

# ORLANDO POLICE PENSION BOARD NEWSLETTER



Volume 1, Issue 2 April 2007

## Board of Trustees

**Jay L. Smith, Chairman**  
Elected by Membership  
407-246-2110

**Rebecca Sutton, Vice Chairperson**  
Appointed by Mayor  
407-246-2341

**Vince Montgomery, Secretary**  
Elected by Membership  
407-246-2975

**Kevin Edmonds, Trustee**  
Appointed by Mayor  
407-246-4127

**Leon Singletary, Trustee**  
Appointed by Trustees  
407-325-7974

## MESSAGE FROM THE CHAIRMAN

Dear Members:

The Comprehensive Annual Financial Report (CAFR) for the Orlando Police Pension Plan years ended September 30, 2006 and 2005 has been submitted to the Pension Board and accepted.

Here are just a few of the highlights of the 2006 CAFR.

- The plan assets increased by \$29.95 million as a result of the fiscal year's activities.
- The strong performance in the equity markets resulted in a positive investment result for the Plan.
- The overall portfolio return of 9.6% exceeded the actuarial assumption of 8%.

The plans funding level increased from 90.1% to 93.2% revealing that the fund remains in reasonably well funded financial

condition.

As of September 30, 2006 the plan had net assets in the amount of \$347 million to pay for pension benefits.

There are currently 446 retirees/beneficiaries who are receiving pension benefits as of 9/30/06.

We currently have 3.7 million dollars available to purchase the minimum benefits as required by FSS 185. Based on the survey results during the 2005 Block Training, we will be moving forward with the purchase of overtime for compensation upon retirement.

If you should have any questions or comments please drop me a message.

In your service,

Jay L. Smith, Chairman

## Inside this Issue:

Rhumblin' Visit	2
Lost Pension Time	2
Questions/Suggestions	3
Board Meetings	3
LOD -Tax Returns	3
Website	3
Reemployment after Retirement	4
Contact Us	5

## RETIREMENTS NORMAL/DISABILITY 1/1/07-3/31/07



January—None

### February

Kelly Brace

Danny McCoy

Joni Mathis

Pam Miller

### March

Matthew Floeter, Disability

Ronald Rodi, Disability



**RhumbLine Advisers** is a Boston-based institutional investment firm that specializes in index and customized index-based strategies.

RhumbLine was founded in October 1990 by J.D. Nelson, a former Senior Executive at a major financial services institution in Boston. J.D.'s vision was to create a focused firm whereby all of its professionals deliver exceptional client service coupled with low-cost passive products. Our ownership structure is unique in that we are the only minority-owned firm focused exclusively on passive strategies.

All of RhumbLine's products are index-based and customized index-based strategies designed to match the risk and return characteristics of specific benchmarks.

Their investment team applies quantitative techniques and computer expertise to replicate the published indexes and to customize unique passive products that meet the investment needs of each client.

Rhumblin attributes their growth to being focused exclusively on their clients, both in responsiveness to their requests and flexibility in tailoring products to meet their investment needs.

Rhumblin began managing money for the Orlando Police Pension plan in 1992.

They are currently managing:

- 35.2 million in a S&P 600 growth Index Fund
- 16.9 million in an S&P 500 Index
- 30.9 million in a Mid Cap Growth Index
- 9.2 million in a Large Cap Value commingled fund.

We are currently conducting a search for a new Small Cap Growth manager. While we are conducting this search Rhumbline will also be managing 31.3 million from the previous Small Cap manager. Rhumbline has a total of

123.6 million under management for the Orlando Police Pension Plan.

Today Rhumbline manages more than \$15.9 billion in domestic equity and fixed income assets for more than 113 clients nationwide.

*(Left-to Right)* J.D. Nelson, CEO  
Ofc. Jay L. Smith, Wayne T. Owen,



Managing Partner

## LOST PENSION TIME

At the beginning of each year the City of Orlando Employee Benefits division conducts an audit of the hours each member has obtained towards retirement. Once this is completed, members who have lost pension time during the previous year are notified.

Members who were on Workmen's' Compensation, Active Military Duty, or No Pay Status may have lost pension time.

If you have been notified that you lost pension time towards retirement during the 2006 calendar year you have until May 31, 2007 to elect to purchase the lost time.

Simply contact Katie Zuccarini in Employee Benefits and advise her that you wish to purchase the lost time. She will calculate your lost time and advise you of the cost to purchase the time back.

If you chose to purchase the time, you will have the ability to schedule a bi-weekly deduction from your paycheck.

If you chose not to purchase your time, you will be given an adjusted date of hire.

If you should have any questions concerning this issue, please feel free to contact Katie at 407-246-3487 or by email at [katie.zuccarini@cityoforlando.net](mailto:katie.zuccarini@cityoforlando.net).

## QUESTIONS OR SUGGESTIONS

**Suggestion:** Include a short, quarter financial summary of the fund: beginning balance, ending balance, number of active and retirees; average annual member distribution.

From: Don (retired in 1998 ) & Sheila (retired in 1996) Glass.

