

City of Lauderhill Police Officers' Retirement Plan
Minutes

March 02, 2022
12:00 P.M.

Call to Order / Roll Call:

Mr. David Hennessy called the meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 12:16 P.M. at the Lauderhill Police Department 6279 West Oakland Park Blvd in Lauderhill Florida.

Members Present:

Mr. Dave Hennessy – Chairman; Ms. Andrea Anderson – Secretary; Mr. Kennie Hobbs¹; Mr. Brad Mitchell and Mr. Sam Smith - Trustees.

Absent:

None

Others Present:

Mrs. Anna Parrish-Klausner - Klausner Kaufman, Jensen & Levinson; Mr. Don Dulaney - Dulaney & Company; Mr. Dave Williams, Plan Administrator.

Public Discussion:

None.

Consent Agenda: Warrant Ratification / Approval:

Approval of Minutes:

The Board of Trustees reviewed the minutes for February 09, 2022 meeting. Mr. Mitchell made a motion to approve the minutes as presented, seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

Warrant 1014

Payment of \$6,980.00 to Dulaney and Company for Actuarial services for December 2021. Motion to approve by Mr. Smith seconded by Mr. Mitchell. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

Warrant 1015

Payment of \$3,220.00 to Klausner, Kaufman, Jensen & Levinson for legal services through January 2022. Motion to approve by Ms. Anderson, seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

Warrant 1016

Normal Retirement monthly payment for Otis Lawrence beginning April 01, 2022. Motion to approve by Mr. Mitchell, seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

Warrant 1017

Post Retirement Supplement payment for Otis Lawrence beginning April 01, 2022. Motion to approve by Mr. Smith seconded by Ms. Anderson. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

¹ Mr. Hobbs arrived at 12:23 PM.

Warrant 1018

DROP Rollover safe amount payment for Otis Lawrence beginning April 01, 2022. Motion to approve by Mr. Smith, seconded by Mr. Mitchell. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

PRESENTATION OF FINANCIAL STATEMENTS:

Ms. Borders advised that she audited the accompanying financial statements of the City of Lauderhill Police Officers' Retirement Plan (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2020 and 2021, and the related statements of changes in fiduciary net position for the years then ended and the related notes to the financial statements.

Her responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In Ms. Border's opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the City of Lauderhill Police Officers' Retirement Plan as of September 30, 2020 and 2021, and the related statement of changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Financial Highlights

- Plan assets exceeded liabilities at the close of the fiscal years ended September 30, 2021 and 2020 by \$93,262,867 and \$76,472,231, respectively, (reported as net position restricted for pensions). Net position is held in trust to meet future benefit payments. The increase of \$16,790,636 and \$3,742,042, of the respective years has resulted primarily from changes in the fair value of the Plan's investments and interest and dividend income.
- Receivables at September 30, 2021 were less than receivables at September 30, 2020 by \$10,551 (or 21.2%) due primarily to a decrease in accrued interest due from the City of Lauderhill.
- Receivables at September 30, 2020 were less than receivables at September 30, 2019 by \$4,992 (or 9.1%) due primarily to a decrease in accrued interest and dividends.
- Liabilities at September 30, 2021 were more than liabilities at September 30, 2020 by \$33 (or 0.02%).
- Liabilities at September 30, 2020 were more than liabilities at September 30, 2019 by \$26,399 (or 22%) due primarily to an increase in accrued investment expenses.

