

## MEMORANDUM

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August 4, 2021

TO: Honorable Mayor and City Commissioners

VIA: James Slaton, City Manager

VIA: Sandra D. Davis, Human Resources Director

FROM: Municipal Police Officer's Pension Board and Board Attorney

SUBJECT: Ordinance 2021-22 Amending Chapter 16, Pensions and Retirement – City of Lake Wales Police Officers' Pension Plan and Trust – First Reading

SYNOPSIS: *Ordinance 2021-22 seeks to improve the efficiency and overall administration of the Police Officers' Retirement System. Based on recommendations from its financial consultant, actuary and attorney.*

### **RECOMMENDATION**

It is recommended that the City Commission adopt Ordinance 2021-22 as recommended by the Board of Trustees on First Reading.

### **BACKGROUND**

The proposed amendment seeks to improve the efficiency and overall administration of the Police Officers' Retirement System.

Furthermore, the Financial Consultant is recommending an amendment to Section 16-234, Finances and Fund Management, expanding the Board of Trustees' investment authority to allow for investment in investment grade bonds as well as slightly increasing the maximum pension fund portfolio equity allocation.

Lastly, the amendments to Sec. 16-251 and 16-256, are meant to update the Ordinance to comply with recent changes to the Internal Revenue Code to reconcile with the pension plan's fiscal year and past practice correcting an apparent scrivener's error.

### **FISCAL IMPACT**

According to the Actuary (Foster & Foster) there is no cost to the City to implement the proposed amendments.

### **ATTACHMENTS:**

Ordinance 2021-22