**Answer:** Beginning balance of \$317,574,361 and ending balance on 9/30/06 of \$347,526,204. The Plan had a total return for the year of 11.16%. and is presently 93.2% funded. As of March 31, 2007 total assets are: \$374, 217,058.

There are 701 active police officers with 407 retirees, beneficiaries, and DROP participants.

In 1997 the average monthly benefit for 25 years of service was \$2,682.00; in 2006 the average monthly benefit for 25 years of service is \$3,589. Presently active members contribute 8.47% and management contributes 7.47%. The City of Orlando contributes 30.02% annually.

## IMPORTANT REMINDERS

### ANNUAL TAX RETURN FOR LINE OF DUTY RETIREES

**Unfortunately, it is probably too late for your 2006 tax return, however, please keep this in mind for next year...**

If you are receiving a line of duty disability retirement, please write in your occupation as: Police Officer Line of Duty Disability Retiree. Many of you have been receiving letters from the IRS because you put down your present occupation, which might be security, clerk, sales representative, etc. The IRS doesn't understand why your pension is tax exempt. By putting this as your occupation, it explains why taxes

have not been deducted. Your W2 shows them that you have another position and taxes are being deducted.

### POLICE PENSION BOARD MEETINGS 2007

All monthly meetings are scheduled for the 2<sup>nd</sup> Wednesday of the month at 9:15 a.m. in the agenda conference room, on the 2<sup>nd</sup> floor of City Hall.

The May 9th meeting has been cancelled and will be rescheduled.

### PENSION WEBSITE:

The Finance Department has a new Pension website located on the right hand side of the intranet "Pensions".

Under City services "Pensions" on the cityoforlando.net website.

Under "Employment" on the OPD website.

There are statutes, reports, minutes, board members, 457 and disability application forms plus pension plan documents.

**Take a look.**

## Orlando City Code Chapter 12 Section 20 Reemployment After Retirement

1) Any person who is retired and entitled to receive retirement benefits from the pension fund for the police department of the City of Orlando may be reemployed by any private or public employer after retirement and receive compensation from the employer and such retirement benefits without limitation, except that a person who, within the 12 months immediately subsequent to the date of his retirement, is reemployed by either the police department or fire department of the City of Orlando may not receive such retirement benefits for the period beginning on the date of such reemployment and ending on the first anniversary of the date of his retirement. The 12-month limitation period imposed by this paragraph applies to reemployment in any capacity with the police department or fire department of the City of Orlando, irrespective of the category of funds from which the person is compensated.

(2) A person to whom the limitation in subsection (1) applies and who is reemployed by either the police department or fire department of the City of Orlando within the 12 months immediately subsequent to the date of retirement must give timely notice of his or her status to the Orlando Police Pension Board. The retirement benefits shall be suspended for the balance of the 12-month limitation period; any retirement benefits received during the 12-month limitation period shall be repaid to the pension fund, and the retirement benefits shall remain suspended until such repayment has been made. Any retirement benefits suspended beyond the 12-month limitation period shall be applied toward the repayment of any retirement benefits received during the 12-month limitation period.

(3) A retiree who draws a pension from the pension fund for either the police department or fire department of the City of Orlando, regardless of the date of reemployment, is not entitled to earn and draw another pension from either pension fund. If the police department or fire department of the City of Orlando employs a person who is entitled during such reemployment to receive retirement benefits from the pension fund for either the police department or fire department of the City of Orlando, the employer must pay into its pension fund an amount equal to the unfunded actuarial accrued liability portion, if any, of any contribution that would have been paid into the fund with respect to such employee were he or she a regular employee entitled to earn a pension.

(4) Notwithstanding the provisions of subsections (1) and (2), a person who is retired under the provisions of this plan and who is reemployed as a sworn member of the City of Orlando Police Department shall be reinstated as a participant in the pension plan and upon reinstatement shall be accorded all provided rights therein, provided that the retiree will not receive or be entitled to any pension benefit payment during the period of reemployment. Upon subsequent termination of employment said member will only be entitled to receive a recalculated pension payment based on total credited service and average monthly salary based on months of actual service, whether or not continuous, computed as provided in the plan.

(5) In the event that the provisions of subsections (1) through (3) of section 20 are found by the Internal Revenue Service to preclude this retirement plan from being a qualified pension plan under the Internal Revenue Code, or to preclude the trust from being an exempt organization under the Internal Revenue Code, then it is the intent of the Legislature that the provisions of subsections (1) through (3) not be enforced or effective and, therefore, not serve as a bar to qualification for exempt organization status .

## CITY OF ORLANDO POLICE PENSION BOARD

400 S. Orange Avenue, 4<sup>th</sup> floor

P. O. Box 4990

Orlando, Florida 32802-4990

Phone: 407-246-2603

Fax: 407-246-2707

E mail: [shelly.burlon@cityoforlando.net](mailto:shelly.burlon@cityoforlando.net)

Rochelle (Shelly) L. Burlon

Pension Coordinator/Editor

Donnie R. Jones

Executive Director

407-246-2346

Katrina Laudeman

Deputy Executive Director

407-246-2685