

MEMORANDUM

Department of Budget and Finance

To: Robert Rawls, Interim Town Administrator

From: Chris Wallace, Director of Budget and Finance

Date: May 28, 1999

Subject: Resolution for Police Pension Plan Actuarial Impact Statement

This resolution accepts and actuarial impact statement from the Police Officer's Pension Trust Fund Board's Actuary. This statement shows that the Actuary estimates no cost to the Town if it adopts the companion ordinance amending the Police Officer's Pension Trust Fund. The State of Florida must accept this resolution and companion ordinance before it become final.

The companion ordinance extends benefits to the Police Officer's covered by the Police Officer's Pension Trust Fund. The enhanced benefit extends the eligibility period for the DROP benefit.

If you have any questions or need additional information about this resolution, please give me a call.

RESOLUTION _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, ACCEPTING AN ACTUARIAL IMPACT STATEMENT FOR IMPROVEMENTS IN BENEFITS IN THE TOWN OF DAVIE POLICE OFFICERS' PENSION TRUST FUND AND ESTIMATING NO COST TO THE TOWN.

WHEREAS, the Town has negotiated in its collective bargaining agreement with the Davie Police Officers for certain improvements to the Town of Davie Police Officers' Pension Trust Fund ("the Trust"); and

WHEREAS, Florida law requires that prior to adoption of proposed changes to defined benefit retirement plans an actuarial impact statement estimating the cost of the proposed changes be prepared and considered at a public meeting; and

WHEREAS, the board of the Trust has had prepared by an enrolled actuary an actuarial impact statement detailing the cost of the proposed changes to the Town and the employees of the Trust; and

WHEREAS, the total pension benefit obligation will result in no cost to the Town as a result of the proposed changes;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA.

Section 1. The Town Council, after deliberation and consideration of the impact statement, hereby accepts and relies upon the Actuarial Impact Statement (attachment "A") prepared by Watson Wyatt.

Section 2. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 1999

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 1998



Watson Wyatt & Company

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May 27, 1999

Mr. Frank Caneillas
Town of Davie Police Department
6901 S.W. 45th Street
Davie, FL 33314

**Subject: Actuarial Impact Statement
Town of Davie Police Pension Plan**

Dear Frank:

As requested, we have been asked to measure the actuarial impact on the Town of Davie Police Pension Plan of a proposed amendment that would provide that retroactive to October 1, 1997, any plan participant who was already eligible for normal retirement would be eligible to participate in the D.R.O.P. for a five (5) year period.

There would be no actuarial impact to the pension fund for such an amendment. The reason for this is that once a plan participant enters the D.R.O.P., he is treated as a retiree (no further benefit accruals, no employee contributions, etc.) for actuarial purposes, and it doesn't matter how much time is spent in the D.R.O.P. as compared to the amount of time spent as a "true" retiree.

If you should have any question concerning the above or would like to discuss this material further, please do not hesitate to contact us.

Sincerely,

Donald A. DuLaney, Jr., A.S.A.
Actuary

DAD:ni

cc: Mr. Robert Klausner, P.A.
Mr. Christopher Wallace
Mr. Joseph Mastrangelo