

**City of Lauderhill Police Officers' Retirement Plan**  
**Minutes**

February 08, 2023  
2:00 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 2:05 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 Hobbs (arrived at 2:10 P.M. via telephone and left at 3:45 P.M.), Mr. Brad Mitchell and Mr. Sam Smith – Trustees.

**Absent:**

None

**Others Present:**

Ms. Lindsay Garber - Klausner Kaufman, Jensen & Levinson (left at 4:00 P.M.); Mr. Matt Williams – Crawford investment (left at 2:30 P.M.); Mr. Eric Leventhal – KSDT (left at 3:15 P.M.); Mr. Dave Williams, Plan Administrator and Mrs. Patty Ostrander – Administrative Assistant.

**Public Discussion:**

None.

**Consent Agenda: Warrant Ratification / Approval:**

**Approval of Minutes:**

The Board of Trustees reviewed the minutes for January 11, 2023 meeting. Mr. Mitchell made a motion to approve the minutes, seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

**Warrant 1081**

Payment of \$3,000.00 to KSDT for annual audit of financial statements as of 09-30-2022. Motion to approve by Mr. Mitchell seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

**Warrant 1082**

Payment of \$1,000.00 to KSDT for annual audit of financial statements as of 09-30-2022. Motion to approve by Mr. Mitchell seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

**Warrant 1083**

Payment of \$3,900.00 to KSDT for annual audit of financial statements as of 09-30-2022. Motion to approve by Mr. Mitchell seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

**Warrant 1084**

Payment of \$3,100.00 to KSDT for annual audit of financial statements as of 09-30-2022. Motion to approve by Mr. Mitchell seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

**Warrant 1085**

Payment of \$1,470.00 to Klausner, Kaufman, Jensen & Levinson for legal services through December 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 1086**

Non vested return of contributions for Mr. Minh Le. Motion to approve by Mr. Mitchell, seconded by Mr. Smith. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

**Warrant 1087**

Payment of \$3,662.33 to Fifth Third Bank for quarterly custodial fees for the fourth quarter of 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 1088**

Payment of \$317.50 to American Express. Motion to approve by Mr. Mitchell seconded by Ms. Anderson. The motion passed 4-0 (Mr. Hobbs was not present for this vote).

**PRESENTATION OF FINANCIAL STATEMENTS:**

Mr. Leventhal presented the annual audit to the Board.

*Opinion*

We have audited the accompanying financial statements of the City of Lauderhill Police Officers' Retirement Plan, which comprise the statement of fiduciary net position as of September 30, 2022, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our 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, 2022, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Financial Highlights*

The Plan's net results from operations for fiscal year 2022 reflected the following financial activities:

- Total fiduciary net position was \$83,524,753, which was 10% lower than the 2021 total fiduciary net position with the decrease due primarily to unfavorable market conditions.
- Total contributions for the year were \$4,834,532 which was 8% greater than the 2021 contributions. The amount of employer contributions varies from year to year and is actuarially determined. Member contributions were 10% of compensation. The increase was primarily due to more employer contribution being actuarially calculated to properly fund the Plan.
- Total interest and dividend earnings were \$2,173,269, which was 106% greater than the 2021 earnings.
- Net investment loss was (\$8,922,824), which was 152% lower than the 2021 income with the decrease due primarily to unfavorable market conditions.
- Benefits paid directly to retirees were \$4,116,401, which was 9% greater than the benefits paid directly to retirees during 2021 with the increase due primarily to current year new retirees.

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## *Statement of Fiduciary Net Position*

The following condensed comparative statement of fiduciary net position is a snapshot of account balances at the fiscal year end of the Plan. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the financial statement date. The resulting net asset value, or assets minus liabilities, represents the value of assets held in trust for pension benefits.

The Plan continues to be evaluated for actuarial soundness by the actuary of the Plan. It should be noted that retirement system funding is based on a long-term perspective and that temporary fluctuations in the market are to be expected.

- Fiduciary net position at September 30, 2022 was \$83,524,753, a 10% decrease from fiduciary net position at September 30, 2021.
- Total investments at September 30, 2022 were \$81,590,082, an 11% decrease from the investments at September 30, 2021.

The table below presents condensed comparative statements of fiduciary net position as of September 30:

	2022	2021	% Change
Receivables	\$ 45,090	\$ 39,332	15%
Prepaid expense	5,229	-	100%
Investments, at fair value	81,590,082	91,338,310	(11%)
Note receivables	2,031,875	2,031,875	0%
Total assets	83,672,276	93,409,517	(10%)
Accounts payable	81,029	80,156	1%
Advanced contributions from employer	66,494	66,494	0%
Net position restricted for pensions	\$ 83,524,753	\$ 93,262,867	(10%)

## *Statement of Changes in Fiduciary Net Position*

The statement of changes in fiduciary net position presents the effect of Plan transactions that occurred during the fiscal year. On the statement, additions to the Plan minus deductions from the Plan equal net increase or decrease in fiduciary net position.

