

A decorative border with a black and white checkered pattern surrounds the entire page content.

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

## **CALENDAR OF ITEMS**

**REGULAR BOARD MEETING**

**September 26, 2023**

# **AGENDA ITEM 1**

## **CALL TO ORDER**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 2**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 2.A.**

## **AGENDA ADOPTION**

**(NO BACKUP FOR THIS SECTION)**





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

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

### **AGENDA REGULAR PENSION BOARD MEETING TUESDAY, SEPTEMBER 26, 2023 at 11:15 AM CITY HALL, ROOM 219, 2600 HOLLYWOOD BOULEVARD**

- 1. CALL TO ORDER**
- 2. ROLL CALL AND PLEDGE OF ALLEGIANCE**
  - A. Agenda Adoption
  - B. Absent and Excused
- 3. CONSENT AGENDA**
  - A. August 22, 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 Reports and Investment Summary
- 5. INVESTMENT (Segal Marco Advisors)**
  - A. July Flash Performance Report
  - B. Work Plan 2023
  - C. Board Insurance Update
- 6. LEGAL (Ron Cohen – Lorium Law)**
  - A. Legal Update
  - B. Update on House Bill 3
  - C. Executive Director Evaluation
  - D. Request for Executive Session to Discuss Pending Litigation
- 7. EXECUTIVE DIRECTOR'S REPORT**
  - A. City Commission Communication
  - B. Proposed Employee Election Process
  - C. Pension Office Renovation Update
  - D. CPMS Update
  - E. Summary Plan Description Update 2023
  - F. Personnel Considerations
  - G. Independent Auditors for the Fiscal Year Ending September 30, 2023
  - H. Communications from the Executive Director
- 8. PUBLIC COMMENTS**
- 9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS**
- 10. ADJOURNMENT**

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

# **AGENDA ITEM 2.B.**

## **ABSENT AND EXCUSED**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 3.A.**

## **CONSENT AGENDA**

**AUGUST 22, 2023**

**REGULAR MEETING MINUTES**

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
TUESDAY, AUGUST 22, 2023 AT 9:00AM**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:10a.m.

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

Board Members present: Chair Phyllis Shaw, Vice Chair George Keller (exited 10:10am and returned at 10:25am), Secretary Robert Straus (exited at 11:13am and returned at 11:15am), Barbara Armand, Jeffrey Greene, and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds, Felicia Ewell, Alan Kosan, Joey Mallon, Linda McDonald, and Francois Otieno of Segal Marco; and Ronald Cohen of Lorium Law.

Trustee Charles Howell was absent.

**A. August 22, 2023 Regular Board Meeting Agenda**

**MOTION** made by Trustee D. Keller, seconded by Trustee G. Keller, to adopt the August 22, 2023 Regular Board Meeting Agenda as presented. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

**3. CONSENT AGENDA**

- A. July 25, 2023 Regular Meeting Minutes
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Ms. Bailey request an amendment to Consent Agenda Item 3a on page 2 under Item 6a. She advised that in the last sentence, "she" should be replaced with "Ms. Bailey" to read - Ms. Bailey noted that the total cost of the services needed should be under \$10,000.

**MOTION** made by Trustee D. Keller, seconded by Trustee Greene, to approve Consent Agenda Items 3a as amended, 3b and 3c. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

**4. FINANCIAL**

**A. Financial Reports and Investment Summary**

Ms. Bailey provided the Board with the Preliminary July 2023 Financial Reports and Investment Summaries. Ms. Bailey also provided the Budget Variance Report as of July 31, 2023. In response to a question from Trustee Greene, Ms. Bailey advised that the building expenditures on the financial report were only the renovation costs of the new Pension Office. She advised that the Condominium fees and other charges were included in the administrative expenses on the report.

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

**A. June 2023 Flash Performance Report**

Mr. Reynolds provided the Board with the Flash Performance Report for June 2023. He noted that the Fund's market value of assets as of June 30, 2023 increased to \$427.5 million. He also noted that the estimated return for the Fund was up 2.5% net of fees for the quarter ended June 30, 2023 and up 11.0% net of fees for the fiscal year to date.

**B. First Quarter Performance Review**

Mr. Reynolds reported the Fund's performance for the quarter ended March 31, 2023. He noted that the assets available for investments were \$426.3 million and performance was 3.6% net of fees for the quarter. He noted that the fiscal year to date performance was 8.5% net of fees.

**C. Private Markets Investment Opportunities**

Mr. Mallon presented the private markets commitment pacing analysis. He reviewed the methodology and assumptions used in the analysis. He and Ms. McDonald presented the private real estate results and advised that no action need be taken in this space at this time as the allocation was expected to grow during 2023.

Mr. Mallon and Mr. Kosan presented the private equity results. They noted that the allocation was expected to decrease over time. They recommended that the Board consider an additional capital commitment of \$60 million in the next year. In response to questions from Trustees, Mr. Mallon noted that the projected allocation was below the target allocation as the modeling method used was conservative and additional commitments beyond the \$60 million would be made in future years. He noted that the additional \$60 million would include distributions from current managers.

Mr. Mallon noted that there were two approaches to private equity investments. Option A – investing in fund of funds, secondaries and direct/co-investment funds or Option B – investing in strategy specific direct investment funds, eliminating fund of funds and secondaries. He presented the Pros and Cons of each option. The Board discussed the options and the number of investments. The Board requested that Segal consider Option B with four to six investments.

Mr. Mallon and Mr. Otieno presented the private debt results. They recommended an investment of approximately \$20 million in a capital solutions fund, an area of the market where return and leverage were more attractive. They recommended that the Board consider commitments to one or two managers. The Board discussed the proposed manager profiles and fees. In response to questions from Trustees, Mr. Otieno advised that the minimum investment and fees could be revisited with the managers.

The Board requested a special meeting for presentation from the proposed managers and hiring considerations. The also requested that the Special Board meeting be held before the September 26<sup>th</sup> Regular meeting.

**MOTION** made by Trustee D. Keller, seconded by Trustee G. Keller, to invite BC Partners, Brightwood, and Bayview at the recommendation of the consultants. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0. (Trustees Strauss was not present.)

D. 2023 Work Plan

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

6. **LEGAL (Ron Cohen – Lorium Law)**

A. Legal Update

Mr. Cohen noted that the amendment to the Core Concepts contract was complete.

B. New Litigation - Virginia Tisdale-Ferguson v. Blanche Pressley, and the Trustees of the City of Hollywood Employees' Retirement Fund

Mr. Cohen advised that Ms. Tisdale-Ferguson had again filed suit against the Fund. He advised that the insurance company had been notified. He noted that he could represent the Board in this matter with their permission.

**MOTION** made by Trustee Greene, seconded by Trustee Armand, to allow Mr. Cohen to represent the Board of Trustees in the litigation Virginia Tisdale-Ferguson v. Blanche Pressley, and the Trustees of the City of Hollywood Employees' Retirement Fund, including communications with the insurance company. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. Request for Executive Session to Discuss Pending Litigation

Mr. Cohen requested an Executive Session to discuss Pending Lawsuit Virginia Tisdale-Ferguson v. Blanche T. Pressley and the Board of Trustees of the City of Hollywood Employees' Retirement Fund.

**7. EXECUTIVE DIRECTOR'S REPORT**

**A. City Commission Communication**

The Board received the City Commission Communication.

**B. Communications from the Executive Director**

- Ms. Bailey advised all the life certificates for 2022 were received. She advised that four life certificates were outstanding for 2023 and those four retirees were suspended. She noted that one of the four had been received and that retiree's benefits had been reinstated.
- Ms. Bailey advised that 29 distributions remained for the FY2012 13<sup>th</sup> Check Settlement totaling \$161,035.52.
- Ms. Bailey advised that 4 distributions remained for the FY2021 13<sup>th</sup> Check Settlement totaling \$15,378.64.
- Ms. Bailey advised that the 52<sup>nd</sup> Annual Police Officers' and Firefighters' Pension Conference would be held in Orlando from September 26-28, 2023.
- Ms. Bailey advised that the Fund's presentation to the City Commission had been reschedule to October 2023.
- Ms. Bailey provided the Board with the DROP Participant List.

In response to a question, Ms. Bailey advised that the renovations are on schedule. She also advised that the Fund continues to work with the City to identify the data missing from the CPMS system.

**8. PUBLIC COMMENTS**

There were no public comments.

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

Trustee Shaw thanked the City staff for their assistance to the Fund, especially the Finance Department with CPMS and DCM with the renovations.

**10. ADJOURNMENT**

**MOTION** made by Trustee D. Keller, seconded by Trustee G. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:45p.m.

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Phyllis Shaw, Chair

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Date

# **AGENDA ITEM 3.B.**

## **CONSENT AGENDA**

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

# Refunds and DROP Distributions

## September 26, 2023 Regular Pension Board Meeting

Name	Refund
<u>Refunds of Contributions</u>	
Auberry, Darryl	\$ 457.20
Brignardello, Louis	16,809.11
Forrester, Sean	13,303.67
Maken, Mayur	24,769.42
McClenic, Christopher	5,858.52
Mitchell, Brandy	35,724.68
Newaldass, Shivsingh	115,202.75
Nixon, Noble	2,564.70
	\$ <u>214,690.05</u>
<u>Planned Retirement</u>	
	\$ <u>-</u>
<u>Partial Lump Sum Distribution</u>	
None	\$ <u>0.00</u>
<u>DROP Distributions</u>	
None	\$
	\$ <u>0.00</u>
TOTAL: \$	<u><u>214,690.05</u></u>



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

2450 Center Court Condominium	(\$3,370.09)
IFEBP (69th Conference)	(\$55.00)
LM Capital Group (April-June 2023)	(\$6,269.42)
Lorium PLLC (July 2023)	(\$8,472.00)
Principal (April-June 2023)	(\$12,673.50)
Segal Advisors Inc (July 2023)	(\$4,166.67)
Segal Advisors Inc (July 2023)	(\$10,833.33)
The Northern Trust Company (April-June	(\$7,837.53)
Wellington Trust (April-June 2023)	(\$79,537.01)
Wells Fargo CC (Supplies)	(\$216.10)
	<u>(\$133,430.65)</u>

**Capital Expenditures**

Gary Tunnicliffe & Jack Ziegler LLC	(\$16,030.00)
Vercetti Enterprises LLC	(\$42,457.21)
	<u>(\$58,487.21)</u>

<b>Total</b>	<u><u>(\$191,917.86)</u></u>
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# **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**  
**September 26, 2023 Regular Pension Board Meeting**

<u>New Retirement</u>	Future Benefit	Pension
None		
<u>Benefits Stopped</u>		
Lay, Arlie - Died 07/07/2023	None	\$ (2,432.60)
Sloyer, Joan - Died 07/10/2023	None	\$ (1,371.64)
<u>Benefits Stopped August 25, 2023- Missing Life Certificates</u>		
Dees, William		\$ 1,951.91
Dees, William		\$ 506.79
Dondiego, Rosemary		\$ 1,647.84

# **AGENDA ITEM 4.A.**

## **FINANCIAL**

### **FINANCIAL OPERATIONS AND INVESTMENT SUMMARY**

**CITY OF HOLLYWOOD**  
**EMPLOYEES' RETIREMENT FUND**  
**FINANCIAL OPERATIONS AND INVESTMENT SUMMARY**  
**PRELIMINARY**  
**August 31, 2023**  
**Fiscal Year-To-Date**

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
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		\$ 3,438,682.99	
Pension Disbursement		\$ (36,254,411.46)	
Buliding		\$ (221,408.97)	
CPMS project		\$ (202,687.50)	
Administrative Expenses		\$ (732,558.95)	(1)
Net Contributions/Payments		\$ (8,479,910.89)	
Investment Income:			
Dividends & Interest Received		\$ 6,076,257.59	
Gain on Sales (Realized Gains/(Loss))		\$ 6,162,724.84	
Commission Recapture		\$ -	
Total Invest. Professional Fees		\$ (454,028.02)	(2)
Net Investment Income		\$ 11,784,954.41	
Balance August 31, 2023	\$ 426,914,991.16	\$ 334,680,114.05	\$ 92,234,877.11
Increase (Decrease) for the Period	\$ 40,644,993.80	\$ 3,305,043.52	\$ 37,339,950.28
Unreconciled			(2,461,503.68)
<u>Unrealized Gain (Loss) Account</u>			
Composition of Increases (Decreases)			
Affiliated Development			\$ 205,567.43
AG Direct Lending			\$ 517,875.01
Angelo-Gordon Realty			\$ (1,343,366.01)
Baird Core Plus Bond Fund			\$ 1,015,234.82
Brightwood			\$ 328,562.00
Earnest Partners			\$ 539,100.63
EnTrust Blue Ocean			\$ 569,848.00
Golden Tree			\$ 1,762,579.26
Gold Point			\$ 155,778.68
Harbourvest Dover IX49			\$ (196,973.98)
IFM Global			\$ 1,090,307.34
LM Capital			\$ 226,021.66
Loomis Sayles			\$ 1,165,731.09
Marathon			\$ 288,128.41
Morgan Stanley			\$ (1,881,582.31)
NB Crossroads			\$ 881,948.98
NB Private Debt			\$ (242,254.04)
Neuberger Short Duration			\$ 1,910,589.63
Northern Trust-Extended			\$ 2,370,811.03
Northern Trust			\$ 15,414,246.35
Principal Investors			\$ (2,550,514.64)
RBC Emerging Markets			\$ 3,315,573.60
Thompson, Siegel & Walmsley			\$ 1,673,434.63
Wellington International			\$ 7,661,799.03
			\$ 34,878,446.60
Investment Return			
Net Investment Income			\$ 11,784,954.41
Increases (Decrease) in Unrealized Gain/Loss			\$ 37,339,950.28
Total Investment Return for the Period			\$ 49,124,904.69
Beginning Market Value			\$ 386,269,997.36
Plus/(Less): Net Contributions/Payment			\$ (8,479,910.89)
Assets Available for Investment			\$ 377,790,086.47
Investment Return as a result of % of Assets Available for Investments			13.00%

