

June 11, 2025

Board of Trustees
c/o Mr. Greg Abend
Foster & Foster, Inc.
2503 Del Prado Blvd S. Suite 502
Cape Coral, FL 33904

**Subject: City of Lauderhill Confidential & Managerial Employees' Retirement Plan
Actuarial Impact Statement for Ordinance**

Dear Greg:

We are pleased to enclose an Actuarial Impact Statement in support of Ordinance No. _____ of the City Lauderhill Confidential & Managerial Employees' Retirement Plan. The Actuarial Impact statement is for the following changes:

SECTION 1: A new Section 2-88.16 is added to read as follows:

Sec. 2-88.16. – Post retirement supplement.

- (a) Effective June 1, 2025, all members who retire and separate from City service on or after June 1, 2025, and are eligible to immediately draw a normal retirement benefit from the Retirement Plan shall be eligible for a post-retirement supplemental benefit. The post-retirement supplemental benefit shall be forty dollars (\$40.00) per month for each year of credited service in the Retirement Plan, capped at 20 years of service. For purposes of calculating the foregoing supplemental benefit, years of service while in the DROP shall count.
- (b) To be eligible for the benefit provided for in subparagraph (a) above, an employee must be eligible to retire under Section 2-88.6(a).
- (c) This benefit will commence the first full month following the member's retirement and separation from the City and will cease upon the retiree reaching Medicare eligibility.
- (d) Retirees who are otherwise eligible for a different post-retirement health coverage benefit by virtue of their City employment are not eligible for this benefit upon retirement and separation from the Retirement Plan.

The actuarial impact of this proposed change would be an estimated increase in the annual funding cost of \$172,794 (1.7% of covered payroll), as shown on page 5, Item D.6.

Mr. Greg Abend
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We have prepared the Actuarial Impact Statement for filing with the State of Florida. Please note that this Statement must be signed and dated on behalf of the Board of Trustees. A copy of the ordinance upon passage at the first reading along with this Actuarial Impact Statement should be submitted to the State at the following address:

Mr. Douglas Beckendorf, A.S.A.
Bureau of Local Retirement Systems
Florida Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Please forward a copy of the ordinance upon passage at second reading to update our files.

We have prepared this Impact Statement based upon the October 1, 2024 census and financial data that was utilized for the October 1, 2024 Actuarial Valuation. The methods and assumptions used in the calculations are the same as those that were utilized for the October 1, 2023 Actuarial Valuation.

If you should have any question concerning the above, please do not hesitate to contact us.

Sincerely,



Donald A. DuLaney Jr., A.S.A., E.A.
Senior Consulting Actuary

DAD:cp
Enclosures
cc: Douglas Downs, with enclosure

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City of Lauderhill Confidential & Managerial Employees' Retirement Plan

Actuarial Impact Statement

A. Description of Plan Amendment

SECTION 1: A new Section 2-88.16 is added to read as follows:

Sec. 2-88.16. – Post retirement supplement.

- (a) Effective June 1, 2025, all members who retire and separate from City service on or after June 1, 2025, and are eligible to immediately draw a normal retirement benefit from the Retirement Plan shall be eligible for a post-retirement supplemental benefit. The post-retirement supplemental benefit shall be forty dollars (\$40.00) per month for each year of credited service in the Retirement Plan, capped at 20 years of service. For purposes of calculating the foregoing supplemental benefit, years of service while in the DROP shall count.
- (b) To be eligible for the benefit provided for in subparagraph (a) above, an employee must be eligible to retire under Section 2-88.6(a).
- (c) This benefit will commence the first full month following the member's retirement and separation from the City and will cease upon the retiree reaching Medicare eligibility.
- (d) Retirees who are otherwise eligible for a different post-retirement health coverage benefit by virtue of their City employment are not eligible for this benefit upon retirement and separation from the Retirement Plan.

- B. An estimate of the cost of implementing this amendment – **The actuarial impact of this proposed change would be an estimated increase in the annual funding cost of \$172,794 (1.7% of covered payroll), as shown on page 5, Item D.6.**
- C. In my opinion, the changes are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution.

Chairman, Board of Trustees

Date

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CITY OF LAUDERHILL CONFIDENTIAL AND MANAGERIAL EMPLOYEES
RETIREMENT PLAN

State Required Exhibit

	<u>Current</u> <u>10/01/2024</u>	<u>Proposed</u> <u>10/01/2024</u>
A. <u>Participant Data</u>		
1. Active participants	125	125
2. Retired participants and beneficiaries receiving benefits	77	77
3. DROP participants	13	13
4. Disabled participants receiving benefits	1	1
5. Terminated vested participants	3	3
6. Total participants	219	219
7. Annual payroll of active participants	\$ 10,200,461	\$ 10,200,461
8. Annual benefits payable to those currently receiving benefits	\$ 3,011,422	\$ 3,011,422
9. Annual benefits payable to terminated vested participants	\$ 22,759	\$ 22,759
10. Annual benefits payable to DROP participants	\$ 1,013,710	\$ 1,013,710
B. <u>Assets</u>		
1. Actuarial Value	\$ 47,982,493	\$ 47,982,493
2. Market Value	\$ 50,625,103	\$ 50,625,103
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Age retirement benefits	\$ 24,235,771	\$ 25,618,433
b. Vesting benefits	2,675,218	2,675,218
c. Death benefits	97,202	97,202
d. Disability benefits	706,936	706,936
e. Total	\$ 27,715,127	\$ 29,097,789
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 310,769	\$ 310,769
3. Actuarial present value of future expected benefit payments for those receiving benefits		
a. Service retired	\$ 33,915,022	\$ 33,915,022
b. DROP participants	13,336,737	13,336,737
c. Disability retired	171,285	171,285
d. Beneficiaries	516,527	516,527
e. Total	\$ 48,250,340	\$ 48,250,340

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Table XVII
(continued two)

	<u>Current</u> <u>10/01/2024</u>	<u>Proposed</u> <u>10/01/2024</u>
4. Total actuarial present value of future expected benefit payments	\$ 75,965,467	\$ 77,348,129
5. Actuarial accrued liabilities	\$ 66,311,949	\$ 67,326,338
6. Unfunded actuarial liabilities (see footnote 1/ for separation)	\$ 18,329,456	\$ 19,343,845
 D. <u>Pension Cost</u>		
1. Total normal cost including expenses	\$ 1,914,702	\$ 1,978,887
2. Expected member contributions	816,037	816,037
3. Item 2. as percentage of payroll	<u>8.0%</u>	<u>8.0%</u>
4. Net employer normal cost	\$ 1,098,665	\$ 1,162,850
5. Payment required to amortize unfunded liability	<u>2,589,313</u>	<u>2,692,004</u>
6. Total employer required contribution (including interest)	\$ 3,818,774	\$ 3,991,568
7. Item 6. as a percentage of payroll	37.4%	39.1%

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