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# **CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**

## **CALENDAR OF ITEMS**

**REGULAR BOARD MEETING**

**APRIL 22, 2022**

# **AGENDA ITEM 1**

## **CALL TO ORDER**

**(NO BACKUP FOR THIS SECTION)**

**AGENDA ITEM 2**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

# **AGENDA ITEM 2.A.**

## **AGENDA ADOPTION**

# **CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**



2600 Hollywood Blvd. • City Hall Annex Building, 2<sup>ND</sup> Floor, Room 20 • Hollywood, FL 33020  
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## **AGENDA REGULAR PENSION BOARD MEETING TUESDAY, APRIL 26, 2022 at 9:00 AM CITY HALL, ROOM 219, 2600 HOLLYWOOD BOULEVARD**

- 1. CALL TO ORDER**
- 2. ROLL CALL AND PLEDGE OF ALLEGIANCE**
  - A. Agenda Adoption
  - B. Absent and Excused
- 3. CONSENT AGENDA**
  - A. March 22, 2022 Regular Meeting Minutes
  - B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
  - C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities
- 4. FINANCIAL**
  - A. Financial Statements For The Fiscal Year Ended September 30, 2021
  - B. Audit Committee Report
  - C. Financial Reports and Investment Summary
- 5. INVESTMENT (Segal Marco Advisors)**
  - A. February 2022 Flash Performance Report
  - B. SMID Value Manager Search Report
  - C. SMID Value Transition Manager Report
  - D. Work Plan 2022
- 6. LEGAL (Ron Cohen – Lorium Law)**
  - A. Legal Update
  - B. Virginia Tisdale-Ferguson v. the Board of Trustees of the City of Hollywood Employees' Retirement Fund, and Blanche T. Pressley, a/k/a/ Blanche Tisdale
  - C. Request for Executive Session to Discuss Pending Litigation
- 7. EXECUTIVE DIRECTOR'S REPORT**
  - A. City Commission Communication
  - B. Pension Office Renovation
  - C. CPMS Update
  - D. Communications from the Executive Director
- 8. PUBLIC COMMENTS**
- 9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS**
- 10. ADJOURNMENT**

\*PERSONS WITH DISABILITIES WHO REQUIRE REASONABLE ACCOMMODATION TO PARTICIPATE IN AN EMPLOYEES' RETIREMENT FUND BOARD MEETING MAY CALL THE PENSION OFFICE FIVE (5) BUSINESS DAYS IN ADVANCE AT 954-921-3333 (VOICE). IF AN INDIVIDUAL IS HEARING OR SPEECH IMPAIRED, PLEASE CALL 800-955-8771 (V-TDD).\* \*ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSES MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS MADE.\* \*THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATION MEDIA TECHNOLOGY, THE TYPE BEING A SPEAKER TELEPHONE.\* \*IN COMPLIANCE OF STATE LAW, THE BOARD OF TRUSTEES FINDS THAT A PROPER AND LEGITIMATE PURPOSE IS SERVED WHEN MEMBERS OF THE PUBLIC HAVE BEEN GIVEN A REASONABLE OPPORTUNITY TO BE HEARD ON A MATTER BEFORE THE BOARD. THEREFORE, THE BOARD OF TRUSTEES HAVE DETERMINED AND DECLARED THAT THEY WILL ALLOW THE PUBLIC TO COMMENT; HOWEVER, EACH PERSON IS LIMITED TO NO MORE THAN (3) THREE MINUTES TO COMMENT AT EACH MEETING.\* \*TWO OF MORE MEMBERS OF ANY OTHER CITY BOARD, COMMISSION, OR COMMITTEE, WHO ARE NOT MEMBERS OF THE EMPLOYEES' RETIREMENT FUND BOARD MAY ATTEND THIS MEETING AND MAY, AT THAT TIME, DISCUSS MATTERS ON WHICH FORESEEABLE ACTION MAY LATER BE TAKEN BY THEIR BOARD, COMMISSION, OR COMMITTEE.\*

# **AGENDA ITEM 2.B.**

## **ABSENT AND EXCUSED**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 3.A.**

## **CONSENT AGENDA**

**MARCH 22, 2022**

**REGULAR MEETING MINUTES**

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
TUESDAY, MARCH 22, 2022 AT 9:00AM**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:05a.m.

**2. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Board Members present: Chair Phyllis Shaw, Secretary Robert Strauss, Barbara Armand, Charles Howell, and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds of Segal Marco; Karl Hutchinson of Principal Financial; and Ronald Cohen of Lorium Law.

**A. March 22, 2022 Regular Board Meeting Agenda**

**MOTION** made by Trustee D. Keller, seconded by Trustee Armand, to adopt the Revised February 22, 2022 Regular Board Meeting Agenda which withdrew Agenda Item 6B and Added Agenda Item 5F - IPS Update. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

**3. CONSENT AGENDA**

- A. February 22, 2021 Regular Meeting Minutes
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

**MOTION** made by Trustee D. Keller, seconded by Trustee Armand, to approve Consent Agenda Items 3a through 3c. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

**4. FINANCIAL**

- A. Ms. Bailey provided the Board with the Draft February 2022 Financial Operations and Investment Summaries. She also provided the Budget Variance Report as of February 28, 2022.

**5. INVESTMENT (Keith Reynolds – Segal Marco)**

- A. January 2022 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for January 2022. He noted the Fund's market value of assets as of January 31, 2022 decreased to \$452.9 million. He also noted that the estimated return for the Fund was down -3.3% net of fees for the month of January 2022 and up 0.7% net of fees for the fiscal year to date.

- B. Custodian Update

Mr. Hutchinson advised the Board that the transition of the custodial services from Wells Fargo to Principal went very well. He stated that Principal was one of the top 3 of overall service providers. He noted Principal's commitment to corporate social responsibility. He also noted that Principal had a major commitment to technology and cyber security to protect client assets. He also provided a list of the trust and custody services offered by Principal.

Ms. Rosa Limas advised that Segal had approximately 35 clients who transitioned to Principal at the same time as COHERF. She noted that there were no major issues to report with respect to the transition. She also noted the Fund will be working with the same Well Fargo leadership, personnel and systems.

- C. TSW Transition Update

Mr. Reynolds noted that at Board terminated TSW at the January meeting and requested that the asset be transferred. However, he requested that, to reduce transition costs and given the volatility in the market, the Board recall the recommendation that the asset be moved from TSW to the SMID Cap index fund and instead, hold those assets at TSW until a new manager is identified. Then utilize a transition manager to minimize market cost and the impact of volatility.



Ms. Limas explain the concept of transition management and its benefits to the Fund to minimize cost and risk. She noted that there were no additional costs the Fund as the transition managers were compensated through the execution of the transition. Trustee D. Keller asked how a transition manager's cost would be impacted if only a small portion of the assets could be crossed to the new manager. Ms. Limas noted that a transition manager would utilize internal crossing within the firm and external crossing among its liquidity sources to trade and minimize costs. She noted that there would be full disclosure of the cost before the transition, and that there would be a full analysis after the transition.

In response to a question, Ms. Limas stated that a transition manager would be hired through a similar process as the investment managers, using their seven principle process. Trustee Shaw inquired about the timeline to hire a transition manager. Mr. Reynolds advised that a list of proposed transition managers would be provided at the next meeting, the managers would then be considered at the May Board Meeting. Ms. Limas noted the Board could interview and select transition managers in April.

The Board discussed the transition process from TSW.

**MOTION** made by Trustee Strauss, seconded by Trustee D. Keller, to recall the motion made for Item 5C at the February 22, 2022 meeting concerning transferring funds from TSW to the Northern Trust Index Fund until a future allocation is made. In a roll call vote of the members present, the **Motion** passed 4-1. Trustee Shaw opposed the motion.

Trustee Strauss noted that a new roster of transition managers would be brought to the fund next month. Mr. Reynolds concurred and noted that a roster of proposed new SMID Value managers would also be brought. He noted that TSW would maintain the assets until the transition can be conducted in a cost effective manner.

**MOTION** made by Trustee D. Keller, seconded by Trustee Strauss, to terminate TSW after the selection and contracting with a new manager, or managers. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

**MOTION** made by Trustee D. Keller, seconded by Trustee Strauss, to request that Segal evaluate and bring forward suggested transition manager firms for the Board to evaluate and consider at its next meeting. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

D. Investment Manager Review and Analysis

Mr. Reynolds provided the Manager Research Summaries which reviewed and provided Segal's current position on each of the Fund's investment managers Board. He noted that all remained recommended by Segal.

E. 2022 Work Plan

Mr. Reynolds provided the Board with the 2022 Work Plan.

F. IPS Update

Mr. Reynolds provided the proposed Investment Policy Update, which included an updated Exhibit A to specifically apply to LM Capital. He noted that the Exhibit would change if LM Capital were replaced. Mr. Cohen noted that if approved, the updated IPS would not take effect until 31 days after it was submitted to the Plan Sponsor, the Actuary and the Department of Management Services. Trustees requested that the Exhibit be amended to include the title Addendum to the Investment Policy Statement.

**MOTION** made by Trustee D. Keller, seconded by Trustee Armand, to approve Exhibit A as amended. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

**6. LEGAL (Ron Cohen – Lorium Law)**

**A. Legal Updates**

Mr. Cohen advised that Ms. Bailey's contract was ready for signatures. He advised that he continued to work on the LM Capital contract. He also noted that the Marathon Contract was still under review. He stated that he hoped to have the paperwork completed shortly but that neither he, nor Mr. Reynolds had yet heard from Marathon when the closing would be.

Ms. Cohen stated that he had not yet received the Neuberger Berman subscription agreement, but had received an unsigned version of the subscription agreement. He advised that he had sent them a proposed side letter, but he had not yet heard back from them. He noted that he believed the last day to for the next close was March 23, however he had not heard back from Neuberger Berman. Mr. Reynolds noted that the next and final close would be June 30, 2022.

Mr. Cohen advised that Ms. Tisdale-Ferguson's had submitted a motion for rehearing. He noted that he was preparing a response memorandum

**C. Request for Executive Session to Discuss Pending Litigation**

Mr. Cohen requested an Executive Session to discuss Pending Lawsuit Virginia Tisdale-Ferguson v. the Board of Trustees of the City of Hollywood Employees' Retirement Fund, and Blanche T. Pressley, a/k/a/ Blanche Tisdale. He noted the conditions of the session.

**7. EXECUTIVE DIRECTOR'S REPORT**

**A. City Commission Communication**

The Board received the City Commission Communication for the month of March 2022.

**B. Pension Office Renovation**

Ms. Karen Sashi of the City's Department of Construction and Management provided the Board with a status report on the Pension Office designs and advised that the construction documents were expected to be completed by the end of April. She noted that bidding for contractors then take place. She reviewed the proposed design, including furniture and finishes.

**C. CPMS Update**

Ms. Bailey advised that GTJZ had major setback. She noted that to minimize the impact on the CPMS project, Mr. Jack Zeigler had begun working on the project fulltime. She noted that the project had passed major milestones, include the extraction of almost all the historical pension data from the Millennium and Oracle Systems. She noted that the next initiative is to extract data from other data sources, including manually from individual member files.

Mr. Bailey noted PTG had submitted their project plan which the Fund would review and hope to finalize by the next meeting. She noted that with the data extraction delays had impacted the timeline. She noted however that if staff met a series of data extraction deadlines by March 31, 2022, the Go Live date would only be pushed out from October to November 7, 2022.

Ms. Bailey advised that PTG had provided the Screenshot design specifications which were being reviewed by staff.

Ms. Bailey advised that after reviewing the data extracts from Highstreet, it was determined that CPMS would need an additional data extractions files above the four original proposed in the Highstreet Level of Effort. She noted that the cost of the additional data extraction files would be \$900, which due to urgent need for the report she expensed the funds. She requested that he Board approve the increased expenditure to Highstreet.

**MOTION** made by Trustee D. Keller, seconded by Trustee Strauss, to approve the additional \$900 expense as outlined. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

Trustee Shaw recommended that the Board consider allowing Ms. Bailey a level of discretionary spending for circumstances such as this. Ms. Bailey and Mr. Cohen will prepare a policy for consideration by the Board.

D. Communications from the Executive Director

- Ms. Bailey advised that the two 2021 life certificates remained outstanding. She noted that the benefit payments were last paid in January 2022. She advised that the 2022 life certificates were due back by March 31, 2022.
- Ms. Bailey advised the Board that 31 distributions remained for the FY2012 13<sup>th</sup> Check Settlement totaling \$179,324.79. Ms. Bailey advised that two additional claim were being processed.
- Ms. Bailey advised that a member withdrew his contributions from the Fund and thereby ending his disability application. She advised that the Fund's Physicians Report was received and forwarded to the Human Resource Department for review and opinion.
- Ms. Bailey advised that she met with the City regarding a proposal to allow CRA employees to join the Fund. She noted that such a proposal would require an ordinance change which would be drafted by Mr. Cohen and the City Attorney.
- Ms. Bailey provided the Board with the DROP and Planned Retirement Participant Lists.

In response to a question for Trustee Strauss regarding the need for an ordinance change to allow CRA employees to participate in the Fund and the need for retirees to vote on such a change, Ms. Bailey confirmed that an ordinance change would be required and that participants, including retirees, would need to vote on the change.

8. **PUBLIC COMMENTS**

There were no public comments.

9. **TRUSTEE REPORTS, QUESTIONS AND COMMENTS**

Trustees Shaw thanked Trustees and staff for their efforts to ensure that the meeting was conducted timely.

Trustee Strauss commented on the current affairs in the world. He noted the Board should support democracy and free enterprise, and that social investing was an economic force available to the Fund to do what is right.

10. **ADJOURNMENT**

**MOTION** made by Trustee Howell, seconded by Trustee D. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. The meeting adjourned at 11:35a.m.

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Phyllis Shaw, Chair

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Date

# **AGENDA ITEM 3.B.**

## **CONSENT AGENDA**

**RATIFICATION OF DISTRIBUTIONS (CONTRIBUTIONS AND  
DROP) AND PLAN EXPENSES**

**EMPLOYEES' RETIREMENT FUND**  
**Refunds and DROP Distributions**  
**April 26, 2022 Regular Pension Board Meeting**

<u>Name</u>	<u>Refund</u>
<b><u>Refunds of Contributions</u></b>	
Walden, James	33,256.36
	<hr/>
	\$ 33,256.36
<b><u>Planned Retirement</u></b>	
None	
	<hr/>
	\$ 0.00
<b><u>Partial Lump Sum Distribution</u></b>	
None	
	<hr/>
	\$ 0.00
<b><u>DROP Distributions</u></b>	
Cassidy, Christopher (Final)	17,381.23
Clarke, Janet (Final)	17,242.97
Thorne, Brian (Partial)	47,570.31
Victory, Glenroy (Final)	14,864.35
Witherspoon, Jonathan (Final)	18,290.63
	<hr/>
	\$ 115,349.49
	<hr/>
TOTAL: \$	<u><u>148,605.85</u></u>

**CITY OF HOLLYWOOD**  
**EMPLOYEES RETIREMENT FUND**  
**Disbursements Processed**  
**March 1, 2022 to March 31, 2022**

2450 Center Court Condominium	(\$3,049.47)
Associates MD Medical Group Inc-(Gardiner)	(\$1,000.00)
Christine Bailey (FPPTA & Supplies)	(\$388.67)
Core Concepts Architecture LLC (Construction Deposit & Design)	(\$12,950.00)
Gabriel Roeder Smith & Co (Feb-2022)	(\$4,641.00)
Lorium PLLC (Feb-2022)	(\$8,772.50)
Marcum LLP (Feb-2022)	(\$5,260.00)
Phyllis Shaw (FPPTA)	(\$534.66)
Robert Strauss (FPPTA)	(\$404.20)
Segal Advisors Inc	(\$10,833.33)
Segal Advisors Inc	(\$4,166.67)
Thompson Siegel & Walmsley Llc	(\$32,736.37)
Veron Sibble (FPPTA)	(\$395.53)
Wells Fargo Credit Card (FPPTA, IFEBP deposit & supplies)	(\$4,214.96)
	<u>(\$89,347.36)</u>

**Capital Expenditures**

Gary Tunnicliffe & Jack Ziegler LLC	(\$26,775.00)
Pension Technology Group Inc	<u>(\$15,000.00)</u>
	(\$41,775.00)
	<u><u>(\$131,122.36)</u></u>

# **AGENDA ITEM 3.C.**

## **CONSENT AGENDA**

**APPROVAL/RATIFICATION OF NEW RETIREMENT  
/DROP/VESTED/DEATH ANNUITIES**

**EMPLOYEES' RETIREMENT FUND**  
**New Retirement/DROP/Death/Vested Annuities - Monthly Amounts**  
**April 26, 2022 Regular Pension Board Meeting**

**New Retirement**

	<b>Future Benefit</b>		<b>Pension</b>
Bergacker, Juanita (Beneficiary of Marshall Bergacker)	None - beneficiary	\$	2,636.58
Cooper, Katherine (Beneficiary of Thomas Cooper)	None - beneficiary	\$	2,125.60
Cooper, Lilian (Beneficiary of Thomas Cooper)	None - beneficiary	\$	2,125.59
Thorne, Brian - DROP 1/1/2021	None	\$	2,864.92

**Benefits Stopped**

Cooper, Thomas - Died 2/21/2022	Joint & Equal	\$	4,251.19
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# **AGENDA ITEM 4.A.**

## **FINANCIAL**

**FINANCIAL STATEMENTS FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

V 4.13.2022

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND  
A PENSION TRUST FUND OF THE CITY OF HOLLYWOOD, FLORIDA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

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## **INDEPENDENT AUDITORS' REPORT**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees and Executive Director  
**City of Hollywood Employees' Retirement Fund**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the City of Hollywood Employees' Retirement Fund (the "Plan") which comprise the statement of fiduciary net position as of September 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## ***Opinion***

In our opinion, the 2021 financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of September 30, 2021, and the related changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Report on Summarized Comparative Information***

We have previously audited the Plan's 2020 financial statements, and our report dated April 26, 2021, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the City's net pension liability and related ratios, schedule of city contributions, and schedule of investment returns on pages 3 to 7 and 33 to 35 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April XX, 2022 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Fort Lauderdale, FL  
April XX, 2022

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

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# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited For The Fiscal Year Ended September 30, 2021)

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This narrative discussion and analysis of the City of Hollywood Employees' Retirement Fund's (the Plan) financial performance provides an overview of the Plan's financial activities for the fiscal years ended September 30, 2021 and 2020. It is meant to assist the reader in understanding significant changes between fiscal years. This discussion and analysis is intended to be read in conjunction with the financial statements.