(1) (2) Refer to Cash Payments Detail

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

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	<u>(\$133,430.65)</u>

**Capital Expenditures**

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	<u>(\$58,487.21)</u>

<b>Total</b>	<u><u>(\$191,917.86)</u></u>
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	<b>FYE 2023 Expenses</b>	<b>FYE 2023 Disbursements By Type</b>	<b>FYE 2023 Disbursements</b>
September	\$ (156,512.94)		\$ -
October	\$ (46,711.34)		\$ (105,513.64)
November	\$ (49,857.83)		\$ (64,834.16)
December	\$ (63,256.00)	Admin. Expenses \$ (732,558.95)	\$ (171,797.95)
January	\$ (164,366.32)	Total Invest. Prof. Fees \$ (454,028.02)	\$ (164,366.32)
February	\$ (58,738.32)	Building \$ (221,408.97)	\$ (58,738.32)
March	\$ (192,715.86)	CPMS Project \$ (202,687.50)	\$ (192,715.86)
April	\$ (230,963.61)		\$ (230,963.61)
May	\$ (145,354.39)		\$ (145,354.39)
June	\$ (143,248.72)		\$ (143,248.72)
July	\$ (141,232.61)		\$ (141,232.61)
August	\$ (191,917.86)		\$ (191,917.86)
	<u>\$ (1,584,875.80)</u>	<u>\$ (1,610,683.44)</u>	<u>\$ (1,610,683.44)</u>

**City of Hollywood Employees Retirement Fund**  
**Budget v. Actual**  
**For Year Ending 9/30/2023**  
**Expenses as of 08/31/2023**

	2023 Approved Budget (A)	Aug-23	YTD Actual (B)	Remaining Available (A-B)	% Remaining Available (A-B)/(A)
<b>Investment Fees:</b>					
LM Capital	25,000	6,269	24,723	277	1.11%
Northern Trust	40,000	7,838	28,860	11,140	27.85%
Thompson Siegel (TSW)	-	-	58,073	(58,073)	0.00%
Wellington	415,000	79,537	301,761	113,239	27.29%
Custodial Fees	40,000	12,674	40,611	(611)	-1.53%
<b>Total Invest. Professional Fees</b>	<b>520,000</b>	<b>106,317</b>	<b>454,028</b>	<b>65,972</b>	<b>12.69%</b>
<b>Administrative Fees:</b>					
Consultants	130,000	10,833	119,167	10,833	8.33%
Accounting	50,000	4,167	45,833	4,167	8.33%
Audit	20,000	-	21,000	(1,000)	-5.00%
GRS-Actuarial and other Fees	73,500	-	42,915	30,585	41.61%
Medical Svcs (Disability Verification)	4,800	-	-	4,800	100.00%
Lorium PLLC- Board Attorney	108,000	8,472	74,176	33,824	31.32%
<b>Total Admin. Professional Fees</b>	<b>386,300</b>	<b>23,472</b>	<b>303,091</b>	<b>83,209</b>	<b>22%</b>
<b>Personnel Expenses:</b>					
Total Salaries	293,000	-	223,813	69,187	23.61%
Taxes & Benefits	102,000	-	78,864	23,136	22.68%
Insurance	210,000	-	33,295	176,705	84.15%
<b>Total Personnel Expenses</b>	<b>605,000</b>	<b>-</b>	<b>335,972</b>	<b>269,028</b>	<b>44%</b>
<b>Other Expenses:</b>					
Continuing Education/Dues	42,000	67	18,745	23,255	55.37%
Training-Travel, Meals & Lodging	45,000	36	32,420	12,580	27.95%
Participant/Member Education	5,000	-	-	5,000	100.00%
Equipment Rent	2,500	-	2,421	79	3.16%
Software Maintainance	11,000	-	-	11,000	100.00%
Printing & Postage Cost	3,000	-	921	2,079	69.31%
Equipment & Supplies	15,000	168	1,948	13,052	87.02%
Outside service	100	-	1,457	(1,357)	-1357.27%
Moving Costs	5,000	-	-	5,000	100.00%
Property Taxes	-	-	-	-	-100.00%
Architecture Services	-	-	-	-	-100.00%
Office Condo Utilities	12,000	601	5,749	6,251	52.09%
Office Condo Fees and Assessments	37,227	2,769	29,835	7,392	19.86%
<b>Total Other Expenses:</b>	<b>177,827</b>	<b>3,641</b>	<b>93,496</b>	<b>84,331</b>	<b>47.42%</b>
<b>Administrative Expenses</b>	<b>1,169,127</b>	<b>27,113</b>	<b>732,559</b>	<b>436,568</b>	<b>37.34%</b>
Capital Expenditures		58,487	424,096		
Contingency Reserves	220,000		-	220,000	
<b>Total Costs FYE 2022</b>	<b>1,909,127</b>	<b>191,918</b>	<b>1,610,683</b>	<b>722,540</b>	<b>37.85%</b>
<b>FYE 2022 Expenses Paid 2023</b>			(182,321)		
<b>FYE 2023 Prepaid Exp Paid 2022</b>			156,513		
<b>Total Exp FYE 2023</b>	<b>1,909,127</b>	<b>191,918</b>	<b>1,584,876</b>	<b>748,348</b>	<b>39.20%</b>

# **AGENDA ITEM 5.A.**

## **INVESTMENT**

### **JULY 2023 FLASH PERFORMANCE REPORT**

**(HANDOUT)**



# **AGENDA ITEM 5.B.**

## **INVESTMENT**

**WORK PLAN 2023**

**(HANDOUT)**

# **AGENDA ITEM 5.C.**

## **INVESTMENT**

### **BOARD INSURANCE UPDATE**



City of Hollywood Retirement Fund

# Executive Summary Commercial Insurance

**Policy Number: UCM5342775 & 88050I213ALI**

September 25, 2023



Leighann A. Thilo  
Senior Broker / Team Leader  
T 517.482.6700  
M 517.512.3410  
lthilo@segalco.com

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## Memorandum

**To:** Christine Bailey  
Executive Director

**From:** Leighann Thilo, CISR  
Senior Broker and Team Leader

**Date:** September 25, 2023

**Re:** **Commercial Lines Insurance**  
**City of Hollywood Retirement Fund**  
**Policy Numbers: UCM5342775 & 880501213ALI**

Thank you for the opportunity to present the renewal program for the City of Hollywood Retirement Fund. The Commercial Insurance Executive Summary which provides a high-level overview of the renewal quotations received for the October 1<sup>st</sup>, 2023 - October 1<sup>st</sup>, 2024, policy period. We recommend reviewing the quotes and policies with legal counsel.

We recommend renewing coverage with the incumbent carriers based on scope of coverage and continuity of coverage.

Additional information is available in the attached sections. If you would like samples of any quoted policy forms or endorsements, please let us know.

Kindly provide binding instructions before September 29, 2023. Binding instructions received after this date may result in changes or withdrawal of the quoted terms. Please note that insurance coverage cannot be bound or changed via email, voicemail, text or fax unless confirmed in writing by a licensed broker.

By sending us binding instructions, you consent to electronic delivery of any other documents required to be provided or disseminated by Segal to you under this agreement or applicable law, rule or regulation.

If you have any questions, please contact our client team:

- Broker:  
Jacob Pearce  
Associate Consultant, Insurance  
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# Summary of Premiums

In order to facilitate your insurance program, we have provided below a 2023 Commercial Insurance premium summary. This summary does not include all the coverage terms, conditions, limitations and exclusions, and is not intended to replace or supersede your insurance policies. Please review your entire policies carefully.

Named Insured	Carrier	Policy Number	Policy Type	Expiring Premium	Renewal Premium
City of Hollywood Employees Retirement Fund	Seneca	UCM5342775	Commercial Package	\$4,775.40 (Including Taxes & FL Fees)	\$1,929.24 (Including Taxes & FL Fees)
City of Hollywood Employees Retirement Fund	StarStone National Ins Co	880501224ALI	Commercial Umbrella	\$758 (Including Taxes & FL Fees)	\$847 (Including Taxes & FL Fees)
Total Premium				\$5,533.40 (Including Taxes & FL Fees)	\$2,776.24 (Including Taxes & FL Fees)

# City of Hollywood Employees Retirement Fund

## Commercial Package

### Limit and Premium

Carrier	Expiring Premium	Renewal Premium	Limits	Response
Seneca	\$4,775.40 (Including Taxes & FL Fees)	\$1,929.24 (Including Taxes & FL Fees)	Per the Below	<b>RENEWAL:</b> Key decision variables: Scope of Coverage and Continuity of Coverage

### Premium & Coverage Summary

	Expiring Terms	Renewal Option
	Seneca	Seneca
<b>Policy Summary</b>		
Policy Period	10/01/2022 - 10/01/2023	10/01/2023 – 10/01/2024
<b>Total Premium</b>	<b>\$4,775.40</b> (Including Taxes & FL Fees)	<b>\$1,929.24</b> (Including Taxes & FL Fees)
Location #1: 2600 Hollywood Blvd. 2nd Fl. Annex Building. Hollywood, FL 33020	✓	✓
Location #2: 2450 Hollywood Blvd. Hollywood, FL 33020	✓ Removed 4/18/2023	✗
<b>Property Section</b>		
Business Personal Property including stock	\$20,808 Location #1	\$21,640 Location #1
Tenants Improvements & Betterments	\$619,840 Location #2	✗
Valuation	Replacement Cost	Replacement Cost
Co-Insurance	80%	80%
Deductible	\$1,000	\$1,000
Valuable Papers and Records	\$25,000	\$25,000
Business Income & Extra Expense	\$25,000	\$25,000
Building Ordinance or Law	\$100,000	\$100,000
Certified Terrorism Excluded	✓	✓
Windstorm / Hail Exclusion	✓	✓



Designated Ongoing Operations Exclusion	✓ Location #2	✗
Water Exclusion	✓	✓
Sinkhole Loss Exclusion	✓	✓
Property Enhancement Endorsement	✓	✓
<b>General Liability</b>		
Aggregate/Occurrence	\$2,000,000/\$1,000,000	\$2,000,000/\$1,000,000
Products/Completed Operations Aggregate	\$1,000,000	\$2,000,000
Personal and Advertising Injury Limit	\$1,000,000	\$1,000,000
Medical Expenses	\$5,000	\$5,000
Damage to Premises Rented to You	\$100,000	\$100,000
Hired Auto and Non-Owned Auto Liability	\$1,000,000 Per Occurrence	\$1,000,000 Per Occurrence
General Liability Plus Enhancement	✓	✓
Certified Acts of Terrorism (Required)	✓	✓
Additional Insured – Managers or Lessors of Premises	✓ City of Hollywood	✓ City of Hollywood
Additional Insured - Executors, Administrators, Trustees Or Beneficiaries	✓	✓
Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception	✓	✓
Employment-Related Practices Exclusion	✓	✓
Exclusion - Designated Ongoing Operations	✓	✓
Fungi or Bacteria Exclusion	✓	✓
Absolute Asbestos Exclusion	✓	✓
Assault, Battery Or Assault and Battery Exclusion - Florida	✓	✓
Total Pollution Exclusion	✓	✓

## Premises Schedule

1. 2600 Hollywood Blvd. 2nd Fl. Annex Building. Hollywood, FL 33020

## Midterm Changes (Pro-rated Amounts)

- Effective 4/18/2023 Location #2 (2450 Hollywood Blvd. Hollywood, FL 33020) was removed, this generated a return of premium \$1,065. This location was removed due to the Construction.

## Notes

- Please note in order to add Location #2 (2450 Hollywood Blvd. Hollywood, FL 33020) back to the Seneca policy we will need the following information:
  - Completion Date
  - Tenants Improvements & Betterments limit
  - Business Personal Property limit
  - Provide office layout / floor plans

# Umbrella Liability

## Limit and Premium

Carrier	Expiring Premium	Renewal Premium	Limit of Liability	Response
StarStone National Ins Co	\$758 (Including Taxes & FL Fees)	\$847 (Including Taxes & FL Fees)	\$1-million	<b>RENEWAL:</b> Key decision variables: Scope of Coverage and Continuity of Coverage

## Premium & Coverage Summary

	Expiring Terms	Renewal Option
	StarStone National Ins Co	StarStone National Ins Co
<b>Policy Summary</b>		
Policy Period	10/01/2022 - 10/01/2023	10/01/2023 – 10/01/2024
<b>Total Premium</b>	<b>\$758</b> (Including Taxes & FL Fees)	<b>\$847</b> (Including Taxes & FL Fees)
Self-Insured Retention	\$10,000	\$10,000
<b>Limits</b>		
General Aggregate	\$1,000,000	\$1,000,000
Products/Completed Operations Aggregate	\$1,000,000	\$1,000,000
Occurrence Limit	\$1,000,000	\$1,000,000
Personal and Advertising Injury Aggregate	\$1,000,000	\$1,000,000
Abuse & Molestation Exclusion	✓	✓
Communicable Diseases Exclusion	✓	✓
Designated Exposure Exclusion	✓	✓
Directors & Officers Exclusion	✓	✓
Terrorism Exclusion	✓	✓
Fungi or Bacteria Exclusion	✓	✓
Pollution Exclusion	✓	✓
Silica Exclusion	✓	✓
Human Trafficking Exclusion	✓	✓

## Schedule of Underlying Insurance

- Seneca – UCM5342775

# Subjectivities

**This section summarizes the additional information the carrier will require to bind coverage.**

Seneca

- There are no subjectivities at this time.