- For the fiscal year ended September 30, 2021, City contributions to the Plan increased by \$83,219 (or 3.2%) based on the actuarial valuation. Actual City contributions were \$2,717,571 and \$2,634,352 for 2021 and 2020, respectively.
- For the fiscal year ended September 30, 2020, City contributions to the Plan increased by \$135,220 (or 5.4%) based on the actuarial valuation. Actual City contributions were \$2,634,352 and \$2,499,132 for 2020 and 2019, respectively.
- For the fiscal year ended September 30, 2021, member contributions including buybacks increased by \$127,014 (or 11.3%). Actual member contributions were \$1,148,772 and \$1,048,430 for 2021 and 2020, respectively, and buybacks were \$106,748 and \$80,076 for 2021 and 2020, respectively. Member contributions have fluctuated from year to year, based on the number of active members, salary and buybacks.
- For the fiscal year ended September 30, 2020, member contributions including buybacks increased by \$37,429 (or 3.4%). Actual member contributions were \$1,048,430 and \$1,027,083 for 2020 and 2019, respectively, and buybacks were \$80,076 and \$63,994 for 2020 and 2019, respectively. Member contributions have fluctuated from year to year, based on the number of active members, salary and buybacks.
- For the fiscal year ended September 30, 2021, net investment income was \$17,183,343 compared to \$4,233,791 for fiscal year ended September 30, 2020. Actual results were \$16,309,920 and \$3,060,847 of net appreciation in fair value of investments for 2021 and 2020, respectively, and \$1,133,794 and \$1,417,536 of income from interest and dividends for 2021 and 2020, respectively. Investment expenses increased by \$15,779 (or 6.5%).
- For the fiscal year ended September 30, 2020, net investment income was \$4,233,791 compared to \$1,786,676 for fiscal year ended September 30, 2019. Actual results were \$3,060,847 and \$642,217 of net appreciation in fair value of investments for 2020 and 2019, respectively, and \$1,417,536 and \$1,364,802 of income from interest and dividends for 2020 and 2019, respectively. Investment expenses increased by \$24,249 (or 11%).
- For the fiscal year ended September 30, 2021, benefit payments and refunds of contributions increased by \$132,250 (or 2.9%). The increase is consistent with the increase in the number of retirees, including DROP payment withdrawals.
- For the fiscal year ended September 30, 2020, benefit payments and refunds of contributions increased by \$315,075 (or 7.4%). The increase is consistent with the increase in the number of retirees, including DROP payment withdrawals.
- For the fiscal year ended September 30, 2021, administrative expenses decreased by \$5,280 (or 3.4%) from 2020.
- For the fiscal year ended September 30, 2020, administrative expenses increased by \$9,011 (or 6.1%) from 2019.

Plan Highlights

- For the year ending September 30, 2021, the total return of the portfolio was 22.8%. Actual net returns from investments were net investment income of \$17,183,343 in 2021 compared with net investment income of \$4,233,791 in 2020.
- For the year ending September 30, 2020, the total return of the portfolio was 6.1%. Actual net returns from investments were net investment income of \$4,233,791 in 2020 compared with net investment income of \$1,786,676 in 2019.

City of Lauderhill Police Officers' Retirement Plan
STATEMENTS OF FIDUCIARY NET POSITION
September 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 1,049,209	\$ 1,353,335
Receivables:		
Accrued interest due from City of Lauderhill	20,319	31,875
Interest and dividends	19,013	10,000
Total receivables	39,332	41,875
Investments at fair value:		
Common stocks	3,859,200	3,255,320
Absolute return equity funds	41,822,479	31,722,861
Alternative strategies funds	8,260,546	6,430,380
Domestic fixed income funds	9,784,313	9,044,850
International equity funds	13,338,898	10,152,711
Notes receivable	2,031,875	2,000,000
Real estate funds	13,223,665	11,700,490
Total investments	92,320,976	76,215,630
Total assets	93,409,517	78,618,848
Liabilities		
Accounts payable	80,156	71,258
City of Lauderhill overpayment of contributions	66,494	75,359
Total liabilities	146,650	146,617
Net position restricted for pensions	\$ 93,262,867	\$ 78,472,231

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City of Lauderdale Police Officers' Retirement Plan
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
 For the Years Ended September 30, 2021 and 2020

	2021	2020
Additions:		
Contributions:		
City	\$ 2,717,571	\$ 2,634,352
Members	1,255,520	1,129,506
State	504,438	466,659
Total contributions	4,477,529	4,230,517
Investment income:		
Net appreciation in fair value of investments	16,309,920	3,060,647
Interest and dividends	1,133,794	1,417,536
Total investment income	17,443,714	4,478,183
Less: Investment expenses	260,371	244,522
Net investment income	17,183,343	4,233,661
Total additions	21,660,872	8,464,178
Deductions:		
Pensions benefits paid	4,636,172	4,544,044
Refund of contributions	82,709	42,567
Administrative expenses	151,355	166,636
Total deductions	4,870,236	4,753,247
Net increase in net position	16,790,636	3,710,931
Net position restricted for pensions:		
Beginning of year	76,472,231	72,730,169
End of year	\$ 93,262,867	\$ 76,441,100

Mr. Hobbs noted his staff has reviewed the report. After review and discussion, a motion to approve the financial statements as amended presented was made by Mr. Hobbs, seconded by Mr. Mitchell. Motion passed 5-0.

