

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

CALENDAR OF ITEMS

REGULAR BOARD MEETING

JUNE 20, 2023

ADDITIONAL MATERIAL

2A, 4B, 5B, 7A, 7B AND 7C

AGENDA ITEM 2.A.

AGENDA ADOPTION

REVISED



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

REVISED

AGENDA

REGULAR PENSION BOARD MEETING

TUESDAY, JUNE 20, 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. May 23, 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. Actuarial Valuation Report as of October 1, 2022
 - B. Proposed Capital Budget Modification for Fiscal Years 2023-2024
 - C. Financial Reports and Investment Summary
- 5. INVESTMENT (Segal Marco Advisors)**
 - A. April Flash Performance Report
 - B. Fiscal Year 2022 Manager Fee Detailed Schedule
 - C. Work Plan 2023
- 6. LEGAL (Ron Cohen – Lorium Law)**
 - A. Legal Update
- 7. EXECUTIVE DIRECTOR'S REPORT**
 - A. City Commission Communication
 - B. CPMS Update
 - C. 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 4.B.

FINANCIAL

PROPOSED CAPITAL MODIFICATION

FOR FISCAL YEAR 2023 - 2024

Proposed Capital Budget FY 2022-FY2024

	Approved Budget	Approved Modifications	Requested Modifications	Modified Budget	Projected Expenditure	Actual Expenditure	Variance
CPMS Project							
GTJZ	336,870		72,000	408,870	408,870	300,200	108,670
Project Management Contingency	100,000		(72,000)	28,000	28,000	-	28,000
PTG	300,000			300,000	300,000	90,000	210,000
Highstreet	61,980	9,180		71,160	71,160	71,160	-
COH Contingency	5,820		44,180	50,000	50,000	-	50,000
Building Purchase	495,777	-	-	495,777	495,777	495,777	-
Building Renovation							
Vercetti	338,751			338,751	338,751	30,626	308,125
Permits	21,688			21,688	21,688	12,986	8,702
Renovation Contingency	230,561			230,561	230,561	-	230,561
Furniture	80,000			80,000	80,000	-	80,000
Building Contingency	100,000			100,000	100,000	-	100,000
Total	2,071,447	9,180	44,180	2,124,807	2,124,807	1,000,749	1,124,058

AGENDA ITEM 5.B.

INVESTMENT

FISCAL YEAR 2022 MANAGER FEE DETAILED SCHEDULE

City of Hollywood Employees' Retirement Fund
Summary of Investment Management Fees
As of September 30, 2022

Investment Manager	Commitment	Actual Allocation	Market Value 9.30.22	Total Fees		Difference
				FYTD 2022	FYTD 2021	
Northern Trust S&P 500		15.63%	\$60,077,599	\$43,828.38	\$39,192.37	\$4,636.01
TSW - SMID Value		3.84%	\$14,756,237	\$122,271.71	\$136,373.51	(\$14,101.80)
Loomis, Sayles Small/Mid Cap Growth		3.01%	\$11,581,158	\$75,277.53	\$107,274.21	(\$31,996.68)
Northern Trust Extended Equity Market Index		2.43%	\$9,352,895	\$21,731.83	\$14,504.27	\$7,227.56
Domestic Equity Total		24.91%	\$95,767,889	\$263,109.45	\$297,344.36	(\$34,234.91)
Wellington International		10.42%	\$40,075,586	\$319,653.69	\$346,092.82	(\$26,439.13)
International Equity Total		10.42%	\$40,075,586	\$319,653.69	\$346,092.82	(\$26,439.13)
RBC Emerging Markets Equity		4.32%	\$16,611,240	\$146,178.91	\$192,809.56	(\$46,630.65)
Emerging Markets Equity Total		4.32%	\$16,611,240	\$146,178.91	\$192,809.56	(\$46,630.65)
Baird Core Plus Bond		8.64%	\$33,199,479	\$99,598.44	\$144,472.70	(\$44,874.26)
LM Capital Group, LLC Active Core Plus		2.49%	\$9,584,164	\$6,178.37	\$0.00	\$6,178.37
Neuberger & Berman Short Duration		9.52%	\$36,620,000	\$116,975.78	\$128,627.36	(\$11,651.58)
GoldenTree Multi-Sector LP		4.45%	\$17,111,067	\$128,333.00	\$140,314.40	(\$11,981.40)
Fixed Income Total		25.10%	\$96,514,710	\$351,085.59	\$413,414.46	(\$62,328.87)
Morgan Stanley Prime Property		4.01%	\$15,409,210	\$172,636.03	\$172,717.16	(\$81.13)
Principal Enhanced Property Fund		4.41%	\$16,943,674	\$317,736.35	\$158,573.58	\$159,162.77
AG Realty Value Fund X	\$10,000,000	2.42%	\$9,301,005	\$174,252.00	\$180,995.00	(\$6,743.00)
Affiliated Housing Impact Fund	\$5,000,000	0.76%	\$2,935,881	\$62,500	\$49,778	\$12,722
Real Estate Total		11.60%	\$44,589,770	\$727,124.38	\$562,063.75	\$165,060.63
NB Crossroads Fund XXI		5.88%	\$22,610,546	\$225,197.00	\$693,629.00	(\$468,432.00)
HarbourVest Dover Fund IX		1.72%	\$6,610,624	\$173,992.00	\$171,505.00	\$2,487.00
GoldPoint Co-Investment VI		3.46%	\$13,293,229	\$206,350.56	\$498,333.68	(\$291,983.12)
Private Equity Total		11.06%	\$42,514,399	\$605,539.56	\$1,363,467.68	(\$757,928.12)
AG Direct Lending Fund II, L.P.		1.52%	\$5,837,329	\$328,465.00	\$488,000.00	(\$159,535.00)
EnTrust Blue Ocean Onshore Fund LP		1.81%	\$6,954,126	\$401,355.00	\$34,255.00	\$367,100.00
Brightwood Capital Fund V, LP		0.86%	\$3,289,121	\$7,061.00	\$0.00	\$7,061.00
Marathon Healthcare Finance Fund		1.33%	\$5,114,901	\$113,283.00	\$0.00	\$113,283.00
NB Private Debt Fund IV LP		2.71%	\$10,420,040	\$169,645.25	\$0.00	\$169,645.25
Private Debt Total		8.22%	\$31,615,517	\$1,019,809.25	\$522,255.00	\$497,554.25
IFM Global Infrastructure		3.32%	\$12,755,908	\$229,647.37	\$200,908.31	\$28,739.06
Infrastructure Total		3.32%	\$12,755,908	\$229,647.37	\$200,908.31	\$28,739.06
Investment Cash Account		1.05%	\$4,017,904			
Total		100.00%	\$394,462,974	\$3,662,148	\$3,898,356	(\$236,208)