StarStone National Ins Co

- There are no subjectivities at this time.



# Services and Compensation Disclosure

Segal acknowledges that it is a “covered service provider” within the meaning of Section 408(b)(2) of ERISA when providing Services and will disclose any fees and other compensation it receives in accordance with the requirements of with ERISA Section 408(b)(2). Upon request, Segal will provide an annual statement describing the indirect compensation it received in the previous plan year. Midwest Operating Engineers Funds agrees and acknowledges that it has received a copy of this Agreement for review reasonably in advance of entering into this Agreement and that the designation of Segal as a service provider, and any other transactions contemplated by this Agreement, are consistent with and permissible under the plan documents.

A copy of Segal's firm-wide ERISA Section 408(b)(2) fee disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## NY Regulation 194

A copy of Segal's firm-wide NY Regulation 194 disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Segal does not provide tax advice so please contact your tax consultant for your obligation regarding to FATCA.

# Supplemental Information & Disclosures

While many insurance policies may follow a similar format, substantial differences exist between carriers. Segal recommends Insureds familiarize themselves with the policy's basic coverage features, especially those that require action on their part, and that legal counsel review all insurance policies.

## Notice of incident, claim or circumstances

Please carefully review any incident reporting instructions. Failure to timely and properly report a claim may jeopardize coverage for expenses or claims. In addition, you should retain copies of all insurance policies and coverage documents as well as incident reporting instructions after termination of the policies because in some cases you may need to report an incident after termination of a policy.

**Disclosure in an application does not meet these terms and conditions. All regulatory audits or investigations should be treated as a claim and noticed to the insurance carrier as soon as the first written communication from a regulatory agency is received.**

Notice must be in accordance with the policy's terms and conditions and must be sent to a designated address. All electronic claim notifications to be processed by Segal must be sent to [claims@segalco.com](mailto:claims@segalco.com). Please copy your broker team on any notification, but Segal is not responsible for the processing of any electronic claim notification if it is not addressed to [claims@segalco.com](mailto:claims@segalco.com).

## Extended reporting period

Should consideration be made to move coverage from one carrier to another, or there is a material change in terms and conditions, the Insured may also consider purchasing an Extended Reporting Period (ERP), commonly known as "Tail Coverage." An ERP provides the Insured additional time to report claims or circumstances that occurred up to the date of the policy's expiration. This coverage is available for an additional premium and period to be determined by the carrier. Some policies may also offer an automatic ERP for no additional premium. Please review your policy for specific terms and conditions.

## Insured's obligation to notify the insurer

In addition to an obligation to notice the insurer of any claim or circumstance as soon as practicable, the policy will, or may, obligate the Insured to provide notice to the insurer in other instances.

## Insurance carrier ratings

Insurance brokers rely on financial rating services such as A.M Best and Standard & Poor's. All financial ratings are subject to periodic review and therefore, it is important to obtain ratings from each service. If you need information about the financial statements of any of the



insurance companies being proposed so you can make your own assessment of the financial strength of the companies being offered in this proposal, please contact us.

Both A.M. Best and Standard & Poor's websites can provide the publicly available information collected to enable you to make an informed decision to accept or reject a particular carrier. To learn more, please visit them at [www.ambest.com](http://www.ambest.com) and [www.spglobal.com](http://www.spglobal.com).

## Proposal advisory

This quote memo is a summary of coverage forms, limits of insurance, endorsements and other terms and conditions of the carrier quotations. Please review quotes and policies with legal counsel for specific terms, conditions, limitations, exclusions or the calculation of premiums that will govern in the event of a loss.

This quote memo does not amend, or otherwise affect, the provisions of coverage of any resulting insurance policy issued by any insurance company to you. It is your responsibility to check the policy or policies being purchased for accuracy.

This proposal is not a representation that coverage does or does not exist for any particular claim or loss under any policy. Coverage depends on the applicable provisions of the actual policy issued, the facts and circumstances involved in each claim or loss, and any applicable law.

You, the proposed Insured, represent and warrant that the information provided by you in connection with the application for insurance is complete and accurate through the later of the date that (1) coverage is bound or (2) coverage becomes effective. You agree to immediately notify Segal, in writing, if any of the information included in the application changes between the date the application for quotation/insurance coverage is submitted and the later of (1) the date of the quotation or the date coverage is bound or (2) the effective date of coverage. You understand and acknowledge that the quoting insurance carriers may reserve the right to withdraw or amend any outstanding quotations based upon such changes and that Segal will not have any liability whatsoever for the decisions of any quoting insurance carriers based on any such changes.



## Your Organization May Need a Range of Insurance Coverage

Type of Insurance	Protection
Fiduciary liability coverage	Allegations of breach of fiduciary duty and administrative errors
Cyber liability coverage	Data incidents, breach events, ransomware or malware attacks and social engineering fraud at your organization or at one of your vendors
Employment practices liability	Allegations of harassment or discrimination in employment made by an employee or a third party (non-employee)
Fidelity bond (mandated by ERISA or LAMBDA)	Losses related to employee to fraud, dishonesty, and/or third-party crime
Crime coverage	Losses related to theft and forgery, such as fraudulent electronic funds transfer coverage, manipulation of computer systems, including by employees and third-party losses, such as social engineering fraud
Educators' liability coverage	Allegations of improper or insufficient training or hiring practices including libel, slander, plagiarism and trademark/copyright violations
Directors' and officers' or union liability coverage	Allegations of malpractice (wrongful errors and omissions, fair representation or personal injury) against a board of directors or union officers, respectively
Employed lawyers coverage	Allegations of legal malpractice by in-house attorneys and legal assistants, including when "moonlighting" and providing pro bono legal services
Medical professional coverage	Allegations of wrongful medical professional practices and services including exposures to HIPAA proceedings
Errors and omissions (E&O) or managed care E&O coverage	Protection for acts of your professional services specifically tailored to meet the client services provided
Media insurance	Coverage for traditional electronic and print media as well as coverage crafted for social media, including defamation and copyright infringement
Student accident	Injury of students, volunteers or other participants in formal instruction or training programs
Travel accident coverage	Accidental death and dismemberment during business travel or available to students learning on the job
Workplace violence/active shooter coverage	Indemnify for specific expenses, business interruption and third-party legal liability for a covered event
Business property coverage	Structural damage to owned, leased or rented property from fire, vandalism or theft
Business personal property coverage	Office equipment resulting from a covered loss on or off premises
Business income/extra expense coverage	Forced closure due to direct physical loss or damage to premises resulting from a covered cause of loss
Business liability coverage	Business found legally responsible for causing injuries or damages to third parties
Business auto coverage	Owned or leased vehicles used for business purposes
Non-owned auto coverage	Employees using their personal vehicles for business purposes
Hired auto coverage	Autos leased, hired or borrowed by employees in the short term for business purposes



Umbrella liability coverage	Liability coverage in excess of primary liability policies including customized coverage
Flood and earthquake coverage	Property damage from a flood resulting from hurricanes, tropical storms and heavy rains as well as natural disasters such as earthquakes
Equipment breakdown coverage	Equipment failure due to a breakdown
Employee tools and equipment coverage	Tools and equipment used for training or business
Event cancellation	Unforeseen losses related to hosting cancelled or postponed covered events to protect your investment





City of Hollywood Employees Retirement Fund

# Public Officials Bond

**Policy No. 106745674**

September 25, 2023

## Memorandum

**To:** Christine Bailey  
Executive Director

**From:** Leighann Thilo, CISR  
Senior Broker and Team Leader

**Date:** September 25, 2023

**Re:** **Public Officials Bond**  
**City of Hollywood Employees Retirement Fund**  
**Policy No. 106745674**

Thank you for the opportunity to provide a quotation for this year's renewal of the Public Officials bond. We recommend renewing coverage with Travelers.

Carrier	Premium	Limit of Liability	Retention	Response
Travelers	\$4,375	\$1.25-million	\$0	<b>INCUMBENT OPTION</b> Key decision variables: broad scope of coverage, continuity

Please provide binding instructions at your earliest convenience, but no later than September 30<sup>th</sup>, 2023. Binding instructions received after this date may result in changes or withdrawal of the quoted terms. Please note that insurance coverage cannot be bound or changed via email, voicemail, text, or fax unless confirmed by a licensed broker.

If you have any questions, please contact our client team:

- **Broker:**  
Jacob Pearce  
Associate Consultant, Insurance  
346 330 0918  
[jpearce@segalco.com](mailto:jpearce@segalco.com)
- **Broker:**  
Leighann Thilo, CISR  
Senior Broker / Team Leader  
517 482 6700  
[lthilo@segalco.com](mailto:lthilo@segalco.com)
- **Lead Regional Consultant:**  
Matthew Jackson, RPLU, CCIC  
Senior Vice President  
212 251 5387  
[mjackson@segalco.com](mailto:mjackson@segalco.com)

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# Premium & Coverage Summary<sup>1</sup>

Description	Expiring Terms	Renewal
	Travelers	Travelers
<b>Policy Summary</b>		
Policy Period	10/01/2022– 10/01/2023	10/01/2023– 10/01/2024
Limit of Liability	\$1,250,000	\$1,250,000
Annual Premium	\$4,375	\$4,375
Retention	\$0	\$0
<b>Coverages/Endorsements</b>		
Guarantee Coverage Per Position	\$250,000	\$250,000

<sup>1</sup> These policy summaries are not an exhaustive list and are not legal interpretations of coverage. Insurance policies are legal contracts that counsel should review.



# | Policy Analyses

## Scope of Coverage

Covered Individuals	Position	Amount of Guarantee
Phyllis Shaw	Chair of Board	\$250,000
Robert Strauss	Secretary of the Board	\$250,000
Christine Bailey	Executive Director	\$250,000
Veron Sibble	Pension Coordinator	\$250,000
George Keller Jr.	Vice Chair of Trustees	\$250,000

## Limit of Liability

Travelers quoted the same \$1,250,000 as expiring based on the individuals listed above. Each individual listed above is guaranteed \$250,000 coverage.

## Premium

Travelers quoted a flat renewal for this year Bond.

## Continuity

Continuity is a concept addressing the scope of coverage provided by a renewal policy from the incumbent carrier or a new policy from a new carrier. The policy in force when a claim is made will determine whether coverage is or is not provided. When renewing coverage with the incumbent or moving coverage to a new carrier, the insured should determine whether the renewal (or new) policy will provide at least the same scope of coverage as the expiring policy. In particular, a new carrier may wish to limit coverage in some fashion.

To maintain continuity, any additional policy exclusions, new Pending & Prior Litigation dates, and/or new Prior Acts dates should be reviewed.

# Subjectivities

This section summarizes the additional information the carrier will require in order to bind coverage. All subjectivities must be reviewed by the carrier before coverage can be bound.

## *Travelers*

- Nothing at this time

## Important Note

You, the proposed Insured, represent and warrant that the information provided by you in connection with the application for insurance is complete and accurate through the later of the date that (i) coverage is bound or (ii) coverage becomes effective. You agree to immediately notify Segal, in writing, if any of the information included in the application changes between date the application for quotation/insurance coverage is submitted and the later of (i) the date of the quotation or the date coverage is bound or (ii) the effective date of coverage. You understand and acknowledge that the quoting insurance carriers may reserve the right to withdraw or amend any outstanding quotations based upon such changes and that Segal will not have any liability whatsoever for the decisions of any quoting insurance carriers based on any such changes.

# Services and Compensation Disclosure

Segal acknowledges that it is a "covered service provider" within the meaning of Section 408(b)(2) of ERISA when providing Services and will disclose any fees and other compensation it receives in accordance with the requirements of with ERISA Section 408(b)(2). Upon request, Segal will provide an annual statement describing the indirect compensation it received in the previous plan year. Midwest Operating Engineers Funds agrees and acknowledges that it has received a copy of this Agreement for review reasonably in advance of entering into this Agreement and that the designation of Segal as a service provider, and any other transactions contemplated by this Agreement, are consistent with and permissible under the plan documents.

A copy of Segal's firm-wide ERISA Section 408(b)(2) fee disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## NY Regulation 194

A copy of Segal's firm-wide NY Regulation 194 disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Segal does not provide tax advice so please contact your tax consultant for your obligation regarding to FATCA.



# Supplemental Information & Disclosures

While many insurance policies may follow a similar format, substantial differences exist between carriers. Segal recommends Insureds familiarize themselves with the policy's basic coverage features, especially those that require action on their part, and that legal counsel review all insurance policies.