### OVERVIEW OF FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements. The financial statements, which are prepared in accordance with Governmental Accounting Standards Board ("GASB") pronouncements, are as follows:

- **The Statement of Fiduciary Net Position** – presents the financial position of the Plan each fiscal year end. It provides information about the nature and amounts of resources that the Plan presently controls (assets), present and future obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), with the difference between assets and liabilities being reported as net position restricted for pension benefits. Investments, other than money market mutual funds, are shown at fair value. All other assets and liabilities are determined on an accrual basis.
- **The Statement of Changes in Fiduciary Net Position** – presents the results of activities during each fiscal year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in each year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to the Financial Statements** – provide additional information that is essential for a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.
- **Required Supplementary Information** – as required by GASB is presented after the notes to the financial statements. These schedules consist of information pertaining to the Plan's actuarial methods and assumptions and provide data on changes in the City's net pension liability and related ratios, the City's contribution, and the Plan's investment return.

### FINANCIAL HIGHLIGHTS

- Plan net position restricted for pension benefits exceeded liabilities at the close of fiscal years ended September 30, 2021 and 2020 by \$442,686,502 and \$369,667,486, respectively.
- As of September 30, 2021, liabilities decreased by \$17,570 (or 1.6%) as compared to September 30, 2020. The decrease resulted from the settlement of a Due to Broker Liability in fiscal year 2020. The total liabilities as of September 30, 2021 consists primarily of refund of member contributions, and unclaimed checks as well as administrative expenses due.

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# **CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited For The Fiscal Year Ended September 30, 2021)**

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- For the fiscal year ended September 30, 2021, employer contributions to the Plan amounted to \$29,914,901, a decrease of \$12,369,154 (or -29.3 %) over fiscal year 2020. This was primarily due to an increase in employer contributions of \$12,475,595 in fiscal year 2020 resulting from the settlement of the lawsuit, City of Hollywood vs. City of Hollywood Employees' Retirement Fund et al.
- For the fiscal year ended September 30, 2021, employee contributions were \$3,455,694, a decrease of \$179,708 (or -4.9%). This decrease is primarily the result of a reduction of employees purchasing years of credited service in 2021 as compared to 2020.
- For the fiscal year ended September 30, 2021, net investment income increased by \$51,306,625 (or 198.9%) to \$77,105,065 as a result of favorable market conditions. Investment expenses were \$677,406 in comparison to \$710,676 in fiscal year 2020. Gross return on plan assets in 2021 was 21.8% versus 7.8% in 2020, resulting in the increase in investment income noted.
- For the fiscal year ended September 30, 2021, benefit payments, administrative expenses and refund of contributions increased by \$2,019,863 (or 5.7%) from fiscal year ended September 30, 2020 to \$37,486,557. The increase is primarily due to larger DROP payouts in 2021 compared to 2020.
- Receivables and payables for investments are primarily generated through the timing differences between the trade and settlement dates for investment securities purchased or sold.
- As of September 30, 2021, City contributions receivable decreased by \$4,460,358 (or 28.6%) as compared to September 30, 2020. The decrease resulted from a collection of the remaining balance owed by the City for the actuarially determined contribution for fiscal year 2020.

### **PLAN HIGHLIGHTS**

For the fiscal year ended September 30, 2021, the relative gross gain of the portfolio was 21.8% for the trailing year exceeding the policy index for a portfolio with a similar composition of 17.5%, with net investment gain of \$77,105,065 for the year. For the fiscal year ended September 30, 2020, the relative gross gain of the portfolio was 7.80% for the trailing year lagging the policy index for a portfolio with a similar composition of 8.30%, with net investment gain of \$25,798,440 for the year.

### **USING THE AUDITED FINANCIAL STATEMENTS**

The financial statements, which reflect the activities of the Plan, are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented on an accrual basis and reflect all the Plan's activities as incurred and account balances of investments for the fiscal period then ended.

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# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited For The Fiscal Year Ended September 30, 2021)

### SUMMARY OF FIDUCIARY NET POSITION

The following condensed comparative summary of fiduciary net position demonstrate the net position of the Plan at September 30, (in thousands):

	2021	2020
<b>Assets</b>		
Receivables	\$ 11,381	\$ 15,765
Investments	431,734	354,872
Prepaid expenses	157	142
Capital assets	508	--
<b>Total Assets</b>	443,781	370,779
<b>Total Liabilities</b>	1,094	1,112
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 442,687</u>	<u>\$ 369,668</u>

### SUMMARY OF CHANGES IN FIDUCIARY NET POSITION

The summary of changes in fiduciary net position displays the effect of pension fund transactions that occurred during the fiscal year, where additions minus deductions equal net increase or (decrease) in Plan net position. The table below reflects a condensed comparative summary of the changes in net position and reflects the activities of the Plan for the fiscal years ended September 30, (in thousands):

	2021	2020
<b>Additions</b>		
City contributions	\$ 29,915	\$ 42,284
Local contributions	30	30
Member contributions	3,456	3,635
Investment income	77,105	25,798
<b>Total Additions</b>	110,506	71,748
<b>Deductions</b>		
Pension benefits	36,205	34,235
Refund of member contributions	481	425
Administrative expenses	801	806
<b>Total Deductions</b>	37,487	35,467
<b>Change in Net Position</b>	73,019	36,281
<b>Net Position Restricted for Pension Benefits</b>		
Beginning of year	369,668	333,387
End of year	<u>\$ 442,687</u>	<u>\$ 369,668</u>

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# **CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited For The Fiscal Year Ended September 30, 2021)**

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During the fiscal year 2021, a decision was made by Plan management to relocate their pension office and as a result the Plan purchased a new pension office in March 2021. During the course of the year, the Plan also purchased a new pension software to better assist with the administration of Plan and to increase efficiency in financial reporting. The Plan did not have any capital assets in fiscal year 2020.

The Plan's investment activities, measured as of the end of any month, quarter, or year, are a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Actual returns for the fiscal year ended September 30, 2021 increased from those of fiscal year ended September 30, 2020.

The benefit payments are a function of changing payments to retirees or their beneficiaries (i.e., deceased retiree, new retiree during the period, etc.).

### **ASSET ALLOCATION**

At September 30, 2021, the domestic equity portion comprised approximately 31.8% (\$137.4 million) of the total portfolio. The allocation to fixed income securities was 21.4% (\$92.4 million), while money market funds comprised 1.2% (\$5.0 million). Real estate partnerships comprised 7.3% (\$31.6 million), international equities comprised 17.6% (\$76.2 million), private equity investment comprised 11.6% (\$50.3 million), private debt investment comprised 6.3% (\$27.0 million), and infrastructure investments comprised 2.7% (\$11.8 million).

At September 30, 2020, the domestic equity portion comprised approximately 24.7% (\$87.7 million) of the total portfolio. The allocation to fixed income securities was 24.3% (\$86.2 million), while money market funds comprised 2.6% (\$9 million). Real estate partnerships comprised 10.1% (\$35.7 million), international equities comprised 21.4% (\$76.1 million), private equity investment comprised 10.6% (\$37.8 million), private debt investment comprised 3.5% (\$12.3 million), and infrastructure investments comprised 2.8% (\$10 million).

The authorized investment allocation ranges as of September 30, 2021 and 2020, were as follows:

Asset Class	Asset Allocation	
	2021	2020
Domestic equities	20 - 35%	20 - 35%
Fixed income	25 - 45%	25 - 45%
International equities	10 - 25%	10 - 25%
Real estate	0 - 12.5%	0 - 12.5%
Private Equity	0 - 15%	0 - 15%
Global Infrastructure	0 - 5%	0 - 5%
Cash	0 - 5%	0 - 5%

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# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited For The Fiscal Year Ended September 30, 2021)

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### CITY'S NET PENSION LIABILITY

The fiduciary net position as a percentage of the total pension liability in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, as of September 30, 2021 and 2020 were 73.60% and 62.84%, respectively. GASB Statement No. 67 does not impact the fiduciary net position of the Plan. The notes and required supplementary information provide a summary of significant assumptions and other inputs used to calculate the total pension liability, including those about inflation, salary changes, and inputs to the discount rate, as well as certain information about mortality assumptions and investment returns.

### PLAN MEMBERSHIP

The following table reflects the Plan membership as of the below actuarial valuation dates:

	October 1, * 2021	October 1, 2020
Inactive plan members and beneficiaries currently receiving benefits	1,119	1,136
Inactive plan members entitled but not yet receiving benefits	51	54
Active plan members	613	608
<b>Total Members</b>	<b>1,783</b>	<b>1,798</b>

\* The plan membership as of October 1, 2021 is based on the Plan's internal records as the actuarial valuation as of October 1, 2021 was not yet finalized as of the date of the independent auditor's report.

### CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board of Trustees, membership, taxpayers, investors, and creditors with a general overview of the Plan finances, and to demonstrate accountability for the money the Plan receives. If you have any questions about this report or need additional financial information, contact the Executive Director Christine Bailey, City of Hollywood Employees' Retirement Fund, 2600 Hollywood Boulevard, City Hall Annex, Room 20, Hollywood, Florida 33020.

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## **FINANCIAL STATEMENTS**

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**STATEMENT OF FIDUCIARY NET POSITION**

**SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2020)**

	2021	2020
<b>Assets</b>		
<b>Receivables</b>		
City contributions	\$ 11,112,133	\$ 15,572,491
Member contributions	--	128,831
Accrued interest and dividends	47,411	63,325
Due from broker	221,707	--
<b>Total Receivables</b>	<u>11,381,251</u>	<u>15,764,647</u>
<b>Investments</b>		
Money market mutual funds	8,990,722	9,041,074
Bond mutual fund	48,157,567	32,939,371
Fixed income composites	59,269,246	53,265,623
Domestic stocks	15,729,350	11,921,866
Large cap equity investment funds	87,491,631	57,718,307
Small cap equity investment funds	32,139,870	18,014,698
International equity investment funds	78,358,754	76,088,619
Private equity investment funds	49,848,481	37,793,840
Private debt investment fund	8,322,607	12,315,149
Infrastructure investment fund	11,834,520	10,027,006
Real estate investment funds	31,591,537	35,746,376
<b>Total Investments</b>	<u>431,734,285</u>	<u>354,871,929</u>
<b>Prepaid Expenses</b>	<u>156,479</u>	<u>142,428</u>
<b>Capital Assets</b>	<u>508,435</u>	<u>--</u>
<b>Total Assets</b>	<u>443,780,450</u>	<u>370,779,004</u>
<b>Liabilities</b>		
Accounts payable and other accrued liabilities	1,093,948	1,016,591
Due to broker	--	94,927
<b>Total Liabilities</b>	<u>1,093,948</u>	<u>1,111,518</u>
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 442,686,502</u>	<u>\$ 369,667,486</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2020)**

	2021	2020
<b>Additions</b>		
<b>Contributions</b>		
City	\$ 29,914,901	\$ 42,284,055
Other	29,913	29,738
Members	<u>3,455,694</u>	<u>3,635,402</u>
<b>Total Contributions</b>	<u>33,400,508</u>	<u>45,949,195</u>
<b>Investment Income</b>		
Net appreciation in fair value of investments	73,078,946	21,551,651
Interest and dividends	<u>4,703,525</u>	<u>4,957,465</u>
Investment income	77,782,471	26,509,116
Less: investment expenses	<u>677,406</u>	<u>710,676</u>
<b>Net Investment Income</b>	<u>77,105,065</u>	<u>25,798,440</u>
<b>Total Additions</b>	<u>110,505,573</u>	<u>71,747,635</u>
<b>Deductions</b>		
Pension benefits	36,204,572	34,235,265
Refund of member contributions	480,993	425,409
Administrative expenses	<u>800,992</u>	<u>806,020</u>
<b>Total Deductions</b>	<u>37,486,557</u>	<u>35,466,694</u>
<b>Change in Net Position</b>	<u>73,019,016</u>	<u>36,280,941</u>
<b>Net Position Restricted for Pension Benefits</b>		
Beginning of year	<u>369,667,486</u>	<u>333,386,545</u>
End of year	<u><u>\$ 442,686,502</u></u>	<u><u>\$ 369,667,486</u></u>

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*The accompanying notes are an integral part of these financial statements.*

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## **NOTES TO FINANCIAL STATEMENTS**

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# **CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***BASIS OF ACCOUNTING***

The financial statements of the City of Hollywood Employees' Retirement Fund (also known as the General Employees' Retirement Fund, or the Plan) are prepared using the accrual basis of accounting, in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Contributions from members are recorded in the period the City of Hollywood, Florida (the "City", or "Employer") makes payroll deductions from participants (members). City contribution requirements are statutorily required contributions which are determined by the Plan's actuary in accordance with State statutes and are generally funded by the employer within the appropriate fiscal year. Benefit payments and refunds to members are recognized when due and payable in accordance with the terms of the Plan. Member contributions and City contributions are recognized in the period in which the contributions are paid.

#### ***USE OF ESTIMATES***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions in net position restricted for Plan benefits. Actual results could differ from those estimates.

#### ***RISKS AND UNCERTAINTIES***

Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect balances and the amounts reported in the statement of fiduciary net position.

#### ***CAPITAL ASSETS***

Capital assets, which include property and equipment, and intangible assets (software) are stated at cost and depreciated using the straight-line method over the estimated lives of the assets:

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Office Building  
Software

30 years  
5 years

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***INVESTMENTS***

Investments are reported at fair value, except for money market mutual funds, which are reported at amortized cost.

Realized and unrealized gains and losses are reported as net appreciation in fair value of investments on the statement of changes in fiduciary net position. Purchases and sales of securities are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. Dividends and interest income are recorded as earned. Refer to Note 3 for more detailed information regarding the methods used to measure the fair value of investments.

The investment policy is determined by the Board of Trustees and is implemented by investment advisors. At September 30, 2021, guidelines permit the following investments:

- Bonds, notes or other obligations of the U.S. government and its agencies;
- Common and preferred stock issued by a corporation created or existing under the laws of the United States or any state, district or territory thereof, provided that such securities shall be listed at the date of the purchase on a major stock exchange with an aggregate limitation of 35% of the total plan assets;
- Fixed income investments, provided that no one security issue of this type of obligation is more than five percent (5%) of the investment manager's portfolio;
- Time deposits or time certificates in any banking institution organized under the laws of the United States, provided that such investments are not more than five percent (5%) of the short-term investment account;
- International equity investments made through the purchase of units of commingled funds or group trusts are limited to a maximum of 25% of plan investments; and
- Real estate investments in pooled real estate vehicles, limited partnerships or other types of real estate investments, limited to a maximum of 12.5% of plan investments, as determined by the Board in consultation with the investment consultant.
- The Board, after consulting with the Investment Consultant, may authorize the use of any other investment for an account provided that such investment is considered prudent for a retirement fund. Assets that provide appropriate diversification (specifically low correlation with existing assets) will be considered.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***INVESTMENTS (CONTINUED)***

Prohibited assets and/or transactions under the Plan's investment policy include selling short, letter stock, options other than covered call writing, and any investments not listed in the investment policy except as noted above.

The Plan's target asset allocation and authorized ranges as of September 30, 2021, were as follows:

<u>Asset Class</u>	<u>Target (%)</u>	<u>Allowable Range (%)</u>
Fixed income	35%	25 - 45%
Domestic equities	27.5%	20 - 35%
International equities	17.5%	10 - 25%
Private Equity	10.0%	0 - 15%
Real estate	7.5%	0 - 12.5%
Global Infrastructure	2.5%	0 - 5%
Cash	0%	0 - 5%

***INCOME TAX STATUS***

The Plan is operated in compliance with the Internal Revenue Code and is therefore exempt from Federal income taxes.

**NOTE 2 – PLAN DESCRIPTION**

The General Employees' Retirement Fund is a defined benefit plan. The Plan was established on October 1, 1958, as set forth in Article X, Section §10.01 of the City of Hollywood, Florida Charter. The Plan currently functions in accordance with the City Code of Ordinances, Section §33.025 - §33.031 and other existing federal and State laws. The Plan is governed by a seven (7) member board of trustees (the "Board"). The Board is comprised of two (2) persons designated as citizen members who are residents of the City appointed by the City Commission; the City Manager or his/her designee; two (2) members representing the employees, who shall be employee members (including Deferred Retirement Option Plan ("DROP") participants) with at least six (6) years of credited service and elected by vote of all employee members (including DROP participants); one (1) member representing the retirees, who shall be a retiree (but not a DROP participant) elected by vote of all retired members (excluding DROP participants); and one (1) member appointed by the City Manager,

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

representing the employees whose positions are not included in a collective bargaining unit who has accounting or investment experience. The Board can recommend to the City changes to the provisions of the Plan.

The City requires that substantially all full-time employees of the City contribute to the Plan. Contributions required from members were at the rate of eight percent (8%) of compensation until June 18, 2019, when it changed to a rate of nine percent (9%) for general fund members hired prior to October 1, 2011 and non-general fund members hired prior to March 5, 2014. These contributions have been on a tax-deferred basis since 1994. The City is required to contribute the remaining amounts necessary to fund the Plan using an actuarial basis as required by State statute. The City's actuarially determined contribution rate for fiscal year 2021, which was determined by the October 1, 2019 actuarial valuation, is 73.41 percent of annual covered payroll. The vesting period for members hired prior to July 15, 2009 is five (5) years of credited service. For members hired on or after July 15, 2009, the vesting period is seven (7) years of credited service.

