CALENDAR OF ITEMS

REGULAR BOARD MEETING APRIL 25, 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



2600 Hollywood Blvd. • City Hall Annex Building, 2ND Floor, Room 20 • Hollywood, FL 33020 (954) 921-3333 • (954) 921-3332 Fax • www.hollywoodpension.com

AGENDA REGULAR PENSION BOARD MEETING TUESDAY, APRIL 25, 2023 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
- 3. CONSENT AGENDA
 - A. March 28, 2023 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, 2022
 - B. Audit Committee Report
 - C. Financial Reports and Investment Summary
- 5. INVESTMENT (Segal Marco Advisors)
 - A. February Flash Performance Report
 - B. GoldPoint Update and Recommendation
 - C. Work Plan 2023
- 6. LEGAL (Ron Cohen Lorium Law)
 - A. Legal Update
 - B. Report on Survivor Benefits of Joseph Bowman
- 7. EXECUTIVE DIRECTOR'S REPORT
 - A. City Commission Communication
 - B. CPMS Update
 - C. Pension Office Renovation 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 3.A. CONSENT AGENDA

MARCH 28, 2023
REGULAR MEETING MINUTES

MINUTES REGULAR PENSION BOARD MEETING CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND TUESDAY, MARCH 28, 2023 AT 9:00AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:15a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair George Keller, Secretary Robert Strauss, Barbara Armand, Jeffrey Greene, Charles Howell (electronically joined 9:25a.m.), and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds, Felicia Ewell, Alan Kosan and Francois Otieno of Segal Marco; and Ronald Cohen of Lorium Law.

A. March 28, 2023 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to adopt the March 28, 2023 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0. (Trustee Howell had not yet joined the meeting.)

3. CONSENT AGENDA

- A. February 28, 2023 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 Greene, seconded by Trustee Strauss, to approve Consent Agenda Items 3a through 3c. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0. (Trustee Howell had not yet joined the meeting.)

4. FINANCIAL

A. Ms. Bailey provided the Board with the Final November 30, 2022. She advised that the outstanding reports would be provided at a later date. Ms. Bailey also provided the Budget Variance Report as of March 31, 2023.

5. INVESTMENT (Felicia Ewell – Segal Marco)

A. January 2023 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for January 2023. He noted that the Fund's market value of assets as of January 31, 2023 increased to \$430.7 million. He also noted that the estimated return for the Fund was up 3.8% net of fees for the month of January 2023 and up 8.4% net of fees for the fiscal year to date. Mr. Otieno discussed the performance of the private markets.

Trustees discussed the report, the timing of investment return reporting, and the expectations for the Fund's performance. Ms. Ewell advised the status of the investment fees report for all managers. She advised that the report would be provided with the next Quarterly Performance Report.

B. 2023 Investment Allocation Review and New Opportunities Discussion Mr. Reynolds and Mr. Kosan presented an annual review of the Fund's Investments. Mr. Reynold's noted that Segal had reviewed the Fund's portfolio, cash flow expectations, private markets, and the opportunities in that space. He advised that the Fund's initial private markets allocations in 2016 and 2018 were mature and returning assets to the Fund that would need to be reallocated. Trustees discussed scheduling investment committee meetings and investment manager presentations from the Fund's current managers.

Mr. Kosan advised that his team review the Fund's Private Markets portfolios, and based on current values, discussions with the investment managers, and expected cash flows, his team would determine the best recommendations for the next round of commitments to maintain the targeted allocation.

C. 2023 Work Plan

Mr. Reynolds provided the Board with the 2023 Work Plan.

6. LEGAL (Ron Cohen – Lorium Law)

A. Legal Update

Mr. Cohen advised that the GTJZ fourth amendment related to member self-service had been signed. He advised that the memorandum of understanding with the City regarding payroll data had also been signed. He also advised that the Segal Contract had been signed and would be in effect until 2025. Trustees expressed their appreciation to Mr. Reynolds and the Segal Team for their services to the Board on behalf of the Fund, the members, and the taxpayers.

Mr. Cohen advised that he had reviewed House Bill HB3 and that there was now a similar bill in the Senate. He reviewed the proposed requirements under the bill.

B. Vercetti Enterprises

Mr. Cohen advised that he, along with attorneys from his firm, met with the Chair, the Executive Director, representatives of the Department of Design and Construction Management (DCM), and representatives of Vercetti. Ms. Bailey advised the contract was signed but advised that Vercetti was requesting a change order as their bid pricing had expired. She provided the Board with the proposed pricing which increased Vercetti's cost to \$338,761. She advised that DCM had reviewed the fees and determined that were reasonable considering price increases in the last six months. Ms. Bailey requested that the Board approve a change order to increasing the contract cost from \$277,839 to \$338,761 with no change in the scope of work.

MOTION made by Trustee Strauss, seconded by Trustee Greene, to allow the Executive Director to proceed with an increase in the Vercetti Contract by \$60,000 with a final change order coming to the Board for approval. After discussion, the **MOTION** was amended, to grant the Executive Director the Board's permission to increase the project costs from \$277,829 to \$338,761, and pending receipt of a change order, the Chair of the Board is authorized to sign the order. In a roll call vote of the members present, all members voted in favor. **Motion** passed 7-0.

7. EXECUTIVE DIRECTOR'S REPORT

A. City Commission Communication

The Board received the City Commission Communication.

B. CPMS Update

Ms. Bailey advised that the CPMS project was on track for a Go-Live date of April 24, 2023. She noted that the project was in its final and most intense phase of Full Systems Testing. She advised that with CPMS, the Pension Fund would for the first time, have all the necessary records for its members in one location, a milestone accomplishment.

Trustees discussed operational changes to assist with the operation of the Fund. Ms. Bailey advised that there may be some delay in reporting but she did not expect changes to member services.

C. Communications from the Executive Director

- Ms. Bailey advised that 4 retirees remained stopped for nonreceipt of their 2022 Life Certificates. She advised that the 2023 Life Certificates were being returned by retirees.
- Ms. Bailey advised that 29 distributions remained for the FY2012 13th Check Settlement totaling \$161,035.52.
- Ms. Bailey advised that 5 distributions remained for the FY2021 13th Check Settlement totaling \$23,130.82.
- Ms. Bailey stated that the Actuary had advised that the CRA requested that he
 provide calculations related to the Fund and that he would proceed if the Board

Regular Pension Board Meeting March 28, 2023 Page **3** of **3**

permitted. The Board discussed the request. It was determined that it would be more appropriate to have a detailed proposal before any request was made of the Actuary.

- Ms. Bailey advised that the Financial Audit was 99.9% complete.
- Ms. Bailey provided the Board with the DROP Participant List.

8. PUBLIC COMMENTS

There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee G. Keller advised that effective Friday, March 31, 2023, as City Manager, he would like to continue to serve on the Board but expressed a concern that there might, at times, be a conflict. Trustees congratulated Trustee G. Keller on his appointment and wished him success. It was noted that the Board would be at a disadvantage not have him serve on the Board. Mr. Cohen stated that he would review the issue of conflict and provide his opinion.

10. ADJOURNMENT

MOTION made by Trustee Greene, seconded by Trustee D. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. The meeting adjourned at 11:25a.m.

Phyllis Shaw	, Chair	
Date		

AGENDA ITEM 3.B. CONSENT AGENDA

RATIFICATION OF DISTRIBUTIONS (CONTRIBUTIONS AND DROP) AND PLAN EXPENSES

Refunds and DROP Distributions April 25, 2023 Regular Pension Board Meeting

Name		Refund
Refunds of Contributions		
Iturvides, Maikel	\$	12,873.87
Planned Retirement	\$	12,873.87
	\$	•
Partial Lump Sum Distribution		
None	_	
DROP Distributions	\$	0.00
Dixon, Marie (Final)		2,757.59
Hyppolite, Tony (Partial)		39,642.12
Lancaster, Lawrence (Partial)		185,040.68
Peace, Rosana (Partial)		66,643.51
	\$	294,083.90
	TOTAL: \$	306,957.77

CITY OF HOLLYWOOD EMPLOYEES RETIREMENT FUND Disbursements Processed March 1, 2023 to March 31, 2023

2450 Center Court Condominium	(\$3,277.72)
City Of Hollywood (Oct-Dec 2022)	(\$112,189.50)
International Foundation (69th Confr. Reg)	(\$14,000.00)
Lorium PLLC (Feb-2023)	(\$8,360.00)
Marcum LLP	(\$10,735.00)
Robert Strauss (FPPTA Winter Sch.)	(\$394.97)
Segal Advisors Inc (Feb-2023)	(\$10,833.33)
Segal Advisors Inc (Feb-2023)	(\$4,166.67)
State Of Ohio -Refund Of Fee	\$21.50
Wells Fargo Credit Card (Printing & Supplies)	(\$1,795.17)
	(\$165,730.86)
Capital Expenditures	
Pension Technology Group Inc	(\$15,000.00)
Gary Tunnicliffe & Jack Ziegler Llc	(\$11,985.00)
	(\$26,985.00)

(\$192,715.86)

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 25, 2023 Regular Pension Board Meeting

New Retirement	Future Benefit	Pension
Hyppolite, Tony - DROP 09/01/2022	5 Yrs. Certain & Life	\$ 6,607.02
Jackson, Cheryl - VESTED 03/11/2023	Normal Annuity	\$ 761.37
Lancaster, Lawrence - DROP 04/01/2019	Normal Annuity	\$ 3,373.38
McLeod, Lorna - 01/06/2023	Normal Annuity	\$ 3,058.81
Mele, Arline (Beneficiary of Michael Mele)	None - Beneficiary	\$ 1,344.78
Peace, Rosana - DROP 10/01/2020	Normal Annuity	\$ 2,225.42
Williams, Carin (Beneficary of Jack Williams)	None - Beneficiary	\$ 3,040.14
Benefits Stopped		
Bonvissuto, Helen - Died 02/26/2023	None	\$ (1,261.61)
Finkel, Herbert - Died 2/5/2023	None	\$ (1,625.45)
Silverstein, Stuart - Died 01/29/2023	None	\$ (3,312.43)
Williams, Jack - Died 01/12/2023	Joint & Equal	\$ (3,040.14)

AGENDA ITEM 4.A. FINANCIAL

FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

A PENSION TRUST FUND OF THE CITY OF HOLLYWOOD, FLORIDA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022



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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the City of Hollywood Employees' Retirement Fund (the "Plan") which comprise the statement of fiduciary net position as of September 30, 2022 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary net position of the Plan, as of September 30, 2022, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

DRAFT

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Plan's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

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 4 to 8 and 36 to 38 be presented to supplement the financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Report on Summarized Comparative Information

We have previously audited the Plan's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 26, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April XX, 2023, 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 grant agreements 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, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)



MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2022 and 2021. 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, it 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, 2022 and 2021 by \$385,662,031 and \$442,686,502, respectively.
- As of September 30, 2022, liabilities increased by \$582,062 (or 53%) as compared to September 30, 2021. The increase is primarily due to \$500,000 increase in the Deferred Retirement Option Plan ("DROP") and refund accrual compared to 2021. The remaining increase is a result of the increase in the unclaimed check accrual. The total liabilities as of September 30, 2022 consists primarily of refund of member contributions, and unclaimed checks as well as administrative expenses due.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- For the fiscal year ended September 30, 2022, employer contributions to the Plan amounted to \$28,387,441, a decrease of \$1,527,460 (or -5.1 %) over fiscal year 2021. This was primarily the result of changes in the Plan's actuarial assumptions which resulted in a reduction in the required employer contribution in fiscal year 2022.
- For the fiscal year ended September 30, 2022, net investment income decreased by \$117,761,071 (or -152.7%) resulting in a net investment loss of \$40,656,006 as a result of unfavorable market conditions. Investment expenses were \$648,438 in comparison to \$677,406 in fiscal year 2021. Gross return on plan assets in 2022 was -9.6% versus 21.8% in 2021, resulting in an overall investment loss being recognized in the current year.
- For the fiscal year ended September 30, 2022, benefit payments, administrative expenses and refund of contributions increased by \$10,814,007 (or 28.8%) from fiscal year ended September 30, 2021 to \$48,300,562. The increase is primarily due to the payment of the supplemental pension distribution of \$7,578,907, cost of living adjustments to retirees' monthly benefit amounts, and an increase in the payout amounts for DROP distributions and contribution refunds in 2022, when compared to 2021.
- 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, 2202, receivables decreased by \$11,112,133 (or 99.0%) during the current year as compared to September 30, 2021. The decrease resulted from the collection of the remaining balance owed by the City pertaining to the settlement receivable from the prior year which was paid off earlier than anticipated by the City.

PLAN HIGHLIGHTS

For the fiscal year ended September 30, 2022, the relative gross loss of the portfolio was -9.6% for the trailing year outperforming the policy index of a portfolio with a similar composition of -14.5% with net investment loss of \$40,656,006 for the year. 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.