## Notice of incident, claim or circumstances

Please carefully review any incident reporting instructions. Failure to timely and properly report a claim may jeopardize coverage for expenses or claims. In addition, you should retain copies of all insurance policies and coverage documents as well as incident reporting instructions after termination of the policies because in some cases you may need to report an incident after termination of a policy.

**Disclosure in an application does not meet these terms and conditions. All regulatory audits or investigations should be treated as a claim and noticed to the insurance carrier as soon as the first written communication from a regulatory agency is received.**

Notice must be in accordance with the policy's terms and conditions and must be sent to a designated address. All electronic claim notifications to be processed by Segal must be sent to [claims@segalco.com](mailto:claims@segalco.com). Please copy your broker team on any notification, but Segal is not responsible for the processing of any electronic claim notification if it is not addressed to [claims@segalco.com](mailto:claims@segalco.com).

## Extended reporting period

Should consideration be made to move coverage from one carrier to another, or there is a material change in terms and conditions, the Insured may also consider purchasing an Extended Reporting Period (ERP), commonly known as "Tail Coverage." An ERP provides the Insured additional time to report claims or circumstances that occurred up to the date of the policy's expiration. This coverage is available for an additional premium and period to be determined by the carrier. Some policies may also offer an automatic ERP for no additional premium. Please review your policy for specific terms and conditions.

## Insured's obligation to notify the insurer

In addition to an obligation to notice the insurer of any claim or circumstance as soon as practicable, the policy will, or may, obligate the Insured to provide notice to the insurer in other instances.

## Insurance carrier ratings

Insurance brokers rely on financial rating services such as A.M Best and Standard & Poor's. All financial ratings are subject to periodic review and therefore, it is important to obtain ratings from each service. If you need information about the financial statements of any of the insurance companies being proposed so you can make your own assessment of the financial strength of the companies being offered in this proposal, please contact us.

Both A.M. Best and Standard & Poor's websites can provide the publicly available information collected to enable you to make an informed decision to accept or reject a particular carrier. To learn more, please visit them at [www.ambest.com](http://www.ambest.com) and [www.spglobal.com](http://www.spglobal.com).

## Proposal advisory

This quote memo is a summary of coverage forms, limits of insurance, endorsements and other terms and conditions of the carrier quotations. Please review quotes and policies with legal counsel for specific terms, conditions, limitations, exclusions or the calculation of premiums that will govern in the event of a loss.

This quote memo does not amend, or otherwise affect, the provisions of coverage of any resulting insurance policy issued by any insurance company to you. It is your responsibility to check the policy or policies being purchased for accuracy.

This proposal is not a representation that coverage does or does not exist for any particular claim or loss under any policy. Coverage depends on the applicable provisions of the actual policy issued, the facts and circumstances involved in each claim or loss, and any applicable law.

You, the proposed Insured, represent and warrant that the information provided by you in connection with the application for insurance is complete and accurate through the later of the date that (1) coverage is bound or (2) coverage becomes effective. You agree to immediately notify Segal, in writing, if any of the information included in the application changes between the date the application for quotation/insurance coverage is submitted and the later of (1) the date of the quotation or the date coverage is bound or (2) the effective date of coverage. You understand and acknowledge that the quoting insurance carriers may reserve the right to withdraw or amend any outstanding quotations based upon such changes and that Segal will not have any liability whatsoever for the decisions of any quoting insurance carriers based on any such changes.



## Your Organization May Need a Range of Insurance Coverage

Type of Insurance	Protection
Fiduciary liability coverage	Allegations of breach of fiduciary duty and administrative errors
Cyber liability coverage	Data incidents, breach events, ransomware or malware attacks and social engineering fraud at your organization or at one of your vendors
Employment practices liability	Allegations of harassment or discrimination in employment made by an employee or a third party (non-employee)
Fidelity bond (mandated by ERISA or LAMBDA)	Losses related to employee to fraud, dishonesty, and/or third-party crime
Crime coverage	Losses related to theft and forgery, such as fraudulent electronic funds transfer coverage, manipulation of computer systems, including by employees and third-party losses, such as social engineering fraud
Educators' liability coverage	Allegations of improper or insufficient training or hiring practices including libel, slander, plagiarism and trademark/copyright violations
Directors' and officers' or union liability coverage	Allegations of malpractice (wrongful errors and omissions, fair representation or personal injury) against a board of directors or union officers, respectively
Employed lawyers coverage	Allegations of legal malpractice by in-house attorneys and legal assistants, including when "moonlighting" and providing pro bono legal services
Medical professional coverage	Allegations of wrongful medical professional practices and services including exposures to HIPAA proceedings
Errors and omissions (E&O) or managed care E&O coverage	Protection for acts of your professional services specifically tailored to meet the client services provided
Media insurance	Coverage for traditional electronic and print media as well as coverage crafted for social media, including defamation and copyright infringement
Student accident	Injury of students, volunteers or other participants in formal instruction or training programs
Travel accident coverage	Accidental death and dismemberment during business travel or available to students learning on the job
Workplace violence/active shooter coverage	Indemnify for specific expenses, business interruption and third-party legal liability for a covered event
Business property coverage	Structural damage to owned, leased or rented property from fire, vandalism or theft
Business personal property coverage	Office equipment resulting from a covered loss on or off premises
Business income/extra expense coverage	Forced closure due to direct physical loss or damage to premises resulting from a covered cause of loss
Business liability coverage	Business found legally responsible for causing injuries or damages to third parties
Business auto coverage	Owned or leased vehicles used for business purposes
Non-owned auto coverage	Employees using their personal vehicles for business purposes



Hired auto coverage	Autos leased, hired or borrowed by employees in the short term for business purposes
Umbrella liability coverage	Liability coverage in excess of primary liability policies including customized coverage
Flood and earthquake coverage	Property damage from a flood resulting from hurricanes, tropical storms and heavy rains as well as natural disasters such as earthquakes
Equipment breakdown coverage	Equipment failure due to a breakdown
Employee tools and equipment coverage	Tools and equipment used for training or business
Event cancellation	Unforeseen losses related to hosting cancelled or postponed covered events to protect your investment





City of Hollywood Employees Retirement Fund

# Fiduciary Liability Insurance

**Primary Policy Number: SFD31211202**

September 22, 2023



Matthew Jackson, RPLU, CCIC  
Senior Vice President  
T 212.251.5387  
M 914.815.2902  
mjackson@segalco.com

333 West 34th Street  
New York, NY 10001-2402  
T 212.251.5000  
F 212.251.5490  
segalco.com  
CA License No. 0106323

## Memorandum

**To:** Christine Bailey  
Executive Director

**From:** Matthew Jackson, RPLU, CCIC  
Senior Vice President

**Date:** September 22, 2023

**Re:** **Fiduciary Liability Insurance**  
**City of Hollywood Employees Retirement Fund**  
**Primary Policy Number: SFD31211202**

Thank you for the opportunity to provide quotations for this year's renewal of Fiduciary Liability Insurance. We obtained quotes from the incumbent carriers – Euclid/Hudson, Ullico/Markel, and Chubb – and recommend renewing with them based on continuity, capacity, scope of coverage, and a competitive \$3,111 (2.3%) increase from the expiring.

Carrier	Premium	Limit of Liability	Response
Euclid/Hudson	\$79,274	\$5 million	<b>Incumbent Options</b> Key decision variables: maintain continuity, capacity, scope of coverage, competitive renewal premium
Ullico/Markel	\$33,495	\$5 million	
Chubb	\$27,839	\$5 million	
Total	\$140,608 + FL Surcharge	\$15 million	\$3,111 (2.3%) combined increase

Additional information is available in the attached sections. If you would like samples of any quoted policy forms or endorsements, please let us know.

Kindly provide binding instructions before September 29, 2023. Binding instructions received after this date may result in changes or withdrawal of the quoted terms. Please note that insurance coverage cannot be bound or changed via email, voicemail, text or fax unless confirmed in writing by a licensed broker.

By sending us binding instructions, you consent to electronic delivery of any other documents required to be provided or disseminated by Segal to you under this agreement or applicable law, rule or regulation.

If you have any questions, please contact our client team:

- Broker:

Jacob Pearce  
Associate Consultant, Insurance  
346 330 0918  
[jpearce@segalco.com](mailto:jpearce@segalco.com)

- Broker:

Leighann Thilo, CISR  
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- Lead Regional Consultant:

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# Premium and Coverage Summary\*

## Primary

Description	Expiring Terms Euclid/Hudson	Renewal Option for Euclid/ Hudson
<b>Policy Summary</b>		
Policy Period	10/1/2022-10/1/2023	10/1/2023-10/1/2024
Limit of Liability	\$5-million	\$5-million
Basic Premium	\$76,846	\$79,274
Waiver of Recourse Premium	\$175	\$175
State Surcharge	\$1,540.42	\$1,349.41
Retention	\$0	\$0
<b>Coverages/Endorsements</b>		
Administrative Errors & Omissions	✓	✓
Conduct Exclusions – Final Adjudication	✓	✓
Duty to Defend	✓	✓
Enforcement Agency Interview Coverage	✓	✓
First Party Benefit Overpayment Coverage	✓ \$100,000 submit for miscalculations	✓ \$100,000 submit for miscalculations
First Party Cyber Reimbursement	✓ \$100,000 submit	✓ \$100,000 submit
HIPAA Fines/Penalties	✓	✓
Insufficient Funding/Collection of Contributions Exclusion	✓ Defense coverage only	✓ Defense coverage only
IRC 4975 Tax Coverage	✓	✓
Miscellaneous Regulatory Penalty Coverage	✓ \$250,000 submit	✓ \$250,000 submit
No Hammer/Settlement Clause	✓	✓
Non-Cancellable Except for non Payment	✓	✓
Non-Fiduciary Defense	✓ \$2-million submit	✓ \$2-million submit

\* These policy summaries are not an exhaustive list and are not legal interpretations of coverage. Insurance policies are legal contracts that counsel should review.

Description	Expiring Terms Euclid/Hudson	Renewal Option for Euclid/ Hudson
Pending and Prior Litigation Exclusion	✓ 9/4/1998	✓ 9/4/1998
PPACA Fines/Penalties	✓	✓
Pre-Claim Investigation Coverage	✓ Any "federal, state, or local law enforcement or governmental authority"	✓ Any "federal, state, or local law enforcement or governmental authority"
Prior Notice Exclusion	✓	✓
Section 203 Bipartisan Act Penalty Coverage	✓	✓
Selection of Defense Counsel	✓	✓
Settlor/Plan Sponsor Coverage	✓	✓
Severability Coverage	✓	✓
Specific Litigation Exclusion — Florida Circuit Court Case CACE 15-017333	✓	✓
Specific Matter Exclusion — RLI Claim # 00413206 (13 <sup>th</sup> Check matter)	✓	✓
Spousal Coverage	✓	✓
State Amendatory Endorsement(s)	✓	✓
Surcharge/Equitable Relief Coverage	✓	✓
Umbrella Penalty Endorsement	✓ \$250,000 sublimit	✓ \$250,000 sublimit
Voluntary Settlement Program	✓ \$250,000 sublimit One Reinstatement	✓ \$250,000 sublimit One Reinstatement

# First Excess

Description	Expiring Terms Ullico/Markel	Renewal Option for Ullico/Markel
<b>Policy Summary</b>		
Policy Period	10/1/2022-10/1/2023	10/1/2023-10/1/2024
Limit of Liability	\$5-million	\$5-million
Basic Premium	\$33,316	\$33,495
Waiver of Recourse Premium	\$175	\$175
State Surcharge	\$669.82	\$572.40
Retention	\$5-million	\$5-million
<b>Coverages/Endorsements</b>		
First Party Benefit Overpayment Coverage	✓ \$100,000 dropdown	✓ \$100,000 dropdown
First Party Cyber Reimbursement	✓ \$100,000 dropdown	✓ \$100,000 dropdown
Miscellaneous Regulatory Penalty Coverage	✓ \$250,000 dropdown	✓ \$250,000 dropdown
Non-Fiduciary Defense	✓ \$2-million dropdown	✓ \$2-million dropdown
State Amendatory Endorsement(s)	✓	✓
Umbrella Penalty Endorsement	✓ \$250,000 dropdown	✓ \$250,000 dropdown
Voluntary Settlement Program	✓ \$250,000 dropdown	✓ \$250,000 dropdown

## Second Excess

Description	Expiring Terms Chubb	Renewal Option for Chubb
<b>Policy Summary</b>		
Policy Period	10/1/2022-10/1/2023	10/1/2023-10/1/2024
Limit of Liability	\$5-million	\$5-million
Basic Premium	\$27,335	\$27,839
Waiver of Recourse Premium	\$175	\$175
State Surcharge	\$546.71	\$476.24
Retention	\$10-million	\$10-million
<b>Coverages/Endorsements</b>		
First Party Benefit Overpayment Coverage	✓ \$100,000 dropdown	✓ \$100,000 dropdown
First Party Cyber Reimbursement	✓ \$100,000 dropdown	✓ \$100,000 dropdown
Miscellaneous Regulatory Penalty Coverage	✓ \$250,000 dropdown	✓ \$250,000 dropdown
Non-Fiduciary Defense	✓ \$2-million dropdown	✓ \$2-million dropdown
State Amendatory Endorsement(s)	✓	✓
Umbrella Penalty Endorsement	✓ \$250,000 dropdown	✓ \$250,000 dropdown
Voluntary Settlement Program	✓ \$250,000 dropdown	✓ \$250,000 dropdown

# | Policy Analyses

## **Limit of liability**

The carriers have quoted the same \$5-million limit per policy, and \$15-million aggregate limit of liability as expiring. Higher limits may be available upon request.