The Plan is a single-employer public employee retirement system sponsored by the City, and is included as a pension trust fund in the City's Annual Comprehensive Financial Report (ACFR) as part of the City's financial reporting entity for the year ended September 30, 2021. For further information on the City, please see the Annual Report.

At October 1, 2020, the date of the latest available actuarial valuation, membership in the Plan consisted of:

Inactive plan members and beneficiaries currently receiving benefits	1,136
Inactive plan members entitled but not yet receiving benefits	54
Active plan members	<u>608</u>
<b>Total Members</b>	<u><u>1,798</u></u>

***NORMAL RETIREMENT***

A member hired prior to July 15, 2009 must attain the age of 55 with five (5) years of credited service, or complete 25 years of credited service, regardless of age, in order to be eligible for normal retirement. For members hired on or after July 15, 2009, normal retirement date varies depending on date of hire and date of separation.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***NORMAL RETIREMENT (CONTINUED)***

**For Employees Hired Prior to July 15, 2009**

A member hired prior to July 15, 2009, who is currently employed by the City, who has been contributing to the Plan during their full period of employment, and who exercises normal retirement is entitled to receive a retirement benefit equal to three percent (3%) of their average final compensation (based on the 78 highest consecutive bi-weekly pay periods during employment) multiplied by years of credited service, up to a maximum of 27 years, with a maximum benefit equal to 81 percent of the member's average final compensation.

For members hired prior to July 15, 2009 who retire on or after August 17, 2009 without entering the DROP, a two percent (2%) cost of living adjustment ("COLA") will be payable annually three (3) years after retirement benefits begin. For members hired prior to July 15, 2009 who enter the DROP on or after August 17, 2009, a two percent (2%) COLA will be payable annually commencing the later of three (3) years after retirement benefits begin or one (1) year after separation employment following participation in the DROP.

For members hired prior to July 15, 2009 who retire or enter the DROP on or after August 17, 2009 compensation excludes all earnings and payouts for blood time and compensatory time. Payouts for accumulated annual leave that may be counted as compensation for such members will not exceed 125 hours for employees covered by the general employees' bargaining unit; and will not exceed 60 hours per year for employees who retire from a position not covered by the general employees' bargaining unit.

Members who participated in the Supplemental Retirement System who were hired on or after October 1, 1976 and elected to participate in the contributory plan had the option of keeping their benefit accrual rate of one percent (1%) for credited years of service prior to the date the member started contributions, or paying additional contributions to obtain an increased benefit accrual rate for credited years of service prior to the date the member started contributions. Upon exercising normal retirement, the monthly retirement benefit for such members who elected not to pay the additional contribution would be computed using a combination of a rate of one percent (1%) for credited years of service prior to the date the member started contributions, and currently a benefit accrual rate of three percent (3%) for credited years of service after the date the member started contributions.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***NORMAL RETIREMENT (CONTINUED)***

For General Fund Members Hired on or After July 15, 2009 but Prior to October 1, 2011 and Non-General Fund Members Hired on or After July 15, 2009 but Prior to March 5, 2014

For members hired on or after July 15, 2009, normal retirement date and average final compensation varies based on date of hire and date of separation. Normal retirement date is based on a combination of age and years of credited service. Upon reaching normal retirement date, a member is entitled to a normal retirement benefit of two and one-half to three percent (2.5%-3%) of average final compensation for each year of credited service, up to a maximum benefit of 81 percent of average final compensation. Average final compensation is based on the member's highest 104 or 130 consecutive bi-weekly pay periods of credited service.

Vesting period will be seven (7) years of credited service.

Compensation includes only the member's base pay, which includes longevity pay, but no other payments are included.

Eligibility for non-duty disability benefits commences upon the member completing seven (7) years of credited service.

A vested member who separates from City employment prior to his or her normal retirement date and does not receive a refund of contributions will have a right to receive a retirement benefit beginning at their normal retirement date based on the benefit formulas in effect on the date of separation from City employment, years of credited service and average final compensation on that date.

Members contribute nine percent (9%) of their compensation to the Plan.

Members are not eligible to participate in the DROP.

Members are not eligible for a COLA after their retirement benefits commence.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***NORMAL RETIREMENT (CONTINUED)***

**For General Fund Members Hired on or After October 1, 2011 and Non-General Fund Members Hired on or After March 5, 2014**

A general fund member hired on or after October 1, 2011, or a non-general fund member hired on or after March 5, 2014, must attain the age of 65 with seven (7) years of credited service, age 62 or older with 25 years of credited service, or 30 years of credited service regardless of age, in order to be eligible for normal retirement.

General fund members hired on or after October 1, 2011 will receive the same retirement benefits as members hired on or after July 15, 2009 but prior to October 1, 2011 subject to the amendments below:

Non-general fund members hired on or after March 5, 2014 will receive the same retirement benefits as members hired on or after July 15, 2009 but prior to March 5, 2014 subject to the amendments below:

- Normal retirement date will be age 65 or older with seven (7) years credited service; age 62 or older with 25 years of credited service; or 30 years of credited service.
- Vesting period is seven (7) years of credited service
- Upon reaching normal retirement date, a member is entitled to a normal retirement benefit of two and one-half to three percent (2.5%) of average final compensation for each year of credited service, up to a maximum benefit of 81 percent of average final compensation.
- Average final compensation will be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.
- Eligibility for non-duty disability benefits commences after completing seven (7) years of credited service.
- Members are not eligible to participate in the DROP.
- Members are not eligible for a COLA.
- Members who separate from the City prior to their normal retirement date having completed seven (7) years of credited service, and having not received a refund of contributions, will have the right to receive a service retirement benefit beginning at age 65 based on the benefit formula in effect on the date of separation from City, years of credited service and average final compensation on that date.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***NORMAL RETIREMENT (CONTINUED)***

For General Fund Members Hired Prior to October 1, 2011 Who Separate from the City on or After that Date but Before June 19, 2019 and Non-General Fund Members Hired Prior to March 5, 2014 Who Separate from the City on or After that Date but Before June 19, 2019

As of September 30, 2011, benefits under the previously existing plan were frozen for general fund members. As of March 4, 2014, benefits under the previously existing plan were frozen for non-general fund members. (Note: For members in active service on June 19, 2019, benefits were restored.). The plan had numerous changes that impacted future benefits for members. Benefits were frozen and immediately vested for all members.

Member who was eligible to retire with normal retirement benefits on or before the plan freeze date were not frozen.

Under the benefit structure effective after the freeze date the normal retirement date was determined by hire date, age, amount of credited service on the freeze date, and date of separation.

Upon reaching normal retirement date, a member is entitled to a normal retirement benefit equal to the frozen benefit plus two and one-half percent (2.5%) of average final compensation for each year of credited service after the freeze date, up to a maximum benefit of 81 percent of average final compensation.

Average final compensation for future benefits after the freeze date will be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.

Eligibility for non-duty disability benefits commences based on date of hire after completing five (5) or seven (7) years of credited service.

Members are not eligible to participate in the DROP.

Members are not eligible for a COLA for future benefits after the freeze date.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***DISABILITY RETIREMENT***

After five (5) years of credited service, a member hired prior to July 15, 2009 who becomes totally and permanently disabled, as defined by the Plan, may retire on a nonservice incurred disability retirement benefit. For members hired on or after July 15, 2009, eligibility for non-duty disability benefits commences upon the member completing seven (7) years of credited service.

A member under a disability retirement will be entitled to receive a retirement benefit equal to 75 percent of the member's salary if the disability occurred in the performance of an act of duty as an active employee of the City. A member under a disability retirement will be entitled to receive a retirement benefit equal to the member's accrued benefits, but not less than 20 percent of the member's average monthly compensation if the disability occurred in the performance of an act other than duty as an active employee of the City.

***PRERETIREMENT DEATH BENEFITS***

When an active member, who is vested, dies before retirement, his or her designated beneficiary (or beneficiaries) will have the option of receiving the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year, or benefit payments until the death of the last surviving beneficiary equal to the benefit payments the deceased member would have received had he or she retired on the day of his or her death having selected to receive his or her annuity as joint and last survivor, whereby the retired member will receive a reduced monthly benefit for life, and following the retired member's death, the same monthly benefit is paid to the member's designated beneficiary for life.

When a vested member, dies after separation from City employment but before retirement and having elected an optional form of benefit, his or her designated beneficiary (or beneficiaries) will have the option of receiving the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year, or benefit payments based on the elected option commencing on the date the vested member would have become eligible for benefit payments. If the deceased vested member, did not elect an optional form of benefit, his or her designated beneficiary (or beneficiaries) will have the option of receiving the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year in lieu of any other benefit. If the vested member did not designation a beneficiary, the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year will be paid to the member's estate.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***DEFERRED RETIREMENT OPTION PLAN (DROP)***

This option is available to all members hired before July 15, 2009 and it may be elected on or after the member attains the age of 55, with at least 10 years of credited service, or 25 years of credited service, regardless of age, but prior to the completion of 30 years of credited service. The maximum participation in the DROP is the lesser of five (5) years or until the member's credited service plus DROP participation period equals 32 years. Members hired on or after July 15, 2009 are not eligible to participate in the DROP.

A member's credited service, accrued benefits and compensation calculation are frozen upon participation in the DROP. The monthly benefit amount is calculated based on credited service, average final monthly compensation, and retirement option selected.

Upon participation in the DROP, the member's contribution and the City's contribution to the Plan for the member cease as the member will not earn further credited service for pension purposes. For each member electing participation in the DROP, an individual DROP account will be created. Payment will be made by the Plan into the member's DROP account in an amount equal to the normal monthly retirement benefit, which the member would have received had the member separated from service and commenced receipt of pension benefits. Payments received by the member in the DROP account are tax deferred. DROP payments earn interest at the same rate as the net rate of investment returns on Plan assets except that in no event will DROP payments earn interest at a rate less than zero percent (0%) per annum. These amounts are included in the Plan's net position restricted for pension benefits.

Upon termination of employment, members will receive normal monthly retirement benefits as well as their funds from the DROP account in combination of a lump-sum distribution, and a rollover of the balance to another qualified retirement plan.

DROP participation does not affect any other death or disability benefits provided to members under federal law, State law, City ordinance or any rights or benefits under any applicable collective bargaining agreement. As of September 30, 2021, there were 68 members in the DROP and the estimated fair value of DROP investment was approximately \$6,929,000, which is included in the Plan's net position.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

***COST-OF-LIVING ADJUSTMENT***

On an annual basis, members hired before July 15, 2009 will receive an increase in the monthly retirement benefit of two percent (2%) for COLA starting three (3) years after retirement benefits begin. For members who enter the DROP, a two percent (2%) COLA will be paid annually, commencing the later of three (3) years after retirement benefits begin or one year after separation from employment following participation in the DROP. Members hired on or after July 15, 2009 are not eligible for a COLA.

***SUPPLEMENTAL PENSION BENEFIT DISTRIBUTION***

Effective October 1, 2002, a supplemental pension benefit program was established for eligible members employed by the City on October 2, 2022, and members receiving benefits from the Plan on that date, or the spouses of such members if the members are deceased and the spouses are receiving benefits from the Plan. The benefit is payable for each year in which the net market rate of return on Plan assets exceeds the assumed rate of investment return plus four and one-half percent (4.5%). The net market rate of return on Plan assets met the required threshold to pay this benefit in fiscal year 2021 as the net market rate of return exceeded the required threshold by 9.7%.

***OTHER***

Investment expenses directly billed to the Plan for investment management services totaled approximately \$677,000 for the year ended September 30, 2021. The remaining portion of investment expenses incurred by the Plan for fiscal year 2021 are not readily separable from investment income for certain investment managers and as such are netted against investment income on the accompanying statement of changes in fiduciary net position.

Administrative expenses incurred by the Plan for expenses with the Pension Office, employee wages, legal fees and custodian fees totaled approximately \$801,000 for the year September 30, 2021.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

***INTEREST RATE RISK***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Plan's investment policy limits interest rate risk, as a result of changes in interest rates on its investments, by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. As a means of limiting its exposure to interest rate risk, the Plan limits the majority of its debt type investments to a maximum of 10 years.

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INTEREST RATE RISK (CONTINUED)***

At September 30, 2021, the Plan had the following fixed income investments and maturities, with the exception of the fixed income composites and the private debt investment fund which have no maturity dates:

Investment	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5 Years	6-10 Years	More Than 10 Years
<b>Bond Mutual Fund</b>	<u>\$ 48,157,567</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 48,157,567</u>	<u>\$ --</u>

***CREDIT RISK***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. U.S. government and U.S. government guaranteed securities are not considered to have credit risk.

The following table discloses credit ratings by fixed income investment type for the Plan at September 30, 2021 as applicable:

Investment	2021	
	Fair Value	Percentage of Portfolio
<b>Not Rated</b>	<u>\$ 115,749,420</u>	<u>100.00%</u>
<b>Total Plan Fixed Income Investments</b>	<u>\$ 115,749,420</u>	<u>100.00%</u>

***CUSTODIAL CREDIT RISK***

For investments, this is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2021, the Plan's investments are held by third-party safekeeping custodians selected by the Board and registered in the Plan's name.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***CONCENTRATION OF CREDIT RISK***

The investment policy of the Plan contains a limitation on the amount that can be invested in any one issuer, as well as portfolio allocation ranges and maximum percentages by types of investments.

At September 30, 2021, the Plan held certain investments that represent 5 percent or more of the Plan's net position. The investments included:

Investment	% of Plan Net Position
S&P 500 Index Fund – Non Lending	19.4%
Wellington Trust Company – CTF International	12.3%
Baird Core Plus Bond Fund	10.9%
Neuberger Berman – Crossroads XXI Fund	6.2%
Neuberger Berman - Short Duration Emerging Market Fund	5.6%

***FAIR VALUE HIERARCHY***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

***Level 1***

Investments traded in an active market with available quoted prices for identical assets as of the reporting date.

***Level 2***

Investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE HIERARCHY (CONTINUED)***

***Level 3***

Investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

The Plan has established a framework to consistently measure the fair value of the Plan's assets and liabilities in accordance with applicable accounting, legal and regulatory guidance. This framework has been provided by establishing a valuation policy and procedures that will provide reasonable assurance that assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.

Bond Mutual Fund – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Fixed Income Composites – Valued by using one or more of the following methods: securities exchange quotations/listed market prices, by using pricing services, by obtaining broker-dealer quotations, using independent review of good-faith estimates of fair value through third party appraisers, and lastly by utilizing a pricing method approved by the pricing committee.

Domestic Stocks – Valued at the closing price reported for similar assets in active markets.

Equity Investment Funds – Valued at market prices for similar assets in active markets.

The Plan invests in private equity investments and real estate investment funds which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value ("NAV") based on their proportionate share of the value of the investments as determined by the fund manager and are valued according to methodologies which include pricing models, property valuations (appraisals), discounted cash flow models, and similar techniques. Investments measured at NAV as a practical

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE HIERARCHY (CONTINUED)***

expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the investments' reported NAV as a matter of convenience.

At present the Plan does not value any of its investments using Level 3 inputs.

The following table summarize the valuation of the Plan's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2021:

Investment by Fair Value Level	Reported Value	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bond mutual fund	\$ 48,157,567	\$ 48,157,567	\$ --	\$ --
Fixed income composites	59,269,246	15,840,850	43,428,396	--
Domestic stocks	15,729,350	14,369,253	1,360,097	--
Large Cap equity investment funds	87,491,631	--	87,491,631	--
Small Cap equity investment funds	32,139,870	--	32,139,870	--
International equity investment funds	78,358,754	21,910,170	56,448,584	--
<b>Total Investments by Fair Value Level</b>				
<b>Level</b>	321,146,418	<u>\$ 100,277,840</u>	<u>\$ 220,868,578</u>	<u>\$ --</u>
<b>Investments Measured at NAV</b>				
Private equity investment funds	49,848,481			
Private debt investment fund	8,322,607			
Infrastructure investment fund	11,834,520			
Real estate investment funds	<u>31,591,537</u>			
<b>Total Investments Measured at NAV</b>	<u>101,597,145</u>			
Money market mutual funds (exempt)	<u>8,990,722</u>			
<b>Total Investments</b>	<u>\$ 431,734,285</u>			

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE HIERARCHY (CONTINUED)***

Investments Measured at NAV	Reported Value at September 30, 2021	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<b>Private Equity Investment Funds</b>				
NB Crossroads Fund XXI - Asset Allocation, LP	\$ 27,647,059	\$ 5,400,000	Not eligible	N/A
HarbourVest Dover Fund IX, LP	8,899,821	1,800,000	Not eligible	N/A
GoldPoint Partners Co-Investment VI, LP	<u>13,301,601</u>	<u>1,121,497</u>	Not eligible	N/A
<b>Total Private Equity Funds</b>	<u>49,848,481</u>	<u>8,321,497</u>		
<b>Private Debt Investment Fund</b>				
AG Direct Lending Fund II LP	<u>8,322,607</u>	<u>--</u>	Not eligible	N/A
<b>Real Estate Investment Funds</b>				
AG Realty Value Fund X, LP	5,615,150	5,054,500	Not eligible	N/A
Morgan Stanley - Prime Property Fund, LLC	12,757,726	--	Quarterly	90 Days
Principal Enhanced Property Fund, LP	<u>13,218,661</u>	<u>--</u>	Quarterly	90 Days
<b>Total Real Estate Funds</b>	<u>31,591,537</u>	<u>5,054,500</u>		
<b>Infrastructure Investment Fund</b>				
IFM Global Infrastructure Investment Fund	<u>11,834,520</u>	<u>--</u>	Quarterly	90 Days
<b>Total Investments Measured at NAV</b>	<u>\$ 101,597,145</u>	<u>\$ 13,375,997</u>		

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENT VALUATION***

NB Crossroads Fund XXI - Assets Allocation, LP was formed in January 15, 2015 as a Delaware limited partnership for the purpose of acquiring, holding, selling and exchanging, either directly or indirectly, interest in limited partnerships or other pooled investment vehicles that are organized to make investments in large-cap buyout, mid-cap buyout, special situations and venture/growth capital investment funds, as well as securities, including co-investments. The general partner of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuations of the investments are reviewed and approved quarterly by the general partner. Valuation methods employed are comparable public company valuation, comparable transaction valuation analysis and other methodologies, as appropriate. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

HarbourVest Dover Fund IX, LP is a closed-end fund. The goal is to provide investors with attractive risk adjusted returns by leveraging the firm's proven strategy of constructing a well-diversified portfolio of secondary investments with a focus on the less efficient segments of the secondary market. HarbourVest's investment and accounting teams measure fair value on a quarterly basis. The following methods are used for partnership investments fair value principles and are applied by managers in their financial reports in accordance with U.S. GAAP; publicly traded and quoted securities shall be valued at the closing price at the end of the valuation period; for non-marketable securities and direct investments the value is most likely to be an existing price in an orderly arm's length transaction between market participants as of the valuation date, using one of the acceptable valuation methods under U.S. GAAP (Guideline Company Method, Similar Transaction Method or Discounted Cash Flow). Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

GoldPoint Partners Co-Investment VI, LP was formed in July 24, 2017 as a Delaware limited partnership. The Fund will seek a highly diversified portfolio of middle market transactions by primarily targeting co-investments alongside core partners with fund sizes less than \$5 billion. The Fund will typically invest \$10 million to \$40 million in any given transaction, although smaller or larger investments may be made where appropriate. The Fund targets opportunities where the sponsor has relevant expertise, a quantifiable history of successful investing, and a proven ability to add tangible value to the target company. The Fund seeks to invest in companies that have proven management teams, strong and sustainable cash flows, and competitive advantages in industries with barriers to entry.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENT VALUATION (CONTINUED)***

A high priority will be placed on companies that have minimal exposure to cyclical downturns, a low threat of obsolescence or rapid technological change, and limited customer and geographic concentrations. The fund's limited partners include public and private pension funds, financial institutions, insurance companies, endowments, family offices and high-net worth individuals. The partners of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuation methods employed are comparable public company valuation, comparable transaction valuation analysis and other methodologies, as appropriate.

