



CITY OF FORT LAUDERDALE



POLICE & FIREFIGHTERS' RETIREMENT SYSTEM ANNUAL REPORT 2023

OUR FUND CONTINUES TO GROW

I am Ken Rudominer, Chairman of the Board of Trustees for the Fort Lauderdale Police and Firefighters' Retirement System. It is my privilege to serve our dedicated police officers, firefighters, retirees, and beneficiaries, and to present this annual report to our members.

Our Retirement System plays a vital role in ensuring the well-being of our city's bravest. We are committed to providing secure and sustainable retirement benefits for those who have served our community with courage and dedication. Our mission is to ensure the long-term financial security of our valuable assets for the 2,029 plan participants.

The financial markets last year allowed our assets to grow and provide a solid return on our investments. Our return on investments was a positive 8.7%, above our assumed rate of return of 7.2%. Total assets grew to a market value of \$1.037 billion, while retirees and beneficiaries received over \$71 million in guaranteed monthly benefits. As a result, our plan is pre-funded at 89.9% - above the average defined benefit plan in Florida.

This annual report contains the current cumulative gain/loss on investments (see page 3). This number is used by the plan actuary to determine if anyone retired or eligible to retire before October 15, 2008 qualifies for a COLA. This number appears to be a large number, but for a plan our size it is not an insurmountable amount. With good plan governance and prudent risk adjusted investing, we can earn our way toward this goal. Your Board of Trustees is committed to following that path.

Our plan is maturing as the gap between active and retired members continues to expand. We continue to navigate through turbulent financial markets, and work with our consultant and investment managers to maintain an asset allocation to weather all storms. We continue to examine our internal organization to ensure efficiency, and shore up our future.

In that light, we have added Paul Vanden Berge, as our Deputy Director for Finance. Paul brings a wealth of knowledge and expertise based on his many years in fire service finances and as a former trustee of a local pension plan. We plan to add more staff in the future, given the size of our plan in both members and assets. We have taken over the responsibility of administering the payroll for the retiree monthly annuity checks. This will give us more control over these payments and help ensure our retirees receive accurate checks on time.



We take our trustee responsibilities very seriously, and are committed to "providing a sustainable and reliable retirement plan" and "fostering open communication with our members." The Board is here to support you throughout your career and into your well-deserved retirement. I thank the Board of Trustees, our dedicated staff, and all our retirees and active members for their continued trust and participation.

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.

Kenneth Rudominer
Chairman

2023 Retirement Plan Highlights

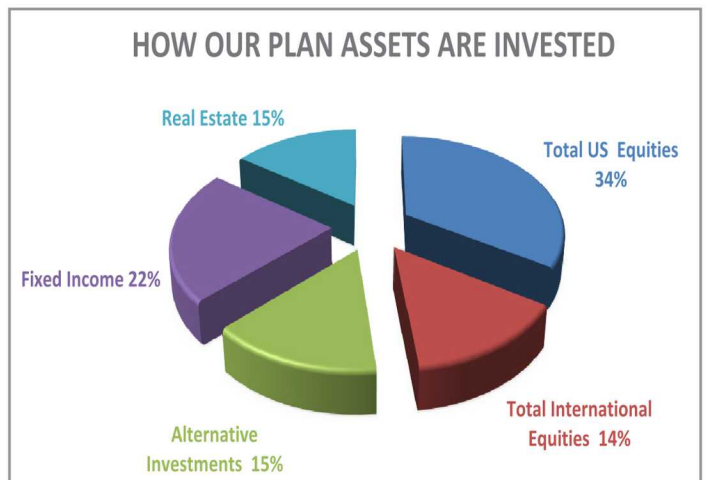
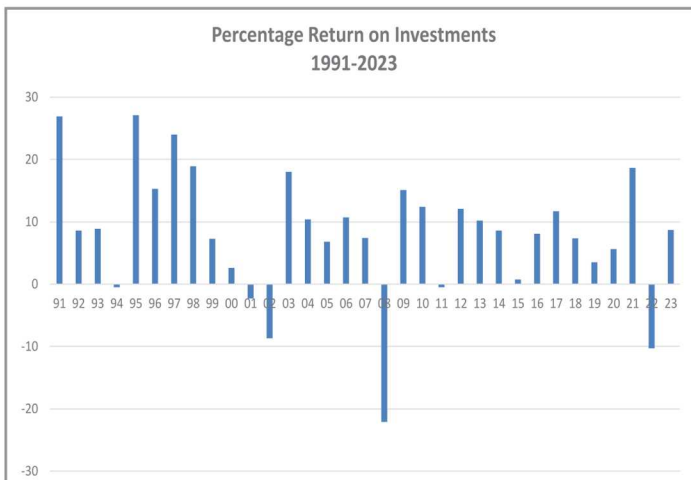
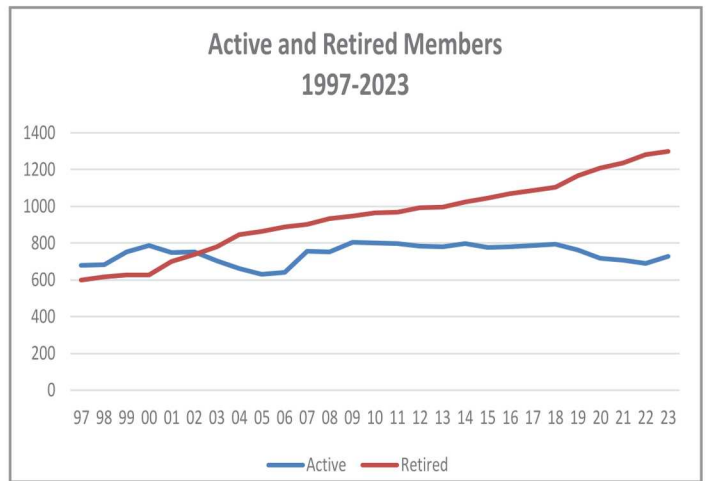
Active Members = 728
 Retirees/Beneficiaries = 1,009
 Disability Members = 37
 DROP Members = 216
 Terminated Vested = 39
 Total Plan Participants = 2,029
 New Entrants = 85