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 year then ended.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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):

		2022	2021
Assets			
Receivables	\$	114	\$ 11,381
Investments		386,269	431,734
Prepaid Expenses		157	157
Capital Assets		799	 508
Total Assets		387,338	443,781
Total Liabilities		1,676	 1,094
Net Position Restricted for Pension Benefits	<u>\$</u>	385,662	\$ 442,687

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):

	2022	2021
Additions		
City contributions	\$ 28,387	\$ 29,915
Local contributions	37	30
Member contributions	3,508	3,456
Net nvestment income (loss)	 (40,656)	 77,105
Total Additions	 (8,724)	 110,506
Deductions		
Pension benefits	46,457	36,205
Refund of member contributions	922	481
Administrative expenses	 922	 801
Total Deductions	 48,301	 37,487
Change in Net Position	(57,024)	73,019
Net Position Restricted for Pension Benefits		
Beginning of year	 442,687	 369,668
End of year	\$ 385,662	\$ 442,687



MANAGEMENT'S DISCUSSION AND ANALYSIS

During the fiscal year 2022, the Plan's capital assets increased 290,778 (or 57%) as a result of additional pension software implementation costs incurred for the year.

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, 2022 decreased from those of fiscal year ended September 30, 2021.

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, 2022, the domestic equity portion comprised approximately 24.6% (\$94.9 million) of the total portfolio. The allocation to fixed income securities was 24.9% (\$96.1 million), while money market funds comprised 1.8% (\$7.1 million). Real estate partnerships comprised 11.5% (\$44.6 million), international equities comprised 16.5% (\$63.6 million), private equity investment comprised 11.0% (\$42.5 million), private debt investment comprised 6.4% (\$24.7 million), and infrastructure investments comprised 3.3% (\$12.8 million).

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).

The authorized investment allocation ranges as of September 30, 2022 and 2021, were as follows:

	Asset Allocation		
Asset Class	2022	2021	
Domestic equities	20-35%	20-35%	
Fixed income	20-35%	25-45%	
International equities	10-25%	10-25%	
Private Equity	0-15%	0-15%	
Private Debt	0-14%	-	
Private Real Estate	0-12.5%	0-12.5%	
Private/Global Infrastructure	0-5%	0-5%	
Cash	0-5%	0-5%	



MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2022 and 2021 was 61.94% and 73.60%, 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,	October 1,
	2022*	2021
Inactive plan members and beneficiaries currently receiving benefits	1,162	1,131
Inactive plan members entitled but not yet receiving benefits	63	54
Active plan members	593	612
Total Members	1,818	1,797

^{*} The plan membership as of October 1, 2022 is based on the Plan's internal records as the actuarial valuation as of October 1, 2022 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.



FINANCIAL STATEMENTS



STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2022 (WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2021)

	2022	2021
Assets		
Receivables		
City contributions	\$	\$ 11,112,133
Accrued interest and dividends	113,633	47,411
Due from broker		221,707
Total Receivables	113,633	11,381,251
Investments		
Money market mutual funds	7,095,536	8,990,722
Bond mutual fund	33,199,479	48,157,567
U.S. government agencies	420,897	
U.S. treasuries	2,196,432	
Fixed income composites	53,731,067	59,269,246
Corporate bonds	3,781,021	
Asset backed securities	2,771,514	
Domestic stocks	13,917,028	15,729,350
Large cap equity investment funds	60,077,324	87,491,631
Small cap equity investment funds	20,934,052	32,139,870
International equity investment funds	63,622,863	78,358,754
Private equity investment funds	42,514,399	49,848,481
Private debt investment fund	24,661,391	8,322,607
Infrastructure investment fund	12,755,908	11,834,520
Real estate investment funds	44,589,770	31,591,537
Total Investments	386,268,681	431,734,285
Prepaid Expenses	156,513	156,479
Capital Assets	799,213	508,435
Total Assets	387,338,040	443,780,450
Liabilities	1 (7(000	1 002 049
Accounts payable and other accrued liabilities	1,676,009	1,093,948
Total Liabilities	1,676,009	1,093,948
Net Position Restricted for Pension Benefits	\$ 385,662,031	\$ 442,686,502



STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2022 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2021)

	2022	2021
Additions		
Contributions		
City	\$ 28,387,441	\$ 29,914,901
Local	37,128	· · · ·
Members	3,507,528	3,455,694
Total Contributions	31,932,097	33,400,508
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	(45,485,428	73,078,946
Interest and dividends	5,477,860	4,703,525
Investment income	(40,007,568	77,782,471
Less: investment expenses	648,438	677,406
Net Investment Income (Loss)	(40,656,006	77,105,065
Total Additions	(8,723,909	110,505,573
Deductions		
Pension benefits	46,457,087	36,204,572
Refund of member contributions	921,883	480,993
Administrative expenses	921,592	800,992
Total Deductions	48,300,562	37,486,557
Change in Net Position	(57,024,47)	73,019,016
Net Position Restricted for Pension Benefits Beginning of year	442,686,502	369,667,486
End of year	\$ 385,662,03	\$ 442,686,502



NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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:

DRAFT

Office Building Software

30 years 5 years

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 (depreciation) 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, 2022, 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022, were as follows:

Asset Class	Target (%)	Allowable Range (%)
Domestic equities	27.50%	20 - 35%
Fixed income	26.25%	20 - 35%
International equities	17.50%	10 - 25%
Private Equity	10.00%	0 - 15%
Private Debt	8.75%	0 - 14%
Private Real estate	7.50%	0 - 12.5%
Private Infrastructure	2.50%	0 - 5%
Cash	0.00%	0 - 5%

INCOME TAX STATUS

Management believes 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,

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 2022, which was determined by the October 1, 2020 actuarial valuation, is 66.52 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, 2022. For further information on the City, please see the Annual Report.

At October 1, 2021, the date of the latest available actuarial valuation, membership in the Plan consisted of:

Inactive plan members and beneficiaries currently receiving benefits	1,131
Inactive plan members entitled but not yet receiving benefits	54
Active plan members	612
Total Members	1,797

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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 (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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 receive 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 designate 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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022, there were 71 members in the DROP and the estimated fair value of DROP investment was approximately \$6,318,000, which is included in the Plan's net position.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2002, 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 did not meet the required threshold to pay this benefit in fiscal year 2022.

OTHER

Investment expenses directly billed to the Plan for investment management services totaled approximately \$648,000 for the year ended September 30, 2022. The remaining portion of investment expenses incurred by the Plan for fiscal year 2022 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 \$922,000 for the year September 30, 2022.

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



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INTEREST RATE RISK (CONTINUED)

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.

At September 30, 2022, 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:

			I	nve	estment Mat	irities (In Years	s) _	
	Fair		Less				N	1ore Than
Investment	Value		Than 1		1-5 Years	6-10 Years		10 Years
Bond Mutual Fund	\$ 33,199,479	\$	**	\$		\$ 33,199,479	\$	
Asset Backed Securities	2,771,514					2,771,514		
U.S. Treasuries	2,196,432				631,289	880,095		685,048
U.S. Government Agencies	420,897				356,279			64,618
Corporate Bonds	3,781,021				1,445,757	1,890,682	_	444,582
Total Maturities	\$ 42,369,343	<u>\$</u>		<u>\$</u>	2,433,325	\$ 38,741,770	\$	1,194,248

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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

CREDIT RISK (CONTINUED)

The following table discloses credit ratings by fixed income investment type for the Plan at September 30, 2022 as applicable:

Investment		Fair Value	Percentage of Portfolio
U.S. Government Securities	\$	2,617,329	2.17%
Quality Rating of Credit Risk Debt Securities			
AAA		2,981,400	2.47%
AA+		121,722	0.10%
A		377,816	0.31%
A-		497,243	0.41%
Baa3		169,909	0.14%
BBB+		528,985	0.44%
BBB		635,318	0.53%
BBB-		624,494	0.52%
BB+		261,111	0.22%
BB		271,508	0.22%
BB-		83,029	<u>0.07</u> %
Total Credit Risk of Debt Securities	-	6,552,535	5.43%
Not Rated		111,591,937	92.41%
Total Plan Fixed Income Investments	\$	120,761,801	100.00%

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, 2022, the Plan's investments are held by third-party safekeeping custodians selected by the Board and registered in the Plan's name.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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, 2022, the Plan held certain investments that represent 5 percent or more of the Plan's net position. The investments included:

	% of Plan
Investment	Net Position
S&P 500 Index Fund – Non Lending	15.6%
Wellington Trust Company – CTF International	10.4%
Baird Core Plus Bond Fund	8.6%
Neuberger Berman – Crossroads XXI Fund	5.9%
Neuberger Berman - Short Duration Emerging Market Fund	5.7%

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.

Level 3

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

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.

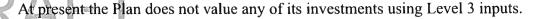
Fixed income and equity securities classified as Level 1 of the fair value hierarchy are valued using quoted prices at September 30 (or the most recent market close date if the markets are closed on September 30) in active markets from the custodian bank's external pricing vendors, which utilize primary exchanges.

Fixed income securities classified as Level 2 are valued using evaluated prices from the custodian bank's external pricing vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data, collateral attributes, broker bids, new issue pricings and other observable market information.

Equity securities classified as Level 2 are valued using evaluated prices from the custodial bank's external pricing vendors, or alternative pricing source, such as investment managers, if information is not available from the custodial bank's external pricing vendors.

The Plan invests in private equity investments, debt equity investments, infrastructure 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 expedient are 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.

Certain investments, such as money market funds, are carried at amortized cost, and not priced at fair value.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

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, 2022:

Investment by Fair Value Level		Reported Value		uoted Price in tive Market for entical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uı	Significant nobservable Inputs (Level 3)
Fixed Income							
Bond mutual fund	\$	33,199,479	\$	33,199,479	\$	\$	
U.S. government agencies	*	420,897	•		420,897	-	
U.S. treasuries		2,196,432			2,196,432		
Fixed income composites		53,731,067		14,756,964	38,974,103		
Corporate bonds		3,781,021			3,781,021		
Asset backed securities		2,771,514			2,771,514		
Total Fixed Income		96,100,410		47,956,443	48,143,967		
Equity							
Domestic stocks		13,917,028		12,516,210	1,400,818		
Large cap equity investment funds		60,077,324			60,077,324		
Small cap equity investment funds		20,934,052			20,934,052		
International equity investment funds	_	63,622,863		16,611,240	47,011,623		
Total Equity	_	158,551,267	_	29,127,450	129,423,817		
Total Investments by Fair Value							
Level		254,651,677	<u>\$</u>	77,083,893	<u>\$ 177,567,784</u>	<u>\$</u>	
Investments Measured at NAV							
Private equity investment funds		42,514,399					
Private debt investment funds		24,661,391					
Infrastructure investment fund		12,755,908					
Real estate investment funds	_	44,589,770					
Total Investments Measured at NAV		124,521,468					
Money market mutual funds (exempt)	_	7,095,536					
Total Investments	\$	386,268,681					



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

Fair value measurements of investments that are measured at net asset value as a practical expedient have the following commitments and restrictions and conditions of redemptions at September 31, 2022:

	Reported		Redemption	
	Value at		Frequency	Redemption
	September 30,	Unfunded	(If Currently	Notice
Investments Measured at NAV	2022	Commitments	Eligible)	Period
Private Equity Investment Funds				
NB Crossroads Fund XXI - Asset				
Allocation, LP	\$ 22,610,546	\$ 5,400,000	Not eligible	N/A
GoldPoint Partners Co-Investment VI, LP	13,293,229	972,779	Not eligible	N/A
HarbourVest Dover Fund IX, LP	6,610,624	1,500,000	Not eligible	N/A
Total Private Equity Funds	42,514,399	8,994,276		
Private Debt Investment Funds				
AG Direct Lending Fund II, LP	5,837,329	1,121,497	Not eligible	N/A
NB Private Debt Fund IV, LP	10,420,040	10,000,000	Not eligible	N/A
Brightwood Capital Fund V, LP	3,289,121	4,500,000	Not eligible	N/A
Marathon Healthcare Finance Fund, LP	5,114,901	1,121,497	Not eligible	N/A
Total Private Debt Funds	24,661,391	16,742,994		
Real Estate Investment Funds				
AG Realty Value Fund X, LP	9,301,005		Not eligible	N/A
Morgan Stanley - Prime Property				
Fund, LLC	15,409,210		Quarterly	90 Days
Principal Enhanced Property Fund, LP	16,943,674		Quarterly	90 Days
Affiliated Housing Impact Fund, LP	2,935,881	3,007,457	Not eligible	N/A
Total Real Estate Funds	44,589,770	3,007,457		
Infrastructure Investment Fund				
IFM Global Infrastructure				
Investment Fund	12,755,908		Quarterly	90 Days
Total Investments Measured at NAV	\$ 124,521,468	\$ 27,623,230		



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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.

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. 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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENT VALUATION (CONTINUED)

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.

Marathon Healthcare Finance Fund, LP is a Delaware limited partnership which was formed on February 2, 2021, commenced operations on August 16, 2021. The partnership's investment objective is to seek to generate attractive, recession resilient, risk adjusted returns in the healthcare market by providing capital solutions primarily to healthcare companies focused on Food and Drug Administration approved therapeutics to address clinical needs in growth markets. The partnership's investments consist of affiliated private equity, affiliated private debt, and a special purpose vehicle ("SPV"). The following methods are used by the investment manager to measure the fair value of investments in affiliated private equity and affiliated private debt: broker quotations including sale negotiations and/or indicative purchase offers received from independent parties; recent market transactions of the instruments; independent third-party appraisals; recent sales valuations of comparable investments; and if the above are not available, other valuation methods including discounted cash flows, enterprise value/income approach, and/or recovery analysis. For the SPV, management determined the fair value of the investment using the net asset value as of the reporting measurement date as a practical expedient. The partnership periodically engages the services of an independent third-party valuation firm to assist in determining a reasonable range of fair values for particular investments.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENT VALUATION (CONTINUED)

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.