AG Direct Lending Fund II, LP is a Delaware limited partnership which commenced operations on November 14, 2016. The Partnership has been established to capitalize on investment opportunities available in middle market direct lending. The Partnership intends to provide corporate financing support to North American middle-market companies, focusing on senior secured debt and other debt instruments, including unitranche facilities, second lien debt, mezzanine loans and equity co-investments. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the partners' capital. This fund is not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

AG Realty Value Fund X, LP is a Delaware limited partnership which was formed on February 5, 2018, and commenced operations on August 2, 2018. Investments in real estate limited partnerships/companies include equity interests in limited partnerships and limited liability companies for the purpose of investing in real estate. The General Partner primarily utilizes an income valuation approach methodology including discounted cash flow analyses or direct capitalization analyses to value the Partnership's real estate investments. Unlevered cash flows utilized in discounted cash flow analyses are derived from property rental revenue less operating expenses, real estate taxes and capital and other costs, plus projected sales proceeds in the year of exit.

Morgan Stanley Prime Property Fund, LLC (The Fund) is an open-end fund established for the purpose to acquire, own, hold for investment and ultimately dispose of investments in real estate and real estate related assets with the intention of achieving current income, capital appreciation or both. All properties invested in as September 30, 2021 were located throughout the United States. An independent appraiser will perform quarterly appraisals of

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENT VALUATION (CONTINUED)***

the Funds underlying properties and is reviewed by asset managers. The Fund determines individual investment values based on such appraisals. These processes are designed to assure that valuation is prepared using reasonable inputs and assumptions which are consistent with market data or with assumptions that would be used by a third party participant and assume highest and best use of the real estate investment. The fair value of the investment in this Fund has been determined using the NAV per unit of the ownership interest in the fund.

Principal Enhanced Property Fund, LP is an open-end fund that will seek to make investments in stabilized, income producing assets, plus value-added and development projects in accordance with the investment guidelines. All properties invested in at September 30, 2021 were located throughout the United States. Principal will use a third-party appraisal firm, with approximately 25% of the portfolio appraised each quarter. Principal will use the appraised value and updated quarterly valuations for purpose of determining the fund's gross asset value and net asset value. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the partners' capital.

IFM Global Infrastructure Investment Fund seeks to acquire and maintain a well-diversified portfolio of infrastructure investments. The strategy is to subject investment decisions to rigorous fundamental analysis and a disciplined investment process. The goal is to construct and maintain portfolios which consist of long-term, core infrastructure assets. Infrastructure investments are valued at the end of each quarter by independent valuation firms. The valuation method is employed for each asset at the discretion of the appointed independent valuer but must fall within the standards prescribed under AASB 139, U.S. GAAP ASC 820 and ASC 825 as appropriate. IFM Investors' infrastructure investments are typically valued on a discounted cash flow approach by the independent valuers. Discount rates are also determined by the valuer. Valuations are cross-checked with public market information and recent transactions.

***RATE OF RETURN***

For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 21.50%. The annual money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 4 – RECEIVABLES**

As of September 30, 2021, the Plan recorded a total City contributions receivable in the amount of \$11,112,133. The City contributions receivable consists of the following:

*Settlement Agreement – Supplemental Pension Distributions*

On October 2, 2019, the City and the Plan reached a settlement agreement relating to the payment and prefunding of prior years' supplemental benefit distributions. Pursuant to the settlement terms, the City was due to pay the Plan for the supplemental pension benefit distributions that were retroactively owed in the amounts of \$4,299,167 for the fiscal year 2012 and \$12,364,225 in prefunding of future supplemental pension distributions owed for the fiscal years 2015 through 2019. The supplemental pension benefit distributions in the amount of \$4,299,167 were paid by the City to the Plan in fiscal year 2019.

The remaining balance owed to the Plan in the amount of \$12,364,225 (includes interest through July 2019) was agreed to be paid by the City plus interest at the actuarial assumed rate of investment return, amortized over five (5) consecutive years or until fully paid, commencing in the fiscal year 2021. As of September 30, 2021, the City contributions receivable balance was \$11,112,133, which includes the interest incurred on the receivable balance and payments received from the City during the year. The Plan will record the remaining future interest portion of the settlement in the year in which it is incurred.

The Plan's calculation of the settlement receivable balance as of September 30, 2021 is as follows:

Beginning settlement receivable as of September 30, 2020	\$ 10,909,643
Plus: interest incurred during fiscal year 2021	775,265
Less: payments made by the City during fiscal year 2021	<u>(572,775)</u>
<b>Total settlement receivable as of September 30, 2021</b>	<b><u>\$ 11,112,133</u></b>

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 5 – CITY'S NET PENSION LIABILITY**

The components of the net pension liability for the City (employer) at September 30, 2021 are as follows:

<b>Total Pension Liability</b>	<b>\$ 601,504,574</b>
Less: Plan fiduciary net position	<u>(442,686,502)</u>
<b>Net Pension Liability</b>	<b><u>\$ 158,818,072</u></b>
Plan Fiduciary Net Position as a % of the Total Pension Liability	73.60%

The total pension liability was determined by an actuarial valuation as of October 1, 2020 with updated asset information as of September 30, 2021, using the following actuarial assumptions in the measurement:

**Actuarial Assumptions**

Assumed rate of return on investments	7.30% per annum
Annual salary increases	3.0% to 8.0% depending on service, including inflation
Inflation rate	2.50%
Cost-of-living adjustments	2% per year for eligible members
Mortality Tables (MT's)	Mortality tables PUB-2010 Headcount Weighted General Below Media Employee Male and Female Tables (pre-retirement) and PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male and Female Tables (post-retirement). These tables use ages set back one year for males and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation report, as mandated by Chapter 112.63, Florida Statutes.

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# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

### NOTE 5 – CITY'S NET PENSION LIABILITY (CONTINUED)

#### ***LONG-TERM EXPECTED RATE OF RETURN***

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long-term Expected Real Rates of Return
Fixed Income	0.38%
Domestic Equity	6.28%
International Equity	7.00%
Real Estate	3.50%
Private Credit	5.56%
Private Equity	10.11%
Infrastructure	5.51%
Emerging Markets Equity	8.82%

#### ***DISCOUNT RATE***

A single discount rate of 7.30% was used to measure the City's total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.30%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.30%) was applied to all periods of projected benefit payments to determine the City's total pension liability.

The following table illustrates the impact of discount rate sensitivity on the net pension liability as of September 30, 2021:

	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
<b>City's Net Pension Liability</b>	<u>\$ 225,778,716</u>	<u>\$ 158,818,072</u>	<u>\$ 102,675,237</u>

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 6 – CAPITAL ASSETS**

As of September 30, 2021, the capital assets of the Plan consist of:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Office Building	\$ --	\$ 488,970	\$ --	\$488,970
Software	--	19,465	--	19,465
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ --</u>	<u>\$ 508,435</u>	<u>\$ --</u>	<u>\$508,435</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**

September 30,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 6,445,297	\$ 6,616,301	\$ 5,887,828	\$ 5,738,426	\$ 5,017,634	\$ 4,493,709	\$ 4,587,285	\$ 4,152,898
Interest	43,225,655	42,124,159	38,173,241	35,698,698	33,809,853	33,373,524	33,065,052	32,492,291
Benefit changes	--	--	51,225,519	--	--	665,893	--	--
Differences between expected and actual experience	(336,198)	1,791,933	(3,670,131)	2,221,979	(2,204,530)	1,986,958	1,839,725	333,165
Changes of assumptions	617,488	--	5,212,188	31,374,925	23,474,009	4,147,745	4,976,256	--
Benefit payments	(36,207,880)	(34,235,265)	(41,161,931)	(30,896,779)	(29,804,293)	(38,120,911)	(31,649,219)	(28,191,052)
Refunds	(480,993)	(425,409)	(539,713)	(448,377)	(166,465)	(271,849)	(434,468)	(231,708)
<b>Net Change in Total Pension Liability</b>	<b>13,263,369</b>	<b>15,871,719</b>	<b>55,127,001</b>	<b>43,688,872</b>	<b>30,126,208</b>	<b>6,275,069</b>	<b>12,384,631</b>	<b>8,555,594</b>
<b>Total Pension Liability - Beginning</b>	<b>588,241,205</b>	<b>572,369,486</b>	<b>517,242,485</b>	<b>473,553,613</b>	<b>443,427,405</b>	<b>437,152,336</b>	<b>424,767,705</b>	<b>416,212,111</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 601,504,574</b>	<b>\$ 588,241,205</b>	<b>\$ 572,369,486</b>	<b>\$ 517,242,485</b>	<b>\$ 473,553,613</b>	<b>\$ 443,427,405</b>	<b>\$ 437,152,336</b>	<b>\$ 424,767,705</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 29,914,898	\$ 42,284,055	\$ 26,904,543	\$ 22,101,019	\$ 20,562,868	\$ 9,767,849	\$ 23,216,393	\$ 23,160,583
Contributions - non-employer contributing entity	29,913	29,738	26,734	12,694	11,723	10,433	8,469	--
Contributions - member	3,455,693	3,635,402	3,561,448	3,277,081	3,185,801	3,088,620	2,604,831	2,671,277
Net investment income	77,108,378	25,798,439	13,819,384	21,635,666	33,218,838	29,224,225	5,108,678	28,051,900
Benefit payments	(36,207,880)	(34,235,265)	(41,161,931)	(30,896,779)	(29,804,293)	(38,120,911)	(31,649,219)	(28,191,052)
Refunds	(480,993)	(425,409)	(539,713)	(448,377)	(166,465)	(271,849)	(434,468)	(231,708)
Administrative expense	(800,993)	(806,020)	(671,545)	(497,898)	(486,528)	(298,730)	(287,053)	(282,797)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>73,019,016</b>	<b>36,280,940</b>	<b>1,938,920</b>	<b>15,183,406</b>	<b>26,521,944</b>	<b>3,399,637</b>	<b>(1,432,369)</b>	<b>25,178,203</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>369,667,486</b>	<b>333,386,546</b>	<b>331,447,626</b>	<b>316,264,220</b>	<b>289,742,276</b>	<b>286,342,639</b>	<b>287,775,008</b>	<b>262,596,805</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 442,686,502</b>	<b>\$ 369,667,486</b>	<b>\$ 333,386,546</b>	<b>\$ 331,447,626</b>	<b>\$ 316,264,220</b>	<b>\$ 289,742,276</b>	<b>\$ 286,342,639</b>	<b>\$ 287,775,008</b>
<b>Net Pension Liability - Ending (a-b)</b>	<b>\$ 158,818,072</b>	<b>\$ 218,573,719</b>	<b>\$ 238,982,940</b>	<b>\$ 185,794,859</b>	<b>\$ 157,289,393</b>	<b>\$ 153,685,129</b>	<b>\$ 150,809,697</b>	<b>\$ 136,992,697</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>73.60%</b>	<b>62.84%</b>	<b>58.25%</b>	<b>64.08%</b>	<b>66.79%</b>	<b>65.34%</b>	<b>65.50%</b>	<b>67.75%</b>
<b>Covered Payroll</b>	<b>\$ 40,789,456</b>	<b>\$ 40,869,983</b>	<b>\$ 41,243,666</b>	<b>\$ 40,963,513</b>	<b>\$ 39,822,513</b>	<b>\$ 38,607,750</b>	<b>\$ 32,560,388</b>	<b>\$ 33,390,963</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>389.36%</b>	<b>534.80%</b>	<b>579.44%</b>	<b>453.56%</b>	<b>394.98%</b>	<b>398.07%</b>	<b>463.17%</b>	<b>410.27%</b>

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

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**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY CONTRIBUTIONS**

September 30,	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution*	\$ 29,106,927	\$ 28,879,293	\$ 25,225,862	\$ 24,702,602	\$ 23,189,007	\$ 22,716,242	\$ 22,547,585	\$ 19,834,090
Actual Contributions**	29,944,811	42,313,793 ****	26,931,277	22,113,713	20,574,591	9,778,282	23,224,862 ***	23,160,583
Contribution Deficiency (Excess)**	\$ (837,884)	\$ (13,434,500)	\$ (1,705,415)	\$ 2,588,889	\$ 2,614,416	\$ 12,937,960	\$ (677,277)	\$ (3,326,493)
Covered Payroll	\$ 40,789,456	\$ 40,869,983	\$ 41,243,666	\$ 40,963,513	\$ 39,822,513	\$ 38,607,750	\$ 32,560,388	\$ 33,390,963
Contributions as a Percentage of Covered Payroll	73.41%	103.53%	65.30%	53.98%	51.67%	25.33%	71.33%	69.36%

**Notes to Schedule of Contributions**

\* Reflects the 5.7% liability load to prefund the supplemental pension distributions starting in the fiscal year ended September 30, 2015.

\*\* Contribution deficiencies are due to actual contributions excluding the supplemental pension distribution starting in fiscal year ending September 30, 2015. The actual contributions in fiscal year 2019 include a payment for the supplemental pension distributions owed for the fiscal year 2012 in the amount of \$4,299,167.

\*\*\* The City accumulated prepaid employer contributions of approximately \$10.4 million as of September 2015.

\*\*\*\* Includes the \$13,404,762 receivable City contribution due to the contribution shortfall owed by the City as of September 30, 2020 relating to the under-contributions for fiscal year ended September 30, 2015 through 2019 which the City is paying off over a five-year period beginning October 1, 2020.