## **Premium**

The carriers have quoted a combined premium increase of \$3,111 (2.3%) for this renewal, which is a competitive increase in the current market.

Please note, however, the required Florida State Surcharge amount on each policy was reduced by a combined \$358.90, negating some of the total cost increase from the expiring program.

## **Scope of coverage**

Euclid/Hudson has quoted the same primary scope of coverage as expiring.

The excess carriers will continue to dropdown and match certain sublimits in the primary policy (e.g., 502(c), Voluntary Settlement Program, etc.), increasing the total amount available for those coverages.

## **Continuity of coverage**

Continuity is a concept addressing the scope of coverage provided by a renewal policy from the incumbent carrier or a new policy from a new carrier. When a claim is made the policy in force will determine whether coverage is provided. When renewing coverage with the incumbent or moving coverage to a new carrier, the insured should determine whether the renewal (or new) policy will provide at least the same scope of coverage as the expiring policy. In particular, a new carrier may wish to limit coverage in some fashion.

To maintain continuity, review any additional policy exclusions, new Pending & Prior Litigation dates, and/or new Prior Acts dates.

# | Subjectivities

**This section summarizes the additional information the carrier will require to bind coverage.**

Euclid/Hudson

- There are no subjectivities at this time.

Ullico/Markel

- There are no subjectivities at this time.

Chubb

- There are no subjectivities at this time.





# Services and Compensation Disclosure

Segal acknowledges that it is a "covered service provider" within the meaning of Section 408(b)(2) of ERISA when providing Services and will disclose any fees and other compensation it receives in accordance with the requirements of with ERISA Section 408(b)(2). Upon request, Segal will provide an annual statement describing the indirect compensation it received in the previous plan year. The insured agrees and acknowledges that it has received a copy of this Agreement for review reasonably in advance of entering into this Agreement and that the designation of Segal as a service provider, and any other transactions contemplated by this Agreement, are consistent with and permissible under the plan documents.

A copy of Segal's firm-wide ERISA Section 408(b)(2) fee disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## NY Regulation 194

A copy of Segal's firm-wide NY Regulation 194 disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Segal does not provide tax advice so please contact your tax consultant for your obligation regarding to FATCA.

# Supplemental Information & Disclosures

While many insurance policies may follow a similar format, substantial differences exist between carriers. Segal recommends Insureds familiarize themselves with the policy's basic coverage features, especially those that require action on their part, and that legal counsel review all insurance policies.

## Notice of incident, claim or circumstances

Please carefully review any incident reporting instructions. Failure to timely and properly report a claim may jeopardize coverage for expenses or claims. In addition, you should retain copies of all insurance policies and coverage documents as well as incident reporting instructions after termination of the policies because in some cases you may need to report an incident after termination of a policy.

**Disclosure in an application does not meet these terms and conditions. All regulatory audits or investigations should be treated as a claim and noticed to the insurance carrier as soon as the first written communication from a regulatory agency is received.**

Notice must be in accordance with the policy's terms and conditions and must be sent to a designated address. All electronic claim notifications to be processed by Segal must be sent to [claims@segalco.com](mailto:claims@segalco.com). Please copy your broker team on any notification, but Segal is not responsible for the processing of any electronic claim notification if it is not addressed to [claims@segalco.com](mailto:claims@segalco.com).

## Extended reporting period

Should consideration be made to move coverage from one carrier to another, or there is a material change in terms and conditions, the Insured may also consider purchasing an Extended Reporting Period (ERP), commonly known as "Tail Coverage." An ERP provides the Insured additional time to report claims or circumstances that occurred up to the date of the policy's expiration. This coverage is available for an additional premium and period to be determined by the carrier. Some policies may also offer an automatic ERP for no additional premium. Please review your policy for specific terms and conditions.

## Insured's obligation to notify the insurer

In addition to an obligation to notice the insurer of any claim or circumstance as soon as practicable, the policy will, or may, obligate the Insured to provide notice to the insurer in other instances.



## Insurance carrier ratings

Insurance brokers rely on financial rating services such as A.M Best and Standard & Poor's. All financial ratings are subject to periodic review and therefore, it is important to obtain ratings from each service. If you need information about the financial statements of any of the insurance companies being proposed so you can make your own assessment of the financial strength of the companies being offered in this proposal, please contact us.

Both A.M. Best and Standard & Poor's websites can provide the publicly available information collected to enable you to make an informed decision to accept or reject a particular carrier. To learn more, please visit them at [www.ambest.com](http://www.ambest.com) and [www.spglobal.com](http://www.spglobal.com).

## Proposal advisory

This quote memo is a summary of coverage forms, limits of insurance, endorsements and other terms and conditions of the carrier quotations. Please review quotes and policies with legal counsel for specific terms, conditions, limitations, exclusions or the calculation of premiums that will govern in the event of a loss.

This quote memo does not amend, or otherwise affect, the provisions of coverage of any resulting insurance policy issued by any insurance company to you. It is your responsibility to check the policy or policies being purchased for accuracy.

This proposal is not a representation that coverage does or does not exist for any particular claim or loss under any policy. Coverage depends on the applicable provisions of the actual policy issued, the facts and circumstances involved in each claim or loss, and any applicable law.

You, the proposed Insured, represent and warrant that the information provided by you in connection with the application for insurance is complete and accurate through the later of the date that (1) coverage is bound or (2) coverage becomes effective. You agree to immediately notify Segal, in writing, if any of the information included in the application changes between the date the application for quotation/insurance coverage is submitted and the later of (1) the date of the quotation or the date coverage is bound or (2) the effective date of coverage. You understand and acknowledge that the quoting insurance carriers may reserve the right to withdraw or amend any outstanding quotations based upon such changes and that Segal will not have any liability whatsoever for the decisions of any quoting insurance carriers based on any such changes.



## Your Organization May Need a Range of Insurance Coverage

Type of Insurance	Protection
Fiduciary liability coverage	Allegations of breach of fiduciary duty and administrative errors
Cyber liability coverage	Data incidents, breach events, ransomware or malware attacks and social engineering fraud at your organization or at one of your vendors
Employment practices liability	Allegations of harassment or discrimination in employment made by an employee or a third party (non-employee)
Fidelity bond (mandated by ERISA or LMRDA)	Losses related to employee to fraud, dishonesty, and/or third-party crime
Crime coverage	Losses related to theft and forgery, such as fraudulent electronic funds transfer coverage, manipulation of computer systems, including by employees and third-party losses, such as social engineering fraud
Educators' liability coverage	Allegations of improper or insufficient training or hiring practices including libel, slander, plagiarism and trademark/copyright violations
Directors' and officers' or union liability coverage	Allegations of malpractice (wrongful errors and omissions, fair representation or personal injury) against a board of directors or union officers, respectively
Employed lawyers coverage	Allegations of legal malpractice by in-house attorneys and legal assistants, including when "moonlighting" and providing pro bono legal services
Medical professional coverage	Allegations of wrongful medical professional practices and services including exposures to HIPAA proceedings
Errors and omissions (E&O) or managed care E&O coverage	Protection for acts of your professional services specifically tailored to meet the client services provided
Media insurance	Coverage for traditional electronic and print media as well as coverage crafted for social media, including defamation and copyright infringement
Student accident	Injury of students, volunteers or other participants in formal instruction or training programs
Travel accident coverage	Accidental death and dismemberment during business travel or available to students learning on the job
Workplace violence/active shooter coverage	Indemnify for specific expenses, business interruption and third-party legal liability for a covered event
Business property coverage	Structural damage to owned, leased or rented property from fire, vandalism or theft
Business personal property coverage	Office equipment resulting from a covered loss on or off premises
Business income/extra expense coverage	Forced closure due to direct physical loss or damage to premises resulting from a covered cause of loss
Business liability coverage	Business found legally responsible for causing injuries or damages to third parties
Business auto coverage	Owned or leased vehicles used for business purposes
Non-owned auto coverage	Employees using their personal vehicles for business purposes
Hired auto coverage	Autos leased, hired or borrowed by employees in the short term for business purposes

Umbrella liability coverage	Liability coverage in excess of primary liability policies including customized coverage
Flood and earthquake coverage	Property damage from a flood resulting from hurricanes, tropical storms and heavy rains as well as natural disasters such as earthquakes
Equipment breakdown coverage	Equipment failure due to a breakdown
Employee tools and equipment coverage	Tools and equipment used for training or business
Event cancellation	Unforeseen losses related to hosting cancelled or postponed covered events to protect your investment







City of Hollywood Employees Retirement Fund

# Employment Practices Liability Insurance

**Policy Number: SHP31210225**

September 5, 2023



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## Memorandum

**To:** Christine Bailey  
Executive Director

**From:** Matthew Jackson, RPLU, CCIC  
Senior Vice President

**Date:** September 5, 2023

**Re:** Employment Practices Liability Insurance  
City of Hollywood Employees Retirement Fund  
Policy Number: SHP31210225

Thank you for the opportunity to provide a quotation for this year's renewal of Employment Practices Liability Insurance. We obtained a quote from the incumbent carrier, Euclid/Hudson, that provides continuity, broad scope of coverage, and competitive premium and retentions. We recommend renewing with Euclid/Hudson.

Carrier	Premium	Limit of Liability	Retention	Response
Euclid/Hudson	\$7,287 + \$123.88 FL surcharge	\$2-million	\$10,000	<b>Incumbent Options</b> Key decision variables: broad scope of coverage, continuity

Additional information is available in the attached sections. If you would like samples of any quoted policy forms or endorsements, please let us know.

Kindly provide binding instructions before September 29, 2023. Binding instructions received after this date may result in changes or withdrawal of the quoted terms. Please note that insurance coverage cannot be bound or changed via email, voicemail, text or fax unless confirmed in writing by a licensed broker.

By sending us binding instructions, you consent to electronic delivery of any other documents required to be provided or disseminated by Segal to you under this agreement or applicable law, rule or regulation.

If you have any questions, please contact our client team:

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# Premium and Coverage Summary\*

Description	Expiring Terms Euclid/Hudson	Renewal for Euclid/ Hudson
<b>Policy Summary</b>		
Policy Period	10/1/2022- 10/1/2023	10/1/2023-10/1/2024
Limit of Liability	\$2-million	\$2-million
Basic Premium	\$7,075	\$7,287
State Surcharge	\$141.51	\$123.88
Retention	\$10,000	\$10,000
<b>Coverages/Endorsements</b>		
Amended Hammer/Settlement Clause	80%/20%	80%/20%
Back/Front Pay Coverage	✓	✓
Breach of Contract Exclusion	✓	✓
Definition of Claim includes for Injunctive Relief	✓	✓
Definition of Claim includes EEOC Charge	✓	✓
Definition of Insured/Employee Includes Trustee	✓	✓
Direct Bodily Injury Exclusion	✓	✓
Duty to Defend with Panel Counsel	✓	✓
Independent Contractor Coverage	✓	✓
Non-cancellable except for non-payment	✓	✓
Pending & Prior Litigation Exclusion	9/27/2018	9/27/2018
Professional Services Exclusion	✓	✓
Punitive Damages Most Favorable Venue	✓	✓
Retaliation Coverage including ERISA & NLRA	✓	✓
Severability Coverage	✓	✓
Spousal Coverage	✓	✓
State Amendatory Endorsement(s)	✓	✓
Third Party Coverage	✓	✓
Violation of Employee Privacy Coverage	\$100,000 sublimit	\$100,000 sublimit
Wage & Hour Defense Coverage	\$50,000 sublimit	\$50,000 sublimit
Workplace Violence Expenses	\$100,000 sublimit	\$100,000 sublimit

\* These policy summaries are not an exhaustive list and are not legal interpretations of coverage. Insurance policies are legal contracts that counsel should review.



# | Policy Analyses

## **Limit of liability**

Euclid/Hudson quoted the same \$2-million aggregate limit of liability as your expiring policy.

## **Premium**

Euclid/Hudson has quoted a premium increase of \$212 (3.0%) for this renewal. Inclusive of the mandatory Florida State Surcharge, the total increase is \$194.37 (2.7%). The percentage change and premium itself remain competitive in the current market.

## **Scope of coverage**

Euclid/Hudson quoted the same scope of coverage as the expiring policy.

## **Continuity of coverage**

Continuity is a concept addressing the scope of coverage provided by a renewal policy from the incumbent carrier or a new policy from a new carrier. When a claim is made the policy in force will determine whether coverage is provided. When renewing coverage with the incumbent or moving coverage to a new carrier, the insured should determine whether the renewal (or new) policy will provide at least the same scope of coverage as the expiring policy. In particular, a new carrier may wish to limit coverage in some fashion.

To maintain continuity, review any additional policy exclusions, new Pending & Prior Litigation dates, and/or new Prior Acts dates.

# Subjectivities

**This section summarizes the additional information the carrier will require to bind coverage.**

Euclid/Hudson

- There are no subjectivities at this time.