NB Private Debt Fund IV, LP is a Delaware limited partnership commenced operations on December 9, 2020. The fund's objective is to create a portfolio through several holding partnerships in which the fund owns approximately 60%, which seek to provide attractive risk-adjusted returns by making investments in senior secured floating rate loans and complementary investments. The fund's investments most notably consist of 1st lien loans, 2nd lien loans, unitranche loans, and revolvers. The fund's private debt and equity investments are valued at fair value on a quarterly basis. The fund's advisors estimate the enterprise value of each portfolio company and compares such amount to the total amount of the company's debt and equity as well as the level of debt senior to the fund's interest. These estimates are based on specific measures such as EBITDA, free cash flow, net income, book value, or NAV, as believed most relevant for the given company, and compares this metric in relation to comparable company valuations based on the same metric. In determining the enterprise value, the advisors further consider factors such as the company's acquisition prices, credit metrics, historical and projected operational and financial performance, liquidity, industry trends, general economic conditions, scale, and competitive advantages. In certain cases, debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENT VALUATION (CONTINUED)

Brightwood Capital Fund V, LP is a Delaware limited partnership that commenced operations on June 24, 2021. The fund is organized for the principal purposes of making investments in loans, notes and other debt instruments, total return swaps and other derivative instruments, participation interests, warrants, equity securities including common stock, preferred stock, direct equity investments, and structured equity products. For private equity and debt investments in operating companies for which prices are not observable, the fund measures fair value based on Level 3 inputs by reference to public market or private transactions or valuations for comparable companies or assets in the relevant asset class when such amounts are available. If investments cannot be valued by reference to observable valuation measures for comparable companies, then the primary analytical method used to estimate fair value of such investments is the discounted cash flow method. The fund estimates the fair value of debt securities using recently executed transactions, market price quotations and traded yields of corporate transactions when observable. When observable data is not available, fair value is estimated based on analysis of collateral, cash flow models with yield curve analysis, seniority of the debt, enterprise value relative to debt levels, projected financial condition and operating result, payment history and ability to generate sufficient cash flows to make payments when due, and prepayment penalties. Investments in equity and debt securities of portfolio companies may also be valued at cost for a period of time after acquisition as the best indicator of fair value.

AG Realty Value Fund X, LP is a Delaware limited partnership which was formed on February 5, 2018, commenced operations on August 2, 2018. Investments are 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 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, 2022 were located throughout the United States. An independent appraiser will perform quarterly appraisals of 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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENT VALUATION (CONTINUED)

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, 2022 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.

Affiliated Housing Impact Fund, LP is a real estate fund that seeks to, indirectly through subsidiary entities, acquire or lease potential real estate development sites, including parcels of raw land or other sites or properties, in the State of Florida, and subsequently construct, develop, operate, lease, manage, renovate, finance, and/or market thereon affordable multifamily apartments for rent (which may also include ancillary retail or mixed-use components). As of September 30, 2022, the fund wholly owned certain real estate assets in the State of Florida which were either pre-development or under construction. The fund measures the fair value of these real estate investments using methods including annual third-party appraisals of each property.

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.



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

RATE OF RETURN

For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -9.70%. 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.

NOTE 4 - CITY'S NET PENSION LIABILITY

The components of the net pension liability for the City (employer) at September 30, 2022 are as follows:

Total Pension Liability	\$	622,680,744
Less: Plan fiduciary net position		(385,662,031)
Net Pension Liability	<u>\$</u>	237,018,713
Plan Fiduciary Net Position as a % of the Total Pension Liability		61.94%

The total pension liability was determined by an actuarial valuation as of October 1, 2021 with updated asset information as of September 30, 2022, using the following actuarial assumptions in the measurement:



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 4 – CITY'S NET PENSION LIABILITY (CONTINUED)

Actuarial Assumptions

Assumed rate of return on investments 7.00% 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, 2020 actuarial valuation report, as mandated by

Chapter 112.63, Florida Statutes.

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, 2022 are summarized in the following table:

	Long-term Expected
Asset Class	Real Rates of Return
Fixed Income	0.38%
Domestic Equity	6.11%
International Equity	6.49%
Real Estate	3.72%
Private Credit	5.06%
Private Equity	9.93%
Infrastructure	5.16%
Emerging Markets Equity	8.12%



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 4 – CITY'S NET PENSION LIABILITY (CONTINUED)

DISCOUNT RATE

A single discount rate of 7.00% 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 7.00%. 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 (7.00%) 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, 2022:

	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
City's Net Pension Liability	\$ 308,394,305	\$ 237,018,713	\$ 177,310,054

NOTE 5 - CAPITAL ASSETS

As of September 30, 2022, the capital assets of the Plan consist of:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Capital Assets Not Being Depreciated				
Office Building	\$ 488,970	\$	\$	\$ 488,970
Software	19,465	290,778		310,243
Total Capital Assets Not Being Depreciated	\$ 508,435	\$ 290,778	\$	\$ 799,213



REQUIRED SUPPLEMENTARY INFORMATION



REQUIRED SUPPLEMENTARY INFORMATION

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

September 30, Total Pension Liability Service cost Interest Benefit changes Differences between expected and actual experience Assumption changes Benefit payments Refunds Net Change in Total Pension Liability Total Pension Liability - Beginning Total Pension Liability - Ending (a) Plan Fiduciary Net Position Contributions - employer Contributions - non-employer contributing entity Contributions - member Net investment income (loss) Benefit payments	\$ 6.631,353 42,664,590 243,733 19,015,465 (46,457,088) 21,176,170 601,504,574 \$ 522,680,744 \$ 28,387,441 \$ 37,128 3,507,528 (40,656,005) (46,457,088)	\$ 6,445,297 43,225,655	\$ 6,616,301 42,124,139 1,791,933 (425,409) 15,871,719 572,369,486 \$ 588,241,205 \$ 42,284,055 29,738 3,635,402 25,798,439 (34,235,265)	\$ 5.887,828 38,173,241 51,225,519 (3,670,131) 5,212,188 (41,161,931) (539,713) 55,127,001 517,242,485 \$ 572,369,486 \$ 26,904,543 \$ 26,734 3,561,448 13,819,384 (41,161,931)	\$ 5.738,426 35,698,698 2,221,979 31,374,925 (30,896,779) (448,377) 43,688,872 473,553,613 \$ 521,7242,485 \$ 22,101,019 \$ 22,103,666 (30,896,779)	\$ 5.017,634 33,809,853 -(2,204,530) 23,474,009 (29,804,293) (166,465) 30,126,208 443,427,405 \$ 443,427,405 \$ 443,427,405 \$ 11,723 \$ 11,723 \$ 3,18,838 (29,804,293)	\$ 4,493,709 33,373,524 665,893 1,986,958 4,147,745 (38,120,911) (271,849) 6,275,069 437,152,336 \$ 443,427,405 \$ 9,767,849 10,433 3,088,620 29,224,225 (38,120,911)	\$ 4,587,285 33,065,052 1,839,725 4,976,256 (31,649,219) (434,468) 12,384,631 424,767,705 \$ 437,152,336 \$ 23,216,393 \$ 23,216,393 \$,108,678 (31,649,219)	\$ 4,152,898 32,492,291
Benefit payments Refunds Administrative expense	(46,45,088) (921,883) (921,592) (57,024,471)	(36,207,880) (480,993) (800,993) 73,019,016	(34,235,263) (425,409) (806,020) 36,280,940	(41,101,931) (539,713) (671,545) 1 938 920	(30,890,779) (448,377) (497,898) 15,183,406	(25,804,253) (166,465) (486,528) 26,521,944	(28,120,911) (271,849) (298,730) 3,399,637	(31,049,219) (434,468) (287,053) (1,432,369)	
Net Change in Plan Fiduciary Net Position Plan Fiduciary Net Position - Beginning Plan Fiduciary Net Position - Ending (b)	(57,024,471) 442,686,502 \$385,662,031	369,667,486	333,386,546 \$369,667,486	331,447,626 \$333,386,546	13,183,400 316,264,220 \$331,447,626	\$316,264,220	\$,399,037 286,342,639 \$ 289,742,276	287,775,008 \$ 286,342,639	5
Net Pension Liability - Ending (a-b) Plan Fiduciary Net Position as a Percentage of the Total Pension Liability Covered Payroll	\$237,018,713 61.94% \$ 41,931,489	\$ 158.818,072 73.60% \$ 40,789,456	\$218.573.719 62.84% \$ 40,869,983	\$238,982,940 58.25% \$ 41,243,666	\$185.794.859 64.08% \$ 40,963,513	\$ 157,289,393 66.79% \$ 39,822,513	\$ 153,685,129 65.34% \$ 38,607,750	\$ 150,809,697 65.50% \$ 32,560,388	-1 %
Net Pension Liability as a Percentage of Covered Payroll	565.25%	389.36%	534,80%	579.44%	453.56%	394.98%	398.07%	463.17%	.0

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.



EMPLOYEES' RETIREMENT FUND CITY OF HOLLYWOOD

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS

September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution* Actual Contributions**	\$ 28,082,806 28,424,569	\$ 29,106,927	\$ 28,879,293 42,313,793 ****	\$ 25,225,862 26,931,277	\$ 24,702,602 22,113,713	\$ 23,189,007 20,574,591	\$ 22,716,242 9,778,282	\$ 22,547,585	\$ 19,834,090 23,160,583
Contribution Deficiency (Excess)**	\$ (341,763)	\$ (837,884)	\$ (13,434,500)	\$ (1,705,415)	\$ 2,588,889	\$ 2,614,416	\$ 12,937,960	\$ (677,277)	\$ (3,326,493)
Covered Payroll	\$ 41,931,489	\$ 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	67.79%	73.41%	103.53%	65.30%	53.98%	51.67%	25.33%	71.33%	%98'.69

Notes to Schedule of Contributions

Peffects 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 was initially paying off over a five-year period beginning October 1, 2020, but was ultimately paid off in full during the fiscal year ended September 30, 2022.

Valuation Date:
October 1, 2020
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:

Level Percent of Pay, Closed 5-year smoothed market Entry Age Normal 29 years Remaining Amortization Period Asset valuation method Actuarial Cost Method Amortization Method

Experience-based table of rates that are specific to the type of eligibility condition 2% per year for those members hired on or before July 15, 2009 3.0% to 8.0%, depending on service, including inflation Assumed annual salary increase Cost-of-living adjustment Investment rate of return Retirement Age PUB-2010 Headcount Weighted General Median Employee Male and Female Tables (for pre-retirement mortality), the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male and Female Mortality

Tables (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.



REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

September 30,	2022	2021	2020	2019	2018	2017_	2016	2015	2014
Annual money-weighted rate of return,						•			
net of investment expense	-9.70%	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.



REPORTING SECTION



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, 2022, 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, 2023.

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 or significant deficiencies may exist that were not identified.



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 Plan'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 Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fort Lauderdale, FL April XX, 2023



AGENDA ITEM 4.B. FINANCIAL

AUDIT COMMITTEE REPORT

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 4.C. FINANCIAL

FINANCIAL OPERATIONS AND INVESTMENT SUMMARY

CITY OF HOLLYWOOD

EMPLOYEES' RETIREMENT FUND

FINANCIAL OPERATIONS AND INVESTMENT SUMMARY

PRELIMINARY

January 31, 2023 Fiscal Year-To-Date

	scar rear-10-Date			
Investment Balances	Market Value	Book Value	_	Jnrealized Gain (Loss)
Balance October 1, 2022	\$ 386,269,997.36	\$ 331,375,070.53	\$	54,894,926.83
Contributions and Payments:				
City Contributions		\$ 25,492,473.00		
Employees Contributions		\$ 1,219,605.97		
Pension Disbursement		\$ (13,022,215.53)		
CPMS project		\$ (65,922.50)		
Administrative Expenses Net Contributions/Payments		\$ (205,839.70) \$ 13,418,101.24	(1)	
Investment Income:				
Dividends & Interest Received		\$ 2,100,347.36		
Gain on Sales (Realized Gains/(Loss))		\$ 552,058.39		
Commission Recapture		\$ -		
Total Invest. Professional Fees		\$ (234,749.87)	{2}	
Net Investment Income		\$ 2,417,655.88		
Balance January 31, 2023	\$ 410,647,344.27	\$ 347,210,827.65	Ś	63,436,516.62
Increase (Decrease) for the Period	\$ 24,377,346.91	\$ 15,835,757.12	No.	
Unreconciled				14,766,536.23
<u>Unrealized Gain (Loss) Account</u> Composition of Increases (Decreases)				
Affiliated Development				
AG Direct Lending				
Angelo-Gordon Realty				Manney Comments
Baird Core Plus Bond Fund		and Develop and the Park of the Printers	out to the	the second amount of the last of the second of the
Brightwood				
EnTrust Blue Ocean				
Golden Tree				729,042.75
Gold Point				(292,998.57)
Harbourvest Dover IX49	Table 11 of the		thurst on a spirit	(133,225.98)
IFM Global				600,547.90
LM Capital				fundamental and a second services and a
Loomis Sayles Marathon				1,581,645.20
Morgan Stanley				(888,790.87)
NB Crossroads				\$ (888,750.87)
NB Private Debt				(264,471.99)
Neuberger Short Duration				1,000,988.04
Northern Trust-Extended				\$ 485,426.79
Northern Trust				4,925,503.02
Principal Investors				\$ (1,306,637.31)
RBC Emerging Markets				\$ 3,897,785.12
Thompson, Siegel & Walmsley				\$ 1,673,434.63
Wellington International				\$ 9,726,518.89
, and the second				\$ 23,308,126.02
Investment Return				
Net Investment Income				\$ 2,417,655.88
Increases (Decrease) in Unrealized Gain/Loss			_	\$ 8,541,589.79
Total Investment Return for the Period				\$ 10,959,245.67
Beginning Market Value				\$ 386,269,997.36
Plus/(Less): Net Contributions/Payment			_	\$ 13,418,101.24
Assets Available for Investment				\$ 399,688,098.60
Investment Return as a result of % of Assets Available	for investments			2.74%