The funding objective is to meet long-term obligations and fund all Plan benefits.

- Revenues (traditionally additions to the fiduciary net position) for the Plan actually resulted in a deduction to the fiduciary net position of (\$4,083,401), which was made up of total contributions of \$4,834,532 less net investment loss of (\$8,922,824) and other income of \$4,891.
- Expenses (deductions from the fiduciary net position) increased from \$4,870,236 during 2021 to \$5,654,713 in 2022.

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*Statement of Changes in Fiduciary Net Position (Continued)*

The table below presents a condensed comparative of the changes in fiduciary net position for the years ended September 30:

	2022	2021	% Change
Total contributions	\$ 4,834,532	\$ 4,477,529	8%
Net investment (loss) income	(8,922,824)	17,183,343	(152%)
Other income	4,891	-	100%
Total additions	(4,083,401)	21,660,872	(119%)
Total deductions	5,654,713	4,870,236	16%
Net change	(9,738,114)	16,790,636	(158%)
Net position restricted for pensions – beginning	93,262,867	76,472,231	22%
Net position restricted for pensions – ending	\$ 83,524,753	\$ 93,262,867	(10%)

*Asset Allocation*

The table below indicates the Plan investment policy limitations and actual asset allocations as of September 30, 2023:

Type of Investment	Investment Policy	Actual Allocation
Domestic equities	35%-60%	44.89%
International equities	5%-25%	9.02%
Fixed income	10%-25%	4.79%
Absolute return funds	5%-25%	6.18%
Real estate	10%-25%	32.48%
Cash and cash equivalents	Minimal	2.64%

Mr. Hennessy asked about the fact that he was interviewed by prior auditors on concerns regarding the plan and he was not interviewed this year. Mr. Levanthal stated that this is a separate audit.

Ms. Gerber stated that this has been talked about in her office and the possibility of adding it to management letters for next year's audit.

Mr. Smith made a motion to approve the draft audit, seconded by Ms. Anderson. Motion passed 5-0.

Ms. Anderson made a motion for Mr. Hennessy to execute the management letter, seconded by Mr. Smith. Motion passed 5-0.

**ATTORNEY'S REPORT:**

Share Plan - Ms. Gerber explained the letter that Klausner, Kaufman, Jensen & Levinson presented informing the Board of certain statutory requirements relating to the Plan, receiving chapter 185 monies.

Mr. Mitchell approved the Share Plan letter, seconded by Mr. Smith. Motion passed 5-0. Mr. Hennessy stated that once this letter is finalized, that the Administrator forward this letter to the City Manager, Board of Trustees, Union leadership (FOP President and PBA Representative).

Ms. Gerber reviewed the Secure 2.0 Act letter that was distributed.

**ACTUARY'S REPORT:**

Mr. Dulaney handed out the report on active members for the Board to review.

GASB67 – Mr. Dulaney explained the annual report.

**NEW BUSINESS:**

Mr. Hennessy would like to schedule another Educational Seminar on Monday, March 13, 2023 at 6:15 P.M. Mr. Smith suggested the possibility of discussing Wills, Trusts, etc.

Mr. Hennessy changed the meeting times, going forward to 10:30 A.M. to accommodate the Attorney.

**OLD BUSINESS:**

Honor Wall - Tabled

**INVESTMENT REPORT – CRAWFORD INVESTMENT COUNSEL:**

Mr. Williams – Crawford Investment appeared before the Board to review their portfolio and process.

On a calendar year basis, the portfolio returned -11.68% vs. the benchmark return of -20.44%. Since inception the portfolio returned 5.6% vs. the benchmark return of 4.93%.

**PLAN ADMINISTRATOR'S REPORT:**

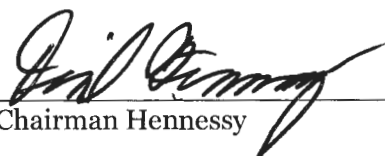
Staff Review – Mr. Williams advised the Board that PPA has not revised its payment since October 2021. Mr. Williams reflected that he is not seeking a raise, simply trying to keep up with the CPI. The Board was asked to consider only if they were satisfied with the services being rendered. After review and discussion of this matter, Mr. Mitchell made a motion to revise the monthly PPA payment by \$320.00, effective March 01, 2023, seconded by Mr. Smith. Motion passed 4-0 (Mr. Hobbs was not present for this vote). Mr. Williams and Mrs. Ostrander thanked the Board for allowing PPA the opportunity to serve the Plan.

**OPEN DISCUSSION:**

Mr. Hennessy suggested changing the meeting times to 10:30 A.M. going forward to accommodate the Attorney.

**ADJOURNMENT:**

Being there was no other business; the workshop was adjourned at 4:20 P.M.

Approved:  Date: 03-01-23  
Chairman Hennessy