	3.80%	4%	\$416,290	\$564 base plus \$346 for each year of retirement
1986	1987	1.10%	2%	\$260,530	\$271.34 base plus \$173 for each year of retirement
1987	1988	4.40%	0	\$0	No excess gains
1988	1989	4.40%	0.00%	\$0	
1989	1990	4.60%	4.10%	\$2,271,474	\$1500.00 base plus \$714.78 for each year of retirement
1990	1991	6.10%	2%	\$877,298	Fiat amount \$26.82 per month
1991	1992	3.10%	3.10%	\$1,843,082	Base of \$149. plus \$57. for each year of retirement/12
1992	1993	2.90%	5%	\$3,469,413	Base of \$20.95 plus \$7.64 for each year of retirement per month
1993	1994	2.80%	2.70%	\$2,232,570	Base of \$12.50 plus \$4.80 for each year of retirement per month
1994	1995	2.70%	0%	\$0	No excess gains
1995	1996	2.60%	5%	\$5,757,285	Base of \$10.57 for each year of retirement
1996	1997	3.50%	3.60%	\$4,251,394	Base of \$7.56 for each year of retirement
1997	1998	1.70%	1.70%	\$2,733,524	Base of \$3.71 for each year of retirement
1998	1999	1.60%	1.60%	\$2,746,766	Base of \$3.59 for each year of retirement
1999	2000	2.70%	2.70%	\$4,768,389	Base of \$6.01 for each year of retirement
2000	2001	3.40%	3.40%	\$6,104,722	Base of \$7.20 for each year of retirement
2001	2002	1.60%	0.00%	\$0	None
2002	2003	2.40%	0.00%	\$0	None
2003	2004	1.90%	0.00%	\$0	None
2004	2005	3.30%	0.00%	\$0	None
2005	2006	3.40%	0.00%	\$0	None
2006	2007	2.50%	0.00%	\$0	None
2007	2008	4.10%	0.00%	\$0	None
2008	2009	0.10%	0.00%	\$0	None
2009	2010	2.70%	0.00%	\$0	None
2010	2011	1.50%	0.00%	\$0	None
1982-1989 COLA's paid w/13th check					

Exhibit "C"