Market Value of Plan Assets = \$1.037 billion
 Benefits Paid = \$71 million
 Member Contributions = \$9.2 million
 City Contributions = \$21.3 million
 State Contributions = \$6.2 million
 Net Investment Income = \$90.5 million
 Pre-Funded Ratio = 89.9%

Overview of Your Plan's Finances

These charts provide an overview of your retirement plan. The assets of the plan have grown over the past 23 years – from \$380 million to \$1.037 billion, a growth of \$657 million. The average return on investments over the past 33 years is 8.21%. The plan's returns have been positive

for 27 of the past 33 years. The total membership continues to grow, with retirees increasing and active members adding new positions. The plan's funds are invested in a diversified portfolio and rebalanced regularly.



Board of Trustees

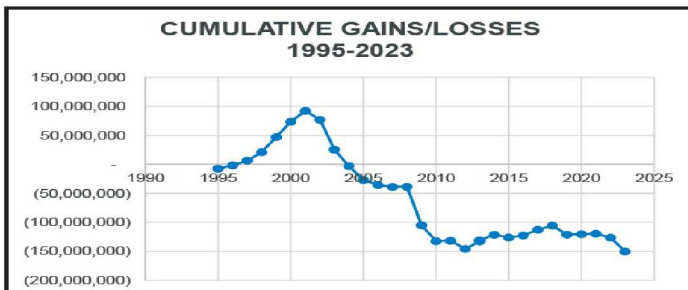


Members of the Board of Trustees (seated l to r) Dennis Hole; Kenneth Rudominer, Chairman; Jeffrey Cameron; **(back row l to r)** Derek Joseph, Vice Chairman; Richard Fortunato; J. Scott Bayne, Secretary; and Jim Naugle.

Understanding COLA

In 1994, the Florida Legislature adopted Ch 94-259, which limited COLA benefits based on “gains” to all actual gains of the plan, not just investment earnings. This act hereby establishes minimum standards for the operation and funding of public employee retirement systems and plans.” The key word is “accumulated gains and losses.”

Each year, the actuary does an actuarial valuation of the plan. Included in that actual valuation, is the determination of the plan’s cumulative gains/losses. In the latest actuarial valuation report, dated October 1, 2023, the actuary determined that our plan had a cumulative loss of \$149,945,312 million dollars.



Beginning with the returns from 1995, the graph shows the cumulative gains/losses for each year. Since 2004, our cumulative returns have been negative. On July 15, 2008, the Fort Lauderdale City Commission allowed the COLA sunset provision to become effective, thus eliminating a COLA for anyone retiring or eligible to retire on or after that date.

Funding Our Plan

The Fort Lauderdale Police and Firefighters plan funding comes from four sources. In the last fiscal year, funding came from the following: Member Contributions \$9.2 million or 7.2% (the total contributions by active members compared to the total income for the plan); City Contribution (required) \$21.3 million or 16.7%; State Contribution \$6.2 million or 4.9% (excluding amount for the firefighter Share Plan); and Investment Returns \$90.5 million or 71.1%. Across the nation, approximately two-thirds of all plan’s funding come from investment earnings.