# Services and Compensation Disclosure

Segal acknowledges that it is a "covered service provider" within the meaning of Section 408(b)(2) of ERISA when providing Services and will disclose any fees and other compensation it receives in accordance with the requirements of ERISA Section 408(b)(2). Upon request, Segal will provide an annual statement describing the indirect compensation it received in the previous plan year. City of Hollywood Employees Retirement Fund agrees and acknowledges that it has received a copy of this Agreement for review reasonably in advance of entering into this Agreement and that the designation of Segal as a service provider, and any other transactions contemplated by this Agreement, are consistent with and permissible under the plan documents.

A copy of Segal's firm-wide ERISA Section 408(b)(2) fee disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## NY Regulation 194

A copy of Segal's firm-wide NY Regulation 194 disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Segal does not provide tax advice so please contact your tax consultant for your obligation regarding to FATCA.

# Supplemental Information & Disclosures

While many insurance policies may follow a similar format, substantial differences exist between carriers. Segal recommends Insureds familiarize themselves with the policy's basic coverage features, especially those that require action on their part, and that legal counsel review all insurance policies.

## Notice of incident, claim or circumstances

Please carefully review any incident reporting instructions. Failure to timely and properly report a claim may jeopardize coverage for expenses or claims. In addition, you should retain copies of all insurance policies and coverage documents as well as incident reporting instructions after termination of the policies because in some cases you may need to report an incident after termination of a policy.

**Disclosure in an application does not meet these terms and conditions. All regulatory audits or investigations should be treated as a claim and noticed to the insurance carrier as soon as the first written communication from a regulatory agency is received.**

Notice must be in accordance with the policy's terms and conditions and must be sent to a designated address. All electronic claim notifications to be processed by Segal must be sent to [claims@segalco.com](mailto:claims@segalco.com). Please copy your broker team on any notification, but Segal is not responsible for the processing of any electronic claim notification if it is not addressed to [claims@segalco.com](mailto:claims@segalco.com).

## Extended reporting period

Should consideration be made to move coverage from one carrier to another, or there is a material change in terms and conditions, the Insured may also consider purchasing an Extended Reporting Period (ERP), commonly known as "Tail Coverage." An ERP provides the Insured additional time to report claims or circumstances that occurred up to the date of the policy's expiration. This coverage is available for an additional premium and period to be determined by the carrier. Some policies may also offer an automatic ERP for no additional premium. Please review your policy for specific terms and conditions.

## Insured's obligation to notify the insurer

In addition to an obligation to notice the insurer of any claim or circumstance as soon as practicable, the policy will, or may, obligate the Insured to provide notice to the insurer in other instances.



## Insurance carrier ratings

Insurance brokers rely on financial rating services such as A.M Best and Standard & Poor's. All financial ratings are subject to periodic review and therefore, it is important to obtain ratings from each service. If you need information about the financial statements of any of the insurance companies being proposed so you can make your own assessment of the financial strength of the companies being offered in this proposal, please contact us.

Both A.M. Best and Standard & Poor's websites can provide the publicly available information collected to enable you to make an informed decision to accept or reject a particular carrier. To learn more, please visit them at [www.ambest.com](http://www.ambest.com) and [www.spglobal.com](http://www.spglobal.com).

## Proposal advisory

This quote memo is a summary of coverage forms, limits of insurance, endorsements and other terms and conditions of the carrier quotations. Please review quotes and policies with legal counsel for specific terms, conditions, limitations, exclusions or the calculation of premiums that will govern in the event of a loss.

This quote memo does not amend, or otherwise affect, the provisions of coverage of any resulting insurance policy issued by any insurance company to you. It is your responsibility to check the policy or policies being purchased for accuracy.

This proposal is not a representation that coverage does or does not exist for any particular claim or loss under any policy. Coverage depends on the applicable provisions of the actual policy issued, the facts and circumstances involved in each claim or loss, and any applicable law.

You, the proposed Insured, represent and warrant that the information provided by you in connection with the application for insurance is complete and accurate through the later of the date that (1) coverage is bound or (2) coverage becomes effective. You agree to immediately notify Segal, in writing, if any of the information included in the application changes between the date the application for quotation/insurance coverage is submitted and the later of (1) the date of the quotation or the date coverage is bound or (2) the effective date of coverage. You understand and acknowledge that the quoting insurance carriers may reserve the right to withdraw or amend any outstanding quotations based upon such changes and that Segal will not have any liability whatsoever for the decisions of any quoting insurance carriers based on any such changes.



## Your Organization May Need a Range of Insurance Coverage

Type of Insurance	Protection
Fiduciary liability coverage	Allegations of breach of fiduciary duty and administrative errors
Cyber liability coverage	Data incidents, breach events, ransomware or malware attacks and social engineering fraud at your organization or at one of your vendors
Employment practices liability	Allegations of harassment or discrimination in employment made by an employee or a third party (non-employee)
Fidelity bond (mandated by ERISA or LMRDA)	Losses related to employee to fraud, dishonesty, and/or third-party crime
Crime coverage	Losses related to theft and forgery, such as fraudulent electronic funds transfer coverage, manipulation of computer systems, including by employees and third-party losses, such as social engineering fraud
Educators' liability coverage	Allegations of improper or insufficient training or hiring practices including libel, slander, plagiarism and trademark/copyright violations
Directors' and officers' or union liability coverage	Allegations of malpractice (wrongful errors and omissions, fair representation or personal injury) against a board of directors or union officers, respectively
Employed lawyers coverage	Allegations of legal malpractice by in-house attorneys and legal assistants, including when "moonlighting" and providing pro bono legal services
Medical professional coverage	Allegations of wrongful medical professional practices and services including exposures to HIPAA proceedings
Errors and omissions (E&O) or managed care E&O coverage	Protection for acts of your professional services specifically tailored to meet the client services provided
Media insurance	Coverage for traditional electronic and print media as well as coverage crafted for social media, including defamation and copyright infringement
Student accident	Injury of students, volunteers or other participants in formal instruction or training programs
Travel accident coverage	Accidental death and dismemberment during business travel or available to students learning on the job
Workplace violence/active shooter coverage	Indemnify for specific expenses, business interruption and third-party legal liability for a covered event
Business property coverage	Structural damage to owned, leased or rented property from fire, vandalism or theft
Business personal property coverage	Office equipment resulting from a covered loss on or off premises
Business income/extra expense coverage	Forced closure due to direct physical loss or damage to premises resulting from a covered cause of loss
Business liability coverage	Business found legally responsible for causing injuries or damages to third parties
Business auto coverage	Owned or leased vehicles used for business purposes
Non-owned auto coverage	Employees using their personal vehicles for business purposes
Hired auto coverage	Autos leased, hired or borrowed by employees in the short term for business purposes

Umbrella liability coverage	Liability coverage in excess of primary liability policies including customized coverage
Flood and earthquake coverage	Property damage from a flood resulting from hurricanes, tropical storms and heavy rains as well as natural disasters such as earthquakes
Equipment breakdown coverage	Equipment failure due to a breakdown
Employee tools and equipment coverage	Tools and equipment used for training or business
Event cancellation	Unforeseen losses related to hosting cancelled or postponed covered events to protect your investment







City of Hollywood Employees Retirement Fund

# Workplace Violence and Assailant Coverage

**Policy Number: US00118842SP22A**

September 22, 2023





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CA License No. 0106323

## Memorandum

**To:** Christine Bailey  
Executive Director

**From:** Matthew Jackson, RPLU, CCIC  
Senior Vice President

**Date:** September 22, 2023

**Re:** **Workplace Violence and Assailant Coverage**  
**City of Hollywood Employees Retirement Fund**  
**Policy Number: US00118842SP22A**

Thank you for the opportunity to provide quotations for Workplace Violence and Assailant Coverage. We received a quote from the incumbent carrier, Indian Harbor, and recommend renewing with them based on continuity, capacity, scope of coverage, and a flat basic renewal premium.

Carrier	Premium	Limit of Liability	Response
Indian Harbor	\$4,548 + \$239.90 Surplus Lines Taxes/Fees	\$3 million	<b>Incumbent Option</b> Key decision variables: maintain continuity, capacity, scope of coverage, flat basic renewal premium

Additional information is available in the attached sections. If you would like samples of any quoted policy forms or endorsements, please let us know.

Kindly provide binding instructions before September 29, 2023. Binding instructions received after this date may result in changes or withdrawal of the quoted terms. Please note that insurance coverage cannot be bound or changed via email, voicemail, text or fax unless confirmed in writing by a licensed broker.

By sending us binding instructions, you consent to electronic delivery of any other documents required to be provided or disseminated by Segal to you under this agreement or applicable law, rule or regulation.

September 22, 2023

Page 2

If you have any questions, please contact our client team:

- Broker:

Jacob Pearce  
Associate Consultant, Insurance  
346 330 0918  
[jpearce@segalco.com](mailto:jpearce@segalco.com)

- Broker:

Leighann Thilo, CISR  
Senior Broker, Team Leader  
517.482.6700  
[lthilo@segalco.com](mailto:lthilo@segalco.com)

- Lead Regional Consultant:

Matthew Jackson, RPLU, CCIC  
Senior Vice President  
212.251.5387  
[mjackson@segalco.com](mailto:mjackson@segalco.com)

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# Premium and Coverage Summary\*

## Indian Harbor

Description	Expiring Terms Indian Harbor	Renewal Option for Indian Harbor
<b>Policy Summary</b>		
Policy Period	10/1/2022-10/1/2023	10/1/2023-10/1/2024
Limit of Liability	\$3-million	\$3-million
Basic Premium	\$4,548	\$4,548
Surplus Lines Taxes/Fees	\$227.40	\$239.90
Retention	\$0	\$0
<b>Coverages/Endorsements</b>		
Act of Workplace Violence Expense Coverage	✓	✓
Stalking Threat Expenses Per Event Coverage	✓	✓
3 <sup>rd</sup> Party Legal Liability per Insured Event Expenses Coverage	✓	✓
Amend Definition of Employee to include Trustee Endorsement	✓	✓
Business Interruption Indemnity Period	120 Days	120 Days
Business Interruption Waiting Period	6 Hours	6 Hours
Cancellation – 10 day notice by carrier	✓	✓
Consolidation-Merger – 90 day notice requirement due to change in revenue or assets > 25%	✓	✓
Crisis Management	✓	✓
Death Benefit Coverage	Included in Personal Accident Coverage	Included in Personal Accident Coverage
Duties in the event of Act of Workplace Violence and/or Stalking Threat	Notify the Proper Authorities and prompt written notice to the carrier and signed, sworn Statement of Loss within sixty (60) days	Notify the Proper Authorities and prompt written notice to the carrier and signed, sworn Statement of Loss within sixty (60) days

\* These policy summaries are not an exhaustive list and are not legal interpretations of coverage. Insurance policies are legal contracts that counsel should review.

Description	Expiring Terms Indian Harbor	Renewal Option for Indian Harbor
Event Protocols – Form Specific	✓	✓
Funeral and Burial Coverage	✓	✓
Off-Premises Endorsement for Name Insured's Employees Endorsement	✓	✓
Other Insurance Clause	Valid and Collectible	Valid and Collectible
Personal Accident Expenses Per Insured Person Coverage	✓ \$50,000 Per Insured Person	✓ \$50,000 Per Insured Person
Property Damage Endorsement	x	x
Psychiatric Care	✓	✓
Rehabilitation Expenses	✓	✓
Reward Money for Post Event Investigation Tips	✓	✓
Service of Suit Endorsement	✓	✓
State Amendatory Endorsement(s), as applicable	✓	✓
Temporary Secuity Measures Coverage	✓	✓
Worldwide Coverage	✓	✓

# | Policy Analyses

## **Limit of liability**

Indian Harbor has quoted the same \$3-million aggregate limit of liability as expiring. Higher limits may be available upon request.

## **Premium**

Indian Harbor quoted the same premium as expiring and remains competitive in the current market.

Please note, the Indian Harbor quotes are written on a Non-Admitted basis and subject to additional Surplus Lines Taxes and Fees, which increased by \$12.50 (5.5%) from the expiring.

## **Scope of Coverage**

Indian Harbor quoted the same scope of coverage as the expiring.

## **Surplus Lines Disclosure**

The quotes received from Indian Harbor Insurance Company are available only on an excess and surplus lines basis in most states. The premium would be subject to an excess and surplus lines tax, and a filing fee. Because this policy is available only on an excess and surplus lines basis, the insured has no recourse with the state's insurance department if there are any disputes with the carrier, or the carrier becomes insolvent.

# | Subjectivities

**This section summarizes the additional information the carrier will require to bind coverage.**

Indian Harbor

- Surplus Lines affidavits – TBD.





# Services and Compensation Disclosure

Segal acknowledges that it is a “covered service provider” within the meaning of Section 408(b)(2) of ERISA when providing Services and will disclose any fees and other compensation it receives in accordance with the requirements of with ERISA Section 408(b)(2). Upon request, Segal will provide an annual statement describing the indirect compensation it received in the previous plan year. The insured agrees and acknowledges that it has received a copy of this Agreement for review reasonably in advance of entering into this Agreement and that the designation of Segal as a service provider, and any other transactions contemplated by this Agreement, are consistent with and permissible under the plan documents.

A copy of Segal’s firm-wide ERISA Section 408(b)(2) fee disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## NY Regulation 194

A copy of Segal’s firm-wide NY Regulation 194 disclosure is available at <http://www.segalco.com/disclosure-of-compensation>.

## FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Segal does not provide tax advice so please contact your tax consultant for your obligation regarding to FATCA.

# Supplemental Information & Disclosures

While many insurance policies may follow a similar format, substantial differences exist between carriers. Segal recommends Insureds familiarize themselves with the policy's basic coverage features, especially those that require action on their part, and that legal counsel review all insurance policies.

## Notice of incident, claim or circumstances

Please carefully review any incident reporting instructions. Failure to timely and properly report a claim may jeopardize coverage for expenses or claims. In addition, you should retain copies of all insurance policies and coverage documents as well as incident reporting instructions after termination of the policies because in some cases you may need to report an incident after termination of a policy.

**Disclosure in an application does not meet these terms and conditions. All regulatory audits or investigations should be treated as a claim and noticed to the insurance carrier as soon as the first written communication from a regulatory agency is received.**

Notice must be in accordance with the policy's terms and conditions and must be sent to a designated address. All electronic claim notifications to be processed by Segal must be sent to [claims@segalco.com](mailto:claims@segalco.com). Please copy your broker team on any notification, but Segal is not responsible for the processing of any electronic claim notification if it is not addressed to [claims@segalco.com](mailto:claims@segalco.com).

## Extended reporting period

Should consideration be made to move coverage from one carrier to another, or there is a material change in terms and conditions, the Insured may also consider purchasing an Extended Reporting Period (ERP), commonly known as "Tail Coverage." An ERP provides the Insured additional time to report claims or circumstances that occurred up to the date of the policy's expiration. This coverage is available for an additional premium and period to be determined by the carrier. Some policies may also offer an automatic ERP for no additional premium. Please review your policy for specific terms and conditions.

## Insured's obligation to notify the insurer

In addition to an obligation to notice the insurer of any claim or circumstance as soon as practicable, the policy will, or may, obligate the Insured to provide notice to the insurer in other instances.

## Insurance carrier ratings

Insurance brokers rely on financial rating services such as A.M Best and Standard & Poor's. All financial ratings are subject to periodic review and therefore, it is important to obtain ratings from each service. If you need information about the financial statements of any of the insurance companies being proposed so you can make your own assessment of the financial strength of the companies being offered in this proposal, please contact us.

Both A.M. Best and Standard & Poor's websites can provide the publicly available information collected to enable you to make an informed decision to accept or reject a particular carrier. To learn more, please visit them at [www.ambest.com](http://www.ambest.com) and [www.spglobal.com](http://www.spglobal.com).

## Proposal advisory

This quote memo is a summary of coverage forms, limits of insurance, endorsements and other terms and conditions of the carrier quotations. Please review quotes and policies with legal counsel for specific terms, conditions, limitations, exclusions or the calculation of premiums that will govern in the event of a loss.

This quote memo does not amend, or otherwise affect, the provisions of coverage of any resulting insurance policy issued by any insurance company to you. It is your responsibility to check the policy or policies being purchased for accuracy.

This proposal is not a representation that coverage does or does not exist for any particular claim or loss under any policy. Coverage depends on the applicable provisions of the actual policy issued, the facts and circumstances involved in each claim or loss, and any applicable law.

You, the proposed Insured, represent and warrant that the information provided by you in connection with the application for insurance is complete and accurate through the later of the date that (1) coverage is bound or (2) coverage becomes effective. You agree to immediately notify Segal, in writing, if any of the information included in the application changes between the date the application for quotation/insurance coverage is submitted and the later of (1) the date of the quotation or the date coverage is bound or (2) the effective date of coverage. You understand and acknowledge that the quoting insurance carriers may reserve the right to withdraw or amend any outstanding quotations based upon such changes and that Segal will not have any liability whatsoever for the decisions of any quoting insurance carriers based on any such changes.



## Your Organization May Need a Range of Insurance Coverage

Type of Insurance	Protection
Fiduciary liability coverage	Allegations of breach of fiduciary duty and administrative errors
Cyber liability coverage	Data incidents, breach events, ransomware or malware attacks and social engineering fraud at your organization or at one of your vendors
Employment practices liability	Allegations of harassment or discrimination in employment made by an employee or a third party (non-employee)
Fidelity bond (mandated by ERISA or LMRDA)	Losses related to employee to fraud, dishonesty, and/or third-party crime
Crime coverage	Losses related to theft and forgery, such as fraudulent electronic funds transfer coverage, manipulation of computer systems, including by employees and third-party losses, such as social engineering fraud
Educators' liability coverage	Allegations of improper or insufficient training or hiring practices including libel, slander, plagiarism and trademark/copyright violations
Directors' and officers' or union liability coverage	Allegations of malpractice (wrongful errors and omissions, fair representation or personal injury) against a board of directors or union officers, respectively
Employed lawyers coverage	Allegations of legal malpractice by in-house attorneys and legal assistants, including when "moonlighting" and providing pro bono legal services
Medical professional coverage	Allegations of wrongful medical professional practices and services including exposures to HIPAA proceedings
Errors and omissions (E&O) or managed care E&O coverage	Protection for acts of your professional services specifically tailored to meet the client services provided
Media insurance	Coverage for traditional electronic and print media as well as coverage crafted for social media, including defamation and copyright infringement
Student accident	Injury of students, volunteers or other participants in formal instruction or training programs
Travel accident coverage	Accidental death and dismemberment during business travel or available to students learning on the job
Workplace violence/active shooter coverage	Indemnify for specific expenses, business interruption and third-party legal liability for a covered event
Business property coverage	Structural damage to owned, leased or rented property from fire, vandalism or theft
Business personal property coverage	Office equipment resulting from a covered loss on or off premises
Business income/extra expense coverage	Forced closure due to direct physical loss or damage to premises resulting from a covered cause of loss
Business liability coverage	Business found legally responsible for causing injuries or damages to third parties
Business auto coverage	Owned or leased vehicles used for business purposes
Non-owned auto coverage	Employees using their personal vehicles for business purposes
Hired auto coverage	Autos leased, hired or borrowed by employees in the short term for business purposes



Umbrella liability coverage	Liability coverage in excess of primary liability policies including customized coverage
Flood and earthquake coverage	Property damage from a flood resulting from hurricanes, tropical storms and heavy rains as well as natural disasters such as earthquakes
Equipment breakdown coverage	Equipment failure due to a breakdown
Employee tools and equipment coverage	Tools and equipment used for training or business
Event cancellation	Unforeseen losses related to hosting cancelled or postponed covered events to protect your investment



# **AGENDA ITEM 6.A.**

## **LEGAL**

### **LEGAL UPDATE**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 6.B.**

## **LEGAL**

### **UPDATE ON HOUSE BILL 3**





Division of Retirement  
P.O. Box 9000  
Tallahassee, FL 32315-9000  
Tel: 850-907-6500 | Fax: 850-410-2010 | Toll-Free: 844-377-1888

**Ron DeSantis, Governor**  
Pedro Allende, Secretary

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## **Division of Retirement Information Release 2023-232**

**September 15, 2023**

**To:** Florida Local Government Retirement Plans

**From:** Florida Department of Management Services (DMS)  
Division of Retirement  
Bureau of Local Retirement Systems

**Subject:** Implementation of House Bill 3

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House Bill 3 entitled "Government and Corporate Activism," was signed into law (Chapter 2023-28, Laws of Florida) on May 2, 2023, and published in section 112.662, Florida Statutes. The law requires local government retirement plans to use only pecuniary factors when deciding to invest plan assets and specifies that the interests of participants and beneficiaries may not be subordinated to other objectives.

By December 15, 2023, and each odd numbered year thereafter, section 112.662(4), Florida Statutes, requires state and local retirement plans to submit a comprehensive report on governance policies concerning vote decisions and adherence to fiduciary standards, including the exercise of shareholder rights. Additionally, by January 15, 2024, and each even numbered year thereafter, DMS will submit a report to the Governor, the Attorney General, the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives that includes a summary of the reports submitted. Section 112.662(4)(d) directs DMS to adopt rules to implement this subsection.

The rules will provide guidance and instruction on how to submit the required reports to DMS. DMS will send notification once the rules are available.

KG/kb



## **MEMORANDUM**

**TO:** All Public Pension Clients

**FROM:** Ronald J. Cohen, Brent J. Chudachek and Richelle B. Levy  
Lorium Law

**DATE:** May 16, 2023

**RE:** Recent Important Public Pension Legislation

---

The Governor signed into law new legislation, which revises the rules governing investments made by public pension plans in Florida. The law was signed May 2, 2023, takes effect July 1, 2023 and is codified in Ch. 2023-28, Laws of Florida. The new law relates to, "Government and Corporate Activism" and aims to eliminate the consideration of any factors in investment decisions other than "pecuniary factors." The Legislation makes significant changes to numerous provisions of Florida law, but this Memorandum is limited to certain requirements for investing public pension money.

As you know, Florida has enacted a comprehensive legislative program regulating governmental pension plans. Many of these provisions are in Chapter 112, Part VII, which governs all local law pension systems in Florida and Chapter 175 and Chapter 185, which govern certain fire plans and police plans, respectively. The new law amends those Chapters.

Ch. 2023-28, Laws of Florida states that all investment decisions by public retirement plans must comply with the newly created Section 112.662. That new section provides in part that:

2) Notwithstanding any other law, when deciding whether to invest and when investing the assets of any retirement system or plan, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system or plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns.

Significantly, the law limits Trustees' considerations to "pecuniary factors," which when used as applying to investments by public pension systems is defined as:

a factor that the plan administrator, named fiduciary, board or board of trustees, prudently determines is expected to have a material effect on the risk of returns on that investment based on appropriate investment horizons consistent with the investment objectives and funding policies of the retirement system or plan. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

New Fla. Stat. Section 112.662 also sets out rules governing when a public pension plan exercises shareholder rights, in essence providing that, "when deciding whether to exercise shareholder rights or when exercising such rights on behalf of a retirement system or plan, including the voting of proxies, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system or plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risks to promote any non-pecuniary factors."

The new provisions require fiduciaries to invest solely based upon risk and return, and they may not, under any circumstance, consider non-pecuniary factors. Some people are referring to this Act as the ESG Law (standing for Environmental, Social and Governance), but note that in this section of the law, the word “environmental” is not used. However, it may be interpreted to be a part of social, political or ideological interests.

The law also requires that by December 15, 2023, and by December 15 for each odd numbered year thereafter, “each retirement system or plan shall file a comprehensive report detailing and reviewing the governance policies concerning decision-making and vote decisions and adherence to the fiduciary standards required of such retirement system or plan under this section, including the exercise of shareholder rights.”

At the time of writing this memorandum, the Department of Management Services (which is the Agency to which local governmental retirement plans must submit the comprehensive report), has not yet issued rules or guidance concerning the form of the report or the information that will be required to be included in the report. From some discussions that we have had with consultants and certain clients, it appears that the investment consultant will likely prepare this comprehensive report.

Following the submission of the comprehensive reports, the Department of Management Services must submit a summary report to the Governor, the Attorney General, the Chief Financial Officer, the President of the Senate and the Speaker of the House, summarizing the reports submitted and must identify any relevant trends among such systems or plans.

It also requires the Department of Management Services to report incidences of non-compliance to the Attorney General, who may institute proceedings to enjoin any persons found violating this section. If the Attorney General prevails, attorneys' fees can be assessed against the person that didn't comply. The Department of Management Services is specifically given authority to adopt rules concerning the comprehensive report and compliance.

The law will also require public pension plans to include certain language in contracts with investment managers executed, amended or renewed on or after July 1, 2023. The contracts will require that when the investment manager is making a written communication to a company in which the manager invests public funds on behalf of a pension plan, if such communication discusses social, political or ideological interests, or subordinates the interests of the company's shareholders to the interests of another entity, or advocates for the interest of an entity other than the company's shareholders, the following provision must be included:

The views and opinions expressed 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 required contractual language must also provide that if the investment manager does not include the disclaimer as required, the contract may be unilaterally terminated.

The law also makes changes in Chapter 112.661 concerning fiduciary standards for investments. The law largely adopts and incorporates the investment fiduciary standards of ERISA. The law on investment policies currently states that if there is any conflict between the law on investment policies and other laws on investments, the law on investment policies shall prevail. That provision has been amended, to provide that

if there is any conflict between the investment policy law and any other law, the law on investment policies still prevails, but the provisions required in this new law take precedence over any conflicting provision. All the provisions discussed in this memo are applicable to all local pension plans through Ch. 112, Part VII, including police and fire plans. Also, Chapters 175 and 185 have been amended with the same provision stating that the plans must comply with the new provisions of Fla. Stat. Sec. 112.662.

We will be discussing this law with each plan, and will keep you posted of significant developments in its implementation.

# **AGENDA ITEM 6.C.**

## **LEGAL**

### **EXECUTIVE DIRECTOR EVALUATION**

**(NO BACKUP FOR THIS SECTION)**



# **AGENDA ITEM 6.D.**

## **LEGAL**

**REQUEST FOR EXECUTIVE SESSION**

**TO DISCUSS PENDING LITIGATION**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 7.A.**

## **EXECUTIVE DIRECTOR'S REPORT**

### **CITY COMMISSION COMMUNICATION**



## CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

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

### CITY COMMISSION COMMUNICATION

September 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

Six Trustees attended the July 25, 2023 Regular Meeting of the Board of Trustees. Trustee Howell was absent.