(1) (2) Refer to Cash Payments Detail

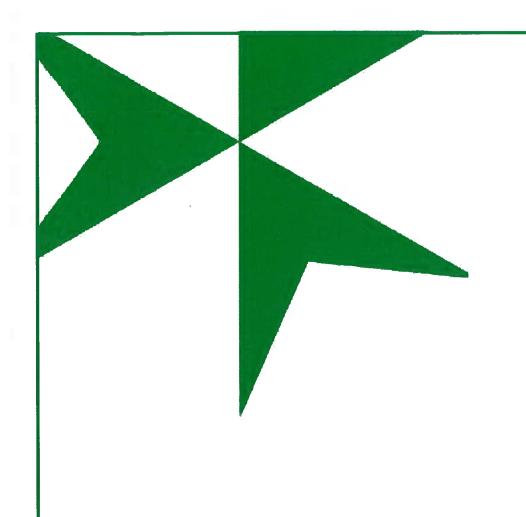
City of Hollywood Employees Retirement Fund Budget v. Actual

For Year Ending 9/30/2023 Expenses as of 03/31/2023

Administrative Fees: Consultants 130,000 10,833 65,000 65,000 50,00% Accounting 50,000 4,167 25,000 25,000 -100,00% Audit 20,000 10,735 15,000 50,000 25,000 Audit 20,000 10,735 15,000 50,000 25,000 Audit 20,000 10,735 15,247 58,253 79,26% Medical Svcs (Disability Verification) 4,800 - 4,800 100,00% Audit 66,716 61,77% Admin. Professional Fees 386,300 34,095 161,531 224,769 58% Audin. Professional Fees 386,300 34,095 161,531 224,769 58% Audin. Professional Fees 293,000 82,586 105,361 187,639 64,04% Audin. Professional Fees 293,000 28,585 37,284 64,716 63,45% Insurance 210,000 - 34,381 175,619 83,63% Total Personnel Expenses 42,000 111,171 177,026 427,974 773% Audin. Professional Fees 42,000 111,171 177,026 427,974 773% Audin. Professional Fees 42,000 12,222 18,141 23,859 56,81% Audin. Professional Fees 45,000 - 5,000 100,00% Audin. Professional Fees 45,000 - 5,000 100,00% Audin. Professional Fees 45,000 - 5,000 100,00% Audin. Professional Fees 11,000 - 1,000 100,00% Audin. Professional Fees 15,000 100,00% Audin. Professional Fees 15,000 - 5,000 100,00% Audin. Professional Fees 15,000 - 5,000 100,00% Audin. Professional Fees 15,000 - 5,000 100,00% Audin. Professional Fees 12,000 509 2,915 9,085 75,71% Office Condo Utilities 12,000 509 2,915 9,085 75,71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57,04% Audin. Professional Fees 10,000 10,000% Audin. Professional Fees 10,000 Audin. Professional Fees 10,000 Audin. Professional Fees 10,000 Audin. Professional Fees 10,000 Audin. Professional Fees 10,0						%
Investment Fees: LM Capital 25,000 - 12,217 12,783 51.13% Northern Trust 40,000 - 13,459 26,541 66.35% Thompson Siegel (TSW) - 5,86,073 0,000% Wellington 415,000 - 142,927 272,073 65.56% Custodial Fees 40,000 - 16,435 23,565 58.91% Custodial Fees 40,000 - 243,111 276,889 53.25% Custodial Fees 520,000 - 243,111 276,889 53.25% Administrative Fees: Consultants 130,000 10,833 65,000 65,000 50.00% Accounting 50,000 4,167 25,000 25,000 - 100,00% Accounting 50,000 4,167 25,000 25,000 - 20,000 -		2023 Approved			Remaining	Remaining
Investment Fees: LM Capital 25,000 - 12,217 12,783 51.13% Northern Trust 40,000 - 13,459 26,541 66.35% Thompson Siegel (TSW) - 5,86,073 0,000% Wellington 415,000 - 142,927 272,073 65.56% Custodial Fees 40,000 - 16,435 23,565 58.91% Custodial Fees 40,000 - 243,111 276,889 53.25% Custodial Fees 520,000 - 243,111 276,889 53.25% Administrative Fees: Consultants 130,000 10,833 65,000 65,000 50.00% Accounting 50,000 4,167 25,000 25,000 - 100,00% Accounting 50,000 4,167 25,000 25,000 - 20,000 -		Budget	Mar-23	YTD Actual	Available	Available
Investment Fees: LM Capital 25,000 - 12,217 12,783 51.13% Northern Trust 40,000 - 13,459 26,541 66.35% Thompson Siegel (TSW) - 58,073 (58,073) 0.00% Wellington 415,000 - 142,927 727,073 65.56% Custodial Fees 40,000 - 142,927 727,073 65.56% Custodial Fees 520,000 - 243,111 276,889 53.25% S.8.91% Total Invest. Professional Fees 520,000 - 243,111 276,889 53.25% S.8.91% Custodial Fees 520,000 - 243,111 276,889 53.25% S.8.91% Custodial Fees 520,000 - 243,111 276,889 53.25% S.8.91% Custodial Fees 520,000 - 243,111 276,889 53.25% Custodial Fees 50,000 - 243,111 276,889 53.25% Custodial Fees 520,000 - 243,111 276,889 53.25% Custodial Fees 520,000 - 243,111 276,889 53.25% Custodial Fees 520,000 - 25,000 Custodial Fees 520,000		·				
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Thompson Siegel (TSW)	•	•	_			
Wellington 415,000 - 142,927 272,073 65,56% Custodial Fees 40,000 - 16,435 23,565 58,91% Total Invest. Professional Fees 520,000 - 243,111 276,889 53,25% Administrative Fees: Consultants 130,000 10,833 65,000 50,000 50,000 Accounting 50,000 4,167 25,000 25,000 100,000 Audit 20,000 10,735 15,000 5,000 25,000 Audit 20,000 10,735 15,000 5,000 25,000 Audit 4,800 - 4,800 - 4,800 10,735 15,131 224,769 58% Total Admin. Professional Fees 386,300 34,095 161,531 224,769 58% Personnel Expenses: Total Salaries 293,000 82,586 105,361 187,639 64,04% Taxes & Benefits 102,000 2,855		40,000		,	•	
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Administrative Fees: Consultants 130,000 10,833 65,000 65,000 50,00% Accounting 50,000 4,167 25,000 25,000 -100,00% Audit 20,000 10,735 15,000 50,000 25,000 Audit 20,000 10,735 15,000 50,000 25,000 Audit 20,000 10,735 15,247 58,253 79,26% Medical Svcs (Disability Verification) 4,800 - 4,800 100,00% Audit 4,800 Audit 4,840 66,716 61,77% Audinin, Professional Fees 386,300 34,095 161,531 224,769 58% Audit 53,400 53,4095 161,531 224,769 58% Audit 53,4095 54,1284 64,716 63,45% Audit 54,1284 64,716			-	•	•	
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Audit 20,000 10,735 15,000 5,000 25.00% GRS-Actuarial and other Fees 73,500 - 15,247 58,253 79,26% Medical Svcs (Disability Verification) 4,800 4,800 100.00% Lorium PLLC- Board Attorney 108,000 8,360 41,284 66,716 61.77% Total Admin. Professional Fees 386,300 34,095 161,531 224,769 58% Personnel Expenses: Total Salaries 293,000 82,586 105,361 187,639 64.04% Taxes & Benefits 102,000 28,585 37,284 64,716 63.45% Insurance 210,000 - 34,381 175,619 83.63% Insurance 210,000 - 12,222 18,141 23,859 56.81% Insurance 210,000 2,947 27,673 17,327 38.51% Participant/Member Education 5,000 - 5,000 100.00% Equipment Rent 2,500 1,018 1,392 1,108 44,33% Software Maintainance 11,000 11,000 100.00% Printing & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Utilities 17,000 10,000% Office Condo Utilities 17,000 509 2,915 9,085 75.71% Office Condo Pees and Assessments 37,227 2,769 15,992 21,235 57.04% Administrative Expenses 17,7827 20,465 67,846 109,981 61.85% Administrative Expenses 11,69,127 165,731 406,404 762,723 65.24% FYE 2022 Expenses Paid 2022 15,995,13 9,085 75.71% Ottal Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses Paid 2022 15,995,13 9,085 75.71% FYE 2022 Expenses Paid 2022 15,995,13 9,503 12,596,13 65.98% FYE 2022 Expenses Paid 2022 15,995,13 9,085 75.71% FYE 2022 Expenses Paid 2022 15,995,13 65.98% FYE 2022 Prepaid Exp Paid 2022	Consultants	130,000	10,833	65,000	65,000	50.00%
Audit 20,000 10,735 15,000 5,000 25.00% GRS-Actuarial and other Fees 73,500 - 15,247 58,253 79,26% Medical Svcs (Disability Verification) 4,800 4,800 100.00% Lorium PLLC- Board Attorney 108,000 8,360 41,284 66,716 61.77% Total Admin. Professional Fees 386,300 34,095 161,531 224,769 58% Personnel Expenses: Total Salaries 293,000 82,586 105,361 187,639 64.04% Taxes & Benefits 102,000 28,585 37,284 64,716 63.45% Insurance 210,000 - 34,381 175,619 83.63% Insurance 210,000 - 12,222 18,141 23,859 56.81% Insurance 210,000 2,947 27,673 17,327 38.51% Participant/Member Education 5,000 - 5,000 100.00% Equipment Rent 2,500 1,018 1,392 1,108 44,33% Software Maintainance 11,000 11,000 100.00% Printing & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Utilities 17,000 10,000% Office Condo Utilities 17,000 509 2,915 9,085 75.71% Office Condo Pees and Assessments 37,227 2,769 15,992 21,235 57.04% Administrative Expenses 17,7827 20,465 67,846 109,981 61.85% Administrative Expenses 11,69,127 165,731 406,404 762,723 65.24% FYE 2022 Expenses Paid 2022 15,995,13 9,085 75.71% Ottal Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses Paid 2022 15,995,13 9,085 75.71% FYE 2022 Expenses Paid 2022 15,995,13 9,503 12,596,13 65.98% FYE 2022 Expenses Paid 2022 15,995,13 9,085 75.71% FYE 2022 Expenses Paid 2022 15,995,13 65.98% FYE 2022 Prepaid Exp Paid 2022	Accounting	50,000	4,167	25,000	25,000	-100.00%
GRS-Actuarial and other Fees 73,500 - 15,247 58,253 79.26% Medical Svcs (Disability Verification) 4,800 - - 4,800 100.00% Lorium PLLC-Board Attorney 108,000 8,360 41,284 66,716 61.77% Total Admin. Professional Fees 386,300 34,095 161,531 224,769 58% Personnel Expenses: Total Salaries 293,000 82,586 105,361 187,639 64.04% Taxes & Benefits 102,000 28,585 37,284 64,716 63.45% Insurance 210,000 - 34,381 175,619 83.63% Total Personnel Expenses 605,000 111,171 177,026 427,974 71% Other Expenses: Continuing Education/Dues 42,000 12,222 18,141 23,859 56.81% Training-Travel, Meals & Lodging 45,000 2,947 27,673 17,327 38.51% Participant/Member Education 5,000 -	•	•	•	15,000	5,000	25.00%
Medical Svcs (Disability Verification) 4,800 - - 4,800 100.00% Lorium PLLC- Board Attorney 108,000 8,360 41,284 66,715 61.77% Total Admin. Professional Fees 386,300 34,095 161,531 224,769 58% Personnel Expenses:	GRS-Actuarial and other Fees	· ·	_			79.26%
Definiting Education Description Descr	Medical Svcs (Disability Verification)		_	-		100.00%
Personnel Expenses: Total Salaries 293,000 82,586 105,361 187,639 64.04% Taxes & Benefits 102,000 28,585 37,284 64,716 63.45% Insurance 210,000 - 34,381 175,619 83.63% Total Personnel Expenses 605,000 111,171 177,026 427,974 71% Other Expenses: Continuing Education/Dues 42,000 12,222 18,141 23,859 56.81% Training-Travel, Meals & Lodging 45,000 2,947 27,673 17,327 38.51% Participant/Member Education 5,000 - - - 5,000 100.00% Equipment Rent 2,500 1,018 1,392 1,108 44,33% Software Maintainance 11,000 - - - 11,000 100.00% Printing & Postage Cost 3,000 921 921 221 2,079 69.31% Equipment & Supplies 15,000 100		•	8,360	41,284		61.77%
Total Salaries 293,000 82,586 105,361 187,639 64.04% Taxes & Benefits 102,000 28,585 37,284 64,716 63.45% Insurance 210,000 - 34,381 175,619 83.63% Total Personnel Expenses 605,000 111,171 177,026 427,974 71% Other Expenses: Continuing Education/Dues 42,000 12,222 18,141 23,859 56.81% Training-Travel, Meals & Lodging 45,000 2,947 27,673 17,327 38.51% Participant/Member Education 5,000 - - - 5,000 100.00% Equipment Rent 2,500 1,018 1,392 1,108 44.33% Software Maintainance 11,000 - - - 11,000 100.00% Printing & Postage Cost 3,000 921 921 2,079 69.31% Outside service 100 (22) 34 67 66.50% Moving Costs	•					58%
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Taxes & Benefits 102,000 28,585 37,284 64,716 63.45% Insurance 210,000 - 34,381 175,619 83.63% Total Personnel Expenses 605,000 111,171 177,026 427,974 71% Other Expenses:	•	293,000	82,586	105,361	187,639	64.04%
Insurance 210,000 - 34,381 175,619 83.63% Total Personnel Expenses 605,000 111,171 177,026 427,974 71%	Taxes & Benefits	102,000		37,284	64,716	63.45%
Other Expenses: 605,000 111,171 177,026 427,974 71% Other Expenses: Continuing Education/Dues 42,000 12,222 18,141 23,859 56.81% Training-Travel, Meals & Lodging 45,000 2,947 27,673 17,327 38.51% Participant/Member Education 5,000 - - 5,000 100.00% Equipment Rent 2,500 1,018 1,392 1,108 44.33% Software Maintainance 11,000 - - 11,000 100.00% Printing & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 <	Insurance	•		•		83.63%
Continuing Education/Dues 42,000 12,222 18,141 23,859 56.81% Training-Travel, Meals & Lodging 45,000 2,947 27,673 17,327 38.51% Participant/Member Education 5,000 - - - 5,000 100.00% Equipment Rent 2,500 1,018 1,392 1,108 44.33% Software Maintainance 11,000 - - 11,000 100.00% Frinting & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 1,169,127 165,731 406,404 <td>Total Personnel Expenses</td> <td></td> <td>111,171</td> <td></td> <td></td> <td>71%</td>	Total Personnel Expenses		111,171			71%
Training-Travel, Meals & Lodging 45,000 2,947 27,673 17,327 38.51% Participant/Member Education 5,000 - - - 5,000 100.00% Equipment Rent 2,500 1,018 1,392 1,108 44.33% Software Maintainance 11,000 - - 11,000 100.00% Printing & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 2	Other Expenses:					
Participant/Member Education 5,000 - - 5,000 100.00% Equipment Rent 2,500 1,018 1,392 1,108 44.33% Software Maintainance 11,000 - - 11,000 100.00% Printing & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 2,6985 107,443 2 220,000 - 220,000 - 220,000 - 220,000 - 220,000	Continuing Education/Dues	42,000	12,222	18,141	23,859	56.81%
Equipment Rent 2,500 1,018 1,392 1,108 44.33% Software Maintainance 11,000 - - 11,000 100.00% Printing & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Contingency Reserves 220,000 - - 220,000 Total Costs FYE 2022 1,909,127 192,716 756,957 1,259,613 65.98% FYE 2022 Expenses Paid 2023 1,909,127 192,716 756,957 <td>Training-Travel, Meals & Lodging</td> <td>45,000</td> <td>2,947</td> <td>27,673</td> <td>17,327</td> <td>38.51%</td>	Training-Travel, Meals & Lodging	45,000	2,947	27,673	17,327	38.51%
Software Maintainance 11,000 - - 11,000 100.00% Printing & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 2 220,000 - 220,000 - 220,000 - 220,000 - 220,000 - 220,000 - 220,000 - 1,259,613 65.98%	Participant/Member Education	5,000	_	-	5,000	100.00%
Printing & Postage Cost 3,000 921 921 2,079 69.31% Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 2 2 20,000 - 220,000 - 220,000 - 220,000 - 220,000 - 220,000 - 220,000 - 1,259,613 65.98% 65.98% 65.98% 65.98% 65.98% 65.98% 65.98% 65.98% 65.98% 65.98% 65.98% 65.98% 65.98% 65.98%	Equipment Rent	2,500	1,018	1,392	1,108	44.33%
Equipment & Supplies 15,000 100 779 14,221 94.80% Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 2 2 20,000 - 220,000 - 220,000 - 220,000 - 220,000 - 220,000 - 220,000 - 1,259,613 65.98% 65.98% FYE 2022 Expenses Paid 2023 (182,321) 156,513 156,513 - 1,259,613 65.98% - 1,259,613 1,259,613 1,259,613 1,259,6	Software Maintainance	11,000	-	-	11,000	100.00%
Outside service 100 (22) 34 67 66.50% Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 2 20,000 - 220,000 - 220,000 - 220,000 - 220,000 - 220,000 - 10,000 - 10,000 - 10,000 - - 20,000 - - 20,000 - - 20,000 - - 20,000 - - 20,000 - - 20,000 - - 20,000 - - - 20,000<	Printing & Postage Cost	3,000	921	921	2,079	69.31%
Moving Costs 5,000 - - 5,000 100.00% Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 2 10,000 0 <td< td=""><td>Equipment & Supplies</td><td>15,000</td><td>100</td><td>779</td><td>14,221</td><td>94.80%</td></td<>	Equipment & Supplies	15,000	100	779	14,221	94.80%
Office Condo Utilities 12,000 509 2,915 9,085 75.71% Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 20,000<	Outside service	100	(22)	34	67	66.50%
Office Condo Fees and Assessments 37,227 2,769 15,992 21,235 57.04% Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 2000	Moving Costs	5,000	-	-	5,000	100.00%
Total Other Expenses: 177,827 20,465 67,846 109,981 61.85% Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 220,000 220,000 220,000 100,000	Office Condo Utilities	12,000	509	2,915	9,085	75.71%
Administrative Expenses 1,169,127 165,731 406,404 762,723 65.24% Capital Expenditures 26,985 107,443 Contingency Reserves 220,000 - 220,000 Total Costs FYE 2022 1,909,127 192,716 756,957 1,259,613 65.98% FYE 2022 Expenses Paid 2023 FYE 2023 Prepaid Exp Paid 2022 156,513	Office Condo Fees and Assessments	37,227	2,769	15,992	21,235	57.04%
Capital Expenditures 26,985 107,443 Contingency Reserves 220,000 - 220,000 Total Costs FYE 2022 1,909,127 192,716 756,957 1,259,613 65.98% FYE 2022 Expenses Paid 2023 (182,321) (182,321) 156,513 156,513	Total Other Expenses:	177,827	20,465	67,846	109,981	61.85%
Contingency Reserves 220,000 - 220,000 Total Costs FYE 2022 1,909,127 192,716 756,957 1,259,613 65.98% FYE 2022 Expenses Paid 2023 (182,321) (182,321) 156,513 156,513	Administrative Expenses	1,169,127	165,731	406,404	762,723	65.24%
Total Costs FYE 2022 1,909,127 192,716 756,957 1,259,613 65.98% FYE 2022 Expenses Paid 2023 (182,321) FYE 2023 Prepaid Exp Paid 2022 156,513	Capital Expenditures		26,985	107,443		
FYE 2022 Expenses Paid 2023 (182,321) FYE 2023 Prepaid Exp Paid 2022 156,513	Contingency Reserves	220,000		_		
FYE 2023 Prepaid Exp Paid 2022 156,513	Total Costs FYE 2022	1,909,127	192,716	756,957	1,259,613	65.98%
	•			(182,321)		
Total Exp FYE 2023 1,909,127 192,716 731,149 1,285,420 67.33%						
	Total Exp FYE 2023	1,909,127	192,716	731,149	1,285,420	67.33%