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



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

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CITY COMMISSION COMMUNICATION

June 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 May 23, 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 April 30, 2023 was \$420.8 million, up 0.4% net of fees for the month of March 2023, and up 8.2% for the fiscal year to date.
- Mr. Reynolds reported the Fund's performance for the quarter ended December 31, 2022. He noted that the assets available for investments were \$420.0 million and performance was 4.7% net of fees for the quarter. He noted that the Fund outperformed its peers across the one-, three-, five-, seven-, and ten-year periods.
- The Fund's Actuarial Valuation Report as of October 1, 2022 has been completed and Required Employer Contribution for Fiscal Year 2024 has been submitted to City Management. If paid in full on October 1, 2023 the Actuarially Determined Contribution will be \$26,508,097.
- The Funded Ratio (the value of the actuarial assets divided by the actuarial accrued liability) was 64.4% as of October 1, 2022, up from 64.1% as of October 1, 2021, and up from 63.3% as of October 1, 2020.
- The Board approved a budget modification of \$104,300.
- The Board approved an Operating Budget of \$5,479,630 for Fiscal Year 2024 which included \$1,991,530 in Administrative Expenses and \$537,700 in Investment Fees paid by the Fund. The budget also recognized an additional \$3,488,100 in estimated Investment Fees are charged directly against the Investment revenues.

UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION

- | | |
|--|--|
| • Kored Global Summit
July 19 - 21, 2023
The Biltmore, Coral Gables | • FPPTA Trustee School
October 1-4, 2023
Sawgrass, Ponte Vedra |
| • IFEBP New Trustee Institute and Annual Con.
September 30 - October 4, 2023
Boston, Massachusetts | • FPPTA Trustee School
January 28 - 31, 2024
Rosen Centre, Orlando |

MEETING SCHEDULE 2023

<u>Dates</u>	<u>Time</u>	<u>Location</u>	<u>Dates</u>	<u>Time</u>	<u>Location</u>
July 25, 2023	9:00am-12:00pm	City Hall, Room 219	November 14, 2023	9:00am-12:00pm	City Hall, Room 219
August 22, 2023	9:00am-12:00pm	City Hall, Room 219	December 19, 2023	9:00am-12:00pm	City Hall, Room 219
September 26, 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, July 25, 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

May 15, 2023

Ms. Christine Bailey
Executive Director
City of Hollywood Employees' Retirement Fund
2600 Hollywood Boulevard, Annex Building, Room 20
Hollywood, FL 33020

Dear Ms. Bailey:

As requested by COHERF, this letter outlines GTJZ Consulting's proposed assistance to the City of Hollywood Employees' Retirement Fund for CPMS Post-Go-live Task (PGL Tasks).

