



**TO:** Honorable Mayor & Members of the Fort Lauderdale City Commission

**FROM:** Susan Grant, Acting City Manager

**DATE:** October 1, 2024

**TITLE:** Resolution Approving the General Employees' Retirement Plan's (GERS) Cost-of-Living Adjustment (COLA) of 2.75 Percent for Retirees and Beneficiaries, and Providing for a Seven-Year Amortization Period - **(Commission Districts 1, 2, 3 and 4)**

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**Recommendation**

Staff recommends the City Commission adopt a resolution, contingent upon the unanimous vote of the full City Commission, approving the General Employees' Retirement Plan's (GERS) cost-of-living adjustment (COLA) of 2.75 percent for retired members who retired before October 1, 2022, and their beneficiaries effective October 1, 2024, and providing for a seven-year amortization period.

**Background**

The City of Fort Lauderdale General Employees Retirement Plan ("GERS") Board of Trustees ("Board") provided information to GRS Retirement Consulting for an actuarial valuation report showing the impact of a cost-of-living adjustment ("COLA") for the plan retirees and beneficiaries. Three criteria must be satisfied for the implementation of a COLA increase. The GERS plan has satisfied two criteria to grant a COLA.

The third criterion requires City Commission approval to take this action. Per the bond covenants for the City's Pension Obligation Bonds:

Section 610, Covenant Concerning Increase in or Addition to Pension Plan Benefits.

The City shall not increase any benefit provided or provide a new benefit to members of either the GERS or the Police/Fire Pension Plan which is in addition to the benefits provided to such members as of October 1, 2012, unless (a) (i) the present value (as determined by the respective independent actuaries of the Pension Plans) of the cost of such increase in benefits or new benefit is fully funded at the time that such increase in benefits or new benefit is approved and (ii) such increase in benefits or new benefit is approved by vote of a majority of the full City Commission plus

one or (b) such increase in benefits or new benefit is approved by the unanimous vote of the full City Commission.

If fully funded the cost will be \$12,494,919; or if amortized over a five (5) year period the cost would be \$2,835,619 annually; or if amortized over a seven (7) year period the cost would be \$2,152,978 annually.

At the August 20, 2024, Joint Workshop with the Budget Advisory Board (BAB), City Commission provided direction to the Acting City Manager to fund the GERS COLA in Fiscal Year 2025, amortizing the cost over a seven (7) year period.

On September 12, 2024, the GERS Board voted to approve the COLA, subject to City Commission approval.

The COLA cost will be amortized over a seven (7) year period in the amount of \$2,152,978 annually, and adoption of the proposed resolution is contingent upon a unanimous vote of the full City Commission.

**Resource Impact**

There will be a fiscal impact in the amount of \$2,152,978.

<i>Funds available as of October 1, 2024</i>					
ACCOUNT NUMBER	PROJECT NAME (Program)	CHARACTER/ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)*	AMOUNT
10-001-9030-519-20-2204	Other Gen Govt – Human Resources	Fringe Benefits/Pension-General Emp	\$2,460,078	\$2,460,078	\$2,152,978
<b>TOTAL AMOUNT ►</b>					\$2,152,978

**Strategic Connections**

This item supports the *Press Play Fort Lauderdale 2029* Strategic Plan, specifically advancing:

- Guiding Principle: Fiscal Responsibility

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are United

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan specifically advancing:

- The Internal Support Focus Area
- The Implementation Element
- Goal 1: The Fort Lauderdale Comprehensive Plan shall accomplish the City’s Fast Forward Fort Lauderdale Vision 2035 Plan regarding the City’s future growth and the six Cylinders of Excellence and shall be the City’s primary policy document to guide all of its activities and development.

**Attachments**

Exhibit 1 - COLA Recommendation for GERS Retirees and Beneficiaries  
Exhibit 2 – Resolution

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Prepared by: Linda Short, Director, Finance

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