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

## **CALENDAR OF ITEMS**

**SPECIAL BOARD MEETING**

**FEBRUARY 14, 2023**

# **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  
(954) 921-3333 • (954) 921-3332 Fax • [www.hollywoodpension.com](http://www.hollywoodpension.com)

### **AGENDA SPECIAL PENSION BOARD MEETING CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND THURSDAY, FEBRUARY 14, 2023 at 10:00 AM CITY HALL ANNEX, ROOM 20, 2600 HOLLYWOOD BOULEVARD**

- 1. CALL TO ORDER**
- 2. ROLL CALL AND PLEDGE OF ALLEGIANCE**
- 3. PROPOSED ORDINANCE REGARDING CRA EMPLOYMENT**
- 4. 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.\*

Febrary \_\_, 2023

Addressee To Be Determined

**Via Email**

RE: Proposed ordinance change regarding the purchase of service credit in the City of Hollywood Employees Retirement Fund for full-time employment with the City of Hollywood Community Redevelopment Agency

Dear TBD,

We have advised that the language that you provided on November 15, 2022 regarding the above referenced proposed ordinance change is in fact lawful and can be implemented. Please note, however, as written, it applies only to City employees. It specifically would allow City employees who were formerly employed the Community Redevelopment Agency ("CRA") to purchase credited service in the City of Hollywood Employees' Retirement Fund ("COHERF") if they were previously employed full time by the CRA. It does not allow CRA employees to become members of COHERF, or to purchase credited service. If the City wishes to allow these options, it will require additional language. We request that in drafting the proposed ordinance the following are considered:

- There was considerable discussion as to whether it is best to allow CRA employees who are not City employees to become members of COHERF while they are still CRA employees. One point of discussion was that the CRA is not scheduled to sunset for a period of time, and there is no certainty that all current CRA employees will actually be transitioned to City employees. If CRA employees are permitted to become members of COHEF, all such persons will have the opportunity to take advantage of a defined benefit plan, whether they are transitioned to the City or not. A Trustee opined that consideration should be given to the likelihood of passage by the membership (as required by §33.031 of the City Code) if the proposed ordinance permits current CRA employees to become members prior to becoming City employees.
- There are members of the COHERF who are paying, or have paid, 9% contributions during periods of their employment. Please see Sec. 33.025(O) (1)(A). Please consider requiring those persons who are purchasing credited service for periods of time where the contribution rate would have been 9% to pay 9% as their employee contribution.

- The Board noted that the proposed ordinance provides for a fixed cost based on an 8% contribution rate by the employees with a 4% fee with no defined time of payment. The total cost of crediting service to either City employees who were members of the CRA, or to current CRA members, likely will cost far more than the proposed 8% (or 9%) contribution, plus the buyback fee of 4%. The Board recommends that full value of the benefit should be actuarially determined and we request that the proposed ordinance address how this additional cost will be paid as the current members should not be burdened with that cost.
- As written, former employees of the CRA would be eligible to purchase credited service if they ever become employed by the City in a position covered by COHERF. Mr. Camejo addressed the Board and stated that the intent was not to allow former employees to join the COHERF. If so, the Board recommend that you consider limiting the eligible participants to those who are full-time employees of the City or CRA at the time the ordinance passes.
- Please consider including a time limited period, or a “window period” for persons to decide whether to make the purchase. With the expected dissolution of the CRA, we anticipate that the identification of eligible members and the calculation of their buyback costs would become increasingly difficult, and the full costs of their benefit cannot be known at this time. If the right to purchase credited service is left open ended these costs would fall on the Fund and the City. A “window period” to decide to join a plan is not uncommon, and can have the beneficial effect of preventing market timing. Also consider including a compounded interest charge of at least the Fund's Actuarially Assumed Interest Rate of Return to be charged during the payback period.
- The Ordinance should explicitly state whether a person must purchase all past service, or whether they can purchase a portion of past service. If it provides for the purchase of a portion of past service, we recommend that the proposed ordinance explicitly state the increments that can be purchased. In other words, does it have to be complete years or can a person purchase a portion of a year? For administrative purposes, the smallest increment should be monthly.
- There are current employees of the CRA who are current retirees of COHERF. Ms. Bailey said that she understands that the intent is not to allow those persons to rejoin the Plan and obtain an enhanced benefit. Board Counsel has asked that the rights and/or prohibitions of retirees who are employees of the CRA be stated clearly and directly in the Ordinance.