Your Pension Staff

Lynn Wenguer, CPA, CPPT
Executive Director

Alexandra Goyes, CPPT
Deputy Director

Paul Vanden Berge, CPPT
Deputy Director-Financial

PENSION OFFICE

888 S. Andrews Avenue, Suite 202

Fort Lauderdale, FL 33316

Telephone: 954-828-5595

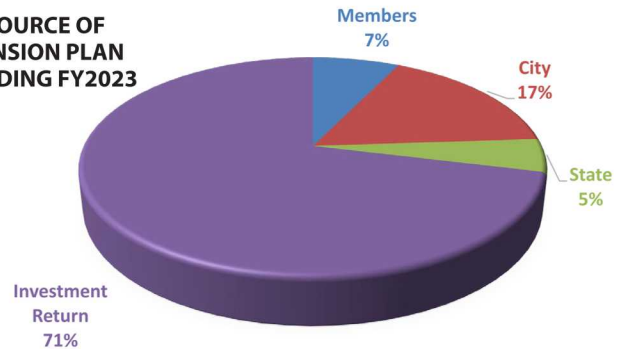
Fax: 954-828-5532

Information: Toll Free: 888-237-8780

www.ftlaudpension.com

This year’s investment return is substantially greater than last year (8.7% vs negative 10.3%). As investment returns fluctuate, these returns affect the city’s contribution, although it is smoothed over five years so as not to cause huge fluctuations in the city’s contributions in one year.

SOURCE OF PENSION PLAN FUNDING FY2023



Protecting Your Retirement

Pension fraud is something you hear about everyday in the news. People “stealing” pension checks from deceased members – not reporting a death and continuing to collect a monthly check for years. The Fort Lauderdale Police and Firefighters Retirement plan takes special precautions to prevent this type of fraud, and to protect the assets used to pay everyone’s pension benefits.

In order to prevent fraud and ensure each member’s identity is secured, the plan administrator will be asking each of you to complete a **pension verification form** every other year. We completed the verification is 2023, so the next verification will be 2025. We know this may seem like an inconvenience, but the Board of Trustees determined this is the most reliable method to ensure the proper payments of retirement benefits. When you receive the form next year, please complete it immediately and return to the pension office.

We know there are many scams taking place, so if you have any questions or need any help completing this form, please feel free to contact the Pension Office at any time.

Police and Firefighters' Retirement System

888 S. Andrews Avenue, Suite 202
Fort Lauderdale, Florida 33316



Mission Statement: 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.

SAVE THE DATE

The 2024 Retirement Planning Seminar

Are you on track to achieve your retirement goals? It's never too early or too late to plan for your future.



When: Thursday, October 10th

from 8:30 a.m. to 2:30 p.m.

Where: Marine Industries Association

Flagship Room

221 SW 3rd Ave, Fort Lauderdale, FL 33312

Topics include:

- Estate and Tax Planning
- Medicare, Social Security, and Health Benefits
- With lunch sessions for Deferred Compensation
- Individualize consultation will be available at the conclusion of the seminar

Who: Open to All Members of the City of Fort Lauderdale Police & Fire Department. Spouses are welcome and encouraged to attend.

P&F Members please call x 5595

Hosted by the City of Fort Lauderdale Police & Fire Employees' Retirement Systems.

Preliminary schedule will be posted at www.ftlaudpfpension.com

Website for Your Pension

The Police and Firefighters' Retirement Plan website is an invaluable resource for active members, retired members and beneficiaries to obtain information about their retirement benefits. All meeting notices and agendas are posted, along with copies of the approved minutes of each meeting. There is a wealth of financial information, summary plan description, and pension news stories from around the state. Active members can log into their individual retirement accounts to see account balances and estimated benefit payments. Please visit our website at: ftlaudpfpension.com. The website allows you to email any questions or comments to the pension office.

14 Years of Recognitions

The Police and Firefighters' Retirement System received the **Public Pension Coordinating Council's (PPCC)** award in 2023 for plan funding and administration of its retirement system. The award recognizes the professional standards as set forth in the *Public Pension Standards*. This is the fourteenth consecutive year the plan has received this recognition. Approximately 200 retirement systems received this recognition in 2023 out of over 2,500 public pension plans. Three organizations comprise the PPCC: National Conference on Public Employees Retirement System (NCPERS), National Council on Teacher Retirement (NCTR), and National Association of State Retirement Administrators (NASRA).