The PGL Tasks are categorized as listed below where the first four items are pressing matters because, now that CPMS is live, the missing data will be needed for upcoming member transactions and the payroll file must be generated and imported every two weeks. Further, data conversion efforts into a Production environment are complex and require additional levels of management.

- Data Conversion – “Retro” Deduction Elements: Previously, GTJZ worked with COHERF and the City on revisions to the logic of the Oracle Extraction Data File to include the series of “Retro” Deduction Elements which were missing from the original list provided by the City earlier in the CPMS project. COHERF learned that this revised logic was not actually migrated to Oracle Production as planned, as a result, the final Round 3 Oracle data extraction file generated in April did not include the “Retro” Deduction Elements. Accordingly, a post-go-live data conversion effort is needed to extract these records from Oracle and bring them into CPMS in the Production environment. GTJZ will oversee this effort including working with COHERF, the City and PTG.
- Data Conversion – Missing Pay Elements: In working on a retirement calculation in CPMS after the system went live, COHERF discovered that its member received pensionable pay under an “Emergency” Pay Element which was not included in the original list provided by the City earlier in the project. GTJZ will oversee this task including working with the City to determine the extent of missing the Pay Elements and an approach to extract the historical earnings records from Oracle based on the missing Pay Elements. GTJZ will then work with PTG to bring the missing data into the CPMS Production environment.
- Biweekly Payroll Feed – Missing Pay Elements: Once the extent of the missing Pay Elements is determined, GTJZ will work with City IT for it to modify the Biweekly Payroll Feed logic to include these missing Pay Elements. The task will also involve analyzing test files to confirm the revised logic properly includes the missing Pay Elements should they be used on future payrolls.

- Biweekly Payroll Feed – Duplicate Pay Elements: Previously, GTJZ worked with COHERF on the City's modification to the logic for the Biweekly Payroll Feed to include the missing "Retro" Deduction Elements as discussed above. COHERF learned that this revised logic was not migrated to Oracle Production earlier this year as planned. Once City IT did migrate the revised logic to Oracle Production in late April, while the revised logic was confirmed to include the "Retro" Deduction Elements, a new issue was found with duplicate Pay Elements being written to the file. GTJZ will work with COHERF as City IT troubleshoots and resolves this issue so that the revised logic can be migrated to Production for ongoing generation of the Biweekly Payroll Feed file. In the meantime, the "old" logic seems to be generating the file without duplicate records, and because City Payroll indicated that the "Retro" Deduction Elements are not currently used, the Production version of the Biweekly Payroll Feed can be generated using the old logic.
- Discreet Go-Live Tasks: The current list of PGL tasks includes 62 discreet tasks. These tasks range from infrequently used functionality that require additional testing, to additional work on letters, to research and data entry tasks. At COHERF's request, GTJZ will oversee the needed work for these tasks, and where applicable, bring the task to completion.

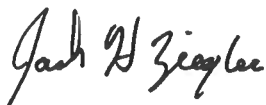
With respect to the timing for this work, because of the pressing nature of the first four tasks above, at COHERF's request, GTJZ's work began on April 24, 2023. This work is expected to continue over the coming months.

As you know, GTJZ Consulting's professional arrangements for the CPMS project were on a not-to-exceed basis. GTJZ performed all necessary work to bring CPMS live, including providing 211 hours of work which could not be billed. In 2021, GTJZ offered a discounted billing rate of \$170 per hour for this project, and we agreed to extend this rate for the MSS assistance which will take place this summer. However, for this new work, GTJZ is unable to continue to extend this discounted billing rate from two years ago. Accordingly, GTJZ's professional fees for the PGL Tasks will be billed on a time & materials basis for actual hours incurred at our current hourly rate of \$225 per hour. GTJZ Consulting's work on the PGL Tasks will be as directed by COHERF.

* * * * *

GTJZ appreciates the opportunity to continue its assistance to the Retirement Fund on the important tasks needed for CPMS. I'm available to discuss this letter at your convenience.

Sincerely,



Jack H. Ziegler
Gary Tunnicliffe & Jack Ziegler LLC

AGENDA ITEM 7.C.

EXECUTIVE DIRECTOR'S REPORT

COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR



Communications – June 20, 2023

- 2022 and 2023 Life Certificates
- Supplemental Pension Distribution 2012
 - 29 remaining distributions totalling \$161,035.52
- Supplemental Pension Distribution 2021
 - 4 remaining distributions totalling \$15,378.64
- Assignment Pay
- DROP Participant List