**Valuation Date:** October 1, 2019

Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Significant Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Remaining Amortization Period	30 years
Asset valuation method	5-year smoothed market
Investment rate of return	7.50%
Assumed annual salary increase	3.0% to 8.0%, depending on service, including inflation
Inflation	2.50%
Cost-of-living adjustment	2% per year for those members hired on or before July 15, 2009
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition

Mortality RP-2000 Combined Health Participant Mortality Table (for pre-retirement mortality) and the RP 2000 Mortality Table for Annuitants (for post-retirement mortality)

*This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

**CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF INVESTMENT RETURNS**

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<b>September 30,</b>	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	21.50%	7.63%	4.12%	6.69%	10.93%	10.53%	1.60%	10.95%

*This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

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## **REPORTING SECTION**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees and Executive Director  
**City of Hollywood Employees' Retirement Fund**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of City of Hollywood Employee's Retirement Fund (the "Plan"), which collectively comprise the statement of fiduciary net position as of September 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April XX, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fort Lauderdale, FL  
April XX, 2022

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# **AGENDA ITEM 4.B.**

## **FINANCIAL**

### **AUDIT COMMITTEE REPORT**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 4.C.**

## **FINANCIAL**

### **FINANCIAL REPORTS AND INVESTMENT SUMMARY**



**CITY OF HOLLYWOOD**  
**EMPLOYEES' RETIREMENT FUND**  
**FINANCIAL OPERATIONS AND INVESTMENT SUMMARY**  
**FINAL**  
**NOVEMBER 30, 2021**  
**Fiscal Year-To-Date**

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance October 1, 2021	\$ 431,954,044.64	\$ 319,809,892.44	\$ 112,144,152.20
Contributions and Payments:			
City Contributions		\$ 31,155,234.15	
Employees Contributions		\$ 528,440.64	
Pension Disbursement		\$ (6,647,724.63)	
CPMS project		\$ (36,265.00)	
Administrative Expenses		\$ (145,991.59)	(1)
Net Contributions/Payments		\$ 24,853,693.57	
Investment Income:			
Dividends & Interest Received		\$ 708,289.66	
Gain on Sales (Realized Gains/(Loss))		\$ 1,311,231.16	
Commission Recapture		\$ 282.85	
Total Invest. Professional Fees		\$ (137,019.59)	(2)
Net Investment Income		\$ 1,882,784.08	
Balance November 30, 2021	\$ 464,185,649.77	\$ 346,546,370.09	\$ 117,639,279.68
Increase (Decrease) for the Period	\$ 32,231,605.13	\$ 26,736,477.65	\$ 5,495,127.48
Unreconciled			(0.00)
<b><u>Unrealized Gain (Loss) Account</u></b>			
Composition of Increases (Decreases)			
AG Direct Lending		\$	0.02
Angelo-Gordon Realty		\$	(507,500.00)
Baird Core Plus Bond Fund		\$	(240,578.87)
Brightwood		\$	-
EnTrust Blue Ocean		\$	(0.01)
Golden Tree		\$	(57,454.20)
Gold Point		\$	-
Harbourvest Dover IX49		\$	(462,498.00)
IFM Global		\$	30,122.65
Loomis Sayles		\$	644,373.98
Morgan Stanley		\$	-
NB Crossroads		\$	999,999.97
Neuberger Short Duration		\$	(482,060.46)
Northern Trust-Extended		\$	(10,025.41)
Northern Trust		\$	5,822,405.67
Principal Investors		\$	1,338,975.20
RBC Emerging Markets		\$	(622,357.34)
Thompson, Siegel & Walmsley		\$	(550,361.84)
Wellington International		\$	(407,913.88)
		\$	5,495,127.48
Investment Return			
Net Investment Income		\$	1,882,784.08
Increases (Decrease) in Unrealized Gain/Loss		\$	5,495,127.48
Total Investment Return for the Period		\$	7,377,911.56
Beginning Market Value		\$	431,954,044.64
Plus/(Less): Net Contributions/Payment		\$	24,853,693.57
Assets Available for Investment		\$	456,807,738.21
Investment Return as a result of % of Assets Available for Investments			1.62%

(1) (2) Refer to Cash Payments Detail

**CITY OF HOLLYWOOD**  
**EMPLOYEES' RETIREMENT FUND**  
**FINANCIAL OPERATIONS AND INVESTMENT SUMMARY**  
**PRELIMINARY**  
**March, 2022**  
**Fiscal Year-To-Date**

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance October 1, 2021	\$ 431,954,044.64	\$ 319,809,892.44	\$ 112,144,152.20
Contributions and Payments:			
City Contributions		\$ 31,155,234.15	
Employees Contributions		\$ 1,786,558.09	
Pension Disbursement		\$ (18,936,170.84)	
CPMS project		\$ (126,220.00)	
Administrative Expenses		\$ (415,074.08)	(1)
Net Contributions/Payments		\$ 13,464,327.32	
Investment Income:			
Dividends & Interest Received		\$ 2,458,091.24	
Gain on Sales (Realized Gains/(Loss))		\$ 6,343,224.19	
Commission Recapture		\$ 282.85	
Total Invest. Professional Fees		\$ (276,141.82)	(2)
Net Investment Income		\$ 8,525,456.46	
Balance March 31, 2022	\$ 458,049,995.85	\$ 341,799,676.22	\$ 116,250,319.63
Increase (Decrease) for the Period	\$ 26,095,951.21	\$ 21,989,783.78	\$ 4,106,167.43
Unreconciled			(7,131,753.81)
<b>Unrealized Gain (Loss) Account</b>			
Composition of Increases (Decreases)			
Affiliated Development		\$ -	
AG Direct Lending		\$ 231,476.98	
Angelo-Gordon Realty		\$ 274,809.92	
Baird Core Plus Bond Fund		\$ (4,596,186.43)	
Brightwood		\$ 119,239.00	
EnTrust Blue Ocean		\$ 711,270.00	
Golden Tree		\$ (191,810.55)	
Gold Point		\$ 816,502.56	
Harbourvest Dover IX49		\$ (462,498.00)	
IFM Global		\$ 462,411.74	
Loomis Sayles		\$ (1,271,174.10)	
Morgan Stanley		\$ 1,098,956.82	
NB Crossroads		\$ 999,999.97	
Neuberger Short Duration		\$ 5,723,897.84	
Northern Trust-Extended		\$ (5,195,781.19)	
Northern Trust		\$ 1,523,037.05	
Principal Investors		\$ 1,729,656.08	
RBC Emerging Markets		\$ (1,568,451.88)	
Thompson, Siegel & Walmsley		\$ (422,691.41)	
Wellington International		\$ (3,008,250.78)	
		\$ (3,025,586.38)	
Investment Return			
Net Investment Income		\$ 8,525,456.46	
Increases (Decrease) in Unrealized Gain/Loss		\$ 4,106,167.43	
Total Investment Return for the Period		\$ 12,631,623.89	
Beginning Market Value		\$ 431,954,044.64	
Plus/(Less): Net Contributions/Payment		\$ 13,464,327.32	
Assets Available for Investment		\$ 445,418,371.96	
Investment Return as a result of % of Assets Available for Investments			2.84%

(1) (2) Refer to Cash Payments Detail

**CITY OF HOLLYWOOD  
EMPLOYEES RETIREMENT FUND  
Disbursements Processed  
March 1, 2022 to March 31, 2022**

2450 Center Court Condominium	(\$3,049.47)
Associates MD Medical Group Inc-(Gardiner)	(\$1,000.00)
Christine Bailey (FPPTA & Supplies)	(\$388.67)
Core Concepts Architecture LLC (Constriction Deposit & Design)	(\$12,950.00)
Gabriel Roeder Smtih & Co (Feb-2022)	(\$4,641.00)
Lorium PLLC (Feb-2022)	(\$8,772.50)
Marcum LLP (Feb-2022)	(\$5,260.00)
Phyllis Shaw (FPPTA)	(\$534.66)
Robert Strauss (FPPTA)	(\$404.20)
Segal Advisors Inc	(\$10,833.33)
Segal Advisors Inc	(\$4,166.67)
Thompson Siegel & Walmsley Llc	(\$32,736.37)
Veron Sibble (FPPTA)	(\$395.53)
Wells Fargo Credit Card (FPPTA, IFEBP deposit & supplies)	(\$4,214.96)
	<u>(\$89,347.36)</u>

**Capital Expenditures**

Gary Tunnicliffe & Jack Ziegler LLC	(\$26,775.00)
Pension Technology Group Inc	<u>(\$15,000.00)</u>
	(\$41,775.00)
	<u><u>(\$131,122.36)</u></u>

	<u>FYE 2022 Expenses</u>	<u>FYE 2022 Disbursements By Type</u>	<u>FYE 2022 Disbursements</u>
September	\$ (158,990.83)		\$ -
October	\$ (37,273.83)		\$ (241,482.09)
November	\$ (69,512.57)		\$ (77,794.09)
December	\$ (46,270.85)	Admin. Expenses	\$ (46,270.85)
January	\$ (69,082.54)	Total Invest. Prof. Fees	\$ (69,082.54)
February	\$ (251,683.97)	CPMS Project	\$ (251,683.97)
March	\$ (131,122.36)		\$ (131,122.36)
	<u>\$ (763,936.95)</u>		<u>\$ (817,435.90)</u>
		<u>\$ (817,435.90)</u>	<u>\$ (817,435.90)</u>

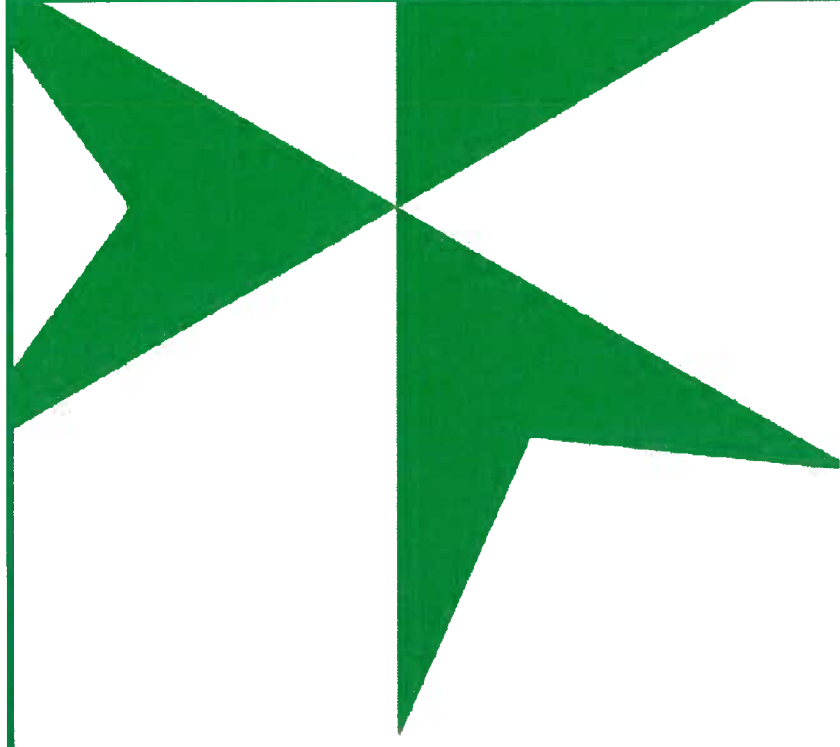
**City of Hollywood Employees Retirement Fund**  
**Budget v. Actual**  
**For Year Ending 9/30/2022**  
**Expenses as of 3/31/2022**

	2022 Approved Budget (A)	Mar-22	YTD Actual (B)	Remaining Available (A-B)	% Remaining Available (A-B)/(A)
<b>Investment Fees:</b>					
Northern Trust	33,000	-	18,490	14,510	43.97%
Thompson Siegel (TSW)	150,000	32,736	63,654	86,346	57.56%
Wellington	415,000	-	177,077	237,923	57.33%
Custodial Fees	38,000	-	16,921	21,079	55.47%
<b>Total Invest. Professional Fees</b>	<b>636,000</b>	<b>32,736</b>	<b>276,142</b>	<b>359,858</b>	<b>56.58%</b>
<b>Administrative Fees:</b>					
Consultants	130,000	10,833	75,833	54,167	41.67%
Accounting	-	4,167	29,167	(29,167)	-100.00%
Audit	20,000	5,260	19,842	158	0.79%
GRS-Actuarial and other Fees	73,500	4,641	6,041	67,459	91.78%
Medical Svcs (Disability Verification)	4,800	1,000	2,500	2,300	47.92%
Lorium PLLC- Board Attorney	108,000	8,773	39,979	68,021	62.98%
<b>Total Admin. Professional Fees</b>	<b>336,300</b>	<b>34,674</b>	<b>173,362</b>	<b>162,938</b>	<b>48%</b>
<b>Personnel Expenses:</b>					
Total Salaries	293,000	-	100,662	192,338	65.64%
Taxes & Benefits	102,000	-	33,136	68,864	67.51%
Insurance	160,000	-	197,286	(37,286)	-23.30%
<b>Total Personnel Expenses</b>	<b>555,000</b>	<b>-</b>	<b>331,084</b>	<b>223,916</b>	<b>40%</b>
<b>Other Expenses:</b>					
Continuing Education/Dues	42,000	4,562	11,158	30,842	73.43%
Training-Travel, Meals & Lodging	45,000	341	10,600	34,400	76.45%
Participant/Member Education	5,000	-	-	5,000	100.00%
Equipment Rent	2,500	-	288	2,212	88.47%
Software Maintainance	11,000	-	-	11,000	100.00%
Printing & Postage Cost	3,000	854	5,340	(2,340)	-78.01%
Equipment & Supplies	15,000	180.46	604	14,396	95.98%
Outside service	100	-	-	100	100.00%
Moving Costs	5,000	-	-	5,000	100.00%
Property Taxes	-	-	6,103	(6,103)	-100.00%
Architecture Services	-	12,950	17,450	(17,450)	-100.00%
Office Condo Utilities	12,000	462	2,705	9,295	77.46%
Office Condo Fees and Assessments	31,000	2,587	15,372	15,628	50.41%
<b>Total Other Expenses:</b>	<b>171,600</b>	<b>21,937</b>	<b>69,619</b>	<b>101,981</b>	<b>59.43%</b>
<b>Administrative Expenses</b>	<b>1,062,900</b>	<b>56,611</b>	<b>574,065</b>	<b>488,835</b>	<b>45.99%</b>
Capital Expenditures		41,775	126,220		
Contingency Reserves	210,000		-		
<b>Total Costs FYE 2022</b>	<b>1,908,900</b>	<b>131,122</b>	<b>976,427</b>	<b>848,693</b>	<b>44.46%</b>
<b>FYE 2021 Expenses Paid 2022</b>			(212,490)		
<b>FYE 2022 Prepaid Exp Paid 2021</b>			(158,991)		
<b>Total Expenditures FYE 2022</b>	<b>1,908,900</b>	<b>131,122</b>	<b>604,947</b>	<b>848,693</b>	<b>44.46%</b>

# **AGENDA ITEM 5.A.**

## **INVESTMENT**

### **FEBRUARY 2022 FLASH PERFORMANCE REPORT**



Monthly Flash Report

# City of Hollywood Employees' Retirement System

Period Ending February 28, 2022

J. Keith Reynolds  
Vice President & Senior Consultant

Felicia Ewell  
Associate Consultant

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 **Segal Marco Advisors**

# Market Environment – February 2022

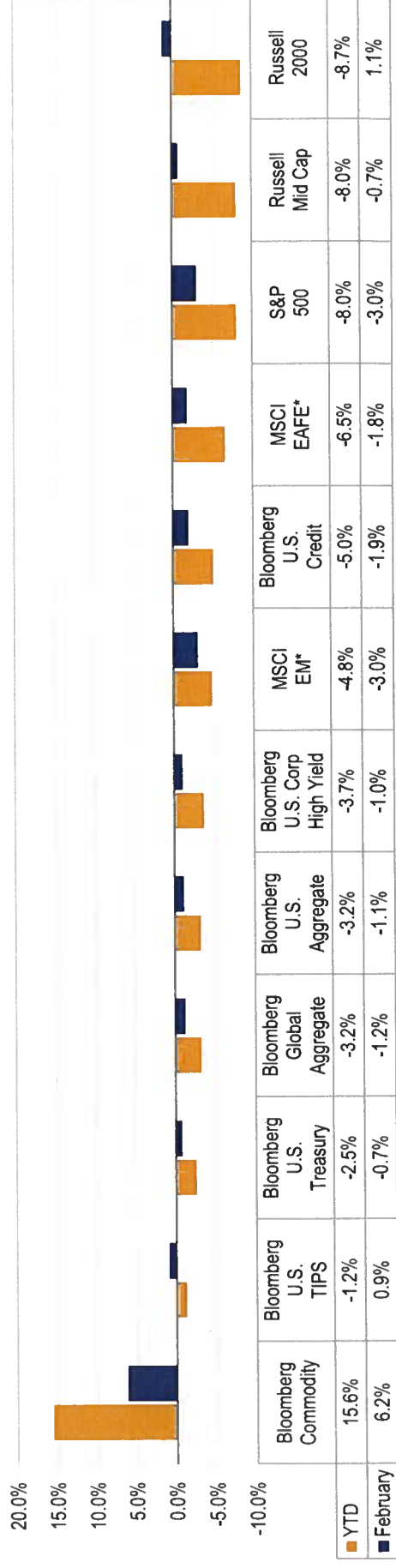
## February Highlights

- The U.S. economy gained 678,000 jobs in the month. The hospitality sector gained the most jobs, but job increases were seen across most sectors. Labor force participation edged up to 62.3%, the highest level since the onset of the pandemic.
- U.S. stocks fell in February. The shock of Russia's invasion of Ukraine caused uncertainty among investors. Small caps were positive, but large and mid caps declined in the month. Most sectors were negative as well, though energy (+7.1%) was the exception. Oil and gas prices rose sharply.
- Developed market stocks were also lower. Consumer discretionary and financial stocks were hit hardest as investors anticipated an economic slowdown in the Eurozone with the effects of the Russia/Ukraine situation.
- Treasury returns declined with investors still anticipating rate hikes in 2022. Corporate and high yield bonds were also lower.
- Commodities were the major bright spot in February. An increase in oil and natural gas prices helped lead commodities higher.

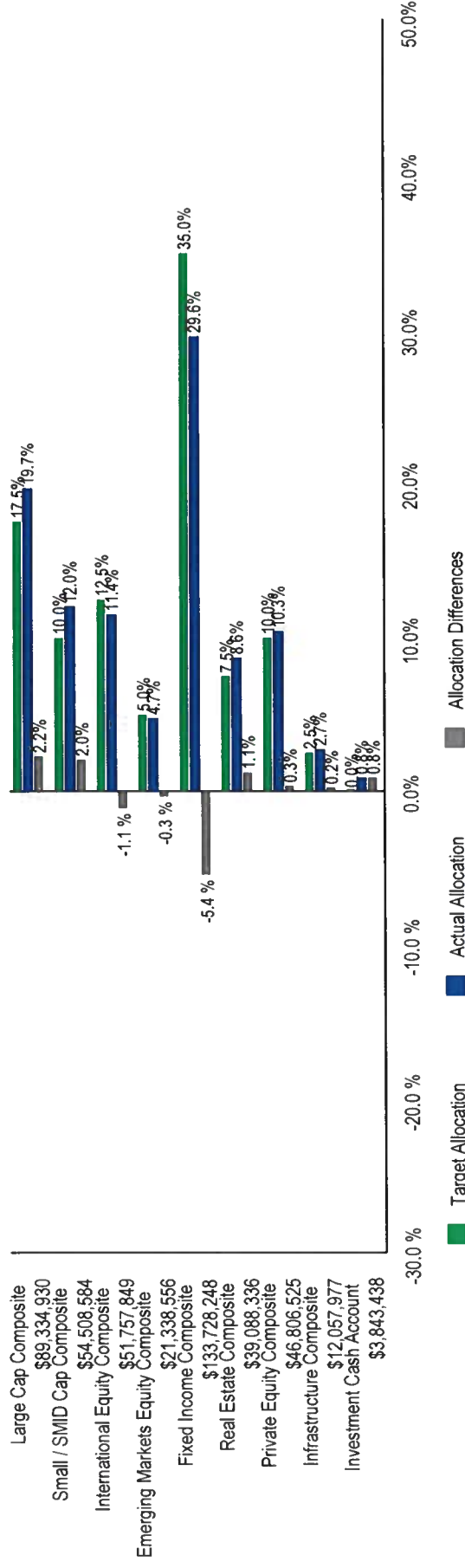
## YTD Highlights

- The economic effects of the COVID-19 outbreak continue to take a significant toll on the global economy. While hopes for a global recovery remain strong, the rise of both the Delta and Omicron variants of the coronavirus has tempered some near-term expectations.
- All capitalization sizes of US stocks are sharply negative so far in 2022. U.S. GDP growth is still solid and business reopenings continue. However, inflation potential rate hikes, and the Russia/Ukraine conflict all have led to more volatility in 2022.
- Both developed and emerging market stocks are negative so far in 2022 with growing inflation worries, more pandemic fallout and uncertainty surrounding Russia/Ukraine.
- Treasuries are lower with investor fears of rate increases.
- Commodities continues to be a strong-performing sector amid hopes for greater global demand and with geopolitical issues leading to supply constraints. Likely volatility in energy prices and other areas of commodities may mean that performance swings are the norm here.