AGENDA ITEM 5.A. INVESTMENT

FEBRUARY 2023 FLASH PERFORMANCE REPORT



Monthly Flash Report

City of Hollywood Employees' Retirement Fund

Period Ending February 28, 2023

J. Keith Reynolds Vice President & Senior Consultant

Felicia Ewell Associate Consultant **★Segal Marco Advisors**

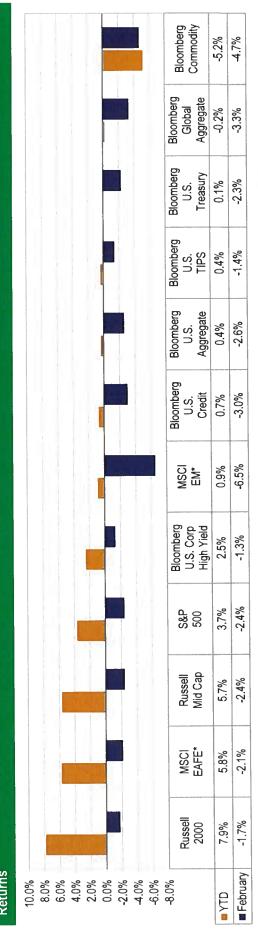
Market Environment – February 2023

February Highlights

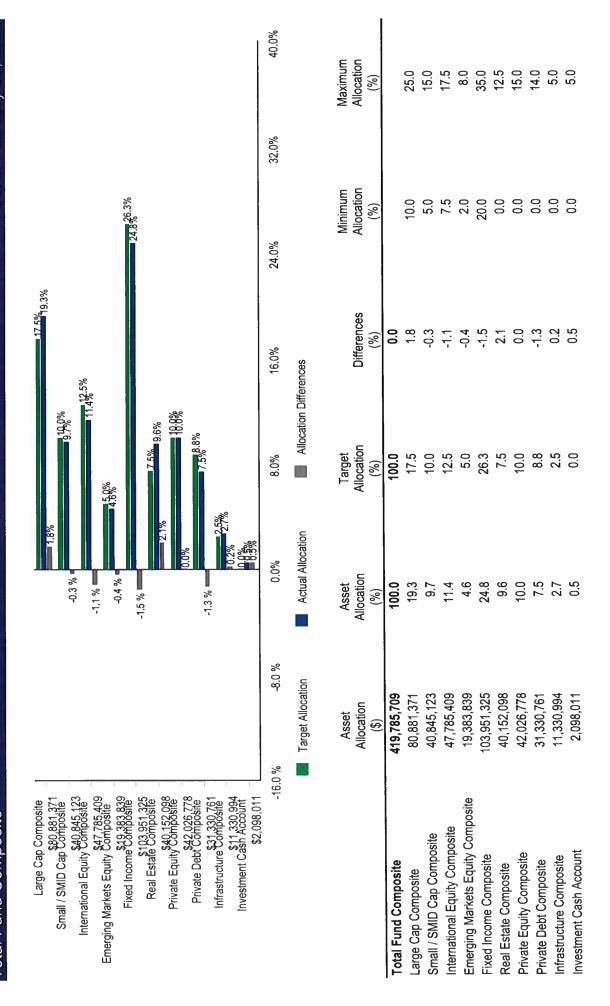
- U.S. stocks declined in February. All capitalization sizes fell in the month, with large caps losing the most.
- All sectors were lower, with the exception of information technology, which eked out a 0.4% gain. Chip maker Nvidia was up more than 60% in the first two months of 2023 with strong financial results, and Facebook and Instagramowner Meta rose over 40% during that time. The energy sector (-7.1%) lost the most in the month.
- Non-U.S. developed markets equity also fell. The European Central Bank raised rates again with another hike expected in March. Emerging markets had a steeper February decline with growing US/China tension and US rate hikes leading to a stronger US dollar.
- Treasuries were lower as stronger-than-expected jobs data led investors to predict further rate hikes. Investment grade and high yield credit both fell with this sentiment as well.
- □ Commodities were lower in the month. Industrial and precious metals were the worst performers in the sector. Energy prices also declined in the month, with natural gas prices falling to record lows with a surplus of that commodity.

YTD Highlights

- So far in 2023, market performance has been mixed, with inflation and rate hike fears ebbing in January but returning in February. Small caps rose the most in January and were stung the least in February.
- While both non-U.S. developed and emerging market stocks were negative overall in 2022, emerging markets have been hit hardest lately. The continued strength of the US dollar has stung EM countries that have a lot of dollardenominated debt.
- Eixed income sectors have been up and down so far this year as the interest rate outlook changed with data releases. Treasuries are about flat so far as the Fed hiked in February and more hikes are anticipated. High yield and credit have made small gains but struggled in February.
- Commodities were one of the lone bright spots of 2022 but are lagging significantly so far in 2023. Energy prices were strong much of last year due in part to anticipation energy shortages in Europe, but these did not come to pass. Instead, so far this year a natural gas surplus has led gas and energy prices lower.