The proposed language provides that the time payment plan be approved by the City and the employee. The Board requests that COHERF have to the opportunity

February\_\_ , 2023

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to review and signoff on the payment plant. Some Trustees also expressed that there should be a maximum time to pay for the purchase.

- Lastly, current employees are assigned to specific groups and granted certain retirement benefits based on their employment status with the City on specific dates. We ask that the proposed ordinance delineate a current group assignment, or create a new group assignment, for these individuals and establish the retirement benefits being granted by defining the average final compensation and benefit multiplier to be used in calculating the retirement benefit to be received for the CRA service being purchased.

Please feel free to contact Ms. Bailey, Executive Director, to discuss these matters further.

Sincerely,

To Be Determined

cc: Board of Trustees  
Christine Bailey, Executive Director  
Dr. Wazir Ishmael, City Manager  
Douglas Gonzales, City Attorney  
Jorge Camejo, CRA  
Ronald Cohen, Board Attorney



## Christine Bailey

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**From:** Douglas Gonzales  
**Sent:** Thursday, November 17, 2022 2:36 PM  
**To:** Ron Cohen; Christine Bailey  
**Cc:** Jorge Camejo; George R. Keller JR CPPT; Susan Goldberg  
**Subject:** Pension

Please see proposed language for the Ordinance applicable to all CRA employees who, upon termination of the CRA or before, become City employees, allowing them to purchase time that was not pensionable while employed by the CRA.

Let us know your thoughts.

Doug

**From:** Alan Fallik <AFALLIK@hollywoodfl.org>  
**Sent:** Tuesday, November 15, 2022 10:54 AM  
**To:** Douglas Gonzales <DGONZALES@hollywoodfl.org>  
**Subject:** RE: Good morning

I propose adding a paragraph (D)(12) to deal with the CRA. The new paragraph is set forth below. Since it is all new, it is all underlined. The language is virtually the same as paragraph (D)(11), except for what is highlighted. I think this covers the previously transferred Code officers as well as the employees to be transferred in the future.

(12) Notwithstanding anything to the contrary contained in this section, any city employee who is a contributing member of this plan may purchase credited service under the plan for each period of prior employment by the Community Redevelopment Agency of the City in a full-time position during which he or she was not a member of a contributory, defined benefit retirement plan of the City. Such member may enter into an agreement at any time prior to separation from City employment to purchase such credited service by paying a contribution of 8% of the compensation received during the period of prior employment, plus a buy-back fee of 4% of the total contribution amount. If the total contribution amount and buy-back fee is not fully paid by the time the member leaves City employment, an additional 6.5% fee will be charged on the unpaid balance remaining when the member separates from City employment. Payments for the purchase of credited service made pursuant to this division must be made using any one or a combination of the following options:

- (a) Cash lump sum payment;
- (b) Direct transfer or rollover of an eligible rollover distribution from a qualified plan, in accordance with division (Y) below; and/or
- (c) Time payment plan. Under this option, the member may elect to pay any remaining balance due for the purchase of credited service through a time payment plan approved by the City and the employee. Under such plan, bi-weekly payments shall be deducted from the member's compensation, and if there is any remaining balance due upon separation from City employment, monthly payments shall be deducted from the member's monthly pension benefit until the remaining balance is fully paid: provided that the deduction shall not exceed 20% of the member's gross monthly pension benefit.

# **AGENDA ITEM 3.**

**PROPOSED ORDINANCE REGARDING CRA EMPLOYMENT**

# **AGENDA ITEM 4**

## **ADJOURNMENT**

**(NO BACKUP FOR THIS SECTION)**