## Returns



\*Net dividends reinvested



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
<b>Total Fund Composite*</b>	<b>452,464,444</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		
Large Cap Composite	89,334,930	19.7	17.5	2.2	10.0	25.0
Small / SMID Cap Composite	54,508,584	12.0	10.0	2.0	5.0	15.0
International Equity Composite	51,757,849	11.4	12.5	-1.1	7.5	17.5
Emerging Markets Equity Composite	21,338,556	4.7	5.0	-0.3	2.0	8.0
Fixed Income Composite**	133,728,248	29.6	35.0	-5.4	25.0	45.0
Real Estate Composite	39,088,336	8.6	7.5	1.1	0.0	12.5
Private Equity Composite	46,806,525	10.3	10.0	0.3	0.0	15.0
Infrastructure Composite	12,057,977	2.7	2.5	0.2	0.0	5.0
Investment Cash Account	3,843,438	0.8	0.0	0.8	0.0	5.0

\*Total does not include non-investment cash account

\*\*Fixed Income Composite includes AG Direct Lending Fund II, L.P., Entrust Blue Ocean Fund LP and Brightwood Capital Fund V, LP



# The City of Hollywood

## Asset Allocation

As of February 28, 2022

	Total Fund	%
	(\$)	
<b>Total Fund Composite*</b>	<b>452,464,444</b>	<b>100.0</b>
<b>Domestic Equity Composite</b>	<b>143,843,513</b>	<b>31.8</b>
<b>Large Cap Composite</b>	<b>89,334,930</b>	<b>19.7</b>
Northern Trust S&P 500	89,334,930	19.7
<b>Small / SMID Cap Composite</b>	<b>54,508,584</b>	<b>12.0</b>
TSW - SMID Value	16,949,675	3.7
Loomis, Sayles Small/Mid Cap Growth	14,404,687	3.2
Northern Trust Extended Equity Market Index	23,154,222	5.1
<b>International Equity Composite</b>	<b>51,757,849</b>	<b>11.4</b>
Wellington International	51,757,849	11.4
<b>Emerging Markets Equity Composite</b>	<b>21,338,556</b>	<b>4.7</b>
RBC Emerging Markets Equity	21,338,556	4.7
<b>Fixed Income Composite</b>	<b>133,728,248</b>	<b>29.6</b>
Baird Core Plus Bond	55,088,084	12.2
Neuberger & Berman Short Duration	46,529,293	10.3
AG Direct Lending Fund II, L.P.	6,436,318	1.4
GoldenTree Multi-Sector LP	18,516,777	4.1
EnTrust Blue Ocean Onshore Fund LP	4,760,006	1.1
Brightwood Capital Fund V, LP	2,397,770	0.5
<b>Real Estate Composite</b>	<b>39,088,336</b>	<b>8.6</b>
Morgan Stanley	13,982,498	3.1
Principal Enhanced Property Fund	14,885,870	3.3
AG Realty Value Fund X	8,022,460	1.8
Affiliated Housing Impact Fund	2,197,508	0.5
<b>Private Equity Composite</b>	<b>46,806,525</b>	<b>10.3</b>
NB Crossroads Fund XXI	24,907,059	5.5
HarbourVest Dover Fund IX	7,814,856	1.7
GoldPoint Co-Investment VI	14,084,610	3.1
<b>Infrastructure Composite</b>	<b>12,057,977</b>	<b>2.7</b>
IFM Global Infrastructure	12,057,977	2.7
<b>Investment Cash Account</b>	<b>3,843,438</b>	<b>0.8</b>

\*Total does not include non-investment cash account.

# The City of Hollywood

## Comparative Performance

As of February 28, 2022

	Performance (%)		
	Oct-2021 To Dec-2021	Jan-2022 To Jan-2022	Feb-2022 To Feb-2022
<b>Total Fund Composite (Gross)</b>	<b>4.5</b>	<b>-3.2</b>	<b>-1.6</b>
<b>Total Fund Composite (Net)</b>	<b>4.5</b>	<b>-3.3</b>	<b>-1.6</b>
<b>Policy Index*</b>	<b>4.1</b>	<b>-3.6</b>	<b>-1.1</b>
<b>Domestic Equity</b>			
Northern Trust S&P 500 (Gross)	11.0	-5.2	-3.0
Northern Trust S&P 500 (Net)	11.0	-5.2	-3.0
S&P 500	11.0	-5.2	-3.0
TSW - SMID Value (Gross)	5.9	-3.0	0.1
TSW - SMID Value (Net)	5.7	-3.1	0.0
Russell 2500 Value Index	6.4	-5.1	1.6
Loomis, Sayles Small/Mid Cap Growth (Gross)	7.6	-13.7	-0.2
Loomis, Sayles Small/Mid Cap Growth (Net)	7.6	-13.7	-0.2
Russell 2500 Growth Index	0.2	-13.2	0.3
Northern Trust Extended Equity Market Index (Gross)	0.8	-10.1	0.0
Northern Trust Extended Equity Market Index (Net)	0.8	-10.1	0.0
Dow Jones U.S. Completion Total Stock Market Index	0.7	-10.1	0.0
<b>International Equity</b>			
Wellington International (Gross)	3.2	-4.7	-3.1
Wellington International (Net)	3.1	-4.7	-3.1
MSCI AC World ex USA (Net)	1.8	-3.7	-2.0
<b>Emerging Markets Equity</b>			
RBC Emerging Markets Equity**	0.8	0.4	-3.7
MSCI EM (Net)	-1.3	-1.9	-3.0

# The City of Hollywood

## Comparative Performance

As of February 28, 2022

	Performance (%)		
	Oct-2021 To Dec-2021	Jan-2022 To Jan-2022	Feb-2022 To Feb-2022
<b>Fixed Income</b>			
Baird Core Plus Bond**	-0.1	-2.2	-1.3
Blmbg. U.S. Aggregate	0.0	-2.2	-1.1
Neuberger & Berman Short Duration**	-0.7	-0.9	-2.8
NB Blended Benchmark***	-0.2	-0.3	-0.2
Blmbg. Interm. U.S. Government/Credit	-0.6	-1.5	-0.7
GoldenTree Multi-Sector LP**	0.9	-1.0	-0.9
GT Blended Index****	0.6	-0.9	-0.7
Blmbg. U.S. Aggregate	0.0	-2.2	-1.1
<b>Real Estate</b>			
Morgan Stanley**	9.6	0.0	0.0
NCREIF ODCE Equal Weighted	7.7	0.0	0.0
Principal Enhanced Property Fund**	13.6	0.0	0.0
NCREIF Property Index	6.2	0.0	0.0
<b>Infrastructure</b>			
IFM Global Infrastructure**	3.7	-0.2	-1.5
			1.9

\*Policy Index (Oct 2020-current) consists of 17.5% S&P 500, 10% Russell 2500, 12.5% MSCI ACWI ex US (net), 5% MSCI EM (net), 35% Bloomberg Barclays Aggregate, 2.5% NCREIF ODCE (ew), 3% NCREIF NPI, 2% NCREIF NPI+3%, 10% Russell 3000+3% and 2.5% CPI+3.5%

\*\*Performance shown net of fees

\*\*\*NB Blended Benchmark consists of 40% Bloomberg Barclays 1-3 Year Gov/Credit and 60% BofA Merrill Lynch 3 Month T-Bill.

\*\*\*\*GT Blended Index consists of 33.34% BofA Merrill Lynch High Yield Master II, 33.33% HFRI RV: Fixed Income-Corporate Index, and 33.33% S&P/LSTA Leveraged Loan Index.

# The City of Hollywood

## Comparative Performance - IRR

As of February 28, 2022

	Market Value (\$)	%	Year To Date	Oct-2021 To Feb-2022	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
<b>Private Equity</b>										
<b>Private Equity Composite</b>										
NB Crossroads Fund XXI	46,806,525	10.3	0.0	1.9	38.1	26.5	23.1	N/A	22.6	06/23/2016
HarbourVest Dover Fund IX	24,907,059	5.5	0.0	0.0	30.7	23.3	20.3	N/A	19.1	06/23/2016
GoldPoint Co-Investment VI	7,814,856	1.7	0.0	0.0	30.3	24.8	25.8	N/A	27.9	12/16/2016
	14,084,610	3.1	0.0	6.9	61.4	37.0	N/A	N/A	30.0	04/23/2018
<b>Private Debt</b>										
AG Direct Lending Fund II, L.P.	6,436,318	1.4	0.0	3.2	16.0	9.8	N/A	N/A	9.9	05/31/2017
EnTrust Blue Ocean Onshore Fund LP	4,760,006	1.1	0.0	20.3	34.9	N/A	N/A	N/A	30.8	09/22/2020
Brightwood Capital Fund V, LP	2,397,770	0.5	0.0	7.5	N/A	N/A	N/A	N/A	9.6	07/12/2021
<b>Private Real Estate</b>										
AG Realty Value Fund X	8,022,460	1.8	0.0	12.1	30.2	N/A	N/A	N/A	20.8	06/10/2019
Affiliated Housing Impact Fund	2,197,508	0.5	0.0	N/A	N/A	N/A	N/A	N/A	0.0	11/18/2021

**City of Hollywood Employees' Retirement Fund**  
**Investment Manager Fee Table**  
**Period Ended February 28, 2022**

Manager	Mandate	Market Value	Fee Schedule	Estimated Annual Fee (\$) <sup>1</sup>	Estimated Annual Fee (%) <sup>2</sup>
Northern Trust S&P 500	Passive Large Cap Equity	\$ 89,334,930	3.5 bps on assets	\$ 31,267	0.04%
TSW	SMID Cap Value Equity	\$ 16,949,675	75 bps on assets	\$ 127,123	0.75%
Loomis Sayles	SmallMid Cap Growth Equity	\$ 14,404,687	69 bps on assets	\$ 99,392	0.69%
Northern Trust Extended Equity Market	SMID Cap Core Equity	\$ 23,154,222	3 bps on assets	\$ 6,946	0.03%
Wellington	International Equity	\$ 51,757,849	71 bps on assets	\$ 367,461	0.71%
RBC Emerging Markets Equity	Emerging Markets Equity	\$ 21,338,556	88 bps on assets	\$ 187,779	0.88%
Neuberger & Berman Short Duration	Short Duration Fixed Income	\$ 46,529,293	43 bps on assets	\$ 200,076	0.43%
Baird Core Plus Bond	Core Plus Fixed Income	\$ 55,088,084	30 bps on assets	\$ 165,264	0.30%
GoldenTree Multi-Sector Fund	Multi-Sector Credit	\$ 18,516,777	75 bps on assets	\$ 138,876	0.75%
AG Direct Lending Fund II, LP <sup>1</sup>	Direct Lending Fixed Income	\$ 6,436,318	100 bps on first \$50MM, 85 bps on \$50-\$100MM, 80 bps on \$100-\$200MM, 60 bps above \$200MM	\$ 64,363	1.00%
EnTrust Blue Ocean <sup>2</sup>	Direct Lending Fixed Income	\$ 4,760,006	150 bps on invested capital + incentive fee	\$ 71,400	1.50%
Brightwood Capital Fund V, LP	Direct Lending Fixed Income	\$ 2,397,770	150 bps on invested equity capital, 15% performance fee, 6.5% preferred return	\$ 35,967	1.50%
Morgan Stanley	Real Estate	\$ 13,982,498	84 basis points base fee, plus a monthly accrued performance based fee equal to 5% multiplied by NAV multiplied by comparable property NOI growth for the month	\$ 117,453	0.84%
Principal <sup>3</sup>	Real Estate	\$ 14,885,870	130 bps on assets + incentive fee	\$ 193,516	1.30%
AG Realty Value Fund X <sup>4</sup>	Real Estate	\$ 8,022,460	100 bps on assets + incentive fee	\$ 80,225	1.00%
Affiliated Housing Impact Fund <sup>5</sup>	Real Estate	\$ 2,197,508	150 bps on capital commitments during the investment period, 150 bps on invested contributions thereafter	\$ 75,000	1.50%
Neuberger Berman Crossroads XXI <sup>6</sup>	Private Equity	\$ 24,907,059	25.8 bps on assets	\$ 64,260	0.26%
HarbourVest Dover Fund IX <sup>7</sup>	Private Equity	\$ 7,814,856	70 bps on assets	\$ 54,704	0.70%
GoldPoint Co-Investment VI <sup>8</sup>	Private Equity	\$ 14,084,610	1% on committed capital during investment period, 1% on invested capital thereafter	\$ 100,000	1.00%
IFM Global Infrastructure <sup>9</sup>	Infrastructure	\$ 12,057,977	77 bps on assets	\$ 92,846	0.77%
Investment Management Fees		\$ 448,621,005		\$ 2,273,939	0.51%
Segal Marco	Investment Consulting		\$130,000 annual retainer	\$ 130,000	0.03%
Wells Fargo	Custodian	\$ 448,621,005	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 33,681	0.01%
<b>TOTAL FEES</b>				\$ 2,437,620	0.54%

<sup>1</sup>Fees shown are estimated and does not include incentive fees.

<sup>2</sup>Incentive fee is equal to 15% of the profits in excess of an 7% net IRR to investors.

<sup>3</sup>Incentive fee is equal to 15% of the profits, subject to a 6% hurdle rate.

<sup>4</sup>Incentive fee is equal to 15% of the profits in excess of an 11% net IRR to investors.

<sup>5</sup>Incentive fee is equal to 20% of the profits in excess of an 8% preferred return to investors.

<sup>6</sup>Incentive fee is equal to 20% of the profits in excess of an 8% preferred return per annum.

<sup>7</sup>NB is aggregating commitments to provide best pricing for SMA clients, and as a result the City of Hollywood \$20 million is saving 10.5 bps, if the commitment had not been aggregated the fee would have

<sup>8</sup>The fee for the Dover IX Fund is 75 bps, but the City of Hollywood is receiving a 5 bps fee discount.

<sup>9</sup>Incentive fee is equal to 10% of the profits in excess of 8% per annum.

<sup>10</sup>Incentive fee is equal to 10% of the profits in excess of 8% per annum.

# Watch List – February 28, 2022

Equity Managers	Strategy	Rating	Performance Criteria*										Exceed Peer Median	Comments
			Benchmark Criteria											
			3-Yr	Manager Returns %	Benchmark Returns %	5-Yr	Manager Returns %	Benchmark Returns %	Inception*	Manager Returns %	Benchmark Returns %	3-Yr	5-Yr	
TSW <sup>1</sup>	SMID Cap Value Equity	Recommended	No	10.2	11.7	No	6.7	8.6	No	7.7	9.0	N/A	N/A	Performance

\*Performance is Net of Fees. Search is underway to identify replacement manager.