Total Fund Composite



*Total does not include non-investment cash account

The City of Hollywood

Asset Allocation	As of February 28, 2023
	Total Fund
	% (\$)
Total Fund Composite*	419,785,709
Domestic Equity Composite	121,726,494
Large Cap Composite	80,881,371
Northern Trust S&P 500	80,881,371
Small / SMID Cap Composite	40,845,123
Earnest Partners Small/Mid Cap Value Equity	17,290,836
Loomis, Sayles Small/Mid Cap Growth	12,834,758
Northern Trust Extended Equity Market Index	10,719,529
International Equity Composite	47,785,409
Wellington International	47,785,409
Emerging Markets Equity Composite	19,383,839
RBC Emerging Markets Equity	19,383,839
Fixed Income Composite	103,951,325
Baird Core Plus Bond	40,612,737
LM Capital Group, LLC Active Core Plus	9,904,862
Neuberger & Berman Short Duration	38,181,960
GoldenTree Multi-Sector LP	15,251,766
Real Estate Composite	40,152,098
Morgan Stanley	14,843,699
Principal Enhanced Property Fund	15,801,187
AG Realty Value Fund X	7,565,724
Affiliated Housing Impact Fund	1,941,488
Private Equity Composite	42,026,778
NB Crossroads Fund XXI	22,372,327
HarbourVest Dover Fund IX	6,339,617
GoldPoint Co-Investment VI	13,314,834
Private Debt Composite	31,330,761
AG Direct Lending Fund II, L.P.	5,519,769
En Trust Blue Ocean Onshore Fund LP	7,125,561
Brightwood Capital Fund V, LP	
Marathon Healthcare Finance Fund	
NB Private Debt Fund IV LP	10,132,606
Infrastructure Composite	
FM Global Infrastructure	
Investment Cash Account	2,098,011

^{*}Total does not include non-investment cash account.

DOWNING OILY OF LIGHT WOOD					
Comparative Performance				As of Fel	As of February 28, 2023
	Oct-2022	Jan-2023	Performance (%) Feb-2023	Jan-2023	Oct-2022
	To To Dec-2022	To Jan-2023	To Feb-2023	To Feb-2023	To Feb-2023
Total Fund Composite (Gross)	4.7	3.8	-1.9	1.9	6.6
Total Fund Composite (Net)	4.6	3.8	-1.9	1.9	9.9
Policy Index*	5.6	5.3	-2.5	2.7	8.5
Domestic Equity		11 11 11 11 11 11			
Northern Trust S&P 500 (Gross)	9.2	6.3	-2.4	3.7	11.5
Northern Trust S&P 500 (Net)	7.6	6.3	-2.4	3.7	11.5
S&P 500	7.6	6.3	-2.4	3.7	11.5
Earnest Partners Small/Mid Cap Value Equity (Gross)	N/A	N/A	-2.3	2.7	N/A
Earnest Partners Small/Mid Cap Value Equity (Net)	N/A	N/A	-2.4	2.6	N/A
Russell 2500 Value Index	9.2	10.0	-2.8	6.9	16.7
Loomis, Sayles Small/Mid Cap Growth (Gross)	5.2	8.1	-2.5	5.4	10.8
Loomis, Sayles Small/Mid Cap Growth (Net)	5.2	8.1	-2.5	5.4	10.8
Russell 2500 Growth Index	4.7	10.0	-1.6	8.3	13.4
Northern Trust Extended Equity Market Index (Gross)	5.2	10.8	212	0.6	14.6
Northern Trust Extended Equity Market Index (Net)	5.2	10.8	-1.7	0.6	14.6
DJ U.S. Completion TSM Indx	5.1	10.8	-1.7	9.0	14.5
International Equity					
Wellington International (Gross)	14.7	8.7	4.3	4.0	19.2
Wellington International (Net)	14.5	8.6	4.4	3.9	18.9
MSCI AC World ex USA (Net)	14.3	8.1	-3.5	4.3	19.2
Emerging Markets Equity					
RBC Emerging Markets Equity**	13.5	10.1	-6.6	2.8	16.7
MSCI EM (Net)	9.7	7.9	-6.5	6.0	10.7

★ Segal Marco Advisors

The City of Hollywood

Comparative Performance	が変形である	AND THE REAL PROPERTY.		As of February 28, 2023	Irv 28, 2023
		Pe Jan-2023	Performance (%) Feb-2023	Jan-2023 To	Oct-2022
	Dec-2022	Jan-2023	Feb-2023	Feb-2023	Feb-2023
Fixed Income					
Baird Core Plus Bond**	2.5	3.4	-2.5	8:0	3.3
Blmbg. U.S. Aggregate	1.9	3.1	-2.6	0.4	2.3
LM Capital Group, LLC Active Core Plus (Gross)	2.5	3.1	-2.2	8.0	3.3
LM Capital Group, LLC Active Core Plus (Net)	2.5	3.1	-2.3	9.0	3.3
Blmbg. U.S. Aggregate	1.9	3.1	-2.6	0.4	2.3
Neuberger & Berman Short Duration**	3.2	1.7	-0.8	6:0	4.1
NB Blended Benchmark***	6.0	0.5	-0.1	0.4	1.3
Blmbg. Intermed. U.S. Government/Credit	1.5	1.9	-1.8	0.0	1.6
GoldenTree Multi-Sector LP**	4.3	2.8	-0.1	2.8	7.1
GT Blended Index****	3.3	3.0	-0.2	2.8	6.1
Blmbg. U.S. Aggregate	1.9	3.1	-2.6	9.4	2.3
Real Estate					
Morgan Stanley**	-3.7	0.0	0.0	0.0	-3.7
NCREIF ODCE Equal Weighted	-5.0	0.0	0.0	0.0	-5.0
Principal Enhanced Property Fund**	-6.7	0:0	0.0	0.0	-6.7
NCREIF Property Index	-3.5	0.0	0.0	0.0	-3.5
Infrastructure					
IFM Global Infrastructure**	4.0	8.0	-0.2	0.5	4.6

^{*}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 U.S. 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 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.

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THE CITY OF FORTHWOOD									
Comparative Performance - IRR	科以表心脏	· · · · · · · · · · · · · · · · · · ·						As of Febru	As of February 28, 2023
	Market Value	è	Year To	- >	e)	വ (7	Since	Inception
	(%)	%	Date	Year	Years	rears	rears	Inception	Dale
Private Equity									
Private Equity Composite	42,026,778	10.0	0.0	0.7	23.5	20.6	N/A	19.9	06/23/2016
NB Crossroads Fund XXI	22,372,327	5.3	0:0	-1.7	21.2	19.0	N/A	17.4	06/23/2016
HarbourVest Dover Fund IX	6,339,617	1.5	0.0	φ -	18.7	20.4	ΑN	23.4	12/16/2016
GoldPoint Co-Investment VI	13,314,834	3.2	0:0	9.0	32.4	N/A	N/A	25.0	04/23/2018
Private Debt			ò					5	
Private Debt Composite	31,330,761	7.5	0.0	14.4	13.1	12.0	N/A	11.9	05/31/2017
AG Direct Lending Fund II, L.P.	5,519,769	1.3	0:0	16.0	10.8	10.5	N/A	10.4	05/31/2017
EnTrust Blue Ocean Onshore Fund LP	7,125,561	1.7	0.0	23.1	N/A	N/A	NA	25.9	09/22/2020
Brightwood Capital Fund V, LP	3,343,097	0.8	0:0	6.7	NA	N/A	Ν	0.6	07/12/2021
Marathon Healthcare Finance Fund	5,209,728	17	0:0	NA	NA	N/A	ΑN	5.6	05/23/2022
NB Private Debt Fund IV LP	10,132,606	2.4	0:0	N/A	N/A	N/A	N/A	7.6	07/21/2022
Private Real Estate									
AG Realty Value Fund X	7,565,724	6 .	0:0	14.2	20.2	N/A	N/A	18.4	06/10/2019
Affiliated Housing Impact Fund	1,941,488	0.5	0.0	11.2	N/A	N/A	N/A	18.7	11/18/2021

Investment Manager Fee Table

				Estimate	Estimated Annual	Estimated Annual
Manager	Mandate	Market Value	Fee Schedule	Fee	Fee (S)*	Fee (%)*
Northern Trust S&P 500	Passive Large Cap Equity	\$ 80,881,371	3.5 bps on assets	₩	28,308	0.04%
Earnest Partners	SMID Cap Value Equity	\$ 17,290,836	60 bps on assets	€9	103,745	%09.0
Loomis Sayles	Small/Mid Cap Growth Equity	\$ 12,834,758	69 bps on assets	↔	88,560	0.69%
Northern Trust Extended Equity Market	SMID Cap Core Equity	\$ 10,719,529	3 bps on assets	€9	3,216	0.03%
Wellington	International Equity	\$ 47,785,409	71 bps on assets	69	339,276	0.71%
RBC Emerging Markets Equity	Emerging Markets Equity	\$ 19,383,839	88 bps on assets	69	170,578	0.88%
Neuberger & Berman Short Duration	Short Duration Fixed Income	\$ 38,181,960	43 bps on assets	⇔	164,182	0.43%
Baird Core Plus Bond	Core Plus Fixed Income	\$ 40,612,737	30 bps on assets	69	121,838	0.30%
LM Capital Group, LLC Active Core Plus	Core Plus Fixed Income	\$ 9,904,862	25 bps on assets	69	24,762	0.25%
Golden Tree Multi-Sector Fund	Multi-Sector Credit	\$ 15,251,766	75 bps on assets	G	114,388	0.75%
AG Direct Lending Fund II, LP ¹	Direct Lending Fixed Income	\$ 5,519,769	100 bps on first \$50MM, 85 bps on \$50-\$100MM, 80 bps on \$100-\$200MM, 60 bps above \$200MM	€9	55,198	1.00%
EnTrust Blue Ocean ²	Direct Lending Fixed Income	\$ 7,125,561	150 bps on invested capital + incentive fee	69	106,883	1.50%
Brightwood Capital Fund V, LP	Direct Lending Fixed Income	\$ 3,343,097	150 bps on invested equity capital, 15% performance fee, 6.5% perferred return	€ >	50,146	1.50%
Marathon Healthcare Finance Fund	Direct Lending Fixed Income	\$ 5,209,728	150 bps on committed capital, 20% incentive fee, 8% hurdle	€9	300,000	1.50%
NB Private Debt Fund IV LP	Direct Lending Fixed Income	\$ 10,132,606	100 bps on invested capital, 12.5% incentive fee, 7% hurdle	69	101,326	1.00%
Morgan Stanley	Real Estate	\$ 14,843,699	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	₩	124,687	0.84%
Principal ³	Real Estate	\$ 15,801,187	130 bps on assets + incentive fee	↔	205,415	1.30%
AG Realty Value Fund X ⁴	Real Estate	\$ 7,565,724	100 bps on assets + incentive fee	69	75,657	1.00%
Affiliated Housing Impact Fund ⁵	Real Estate	\$ 1,941,488	150 bps on capital commitments during the investment period, 150 bps on invested contributions thereafter	€9	75,000	1.50%
Neuberger Berman Crossroads XXI ⁶	Private Equity	\$ 22,372,327	25.8 bps on assets	69	57,721	0.26%
HarbourVest Dover Fund IX7	Private Equity	\$ 6,339,617	70 bps on assets	€9	44,377	0.70%
GoldPoint Co-Investment VI®	Private Equity	\$ 13,314,834	1% on committed capital during investment peirod, 1% on invested capital thereafter	€>	100,000	1.00%
IFM Global Infrasturcture	Infrastructure	\$ 11,330,994	77 bps on assets	€9	87,249	0.77%
Investment Management Fees		\$ 417,687,698		\$	2,542,514	0.61%
Segal Marco	Investment Consulting		\$130,000 annual retainer	∽	130,000	0.03%
Principal	Custodian		0.3 bps plus account and transaction based charges 10	s	53,856	0.01%
TOTAL FEES				\$	2,726,370	0.65%
*Frame shows are early and does not include incentive fees						

Fees shown are estimated and does not include incentive feet

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"Incentive fee a equal to 15% of the pordiar necess of an 8% preferred that new to investors

"Ne is aggregating commitments to provide best princip of 5MA clerks."

"Ne is aggregating commitments to provide best princip of 5MA clerks and as a result the 6M of Hobywood 520 million is sawing 10.5 bps. If the commitment had not be aggregated the fee would have been 38.3 bps.

"The feel four the Dover IX End that Cook of Hobywood as receiving a 5 bps feel discount.

"Incentive feel a equal to 10% of the profits in excess of 8% per annum."

Procentive feel a equal to 10% of the profits in excess of 8% per annum.

"Oncentive feel a equal to 10% of the profits in excess of 8% per annum."

Cash Flow Activity Detail - February 2023

Manager	Product	Wire Type	Transfer Date	Transfer Amount
Angelo Gordon	AG Realty Value Fund X	Capital Distribution	2/28/2023	\$200,000
Principal Financial	DB Account	Internal Bank Transfer	2/13/2023	\$3,000,000
Neuberger Berman	NB Private Debt Fund IV LP	Capital Distribution	2/13/2023	\$288,394
Baird	Core Plus Bond	Mutual Funds Trade	2/10/2023	\$3,000,000
Total				\$6,488,394

AGENDA ITEM 5.B. INVESTMENT

GOLDPOINT UPDATE AND RECOMMENDATION

AGENDA ITEM 5.C. INVESTMENT WORK PLAN 2023

City of Hollywood Employees' Retirement Fund

2023 Work Plan*

MEETING DATE	SEGAL MARCO INVESTMENT ITEMS	INVESTMENT PRESENTATIONS
January 24	November 2022 Flash Performance Report Third Quarter Performance Review SMID Value Transition Summary Custodian Fees Update	
February 28	December 2022 Flash Performance Report Current Trends in ESG & Policy Discussion Emerging Manager Trends & Policy Discussion	
March 28	 January 2023 Flash Performance Report 2023 Investment Allocation Review & New Opportunities Discussion 	
April 25	February 2023 Flash Performance Report GoldPoint Update & Recommendation	
May 23	March 2023 Flash Performance Report Fourth Quarter Performance Review	
June 20	April 2023 Flash Performance Report Revisit Investment Opportunities Discussion	
July 25	May 2023 Flash Performance ReportAnnual Investment Policy Review	
August 22	 June 2023 Flash Performance Report First Quarter Performance Review Board Insurance Program Renewal 	
September 26	July 2023 Flash Performance ReportMoney Market Comparison Analysis	
November 14	Aug & Sept 2023 Flash Performance Report Second Quarter Performance Review	
December 19	October 2023 Flash Performance Report Annual Report of Investment Manager Research Reviews	

^{*}This is a working document and subject to change.