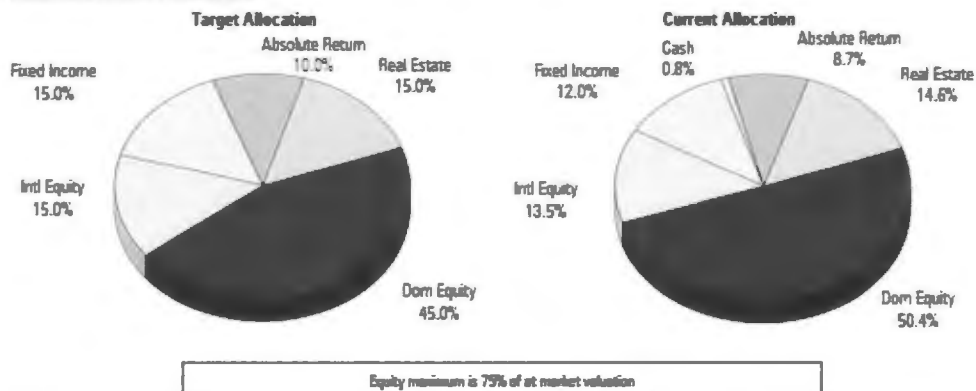
Ms. Parrish-Klausner reviewed and approved the management representation letter prior to the meeting. a motion to approve the execution of management representation letter was made by Mr. Mitchell, seconded by Mr. Smith. Motion passed 5-0.

In a spirit of transparency, this entire report may be viewed at:
<http://lauderdalepolicepension.org/modules/stateDocs/index.asp>

PERFORMANCE MONITOR REPORT:

Mr. Swanson appeared before the Board to review the investment performance for the quarter ending December 31, 2021. Mr. Swanson provided the following asset allocation breakdown:

IV. ALLOCATION OF ASSETS



For the quarter ending December 30, 2021, the Plan had an account balance of \$98,704,490.

Mr. Swanson about inflation and its negative impact on the Plan. It was stated the Fed needs to raise rates, but due to the Russian Ukraine War they will have to moderate increases.

Real Estate is in great demand and the Board's move to that sector was positive.

For purposes of transparency, a copy of the investment report may be viewed on-line at:
http://lauderhillpension.org/docs/investments/LHP_2021_q4.pdf#zoom=100

Lauderhill Note: Mr. Hobbs reported the Note payment is up to date².

ATTORNEY'S REPORT:

POST RETIREMENT BENEFIT: Ms. Parrish-Klausner provided her interpretation to Sec. 2-87.3. Members who retire early are not entitled to the post retirement supplement benefit. Since neither age 55 nor 20 years of credited service would be attained.

SUMMARY PLAN DESCRIPTION (SPD): Mrs. Parrish-Klausner will update the SPD due to the passage of city ordinance cited. She will also ensure there is plain language related to the eligibility of the post retirement benefit.

AUDIT RFP: The proposals were reviewed as a result of the RFP. The following firms³ will be invited to attend the April 13, 2022 meeting for a presentation.

- KSDT
- Davis & Associates
- Caballero Fierman....
- C. Borders-Byrd

ACTUARY'S REPORT:

IMPACT STATEMENT: Mr. Dulaney completed the impact statement as a result of the passage of city ordinance 210-11-156. Now in receipt, Mr. Williams will file with the State of Florida, Division of Retirement.

² Confirmed \$21,334.68 was received by our custodian.

³ Not in any order of relevance.

ANNUAL STATEMENTS: Mr. Hennessey reminded Mr. Dulaney to update⁴ and transmit the annual statements as soon as possible.

NEW BUSINESS:

None

OLD BUSINESS:

None

PLAN ADMINISTRATOR'S REPORT:

Two new members were identified for pension entry – Kevin Favard and Ayanna Nunez-Riley. Motion to approve pension entry by Mr. Smith, motion seconded by Mr. Mitchell. Motion passed 5-0.

OPEN DISCUSSION:

By consensus the meeting of April 13, 2022 to be moved to 12:00 PM.

ADJOURNMENT:

Being there was no other business; the meeting was adjourned at 1:25 P.M.

Approved:  Date: 04-13-22
Chairman Hennessey

⁴ Based on city ordinance 210-11-156.