CITY OF FORT LAUDERDALE

POLICE & FIREFIGHTERS' RETIREMENT SYSTEM ANNUAL REPORT 2025

MARKETS CONTINUE STRONG

To the Members of the Fort Lauderdale Police and Firefighters' Retirement System

On behalf of the Board of Trustees, I am pleased to present our annual update for the fiscal year ending September 30, 2025. This report is based on the annual audit as of September 30, 2025, the actuarial valuation as of October 1, 2025, and the CAPTRUST investment performance review. It provides a summary of the Fort Lauderdale Police and Firefighters' Retirement Plan's health and performance.

During the fiscal year, the Board of Trustees demonstrated exceptional fiduciary stewardship, navigating a volatile global market marked by energy shocks and inflationary pressures. Under the Board's direction, the Plan's pre-funded status improved to 94.6%, supported by a robust 10.01% investment return that outperformed long-term targets. Despite a significant increase in benefit distributions due to a maturing workforce and a major structural transition to a Self-Directed DROP by police officers, the Board maintained a disciplined investment strategy that grew the Plan's net position to $1.29 billion, while simultaneously reducing unfunded liabilities by more than $14 million. By proactively lowering the investment return assumption and updating mortality models, the Board has further fortified the Plan against future volatility, ensuring long-term benefit security for the City's first responders, while maintaining a clear, actuarially-sound trajectory toward full funding.

Plan Health Summary: Our plan remains in a strong funding position despite a complex macroeconomic environment and a significant demographic shift. As of October 1, 2025, the plan's funded ratio improved to **94.6%** up from 93.1% the previous fiscal year. The Unfunded Actuarial Accrued Liability (UAAL) decreased by over $14 million to **$140.7 million**.

The plan achieved a **10.01% return** for the 2025 fiscal year, exceeding the 7.10% assumed rate of return. Even with the "geopolitical shock" and energy price spikes, the total portfolio is effectively meeting the board's long-term targets. Over the past 35 years, the Plan achieved a 4Q-to-4Q average return of 8.51%. Total portfolio assets stood at approximately **$1.29 billion**. The board successfully managed the transition of **$33.3 million** into the new police Self-Directed (SD) DROP program without compromising the core plan's liquidity or funding ratio.

The plan is currently at a "peak" retirement phase, covering 2,145 members/beneficiaries, 794 of whom are active members. The actuarial projections show a clear path to full funding (zero unfunded liability) by **2045** as our obligations are systematically amortized. The Board of Trustees remains steadfast in its commitment to upholding our fiduciary duties and acting in the best interest of every member. We are proud of the progress made this year and are confident in the secure future of our Retirement System

The Board's primary responsibility is our fiduciary duty to safeguard the assets of the system for all its stakeholders—our active personnel, retirees, and their beneficiaries. We are pleased that our investment strategy has yielded positive results, especially during these challenging economic times. However, our decisions must always be guided by both fiscal prudence and the statutes that govern our plan.

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.

Thank you for your continued dedication and service to the City of Fort Lauderdale.

Kenneth Rudominer
Chairman

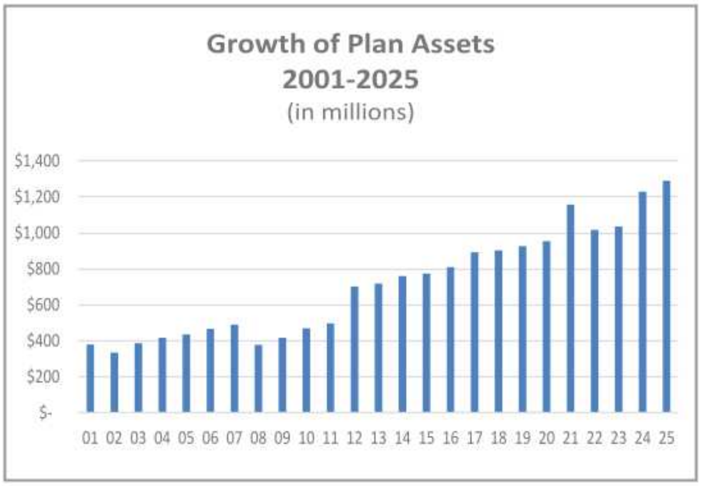
2025 Retirement Plan Highlights

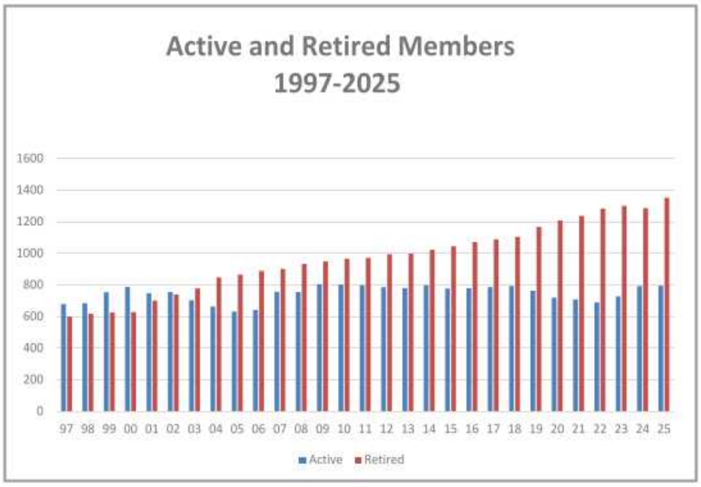
Active Members = 794
Retirees/Beneficiaries = 1,027
Disability Members = 40
DROP Members = 238
Terminated Vested = 46
Total Plan Participants = 2,145
New Entrants = 76