<sup>1</sup>TSW placed on "Watch List" November 12, 2019. Inception Date - TSW: 11/1/2013



## Cash Flow Activity – Inception to Date

- Since the December 2017 inception of the Administrative Services relationship, the SMA Client Services team has administered the following investment activity for the Fund:

City of Hollywood Employees' Retirement Fund	12/2017 - 2/2022 Activity	
	Dollars	Count
Subscriptions / Redemptions	452,150,000	85
Benefits	-	-
Capital Calls	42,830,000	66
Capital Distributions	235,010,000	105
Mutual Fund Trades	84,600,000	18
Internal Bank Transfers	331,130,000	81
Invoice Payments	-	-
Other Directives	-	-
<b>TOTALS:</b>	<b>\$ 1,145,720,000</b>	<b>355</b>

## Cash Flow Activity Detail – January & February 2022

Manager	Product	Wire Type	Transfer Date	Transfer Amount
Neuberger Berman	Crossroads XXI	Capital Distribution	2/15/2022	\$1,400,000
Brightwood Capital Advisors	Brightwood Capital Fund V	Capital Call	2/15/2022	\$750,000
Wells Fargo	DB Account	Internal Bank Transfer	2/11/2022	\$3,000,000
HarbourVest	Dover Street IX	Capital Distribution	2/10/2022	\$77,936
GoldPoint Partners	Co-Investment VI, LP	Internal Bank Transfer	2/7/2022	\$474,094
Angelo Gordon	AG Direct Lending Fund II, LP	Capital Distribution	1/31/2022	\$875,947
Affiliated Development	Housing Impact Fund	Capital Distribution	1/31/2022	\$1,271,151
Wells Fargo	DB Account	Internal Bank Transfer	1/14/2022	\$2,500,000
Northern Trust Global Investments	S&P 500 Index	Capital Distribution	1/14/2022	\$5,000,000
Northern Trust Global Investments	S&P 500 Index	Commingled Fund Redemption	1/13/2022	\$5,000,000
<b>Total</b>				<b>\$20,349,128</b>



# **AGENDA ITEM 5.B.**

## **INVESTMENT**

### **SMID VALUE MANAGER SEARCH REPORT**

**(UNDER SEPARATE COVER)**

# **AGENDA ITEM 5.C.**

## **INVESTMENT**

### **SMID VALUE TRANSITION MANAGER REPORT**

**(UNDER SEPARATE COVER)**

# **AGENDA ITEM 5.D.**

## **INVESTMENT**

**WORK PLAN 2022**

# City of Hollywood Employees' Retirement Fund

## Draft 2022 Work Plan\*

MEETING DATE	SEGAL MARCO INVESTMENT ITEMS	INVESTMENT PRESENTATIONS
January 18	<ul style="list-style-type: none"> <li>• November 2021 Flash Performance Report</li> <li>• Third Quarter Performance Review</li> <li>• Investment Policy Statement Update</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
February 22	<ul style="list-style-type: none"> <li>• December 2021 Flash Performance Report</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
March 22	<ul style="list-style-type: none"> <li>• January 2022 Flash Performance Report</li> <li>• Custodian Update</li> <li>• TSW Transition Update</li> <li>• Existing Manager Summaries – For your Files</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
April 26	<ul style="list-style-type: none"> <li>• February 2022 Flash Performance Report</li> <li>• SMID Value Manager Search Report</li> <li>• SMID Value Transition Manager Report</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
May 24	<ul style="list-style-type: none"> <li>• March 2022 Flash Performance Report</li> <li>• Fourth Quarter Performance Review</li> </ul>	<ul style="list-style-type: none"> <li>• SMID Value Finalist Presentations</li> </ul>
June 28	<ul style="list-style-type: none"> <li>• April 2022 Flash Performance Report</li> <li>• ESG Policy Discussion</li> </ul>	
July 26	<ul style="list-style-type: none"> <li>• May 2022 Flash Performance Report</li> <li>• First Quarter Performance Review</li> <li>• Emerging Manager Investment Opportunities</li> </ul>	
August 23	<ul style="list-style-type: none"> <li>• June 2022 Flash Performance Report</li> </ul>	
September 27	<ul style="list-style-type: none"> <li>• July 2022 Flash Performance Report</li> </ul>	
November 15	<ul style="list-style-type: none"> <li>• Aug &amp; Sept 2022 Flash Performance Report</li> <li>• Second Quarter Performance Review</li> </ul>	
December 13	<ul style="list-style-type: none"> <li>• October 2022 Flash Performance Report</li> <li>• Annual Investment Policy Review</li> </ul>	

*\*This is a working document and subject to change.*

# **AGENDA ITEM 6.A.**

## **LEGAL**

### **LEGAL UPDATES**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 6.B.**

## **LEGAL**

**VIRGINIA TISDALE-FERGUSON V. THE BOARD OF  
TRUSTEES OF THE CITY OF HOLLYWOOD EMPLOYEES'  
RETIREMENT FUND, AND BLANCHE T. PRESSLEY, A/K/A/  
BLANCHE TISDALE**

IN THE CIRCUIT COURT OF THE 17<sup>th</sup> JUDICIAL CIRCUIT IN AND FOR  
BROWARD COUNTY, FLORIDA

VIRGINIA TISDALE-FERGUSON,  
Individually, and as PERSONAL  
REPRESENTATIVE OF THE  
ESTATE OF JOHN L. TISDALE,

APPEAL: CACE-21-013485 (AW)

APPELLATE DIVISION

Petitioner/Plaintiff,

V.

THE BOARD OF TRUSTEES OF THE  
CITY OF HOLLYWOOD EMPLOYEES'  
RETIREMENT FUND, AND BLANCHE T.  
PRESSLEY, a/k/a BLANCHE TISDALE,

Respondents/Defendants.

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PETITIONER, VIRGINIA TISDALE-FERGUSON, INDIVIDUALLY, AND AS  
PERSONAL REPRESENTATIVE OF THE ESTATE OF JOHN L. TISDALE'S  
MOTION FOR RE-HEARING

---

NOW COMES Petitioner, Virginia Tisdale-Ferguson, individually and as  
Personal Representative of the Estate of John L. Tisdale, by and through her  
undersigned attorney, brings this Motion for Re-Hearing and as grounds therefore  
states the following:

1. This Court entered a Final Order Denying Petition for Writ of Certiorari, which Order was efiled on 2/17/2022.
2. The Petitioner respectfully requests that this Court Re-Hear the matter, as there are new issues which are germane which have not been fully raised or considered to date.
3. The Board has stated that it was required to determine to whom Mr. Tisdale had properly designated his benefits.
4. Petitioner has not previously raised that the Board established a new set of requirements on the 2001 Designation of Beneficiary Form, which should have been applied equally to the 2012 Designation of Beneficiary Form.
5. Regarding the 2001 Form, and the alterations to it:
  - a. The Board stated it is important to understand the different, but related concepts of option form benefits and beneficiaries. The beneficiary is different from the option, in that it does not deal with the form of benefit, but rather who will receive the benefit;
  - b. The Board stated that when Mr. Tisdale executed the 2001 form, the beneficiary section was not altered;
  - c. The Board's position is that the change only deals with the amount of the benefit—that is which option is chosen, not the



beneficiary. The crossing out is immaterial to the choice of the beneficiaries, the Board has stated;

- d. The Board's position is that there is nothing in the South Carolina Notary Public statute that existed in 2001 that remotely suggests that helping a blind man fill out a form was improper, or that it would render it void;
  - e. Final conclusion of the Board – the 2001 form was valid, and to be followed.
6. Regarding the 2012 Form, and the alterations to it:
- a. The Board stated that its duty and responsibility was limited to paying the benefit to the beneficiary Mr. Tisdale chose to receive it;
  - b. The Board's position is that the form was incomplete, or incorrectly completed;
  - c. The Petitioner believes it is important to recognize that the beneficiary section of the 2012 form was not altered until it arrived at the Pension Board's office. The beneficiaries section was not doctored when submitted;
  - d. The Board stated that the 2012 form could not be followed because it violated the requirements that are set out in the form

and did not follow the rules of the Board. To support its position, the Board, through counsel in its pleadings stated that the 2012 form includes the following statement: “Note: each beneficiary must be designated as a primary or contingent. The allocation percentages for all *single* ‘primary’ beneficiaries must total 100%, and the allocation percentages for all *single* ‘contingent’ beneficiaries must total 100%.”

e. The Board misstated the requirements of the 2012 form.

7. In actuality, the form reads: “Note: Each beneficiary must be designated as “Primary” or “Contingent”. The allocation percentages for all “Primary” beneficiaries must total 100% and the allocation percentages for all “Contingent” beneficiaries must total 100%...”

8. Mr. Tisdale did not name more than one “Primary” beneficiary, or “Contingent” beneficiary.

9. In this case, the percentage allocation does not effect the form since there is only one “primary” and only one “contingent” beneficiary designated. With only one primary beneficiary or one contingent beneficiary, the only percentage calculation that can be made is 100% for each beneficiary.

10. Therefore, the one primary beneficiary, who is clearly set forth on the 2012 form, should receive 100% of the benefits.

11. The Board deliberately inserted the word “single” when quoting the form’s rule. The Board is aware that that is the only way that when one Primary beneficiary is designated, a percentage allocation would need to be entered.

12. The Board’s quotation is inaccurate and misleading, aimed at adversely affecting the decision of this Court.

13. Having twice inserted the additional word “single” into the requirements of the 2012 form in order to change the definition, the Board goes on to state that the information on the form violated Plan rules and the specific instructions on the form. The Board’s position is that the primary beneficiaries did not total 100% and the contingent beneficiaries did not total 100%, as required on the form.

14. After altering the language on the 2012 form, the primary beneficiaries did not total 100%, nor did the contingent beneficiaries total 100%.

15. The Board determined that it would be impossible to calculate the benefit according to the 2012 form.

16. The Board deprived Petitioner of the correct outcome as it relates to Mr. Tisdale’s choice of beneficiary on the most recent (2012) Designation of Beneficiary form, by altering the form.

17. If this Court examines the 2012 form on the same basis as the 2001 form, there would be a different outcome in this case.

18. Of specific note regarding these forms are the following points:
- a. On the 2012 form, the Board failed to acknowledge that assisting a blind man with a form is not improper or that it renders it void;
  - b. During December 2012, the Pension Board was clearly aware Mr. Tisdale's 2012 form was received in its office without setting forth percentages, but that did not effect the choice/designation of beneficiaries;
  - c. The percentage issue was confusing for Mr. Tisdale, but he clearly understood the difference between the "primary" and "contingent" beneficiaries he designated;
  - d. The Pension office staff acknowledged the error on the form (just as the notary public noticed the mistake on the 2001 form); but said the mistake had no effect on the beneficiary section.
  - e. The Board's staff did not remove the percentage allocations, just "fixed it." In doing so, it did not effect the overall intent of the form, especially the designation of beneficiaries. One primary beneficiary and one contingent beneficiary (two different people) are entitled to a 100% allocation each. As stated by the Board's Executive Director," it is not wrong to

assist a blind man.” The Board concluded that it could not payout 90% to the primary beneficiary, meaning this is the only issue with the 2012 form.

19. Additionally, Florida Administrative Code & Florida Administrative Registrar Chapter **60S-4.011 Designation of Beneficiary**, states:

(2) As provided in Section 121.091(8), F.S., if no beneficiary is designated or if no designated beneficiary survives the member, the beneficiary shall be determined in the following order: the spouse of the deceased member; or if the spouse is not living, the living children of the deceased member, or on their behalf if under 18 years of age; or if no children survive, the deceased member’s father and/or mother, if living; otherwise, the legal representative of the deceased member’s estate.

20. Here, there was no spouse who survived the deceased member, but there was a living child of the deceased member – the Petitioner, Virginia Tisdale-Ferguson.

21. The Board was wrong when it stated it would be “impossible to calculate” the benefits due.

22. Mr. Tisdale’s decision to submit a new Designation of Beneficiary form in 2012 was for the sole purpose of changing his beneficiaries.

23. The 2012 form percentage allocations had no effect on the beneficiary section, and receiving help from someone by clarifying a section on a form without instructions on the form was not given the fair consideration by the Board. Mr.

Tisdale properly designated his "primary" beneficiary to receive his retirement benefits.

24. The Board stated that it was not allowed to weigh the evidence about Mr. Tisdale's intent, and never addressed it.

25. The Board did not conduct a fair evidentiary hearing or make a fair determination for either primary or contingent beneficiaries.

27. The Board has referred to the Florida Police and Fire plans.

According to City of Hollywood, Florida, Code of Ordinances, Chapter 33.045, a retiree may submit a new designation of beneficiary form, and in doing so all previous designations of beneficiaries shall be superceded.

#### § 33.045 BENEFICIARIES.

(A) Each member or retiree may, on a form provided for that purpose, signed and filed with the Board, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of his or her death. Each designation may be revoked or changed by such member or retiree by signing and filing with the Board a new designation of beneficiary form. Upon such change, the rights of all previously designated beneficiaries to receive any benefits under the system shall cease.

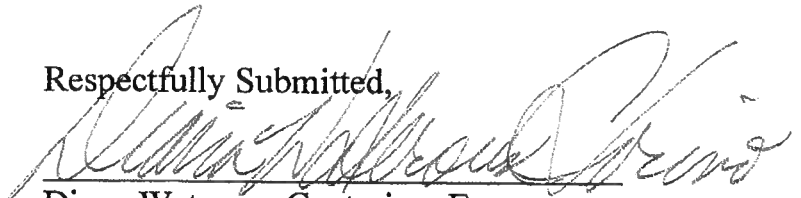
In addition, in the State of Florida Chapter 60S-4.011 Designation of Beneficiary.

(2) A member may designate a beneficiary, as provided in subsection 60S-4.011(4) or (5), F.A.C., to receive the benefits which may be payable pursuant to these rules in the event of the member's death. No designation of beneficiary shall be effective unless it has been filed with the Division. The most recent designation of beneficiary filed with the Division shall replace any previous designation whether made before or after the member's retirement.

WHEREFORE, Petitioner respectfully requests that this Court Order:

- a.) a Re-Hearing of this Matter; and
- b.) such other and further relief this Court deems just and equitable.

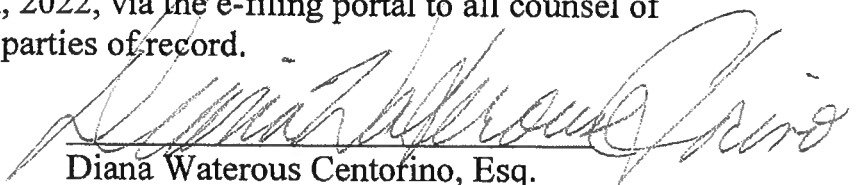
Respectfully Submitted,



Diana Waterous Centorino, Esq.  
DIANA WATEROUS CENTORINO, P.A.  
1230 S.E. 4<sup>th</sup> Avenue  
Fort Lauderdale, FL, 33316  
(954) 462-7760  
(954) 462-7761 (fax)  
Fla. Bar No. 611778  
DWC@dianawaterouscentorino.com

**CERTIFICATE OF SERVICE**

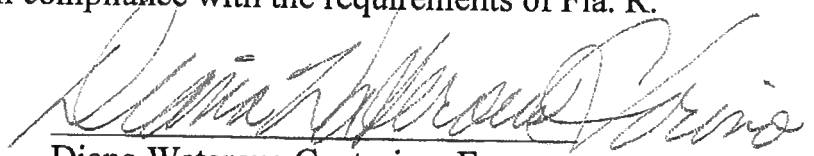
I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished this 4<sup>th</sup> day of March, 2022, via the e-filing portal to all counsel of record and via US Mail to *Pro Se* parties of record.



Diana Waterous Centorino, Esq.  
DIANA WATEROUS CENTORINO, P.A.  
*Attorney for the Petitioner*  
1230 S.E. 4<sup>th</sup> Avenue  
Fort Lauderdale, FL, 33316  
(954) 462-7760  
(954) 462-7761 (fax)  
Fla. Bar No. 611778  
DWC@dianawaterouscentorino.com

**CERTIFICATE OF COMPLIANCE WITH FONT REQUIREMENTS**

The undersigned hereby certifies that this Petition was prepared utilizing a 14-point Times New Roman font in compliance with the requirements of Fla. R. App P.9.210(a)(2).



Diana Waterous Centorino, Esq.  
DIANA WATEROUS CENTORINO, P.A.  
*Attorney for the Petitioner*  
1230 S.E. 4<sup>th</sup> Avenue  
Fort Lauderdale, FL, 33316  
(954) 462-7760  
(954) 462-7761 (fax)  
Fla. Bar No. 611778  
DWC@dianawaterouscentorino.com

cc: Virginia Tisdale-Ferguson



IN THE CIRCUIT COURT OF THE 17<sup>TH</sup> JUDICIAL CIRCUIT IN AND FOR  
BROWARD COUNTY, FLORIDA

VIRGINIA TISDALE-FERGUSON,  
Individually, and as PERSONAL  
REPRESENTATIVE OF THE ESTATE  
OF JOHN L. TISDALE,

CASE NO.: CACE-21-013485

DIVISION: AW

Petitioner/Plaintiff,

v.

THE BOARD OF TRUSTEES OF THE  
CITY OF HOLLYWOOD EMPLOYEES'  
RETIREMENT FUND, AND BLANCHE T.  
PRESSLEY, a/k/a BLANCHE TISDALE,

Respondents/Defendants.

**THE BOARD OF TRUSTEES OF THE CITY OF HOLLYWOOD  
EMPLOYEES' RETIREMENT FUND'S RESPONSE TO  
PETITIONER/PLAINTIFF'S MOTION FOR RE-HEARING**

The Board of Trustees of the City of Hollywood Employees' Retirement Fund (the "Board") responds to the *Petitioner, Virginia Tisdale-Ferguson, Individually, and as Personal Representative of the Estate of John L. Tisdale's Motion for Re-Hearing* ("Motion for Rehearing").

A. The Motion for Rehearing Does Not Follow the Rules of Appellate Procedure.

Tisdale-Ferguson improperly "requests that this Court Re-Hear the matter, as there are new issues which are germane (sic), which have not been fully raised or considered to date." Motion for Rehearing, Paragraph 2.

Tisdale-Ferguson claims that she has not “previously raised that the Board established a new set of requirements on the 2001 Designation of Beneficiary Form, which should have been applied equally to the 2012 Designation of Beneficiary Form.” Motion for Rehearing, Paragraph 4. It is not appropriate to raise new grounds on a motion for rehearing, and it is specifically forbidden by the Rules. Florida Rule of Appellate Procedure 9.330(a)(2)(A) provides:

A motion for rehearing shall state with particularity the points of law or fact that, in the opinion of the movant, the court has overlooked or misapprehended in its order or decision. *The motion shall not present issues not previously raised in the proceeding.* (Emphasis supplied).

Also, the Motion for Rehearing violates that portion of the Rule which provides that “A motion for rehearing shall state with particularity the points of law or fact that, ... the court has overlooked or misapprehended in its order or decision.” As the Court stated in *Dabbs v. State*, 230 So. 3d 475, 476 (Fla. 4th DCA 2017):

The proper function of a [motion] for rehearing is to present to the court in clear and concise terms some point that it overlooked or failed to consider; only this and nothing more.” *Dep’t of Revenue v. Leadership Hous., Inc.*, 322 So. 2d 7, 9 (Fla. 1975) (quoting *Texas Co. v. Davidson*, 76 Fla. 478, 80 So. 558, 559 (Fla. 1918)). A motion for rehearing is “strictly limited to calling [the Court’s] attention—*without argument*—to something . . . obviously overlooked or

misapprehended" and "is not a vehicle for counsel or the party to continue its attempts at advocacy." *Goter v. Brown*, 682 So. 2d 155, 158 (Fla. 4th DCA 1996).