AGENDA ITEM 6.A. LEGAL LEGAL UPDATE

BILL SUMMARY DETAILS

Florida League of Cities

Government and Corporate Activism (Monitor)

HB 3 (Rommel) is a comprehensive bill aimed at eliminating the consideration of environmental, social and governance (ESG) from government investment strategies, procurements, bond issuances and use of banks. The relevant provisions to local governments are as follows:

- •HB 3 requires fiduciaries of all government retirement plans to make investment decisions that only consider pecuniary factors and do not include the consideration or furtherance of any social, political or ideological interests in those decisions. By December 15, 2023, and by December 15 of each odd-numbered year thereafter, each government retirement system or plan shall file a comprehensive report detailing and reviewing the governance policies concerning decision-making in vote decisions and adherence to the fiduciary standards as required by the bill.
- •HB 3 prohibits local governments from the issuance of bonds used to further an ESG purpose. The bill defines ESG bonds to include bonds that will be used to finance a project with an ESG purpose including, but not limited to, green bonds, Certified Climate Bonds, GreenStar designated bonds and other environmental bonds marketed as promoting an environmental objective; social bonds marketed as promoting a social objective; and sustainability bonds and sustainable development goal bonds marketed as promoting both environmental and social objectives.
- •HB 3 requires that any contract between a government entity and an investment manager include provisions requiring a disclaimer be included in any communications from the investment manager. The disclaimer the

investment manager must include states: "The views and opinions ϵ pressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida."

- •The bill amends the definition of a "qualified public depository" to prohibit banks from making it a practice to deny or cancel services of its customers based on a person's political opinions, speech, affiliations, lawful ownership or sales of firearms, production of fossil fuels or other factors related to ESG. Pursuant to current law, all public deposits may only be made in a qualified public depository.
- •Lastly, the bill amends procurement requirements of all governmental entities to prohibit government bodies from giving a preference to vendors based on ESG factors or requesting information from vendors related to ESG. (Cruz)

About	Other Resources	Services
About the League	QC Online	Insurance
About Florida Cities	Grants Program	Investments
Board of Directors	YEMO	Retirement
Awards	Media Center	Loans
Contact Us	Johs	Disaster Recovery
Social Media	Sign Up for Publications	;
(a) Instagram		events and updates from
f Facebook	the League.	
In LinkedIn	Subscribe	
YouTube		
У Twitter		

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Christine Bailey

From:

Ron Cohen <rcohen@loriumlaw.com>

Sent:

Thursday, March 30, 2023 1:40 PM

To:

George R. Keller JR CPPT

Cc:

Christine Bailey

Subject:

[EXT]City of Hollywood Employees' Retirement Fund

Dear George,

I have looked into your question concerning whether, once you have assumed the position of City Manager, you can serve as a member of the Board of Trustees of the City of Hollywood Employees' Retirement Fund. The answer is yes, you can. Section 33.025 (R) specifically permits the City Manager to serve as a member of the Board of Trustees.



Ronald J. Cohen

Member

Attorney Bio

Direct: (954)-331-1287
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Web: http://loriumlaw.com/
Email: rcohen@loriumlaw.com

Phone: (954)-462-8000

101 N.E. 3rd Ave., Suite 1800 Fort Lauderdale, FL 33301





CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

AGENDA ITEM 6.B. LEGAL

REPORT ON SURVIVOR BENEFITS OF JOSEPH BOWMAN

FASSETT, ANTHONY & TAYLOR, P.A.

ATTORNEYS AT LAW

LADD H. FASSETT*
*Of Counsel
ROBERT W. ANTHONY
JOHN A. TAYLOR
PHIL A. D'ANIELLO
JAMES N. CARLIN, JR.
SPENCER M. GLEDHILL
MARY REBEKAH FRITZ

1325 WEST COLONIAL DRIVE ORLANDO, FLORIDA 32804

TELEPHONE (407) 872 - 0200. TELECOPIER (407) 422 - 8170

March 15, 2022

SPENCER M. GLEDHILL, ESQ

Direct Extension: 3008
E-Mail: sgledhill@fassettlaw.com
http://www.fassettlaw.com

Via Email:

Lorium Law Attn: Ronald Cohen rcohen@loriumlaw.com

Re:

City of Hollywood Employees' Retirement Fund

Retiree Joseph Lloyd Bowman, Jr.

Mr. Cohen:

Thank you for retaining our firm in order to evaluate whether the City of Hollywood Employees' Retirement Fund ("City Fund") has claims against the estate of retiree Joseph Lloyd Bowman, Jr. ("Retiree"). This letter outlines the potential claims and method for filing claims against the Retiree's estate.

Introduction

Issue:

Does the City of Hollywood Employees' Retirement Fund have a claim against the Retiree's estate where the Retiree received overpayments from the City Fund during the Retiree's lifetime and how would such a claim be filed?

Background:

The City Fund reports that the Retiree received overpayments from the City Fund during his lifetime. Specifically, the City Fund permits its retirees to designate beneficiaries who are entitled to receive a retiree's benefits after a retiree's death. A beneficiary's age affects the calculation of the benefit amount received by a retiree.

Here, the Retiree originally names his spouse as his beneficiary. After the Retiree's spouse predeceased the Retiree, the Retiree expressed interest in designating his children as his beneficiaries. The Retiree was notified during his life that a change in his beneficiaries would change the benefit amount received during the Retiree's lifetime. The Retiree was provided calculations of the amount of the reduction in monthly benefits. The Retiree submitted a request for the change, but the request was never processed. Therefore, the monthly benefit amount received by the Retiree was never reduced. This resulted in monthly overpayments to the Retiree during his life in the total amount of \$152,356.92 ("Overpayment Amount").

The Retiree died on May 24, 2021. The Retiree's will have been filed in Volusia County, Florida. However, no petition for administration has been filed as of the date of this letter, and therefore no letters of administration have been issued.

The City Fund requests that this law firm provide an opinion as to whether the City Fund has potential claims against the Retiree's estate for the Overpayment Amount. For purposes of this opinion, the City Fund has instructed this firm to assume that the Retiree's request to add his children as successor beneficiaries is deemed processed, therefore resulting in an overpayment of benefits to the Retiree. Further, because this firm has not been asked to review the City Fund's plan documents, it is assumed that the plan does not have any provisions that would negate the legal or equitable claims which are discussed herein.

Analysis:

Probate and Creditor Claims

Florida law permits creditors of a decedent to file claims against the decedent's estate. Fla. Stat. § 733.703(1). Generally speaking, a personal representative of an estate is required to pay claims within 1 year of the first publication of notice to creditors. Fla. Stat § 733.705. This assumes that a petition for administration has been filed and notice to creditors has been served. In addition, the personal representative of an estate is permitted to object to claims which are disputed. Fla. Stat § 733.705(2). If an objection is filed, the claimant then has 30 days from the service of the objection to file an independent action upon the claim. Fla. Stat § 733.705(5). An independent action would be a separate case filed in civil court in the same county for recovery of the claim, meaning the independent action is filed outside probate court and the probate court does not adjudicate the disputed claim. Filing a creditor claim and filing an independent action, if an objection to claim is filed, is the only statutorily recognized means of filing a claim against an estate.

When a petition for administration has not been filed, as is the case here, Florida law permits a creditor to file a caveat. Fla. Stat. § 733.110. A caveat protects a creditor's interest prior to a will being admitted to probate by establishing a method for giving notice to the creditor of admission or a will or issuance of letters of administration. <u>Id.</u>; Fla. P. R. 5.260(c)-(d); <u>see also In</u> re Estate of Posner, 492 So. 2d 1093, 1093 (Fla. 3d DCA 1986).

However, it is significant that filing a caveat is not a creditor claim and does <u>not</u> avoid the two-year claims bar imposed by Fla. Stat. § 733.710(1). <u>Baptist Hosp. of Miami, Inc. v. Carter, 658 So. 2d 560, 561 (Fla. 3d DCA 1995), abrogated on other grounds by May v. Illinois Nat. Ins. Co., 771 So. 2d 1143 (Fla. 2000). The statute states, in relevant part:</u>

Notwithstanding any other provision of the code, 2 years after the death of a person, neither the decedent's estate, the personal representative, if any, nor the beneficiaries shall be

¹ This is as opposed to the City Fund taking the position that the application to change of beneficiaries was never processed and therefore no overpayments were made.

liable for any claim or cause of action against the decedent, whether or not letters of administration have been issued, except as provided in this section.

Fla. Stat. § 733.710(1).

Thus, in order to make a claim against the Retiree's estate, the City Fund must file a statement of claim within two years of the date of death. If no estate is commenced for the Retiree, the City Fund will need to file a petition for administration of its own to begin the estate and then file a statement of claim. The City Fund will likely be permitted to file a petition for administration as an "interested person." Fla. Stat. § 733.202; Fla. Stat. § 731.201(23) (an interested person is one who "may reasonably be expected to be affected by the outcome of the particular proceeding involved.").

If the City Fund files a petition for administration, a personal representative will have to be appointed. The Retiree's son, Reginald Bowman, would have preference in appointment as the personal representative given that he is the person nominated in the Retiree's will. Fla. Stat. § 733. 301. If Reginald Bowman were unable to serve or refused appointment, § 733.301 allows the heirs of the will to select the person to serve as personal representative by majority vote.

Once appointed, the personal representative has the obligation to settle and distribute the estate of the decedent. Fla. Stat. § 733.602. In relevant part, this would include providing notice to creditors, filing an inventory (identifying the assets of the estate), and either paying or disputing claims. Fla. Stat. §§ 733.2121; 733.604; 733.707; 733.705.

Insolvency in an Estate

Fla. Stat. § 733.707 creates a statutory order in which creditors and expenses are paid from an estate, including eight classes paid in order of priority. Class eight claims are general claims such as the City Fund's claims in this case. Section 733.707 also states that after paying the preceding class, "if the estate is insufficient to pay all of the next succeeding class, the creditors of the latter class shall be paid ratably in proportion to their respective claims." Fla. Stat. § 733.707(2). Thus, class eight claims are only paid proportionally with other class eight claims if the estate has sufficient funds after payment of any claims in classes one through seven.

Further, Fla. Stat. § 733.2121(3)(b) states "the personal representative is not individually liable to any person for giving notice" to the known creditors. A personal representative may be discharged even if there are unpaid claims. Chase Manhattan Bank, USA, N.A. v. Estate of Silveira, 815 So.2d 770 (Fla. 4th DCA 2002); see also Fla. Stat. § 733.903.

Therefore, the City Fund's claims would be class eight claims and would be treated as such if any additional claims in higher classes are filed in the estate. Furthermore, if an estate is insolvent due to no fault of the personal representative, there is likely no recourse against the personal representative. Accordingly, if the Retiree's estate is insolvent or has insufficient funds to pay all claims in full, then the City Fund could receive nothing from its claim or a reduced amount.

Basis for Recovery

As discussed above, if the City Fund filed a claim in the Retiree's estate and the estate objected to the claim, an independent action would need to be filed to enforce the claim. Fortunately, there is legal authority supporting a recovery for overpayment of pension benefits to a retiree in such an action. Brown v. City of Jacksonville Beach, 789 So. 2d 434, 435 (Fla. 1st DCA 2001) (affirming part of judgment for city pension for recovery of overpayments after suit filed by retiree); Larsen v. NMU Pension Plan Tr. of NMU Pension & Welfare Plan, 767 F. Supp. 554, 558 (S.D.N.Y. 1991) (regarding ERISA plan, permitting offset of survivor beneficiary benefits because to not do so "would constitute a windfall to [survivor beneficiary] at the expense of other Plan participants."); see also § 735 PAYING TOO MUCH -- DEFINED BENEFIT PLANS, 2016 WL 11578849² (discussing factors a plan administrator should consider in addressing a benefit overpayment situation).

Assuming the City Fund's plan documents do not negate the bringing of claims for reimbursement of overpayments, the City Fund would likely have a claim for unjust enrichment, which permits a plaintiff to recover when a benefit is conferred on the defendant which it would be inequitable for the defendant to keep.³ Duty Free World, Inc. v. Miami Perfume Junction, Inc., 253 So. 3d 689, 693 (Fla. 3d DCA 2018).

Florida's declaratory judgment statute, Fla. Stat. §§ 86.011-86.111, would also provide a basis for a cause of action against the Retiree's estate. This statute provides the court with authority "to declare rights, status, and other equitable or legal relations whether or not further relief is or could be claimed." Fla. Stat. § 86.011. Thus, the City Fund could request that the court determine the City Fund overpaid the Retiree by the Overpayment Amount and that the City Fund is entitled to recovery or credit for the overpayments.