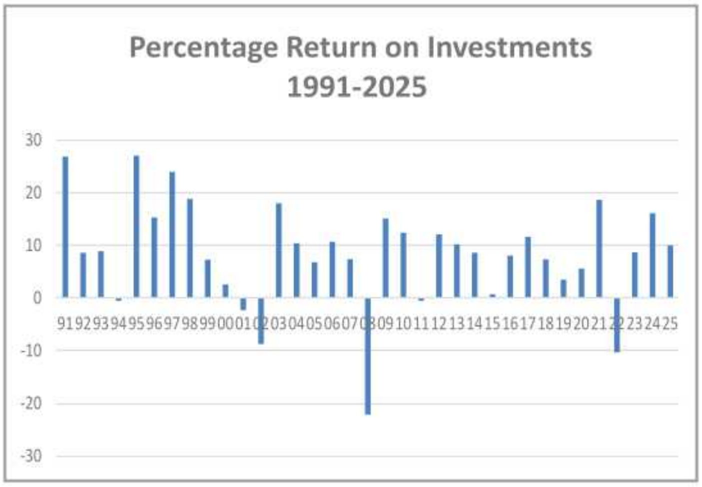
Market Value of Plan Assets = $1.3 billion
Benefits Paid = $86.2 million
Member Contributions = $10.5 million
City Contributions = $22.2 million
State Contributions = $7.8 million
Net Investment Income = $119.7 million
Pre-Funded Ratio = 94.6%

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 24 years – from $380 million to $1.29 billion, a growth of $910 million. The average return on investments over the past 35 years is 8.51%. The plan's returns have been positive for 29 of the past 35 years. The total membership continues to grow, with retirees increasing and active members adding additional positions. The plan's funds are invested in a diversified portfolio and rebalanced regularly.







Board of Trustees

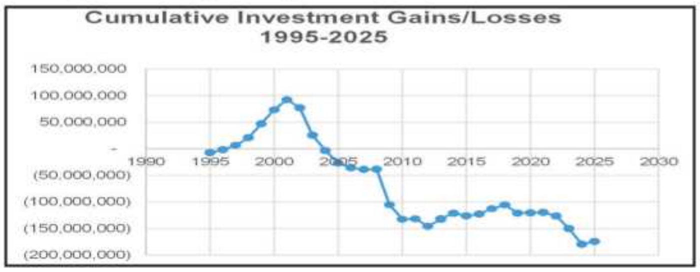
Members of the Board of Trustees (**seated l to r**) *Susan Grant, Scott Moseley, Secretary; *John Morale (**back row l to r**) Dennis Hole, Derek Joseph, Vice Chairman; Kenneth Rudominer, Chairman; and *Keith Costa. (*new trustee)

Understanding COLA

In 1994, the Florida Legislature adopted Ch 94-259, limiting 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, 2025, the actuary determined that our plan had a cumulative loss of $174,196,094 million dollars, a decrease of $5.25 million from last year.

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.



How is the Plan Funded?

Funding for the Fort Lauderdale Police and Firefighters Retirement System is derived from four sources: Member Contributions $10.5 million or 6.6% (the total contributions by active members compared to the total income for the plan); City Contribution (required) $22.2 million or 13.9%; State Contribution $7.8 million or 4.9% (excluding amount for the firefighter Share Plan); and Investment Returns $119.7 million or 74.7%. 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

Mellisa Vassel-Gayle
Senior Administrative Assistant

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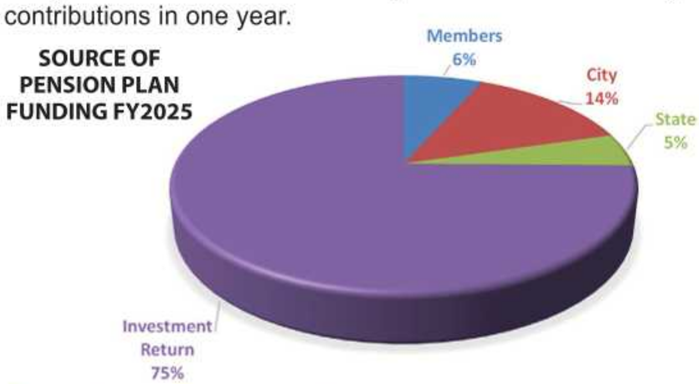
This year's investment return is less than last year's (10.01% vs 16.1%). As investment returns fluctuate, it affects the city's contribution, although the contribution is smoothed over five years so as not to cause huge fluctuations in the city's contributions in one year.



Pension Scamming

Pension scamming is something you hear about every day. 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 System takes special precautions to prevent this type of fraud, and to protect the assets used to pay everyone's monthly 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 are in the process of finishing verifying the 2025 data. When you receive the form, please complete it immediately and return to the pension office. We know this may seem like an inconvenience, but the Board of Trustees is committed to ensuring that only legitimate beneficiaries receive retirement benefit payments.

We know there are many scams taking place, so if you have any questions or need any help completing this form, please contact the Pension Office directly by phone or email.

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 2027 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: **Friday, February 19th, 2027**

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

Where: 101 Tower Conference Room

101 NE 3rd Avenue, 11 Floor, Fort Lauderdale, FL 33301

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

P&F Members, please call x5595 by January 15 to Register

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

Preliminary schedule will be posted at **www.ftlaudpfpension.com**

Your Pension Website

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, agendas, and approved minutes are posted for each meeting. There is a wealth of financial information, summary plan description, and pension news stories. 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.

16 Years of Recognitions

The Police and Firefighters' Retirement System received the **Public Pension Coordinating Council** (PPCC) award in 2025 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 16th consecutive year the plan has received this recognition. Approximately 200 retirement systems received this recognition 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).