Further, this Court's decision was akin to a *per curiam* affirmance without opinion. "Although there may be instances where motions for rehearing are appropriate after the issuance of what are commonly referred to as a PCA, such instances are rare, and are most often limited to occasions when a relevant decision of the Supreme Court in another district of the Court of Appeal is rendered after briefing and oral argument and not considered by the Court." *McDonnell v. Sanford Airport Auth.*, 200 So.3d 83, 85 (5th DCA 2015).

It is respectfully submitted that this Court's inquiry should end here. Out of an abundance of caution, however, the Board will discuss the merits of the Motion for Rehearing.

B. The Court's Decision Was Correct.

Tisdale-Ferguson argues that the Board should have recognized the 2012 Designation of Beneficiary form as the proper Designation of Beneficiary Form, instead of an earlier one. She does not argue that there was not competent, substantial evidence for the Board's decision. Tisdale-Ferguson is apparently asking the Court to reweigh the evidence, something

that it cannot do in a *certiorari* proceeding. See, *Ft. Lauderdale v. Multidyne Med. Waste Mgmt.*, 567 So. 2d 955, 957 (Fla. 4th DCA 1990).

There are a number of reasons that the form Tisdale-Ferguson argues should be honored was not honored. First, there was no evidence that that form was filed with the Board before Mr. Tisdale's death. Also, the Executive Director stated that the form that Tisdale-Ferguson says should be honored could not be because it was improperly filled out and as a result, a benefit calculation could not be performed. The form indicated Ms. Tisdale-Ferguson as primary beneficiary, to receive 90%, and Ms. Blanche Tisdale as contingent beneficiary, to receive 10%. The form required that the primary beneficiaries must total 100% and the contingent beneficiaries must total 100%. At the hearing, the Executive Director of the Board stated:

The document that lists Ms. Ferguson with 90% primary designation could not be processed. There is absolutely no way we could process that form. There's no calculation that can be done for that.

P. App. 11, Tr. Pg. 59. Tisdale-Ferguson did not present any contrary evidence, but instead, in her Motion for Rehearing, simply concludes that the Board was "wrong." Motion for Rehearing, Paragraph 21. Tisdale-Ferguson is essentially asking this Court, sitting as an appellate forum in *certiorari*, to act as if the 2012 form does not say what it says. She is essentially asking

this Court to change its contents. The form says what it says, and the un rebutted testimony is that that benefit cannot be calculated.

Tisdale-Ferguson points out that in discussing this form, the Board's *Response to the Order to Show Cause* mistakenly inserted the word "single" before 'primary' beneficiaries, and again inserted the word "single" before 'contingent' beneficiaries. This was an unintentional scrivener's error that was not before the Board, did not enter into the Board's decision and is of no significance.<sup>1</sup> The form was before the Board, and its contents was read into the record. P. App. 11, Tr. pg. 46.

Also, it makes no difference in the outcome of this case. The *Response to the Order to Show Cause* was not before the Board. The Board had the form before it and could see exactly what it said. The Executive Director read the form into the record. The Executive Director testified that there is not a way to determine the amount of the benefit under a designation that leaves 90% to a primary beneficiary and 10% to a contingent beneficiary. There is no evidence in the record anywhere to contradict that.

---

<sup>1</sup> The undersigned is not sure how the improper quote made it to the memo. In any event, we are surprised to hear Tisdale-Ferguson's accusation that it was done purposefully to mislead this Court, indeed, because it was undersigned counsel who called Ms. Centorino before the second hearing to point out that the Board had not received anything from her.

Surprisingly, Tisdale-Ferguson now states incorrectly, that “[d]uring December 2012, the Board was clearly aware that Mr. Tisdale's 2012 form was received in its office without setting forth percentages, but that did not affect the choice-designation of beneficiaries.” (Emphasis added). Motion for Rehearing, Paragraph 18b. Apparently, she then mistakenly accuses the Board of altering the language on the form so that the beneficiaries did not total 100%. See Motion for Rehearing, Paragraph 14.

Tisdale-Ferguson may be trying to imply that the Board added the handwritten language that made it impossible to calculate the benefit. There is no evidence of that. Also, that is not the position Tisdale-Ferguson took in her *Rule 9.100 Petition for Writ of Certiorari/Petition to Review Quasi-Judicial Action of Board/and Complaint for Declaratory Judgment and Injunctive Relief*, in which she says in Paragraph 30:

Subsequently, another “Designation of Beneficiary” form, this one dated 12/4/2012 was filed. The “original version” of the 12/4/2012 Designation of Beneficiary Form, (See Appendix – Tab 8, Pg. 1), set forth Petitioner FERGUSON (90%) as the Primary Beneficiary and RESPONDENT PRESSLEY (10%) as Contingent Beneficiary. (Emphasis added).

Tisdale-Ferguson cites to Appendix Tab 8, Pg. 1., which is the form that Tisdale-Ferguson says should be followed. It clearly has improper percentages on it, yet now, for the first time, and after arguing differently to

this Court, Tisdale-Ferguson now states that it didn't have percentages on it when filed. Then, Tisdale-Ferguson argues that "the percentage issue was confusing for Mr. Tisdale, but he clearly understood the difference between the "primary" and "contingent" beneficiaries he designated. Motion for Rehearing, Paragraph 18c. Of course, there is no support for what Mr. Tisdale understood. Apparently, Tisdale-Ferguson is trying to explain why the form had improper, incalculable percentages on it, immediately after saying it did not.

Tisdale-Ferguson is apparently trying to argue that since the Board permitted a South Carolina notary to clarify what was on the 2001 form, it had an obligation to honor the 2012 form (which the unrebutted testimony showed could not be followed), and to consider it reformed, so that what was written on the form would be considered as not written on the form. And it asks all this to be done on rehearing, on a new ground not previously raised. This should be rejected.

Lastly, Tisdale-Ferguson cites to rules concerning two different retirement plans, which play no part in the adjudication of this dispute.

WHEREFORE, based upon the above and foregoing, the Board respectfully requests that the Motion for Rehearing be denied.

CASE NO.: CACE-21-013485

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished this 28<sup>th</sup> day of March, 2022, via the e-filing portal to all counsel of record or via U.S. Mail to *Pro Se* parties of record.

Respectfully submitted,

**Lorium Law, PLLC**

*Counsel for Respondent/Defendant,  
The Board of Trustees of the City  
of Hollywood Employees'  
Retirement Fund*

101 N.E. 3<sup>rd</sup> Avenue, Suite 1800

Fort Lauderdale, FL 33301

Telephone : (954) 462-8000

Facsimile: (954) 462-4300

Email: rcohen@loriumlaw.com

By: /s/ Ronald J. Cohen

**Ronald J. Cohen**

Fla. Bar. No. 235504



# **AGENDA ITEM 6.C.**

## **LEGAL**

**REQUEST FOR EXECUTIVE SESSION**

**TO DISCUSS PENDING LITIGATION**

**(NO BACKUP FOR THIS SECTION)**

**AGENDA ITEM 7.A.**  
**EXECUTIVE DIRECTOR'S REPORT**  
**CITY COMMISSION COMMUNICATION**



## CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

2600 Hollywood Blvd. • City Hall Annex Building, 2<sup>ND</sup> Floor, Room 20 • Hollywood, FL 33020  
(954) 921-3333 • (954) 921-3332 Fax • [www.hollywoodpension.com](http://www.hollywoodpension.com)

### CITY COMMISSION COMMUNICATION

**April 2022**

The following information is provided to the City Commission for informational purposes only.

### **BOARD OF TRUSTEES\***

Phyllis Shaw – Chair  
George Keller – Vice Chair

Robert Strauss – Secretary  
Barbara Armand

Charles Howell  
David Keller

\*One citizen member position on the Board of Trustees is vacant. This member is appointed by, and serves at the pleasure of the City Commission; must be a resident of the City; and cannot be identified with the City government.

Five Trustees attended the March 22, 2022 Regular Meeting of the Board of Trustees. Trustee G. Keller was absent.

### **ITEMS OF INTEREST TO THE CITY COMMISSION**

- The estimated value of the Fund's assets available for investments on February 28, 2022 were \$452.5 million, down 1.6% net of fees for the month ended February 2022 and down 0.6% for the fiscal year to date.
- The Funded Ratio (the value of the actuarial assets divided by the actuarial accrued liability) is 63.3% as of October 1, 2020, up from 60.3% as of October 1, 2019.
- The Board delayed the transfer of assets from Thompson, Seigel and Walmsley until a new manager is identified.
- The Board updated its Investment Policy Statement to include separate account manager specific guidelines.
- The Fund is involved in a lawsuit related to the death benefit of a deceased retiree, in which with more than one party claimed the benefit. The Plaintiff has submitted a motion for rehearing.

### **UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION**

- National Conference on Public Employee Retirement Systems  
May 22 – May 25, 2022  
Washington, D. C.
- Florida Public Pension Trustees Association Annual Conference  
June 26 – June 29, 2022  
Renaissance, Orlando

### **MEETING SCHEDULE 2022**

<u>Dates</u>	<u>Time</u>	<u>Location</u>	<u>Dates</u>	<u>Time</u>	<u>Location</u>
May 24, 2022	9:00am-12:00pm	City Hall, Room 219	September 27, 2022	9:00am-12:00pm	City Hall, Room 219
June 21, 2022	9:00am-12:00pm	City Hall, Room 219	November 15, 2022	9:00am-12:00pm	City Hall, Room 219
July 26, 2022	9:00am-12:00pm	City Hall, Room 219	December 13, 2022	9:00am-12:00pm	City Hall, Room 219
August 23, 2022	9:00am-12:00pm	City Hall, Room 219			

**\* Please Take Careful Note: Meetings of the Board of Trustees, as well as, the time and location of these meetings may be adjusted prior to the meeting.**

**Please be advised that the Next Regular Meeting of the Board of Trustees will be held on Tuesday, May 24, 2022 at 9:00am. This meeting is expected to be held in person.**

**AGENDA ITEM 7.B.**  
**EXECUTIVE DIRECTOR'S REPORT**  
**PENSION OFFICE RENOVATION**  
**(UNDER SEPARATE COVER)**

**AGENDA ITEM 7.C.**  
**EXECUTIVE DIRECTOR'S REPORT**  
**CPMS UPDATE**



# **AGENDA ITEM 7.D.**

## **EXECUTIVE DIRECTOR'S REPORT**

### **COMMUNICATION FROM THE EXECUTIVE DIRECTOR**



## Communications – April 26, 2022

---

- 2021 and 2022 Life Certificates
- Supplemental Pension Distribution 2012
  - 30 remaining distributions totalling \$172,173.84
- Employer Contribution Shortfall
- FPPTA 38<sup>th</sup> Annual Conference Attendance
- NCPERS Annual Conference
- Member Consideration – Disability Application
- Prospective CRA Participation
- DROP Participant List
- Planned Retirement Participant List





April 8, 2022

Ms. Christine Bailey  
Executive Director  
City of Hollywood Employees' Retirement Fund  
P. O. Box 229045  
Hollywood, Florida 33022-9045

**Re: City of Hollywood General Employees' Retirement System**

Dear Christine:

As requested, we are providing the payoff amount for the City contribution shortfall due to the City making the required contribution excluding the pre-funding of the Supplemental Pension Distribution for the fiscal years ending September 30, 2015 through September 30, 2019.

As detailed in the Actuarial Valuation Report as of October 1, 2020, the contribution shortfall was \$13,423,122 as of September 30, 2020. According to the information provided, the City has made the following payments toward this contribution shortfall:

- \$2,495,119 on August 25, 2020
- \$572,775 on October 1, 2020
- \$3,072,428 on October 1, 2021

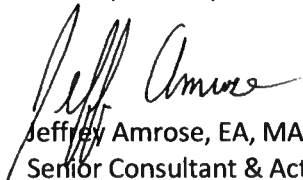
Based on these previous payments, the amount to pay off the remainder of the contribution shortfall in full is **\$8,344,337** if paid on April 25, 2022.

If the amounts and dates of the previous payments shown above are not accurate, please let us know so we can revise the required payment amount needed to fully pay off the shortfall.

Please refer to the Actuarial Valuation Report as of October 1, 2020 for additional information on the required contribution shortfall and the assumptions, methods, data, and plan provisions on which our calculations are based.

We welcome your questions and comments.

Sincerely yours,  
Gabriel, Roeder, Smith & Company

  
Jeffrey Amrose, EA, MAAA  
Senior Consultant & Actuary

This communication shall not be construed to provide tax advice, legal advice or investment advice.

# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## DROP

### April 2022 Regular Pension Board Meeting

	Name		DROP Start Date	DROP end Date	Payroll Reports Received
1	Powell	Marie	June 1, 2017	May 31, 2022	Yes
2	Epstein	Jeff	July 1, 2017	June 30, 2022	Yes
3	Samuels	Brenda	July 1, 2017	June 30, 2022	Yes
4	Ducker	Elizabeth	August 1, 2017	July 31, 2022	Yes
5	Listhrop	Anselm	September 1, 2018	August 31, 2023	Yes
6	Moss	John	October 1, 2018	September 30, 2023	Yes
7	Ferrante	Joseph	February 1, 2019	January 31, 2024	Yes
8	Lancaster	Lawrence	April 1, 2019	March 31, 2024	Yes
9	Baculi	Narciso	August 1, 2019	July 31, 2024	Yes
10	Grandinetti	Donna	August 1, 2019	July 31, 2024	Yes
11	Linares	Teresa	August 1, 2019	July 31, 2024	Yes
12	Mincy	Donald	August 1, 2019	July 31, 2024	Yes
13	Montalvan	Mario	August 1, 2019	July 31, 2024	Yes
14	Myrvil	Jean	August 1, 2019	July 31, 2024	Yes
15	Thornton	Tamara	September 1, 2019	August 31, 2024	Yes
16	Reese	Debra-Ann	October 1, 2019	September 30, 2024	Yes
17	Doklean	Dana	November 1, 2019	October 31, 2024	Yes
18	D'Arpino Vazquez	Linda	January 1, 2020	December 31, 2024	Yes
19	Erickson	Barry	January 1, 2020	December 31, 2024	Yes
20	Foard	Timothy	January 1, 2020	December 31, 2024	Yes
21	Keller	George	January 1, 2020	December 31, 2024	Yes
22	Nelson	Barbara	January 1, 2020	December 31, 2024	Yes
23	Saint Remy	Jean	January 1, 2020	December 31, 2024	Yes
24	Williams	Horace	January 1, 2020	December 31, 2024	Yes
25	Zaske	Michael	January 1, 2020	December 31, 2024	Yes
26	Knauer	Keith	March 1, 2020	February 28, 2025	Yes
27	Hogarth	Delroy	July 1, 2020	June 30, 2025	Yes
28	Seidl	Luanne	July 1, 2020	June 30, 2025	Yes
29	Lopez	Sergio	August 1, 2020	July 31, 2025	Yes
30	Manimala	Jacob	August 1, 2020	July 31, 2025	Yes
31	Stanley	Angela	August 1, 2020	July 31, 2025	Yes
32	Avitable	Doreen	September 1, 2020	August 31, 2025	Yes
33	Bailey	Lorna	October 1, 2020	September 30, 2025	Yes
34	Bently	Michael	October 1, 2020	September 30, 2025	Yes

# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## DROP

### April 2022 Regular Pension Board Meeting

	Name		DROP Start Date	DROP end Date	Payroll Reports Received
35	Peace	Rosana	October 1, 2020	September 30, 2025	Yes
36	Perrin	Edward	October 1, 2020	September 30, 2025	Yes
37	Hitchcock	Kathleen	November 1, 2020	October 31, 2025	Yes
38	Kalil-Cobos	Yvonne	December 1, 2020	November 30, 2025	Yes
39	Wilson	Henry	January 1, 2021	December 31, 2025	Yes
40	Carter	Michelle	March 1, 2021	February 28, 2026	Yes
41	Jacobsen	Jennifer	March 1, 2021	February 28, 2026	Yes
42	Johns	Mary	April 1, 2021	March 31, 2026	Yes
43	Bennett	Lisa	April 1, 2021	March 31, 2026	Yes
44	Maldonado-Juriga	Yolanda	June 1, 2021	May 31, 2026	Yes
45	Castillo	Jamie	June 1, 2021	May 31, 2026	Yes
46	Gronvold	John	July 1, 2021	June 30, 2026	Yes
47	Tozzi	Donna	August 1, 2021	July 31, 2026	Yes
48	Sanchez	Pamela	September 1, 2021	August 31, 2026	Yes
49	Yost	Leo	September 1, 2021	August 31, 2026	Yes
50	Gutierrez	Alberto	October 1, 2021	September 30, 2026	Yes
51	Robledo	Eddie	November 1, 2021	October 31, 2026	Yes
52	Caraballo	Luis	December 1, 2021	November 30, 2026	Yes
53	Coy	Mathis	January 1, 2022	December 31, 2026	Yes
54	Batista	Francisco	January 1, 2022	December 31, 2026	Yes
55	DemassisFeller	Cathy	February 1, 2022	January 31, 2027	Yes
56	Smith	Lisa	March 1, 2022	February 28, 2027	Yes
57	Fiorillo	Richard	March 1, 2022	February 28, 2027	Yes
58	Gallo	Thomas	March 1, 2022	February 28, 2027	Yes
59	Ramos	Edgar	May 1, 2022	April 30, 2027	

# **CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**

## **Planned Retirement**

### **April 2022 Regular Pension Board Meeting**

	<b>Name</b>		<b>Start Date</b>	<b>Last Date Of Employment No Later Than:</b>
1	<b>Huffaker</b>	<b>Daniel</b>	June 1, 2017	May 31, 2022
2	<b>Perez</b>	<b>Gilda</b>	August 16, 2019	August 15, 2024
3	<b>Azueta</b>	<b>Gail</b>	February 16, 2020	February 15, 2025

# **AGENDA ITEM 8**

## **PUBLIC COMMENT**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 9**

## **TRUSTEE REPORTS, QUESTIONS AND COMMENTS**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 10**

## **ADJOURNMENT**

**(NO BACKUP FOR THIS SECTION)**