Additional claims that the City Fund could include in the independent action include, but are not limited to, breach of contract, conversion and civil theft. However, conversion and civil theft require a showing of intent. Transcapital Bank v. Shadowbrook at Vero, LLC, 226 So. 3d 856, 864 (Fla. 4th DCA 2017). Further, the civil theft or conversion must go beyond, and be independent from, a failure to comply with the terms of a contract. Id. Because the civil theft statute, Fla. Stat. § 772.11, includes a prevailing party attorney's fee provision, caution is suggested before bringing this claim until there is a sufficient basis to show that the Retiree had the intent to deprive the City Fund of benefits and that the retention of the benefits was independent of the failure to abide by the plan. This letter does not render an opinion as to whether the Retiree had the requisite intent or whether the act was independent of the plan.

² Although not a topic of this letter, this article discusses various methods to recover overpayments to retirees other than pursuing the retiree's estate, such as reducing future benefit payments.

³ "The elements of a cause of action for unjust enrichment are: (1) plaintiff has conferred a benefit on the defendant, who has knowledge thereof; (2) defendant voluntarily accepts and retains the benefit conferred; and (3) the circumstances are such that it would be inequitable for the defendant to retain the benefit without first paying the value thereof to the plaintiff." <u>Id.</u>

There is also likely a basis for recovery in recoupment. City of Miami v. Clark, 223 So. 2d 387, 388 (Fla. 3d DCA 1969) (permitting recoupment of excess workman's compensation benefits from future pension payments pursuant to statute when employee sued city for declaratory relief.) However, this claim is typically made as part of a counterclaim, in a defensive posture. 40 Fla. Jur 2d Pleadings § 81.

The Retiree's estate will likely have defenses to the claims of the City Fund. Thus, while the City Fund can allege a viable claim, as stated herein, ultimate success of the claim cannot be guaranteed.

The statute of limitations may prevent recovery of monthly overpayments issued outside the limitations period. (Fla. Stat.§ 95.11(2)(b) (imposing five-year limitations period on actions based on a written contract). It should be noted, however, that the claim of recoupment, when asserted in a counterclaim, is not barred by the statute of limitations. Allie v. Ionata, 503 So. 2d 1237, 1239 (Fla. 1987) ("It is well established that the defense of recoupment may be asserted even though the underlying claim is barred by the applicable statute of limitations as an independent cause of action.").

Notwithstanding the possibility that the Retiree's estate will assert defenses to any claim for the Overpayment Amount, the underlying facts provide the City Fund with equitable arguments which appear to support its position. Specifically, the Retiree was on notice prior to switching his beneficiaries that the benefits were to change and by how much. The Retiree continued to accept the former monthly benefit amount despite being on notice that the amount would change if the beneficiaries changed. The City Fund paid these benefits by mistake and not out of malice. If the City Fund were not entitled to reimbursement of the Overpayment Amount, then other retirees of the City Fund could be negatively affected. Further, because the Retiree was deceased before the overpayment was realized, the Retiree's well-being and ability to support himself will not be affected if the City Fund is permitted to be reimbursed by the Retiree's estate.

Conclusion

The City Fund likely has a basis to file a claim against the Retiree's estate for recovery of the Overpayment Amount. This may require that the City Fund commence the estate proceedings by filing a petition for administration. If the City Fund intends to make a claim against the Retiree's estate, it is important that the claim is filed within two years of the date of death. If the estate objects to the claim of the City Fund, an independent action will need to be filed in Volusia County, Florida.

There are several legal theories upon which the City Fund may file an independent action. This letter does not include an exhaustive list of all possible claims. However, there is legal authority supporting recovery of overpayments made by a Florida municipal pension. The Retiree's estate may assert defenses, including the statute of limitations. However, a valid claim for recoupment can be made outside the statute of limitations if made in a counterclaim.

This letter does not provide an analysis of the City Fund's plan documents and does not render any opinion about whether reducing future benefits to the Retiree's beneficiaries is a more preferable alternative to filing a claim against the Retiree's estate. Therefore, this letter does not provide an opinion as to whether filing a claim against the Retiree's estate is a better strategy than recovering the Overpayment Amount through reductions in benefits to the Retiree's beneficiaries.

Thank you for requesting that our firm assist you with this matter. Should you have any questions, please contact me at your convenience.

Sincerely,

Spencer M. Oledhill, Esquire

SMG/mrf

AGENDA ITEM 7.A. EXECUTIVE DIRECTOR'S REPORT

CITY COMMISSION COMMUNICATION



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

2600 Hollywood Blvd. • City Hall Annex Building, 2ND Floor, Room 20 • Hollywood, FL 33020 (954) 921-3333 • (954) 921-3332 Fax • www.hollywoodpension.com

CITY COMMISSION COMMUNICATION **April 2023**

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

BOARD OF TRUSTEES

Phyllis Shaw - Chair

Robert Strauss – Secretary Jeffrey Greene

David Keller

George Keller – Vice Chair Barbara Armand

Charles Howell

All Trustees attended the March 28, 2023 Regular Meeting of the Board of Trustees,

ITEMS OF INTEREST TO THE CITY COMMISSION

- The estimated value of the Fund's assets available for investments on February 28, 2023 was \$419.8 million, down 1.9% net of fees for the month of February 2023, and up 6.6% for the fiscal year to date.
- The Funded Ratio (the value of the actuarial assets divided by the actuarial accrued liability) was 64.2% as of October 1, 2021, up from 63.3% as of October 1, 2020, and up from 60.3% as of October 1, 2019.
- The Board approved a change order in the amount of \$60,922 for Vercetti Enterprises for the renovation of the new pension offices.

UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION

- NCPERS Annual Conference May 21-24, 2023 New Orleans, Louisiana
- **FPPTA Annual Conference** June 25 - 28, 2023 Shingle Creek, Orlando
- Koried Global Summit July 19 - 21, 2023 The Biltmore, Coral Gables

- IFEBP 69th Annual Conference October 1-4, 2023 Boston, Massachusetts
- **FPPTA Trustee School** October 1-4, 2023 Sawgrass, Ponte Vedra
- **FPPTA Trustee School** January 28 - 31, 2024 Rosen Centre, Orlando

MEETING SCHEDULE 2023

<u>Dates</u>	<u>Time</u>	Location	<u>Dates</u>	<u>Time</u>	Location
May 23, 2023	9:00am-12:00pm	City Hall, Room 219	September 26, 2023	9:00am-12:00pm	City Hall, Room 219
June 20, 2023	9:00am-12:00pm	City Hall, Room 219	November 14, 2023	9:00am-12:00pm	City Hall, Room 219
July 25, 2023	9:00am-12:00pm	City Hall, Room 219	December 19, 2023	9:00am-12:00pm	City Hall, Room 219
August 22, 2023	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. The next Regular Meeting of the Board of Trustees will be held on Tuesday, May 23, 2023 at 9:00am. This meeting is expected to be held in person. All Commissioners are invited to attend.

AGENDA ITEM 7.B. EXECUTIVE DIRECTOR'S REPORT

CPMS UPDATE

AGENDA ITEM 7.C. EXECUTIVE DIRECTOR'S REPORT

PENSION OFFICE RENOVATION UPDATE

AGENDA ITEM 7.D. EXECUTIVE DIRECTOR'S REPORT

COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR

Communications - April 25, 2023

- 2022 and 2023 Life Certificates
- Supplemental Pension Distribution 2012
- 29 remaining distributions totalling \$161,035.52
 - Supplemental Pension Distribution 2021
 - 5 remaining distributions totalling \$23,130.82
- Koried Global Summit July 19-21, 2023
 - **DROP Participant List**

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

April 2023 Regular Pension Board Meeting

	Name	3	DROP Start Date	DROP end Date	Payroll Reports Received
1	Listhrop	Anselm	September 1, 2018	August 31, 2023	Yes
$\overline{}$	Moss	John	October 1, 2018	September 30, 2023	Yes
	Linares	Teresa	August 1, 2019	July 31, 2024	Yes
	Mincy	Donald	August 1, 2019	July 31, 2024	Yes
	Montalvan	Mario	August 1, 2019	July 31, 2024	Yes
	Myrvil	Jean	August 1, 2019	July 31, 2024	Yes
	Thornton	Tamara	September 1, 2019	August 31, 2024	Yes
	Doklean	Dana	November 1, 2019	October 31, 2024	Yes
9	D'Arpino Vazquez	Linda	January 1, 2020	December 31, 2024	Yes
	Foard	Timothy	January 1, 2020	December 31, 2024	Yes
11	Keller	George	January 1, 2020	December 31, 2024	Yes
12	Nelson	Barbara	January 1, 2020	December 31, 2024	Yes
13	Saint Remy	Jean	January 1, 2020	December 31, 2024	Yes
_	Williams	Horace	January 1, 2020	December 31, 2024	Yes
15	Zaske	Michael	January 1, 2020	December 31, 2024	Yes
16	Hogarth	Delroy	July 1, 2020	June 30, 2025	Yes
17	Seidl	Luanne	July 1, 2020	June 30, 2025	Yes
18	Lopez	Sergio	August 1, 2020	July 31, 2025	Yes
19	Manimala	Jacob	August 1, 2020	July 31, 2025	Yes
20	Stanley	Angela	August 1, 2020	July 31, 2025	Yes
21	Avitable	Doreen	September 1, 2020	August 31, 2025	Yes
22	Bailey	Lorna	October 1, 2020	September 30, 2025	Yes
23	Bently	Michael	October 1, 2020	September 30, 2025	Yes
24	Perrin	Edward	October 1, 2020	September 30, 2025	Yes
25	Hitchcock	Kathleen	November 1, 2020	October 31, 2025	Yes
26	Kalil-Cobos	Yvonne	December 1, 2020	November 30, 2025	Yes
27	Wilson	Henry	January 1, 2021	December 31, 2025	Yes
28	Carter	Michelle	March 1, 2021	February 28, 2026	Yes
29	Jacobsen	Jennifer	March 1, 2021	February 28, 2026	
-	Johns	Mary	April 1, 2021	March 31, 2026	
31	Bennett	Lisa	April 1, 2021	March 31, 2026	Yes
32	Maldonado-Juriga	Yolanda	June 1, 2021	May 31, 2026	Yes
33	Castillo	Jamie	June 1, 2021	May 31, 2026	Yes
34	Tozzi	Donna	August 1, 2021	July 31, 2026	Yes
35	Sanchez	Pamela	September 1, 2021	August 31, 2026	
36	Robledo	Eddie	November 1, 2021	October 31, 2026	
37	Caraballo	Luis	December 1, 2021	November 30, 2026	
$\overline{}$	Mathis	Coy	January 1, 2022		
$\overline{}$	Batista	Francisco	January 1, 2022		
40	DemassisFeller	Cathy	February 1, 2022	January 31, 2027	Yes

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND DROP

April 2023 Regular Pension Board Meeting

	None		DROP Start Date	DROP end Date	Payroll Reports Received
41	Name Smith	Lisa	March 1, 2022	February 28, 2027	Yes
	Fiorillo	Richard	March 1, 2022	February 28, 2027	Yes
	Gallo	Thomas	March 1, 2022	February 28, 2027	Yes
	Ramos	Edgar	May 1, 2022	April 30, 2027	Yes
	DeRosa	Anthony	May 1, 2022	April 30, 2027	Yes
	Cerny	Patricia	May 1, 2022	March 12, 2027	Yes
	Schiff	Christine	June 1, 2022	May 31, 2027	Yes
	Clift	William	June 1, 2022	May 31, 2027	Yes
	Blouin	Lisa	June 1, 2022	February 13, 2027	Yes
	Russ	Lemmie	June 1, 2022 June 1, 2022	May 31, 2027	Yes
					
	Irizarry Figueroa	Fernando	June 1, 2022	May 31, 2027	Yes
	Andrews	Henry	July 1, 2022	June 30, 2027	Yes
	Kimble	LaShanda	August 1, 2022	July 31, 2027	Yes
	Saintange	Carmen	August 1, 2022	July 31, 2027	Yes
	Vazquez	David	August 1, 2022	July 31, 2027	Yes
	Greene	Charmaine	September 1, 2022	August 31, 2027	Yes
	Davis	Curtis	September 1, 2022	August 31, 2027	Yes
	Roman	Raul	September 1, 2022	August 31, 2027	Yes
	Kis	Laslo	September 1, 2022	August 31, 2027	Yes
60	Estevez	Andrew	November 1, 2022	October 31, 2027	Yes
61	Robinson	Nadine	January 1, 2023	December 31, 2027	Yes
62	Graves	Kimberly	January 1, 2023	December 31, 2027	Yes
63	Morris	Travis	January 1, 2023	December 31, 2027	
64	Cairns	William	January 1, 2023	December 31, 2027	Yes
65	Sheinfeld	Scott	February 1, 2023	January 31, 2028	Yes
66	Sabillon	Karrie	March 1, 2023	February 28, 2028	
67	Rogers	David	March 1, 2023	February 28, 2028	
68	Senecharles	Francis	May 1, 2023	April 30, 2028	
69	Wharton	Michael	June 1, 2023	May 31, 2028	
70	Isaac	Septimus	June 1, 2023	May 31, 2028	

AGENDA ITEM 8 PUBLIC COMMENT

AGENDA ITEM 9 TRUSTEE REPORTS, QUESTIONS AND COMMENTS

AGENDA ITEM 10 ADJOURNMENT