

City of Lauderhill Police Officers' Retirement Plan
Minutes

May 08, 2024
10:30 A.M.

Call to Order / Roll Call:

Mr. David Hennessy called the meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 10:51 A.M. at the Lauderhill Police Department 6279 West Oakland Park Blvd in Lauderhill Florida.

Members Present:

Mr. Dave Hennessy – Chairman; Mr. Brad Mitchell and Mr. Sam Smith Trustees

Absent:

Mr. Kennie Hobbs and Ms. Andrea Anderson.

Others Present:

Ms. Anna Klausner-Parrish - Klausner Kaufman, Jensen & Levinson; Mr. Torrance Gary – Trustee in Training; 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 April 17, 2024, meeting. Mr. Mitchell made a motion to approve the cited minutes, seconded by Mr. Smith. The motion passed 3-0.

Warrant 1187

Fifth Third Bank – Custodial Fee: Motion to approve by Mr. Smith, seconded by Mr. Mitchell. The motion passed 3-0.

Warrant 1188

Non-vested return of contributions payable to Ms. Cara Moore. Motion to approve by Mr. Smith seconded by Mr. Mitchell. The motion passed 3-0.

Warrant 1193

Brown & Brown of Florida, Inc. – Cyber Ins Policy - Motion to approve by Mr. Mitchell seconded by Mr. Smith. The motion passed 3-0.

ATTORNEY'S REPORT:

Ms. Klausner-Parrish stated she is seeking an IME Doctor for Mr. Brett Blair regarding his non-duty disability matter. It was learned that Mr. Blair has separated services from the City of Lauderhill. Ms. Klausner-Parrish advised his separation does not affect his eligibility for disability. Mr. Blair was provided several calculations prior to separation and advised the following in part: "I have reviewed the options available to me and have decided to continue with the non-duty disability option."

ACTUARY'S REPORT:

Mr. Dulaney presented the October 1, 2023 Actuarial Valuation for the City of Lauderhill Police Officers' Retirement System. The purpose of this report is to indicate appropriate contribution levels and to satisfy State requirements. The report is prepared for and at the request of the Board of Trustees.

The report consists of commentary, detail Tables I through XVI and State Required Exhibit - Table XVII. The Tables contain basic Retirement Plan cost figures plus significant detail on the benefits, liabilities and experience of your Plan.

Costs for Fiscal Year Beginning October 1, 2023

This Actuarial Valuation develops the required minimum Retirement Plan payment for the fiscal year beginning October 1, 2023 and ending September 30, 2024 under the Florida Protection of Public Employee Retirement Benefits Act and Chapter 185. The minimum payment consists of payment of annual normal cost plus amortization of the unfunded actuarial accrued liability over various periods, and interest, as prescribed by law. We anticipate that the member contributions will be \$1,282,834 (10.0% of covered payroll).

The required funding amount for the plan/fiscal year ending September 30, 2024, to be met by the City and State contributions under Chapter 185 is 35.1% of the covered payroll. The anticipated State (Chapter 185) contribution is \$601,075. The City and State required contribution, computed based on the October 1, 2023 covered payroll of \$12,828,343, is \$4,496,677 or 35.1% of covered payroll, if the payment requirement is met by September 30, 2024. We have assumed that the State contribution available (limited by rules under Chapter 99-1) would be \$601,075 (same as the amount the City was credited with for contribution purposes for the prior plan/fiscal year, and assumed to be 4.7% of covered payroll). Thus, the required City contribution would be \$3,895,602 (30.4% of covered payroll). Under the rules of Chapter 99-1, any amount of the State contribution received above the assumed amount of \$601,075 can be used to reduce the City's contribution requirement. If the actual State contribution is less than the assumed amount, the shortfall must be made up by the City.

Changes in Plan Provisions, Actuarial Methods or Assumptions Recognized in this Valuation.

In this valuation, the Tier 2 members will be eligible for normal retirement benefit after 20 years of service, as shown in the outline summary of plan provisions in Item 7, Table XI. There were no other changes in plan provisions.

In this valuation, there were no changes in the actuarial assumptions and methods utilized in this valuation from those of the October 1, 2022 valuation except the assumed administrative expenses were changed from \$166,412 to \$149,793 and the assumed interest was changed from 6.80% to 6.75%, net of investment expenses, compounded annually for the plan/fiscal year. Table XII contains an outline of the assumptions and methods used.

Comparison of Costs With Previous Valuation Year of 2022/2023

Table II of the report provides information of a comparative nature. Column I shows the results of the October 1, 2022 Actuarial Valuation while Column II shows the results as of October 1, 2023 Actuarial Valuation prior to the change in actuarial assumptions. A comparison of the two columns shows the effect of plan experience during the year. Covered payroll increased by approximately 8.9% while the number of active participants increased by about 6.2%. The unfunded liability increased from \$19,256,086 to \$19,743,806 during the plan year. The City minimum funding requirement decreased from 29.8% to 28.6% of the covered pension payroll and the City minimum funding requirement increased from \$3,510,936 to \$3,663,882.

Column III of the Table displays the results after the actuarial assumption changes. A comparison of Columns II and III indicates that the changes increased the unfunded actuarial accrued liability by \$1,343,787 from 19,743,806 to \$21,087,593. The City minimum funding requirement increased from 28.6% to 30.4% of the covered pension payroll.

Plan Experience

Table XVI provides a summary of certain plan experience during the plan year. The actuarial value of assets return was 5.7% for the plan year ended September 30, 2023, which was lower than the assumption of 6.8%. The market value rate of return was 8.7%. Employee turnover was 51% lower than the expected turnover during the last plan year. The actual pensionable earnings increased by an average of 5.2% per active member as compared to the assumption of 6.0%. The actuarial value of assets return and turnover experience were sources of actuarial loss, but the salary experience was a source of actuarial gain during the plan year. A more detailed analysis would be needed to determine the actual magnitude of gain or loss attributable to each of these elements.

After review and discussion, a motion to approve and accept the Actuarial Valuation for October 1, 2023 by Mr. Smith, seconded by Mr. Mitchell, Motion passed 3-0.

In a spirit of transparency, the Board of Trustees have posted this entire report on the pension website: <http://lauderdalepolicepension.org/modules/stateDocs/index.asp>

PLAN ADMINISTRATOR'S REPORT:

No formal report.

NEW BUSINESS:

No new business.

OLD BUSINESS:

Staff Review – Tabled for a full Board.

OPEN DISCUSSION:

No open discussion ensued.

ADJOURNMENT:

Being there was no other business; the meeting was adjourned at 11:49 A.M.

Approved:  Date: 06.12.24
Chairman Hennessy