### ITEMS OF INTEREST TO THE CITY COMMISSION

- The estimated value of the Fund's assets available for investments on July 31, 2023 was \$xxx.x million, up/down x.x% net of fees for the month of July 31, 2023, and up/down xx.x% for the fiscal year to date.
- The value of the Fund's assets available for investment on March 31, 2023 was \$426.3 million, up 3.6% net of fees for the quarter ended March 31, 2023, and up 8.5% for the fiscal year to date.
- 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 Fund is involved in a lawsuit related to the survivor benefit of a deceased retiree, in which with more than one party claimed the benefit. **The Fund has previously prevailed in a Writ of Certiorari. The party that lost has again filed suit against the Fund.**
- The Pension office will be close to the public from October 2-6, 2023 for staff training.

### UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION

- Florida Department of Management Services  
52<sup>nd</sup> Annual Police Officers' and Firefighters' Pension Conference  
September 26-28, 2023  
Doubletree, Orlando
- IFEBP New Trustee Institute and Annual Con.  
September 30 - October 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>	<u>Location</u>
November 14, 2023	9:00am-12:00pm	City Hall, Room 219
December 19, 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, November 14, 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**


### **PROPOSED EMPLOYEE ELECTION PROCESS**



## CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

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

**TO:** Board of Trustees

**FROM:** Christine Bailey 

**SUBJECT:** Election of Employee Trustee to the City of Hollywood Employees' Retirement Fund

**DATE:** September 26, 2023

---

The term of Trustee Phyllis Shaw expires on February 29, 2024. Section 33.025(R)(1) of the City Code of Ordinances provides that employee-elected trustees are elected by a vote of all employee members (including those participating in the DROP). The Code further provides that the election shall be administered by the Pension Coordinator subject to approval of the Board. Based on the Board's Trustee Election Procedures (copy attached) the following timeline is being presented for your consideration:

November 20, 2023	<b>Request for Applications for Candidacy</b> including the qualification requirements will be sent to all employees who are members of the Fund.
December 21, 2023	<b>Nominations closes.</b> Applications will be accepted through 12:00 p.m.
December 28, 2023	<b>Certification of Qualified Candidates.</b> The Executive Director will certify that each candidate is a member of the Fund with at least six years of credited service.  If only one qualified candidate is certified, the Chair of the Board shall cast a symbolic ballot to elect the candidate and the election process concludes.  If more than one qualified candidate is certified, each candidate will be notified of the Dates, Times and Locations of the Elections.  <b>Notification of Qualified Candidates.</b> Candidates are notified of their candidacy and advised that they may begin campaigning. Employees are notified of nominated employees.
January 23, 2024	<b>Notice of Election to the Board of Trustees.</b> Notice of the election is posted in all City of Hollywood locations in the areas most commonly utilized for posting notices to employees.
January 29, 2024 Through February 2, 2024	<b>Early Voting.</b> Voting will be open 9:00 a.m. to 4:00 p.m. at the Pension Office.

February 6, 2024*	<b>Election Day.</b> Voting will be open 7:30 a.m. – 5:00 p.m. at the Pension Office.
	<b>Ballot Count.</b> Ballots will be counted immediately following the election.
February 7, 2024	<b>Declaration of Election Results.</b> Election results will be posted on the City's Sunshine Board
February 21, 2024	<b>Challenge of Election Results closes.</b> Challenges concerning the election results must be submitted through 5:00p.m.
March 6, 2024	<b>Response to Challenge of Election Results closes.</b> Responses to Challenges concerning the election results may be submitted by candidates through 5:00p.m.
After March 6, 2024	<b>Board Addresses Challenge of Election Results.</b> At the next Regular or Special Meeting, the Board of Trustees addresses challenges concerning the election results. The Board of Trustees will resolve any challenges or disputes by majority vote which will be binding on all parties.

\* The Trustee Election Procedures establishes the polling place on Election Day to be the City Hall Main Entrance, 1<sup>st</sup> Floor, East Side, however, due to the current need for social distancing, the polling place has been relocated to the Pension Office.



## ***City of Hollywood Employees' Retirement Fund***

### ***TRUSTEE ELECTION PROCEDURES***

1. Trustee Election Timeline for expiring terms is prepared and approved by the Board at its regular meeting in September. Trustee Election Timeline shall detail: 1) the date "Request for Applications for Candidacy" is provided to all employees (in the last week of November), 2) the date and time nominations close (12:00 p.m. on the Thursday before December 24th), 3) the date candidates and employees are notified of the nominated candidates (the Thursday following December 24th), 4) the date campaigning may begin (the Thursday following December 24th), 5) the election date (the first Tuesday in February), and 6) "Early Voting" dates. The preceding applies for a Trustee vacancy that occurs before an unexpired term of office (dates may differ based on the date of vacancy).
2. During last week of November, provide "Request for Applications for Candidacy" to all employees. Candidate eligibility: an active member of the City of Hollywood Employees' Retirement Fund with six (6) or more years of credited service.
3. On the Thursday preceding December 24th, close nominations at 12:00 p.m.
4. On the Thursday following December 24th, notify candidates of their candidacy and that they may begin campaigning. Campaigning shall not be done utilizing City equipment (computers, vehicles, paper, cell phones, etc.) and/or on City time.
5. On the Thursday following December 24th, Pension Coordinator to notify all employees of the nominated candidates.
6. Two (2) weeks prior to Election Day, the Pension Coordinator shall have posted "Notice of Election to the Board of Trustees" in all City of Hollywood locations in the areas most commonly utilized for posting notices to employees. The "Notice" shall include the date, time and location of the election on Election Day as well as the dates and times the Pension Office will be open for Early Voting.
7. The Pension Office (the polling place for Early Voting purposes only) will be open 9:00 a.m. to 4:00 p.m. for Early Voting Monday – Friday the week immediately preceding Election Day. Ballots cast during Early Voting will only be opened on Election Day along with all other ballots (see #11).
8. Election Day will be the first Tuesday of February. Hours of election will be 7:30 a.m. – 5:00 p.m. The polling place on Election Day will be City Hall Main Entrance, 1<sup>st</sup> Floor, East Side.

9. Each employee must show a picture ID before a ballot will be provided. Voter eligibility: all full-time City of Hollywood employees covered by the City of Hollywood Employees' Retirement Fund (includes employees in the Employees' Retirement Fund DROP, but excludes all part-time City employees, retirees, and City employees covered by the Police or Firefighters' retirement plans).
10. No candidate or other person(s) may solicit voters inside the polling place or within 100 feet of the entrance to any polling place.
11. Immediately after voting closes on Election Day, sort, count and tabulate all ballots cast during "Early Voting" and on Election Day. The ballot count will be verified by two (2) people, one of whom shall be the Pension Coordinator and exclude all candidates.
12. Post the election results on the City's Sunshine Board on the Wednesday immediately following Election Day. The candidate with the highest number of votes in the election will be the winner.
13. In the event of a challenge or dispute concerning an election, the person making the challenge or dispute shall submit a written description of the relevant facts and circumstances to the Pension Coordinator. The challenge or dispute shall be considered by the Board at the next regular meeting, or at a special meeting scheduled for this purpose. At the meeting, the person making the challenge or dispute shall be given an opportunity to present the relevant facts and circumstances, and any supporting documents, to the Board, a copy to be provided to all other candidates within ten (10) working days following the election results. Any other candidate may submit a written response to the challenge within ten (10) working days. The challenge will be considered at the next regularly scheduled meeting, or special meeting if one is called. The Board may ask questions, and may request additional information or documents concerning the challenge or dispute. After considering the information and documents, the Board shall take final action to resolve the challenge or dispute by majority vote, which action shall be binding on all parties.

## City of Hollywood Employees' Retirement Fund

### Furniture Quote

Board Room	18,867.42
Member's Conference Room	5,556.54
Reception Area	4,167.90
Executive Direcotr's Office	9,812.22
Offices	7,661.80
Breakroom	1,955.58
Open Office Space	502.66
	<hr/>
	\$48,524.12
	<hr/>

**Libero Consulting Group Inc.**

2347 Harding Street  
Hollywood, FL 33020  
(954) 253-3806 Fax: (954) 922-6357  
allan@lcgspacemakers.com

**Quote**

Number EPQ417  
Date 9/19/2023

**Bill To**

Accounts Payable  
City of Hollywood  
PO Box 229045  
Hollywood, FL, 33022

**Ship To**

Employee Retirement Fund Office  
2450 Hollywood Blvd.  
Suite 202, 204, 207, 209, 210  
Hollywood, FL, 33020

PO Number	Terms	Via	Project
REVISED 9/19/23	Net 30 days	our truck	109 Conference Room

Description	Quantity	List Price Each	Discount	Discount Price Each	Amount
Zira 168" x 48" Racetrack Table with Power/USB at both ends of Table in Winter Cherry and silver inset legs	1.00	\$8,491.00	40.00%		\$5,094.60
Luray High Back Conference Room Chairs in Poppy (red) Fabric FU78	14.00	\$1,249.00	40.00%	749.40	\$10,491.60
Duet Armless Guest Chair with sled base Propolyne Back & Seat in Frost (FRO) Ice Blue	10.00	\$261.00	40.00%	156.60	\$1,566.00
Del & Inst 10%	1.00	\$1,715.22			\$1,715.22
Piggy Backing off The School District of Palm Beach County 20C-56P					

Colors: Table in Winter Cherry with Silver inset  
Chairs in Poppy Fabric (red)

**One Time Special Delivery & Install Pricing**

Piggy Backing off The School District of

<b>Total</b>	<b>\$18,867.42</b>
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Non-stock items are special order or custom made and are NOT returnable, refundable or exchangable. All sales are final.

Ordered by: \_\_\_\_\_ Date: \_\_\_\_\_

Your Salesperson: Allan Libero (954) 253-3806

Libero Consulting Group Inc. Vendor # 007918

Discount per The School District of Palm Beach Contract #20C-56P

Manufactured by: Kirkwood Cabinery

**Libero Consulting Group Inc.**

2347 Harding Street  
Hollywood, FL 33020  
(954) 253-3806 Fax: (954) 922-6357  
allan@lcgspace makers.com

**Quote**

Number EPQ416

Date 9/19/2023

**Bill To**

Accounts Payable  
City of Hollywood  
PO Box 229045  
Hollywood, FL, 33022

**Ship To**

Employee Retirement Fund Office  
2450 Hollywood Blvd.  
Suite 202, 204, 207, 209, 210  
Hollywood, FL., 33020

PO Number	Terms	Via	Project
REVISED 9/19/23	Net 30 days	our truck	Conference Room

Description	Quantity	List Price Each	Discount	Discount Price Each	Amount
Zira 96" x 48" Boat Sharped Conference Table with Power/USB in Center of Table in Winter Cherry with silver inset legs	1.00	\$4,237.00	40.00%		\$2,542.20
Factor Mid Back Mesh Chair with height adjustable arms 5541 in Poppy Fabric	6	\$697.00	40.00%	418.20	\$2,509.20
Del & Inst 10%	1.00	\$505.14			\$505.14
Piggy Backing off The School District of Palm Beach County 20C-56P					

Colors: Table Winter Cherry with Silver Inset  
Chairs Poppy (red) Fabric  
**One Time Special Delivery & Install Pricing**

Piggy Backing off The School District of

<b>Total</b>	<b>\$5,556.54</b>
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Non-stock items are special order or custom made and are NOT returnable, refundable or exchangable. All sales are final.

Ordered by: \_\_\_\_\_ Date: \_\_\_\_\_

Your Salesperson: Allan Libero (954) 253-3806

Libero Consulting Group Inc. Vendor # 007918

Discount per The School District of Palm Beach Contract #20C-56P

Manufactured by: Kirkwood Cabinery



**Libero Consulting Group Inc.**  
2347 Harding Street  
Hollywood, FL 33020  
(954) 253-3806 Fax: (954) 922-6357  
allan@lcgspace makers.com

## Quote

Number EPQ415  
Date 9/22/2023

### Bill To

Accounts Payable  
City of Hollywood  
PO Box 229045  
Hollywood, FL, 33022

### Ship To

Employee Retirement Fund Office  
2450 Hollywood Blvd.  
Suite 202, 204, 207, 209, 210  
Hollywood, FL., 33020

PO Number	Terms	Via	Project
REVISED 9/22/23	Net 30 days	our truck	Reception area

Description	Quantity	List Price Each	Discount	Discount Price Each	Amount
Beach Wood Frame Guest Chair in Bolero (Burnt Orange) Enviro Leather & Frame color to be selected 4077	5	\$894.00	40.00%	536.40	\$2,682.00
18" x 18" x 16"h Cube End Table with in Winter Cherry GU1816	3	\$615.00	40.0%	369.00	\$1,107.00
Del & Inst 10%	1.00	\$378.90			\$378.90
Piggy Backing off The School District of Palm Beach County 20C-56P					

Colors: End Tables in Winter Cherry  
Chairs in Bolero Enviro Leather (burnt orange)  
**One Time Special Delivery & Install Pricing**

Piggy Backing off The School District of

Total	\$4,167.90
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Non-stock items are special order or custom made and are NOT returnable, refundable or exchangable. All sales are final.

Ordered by: \_\_\_\_\_ Date: \_\_\_\_\_  
Your Salesperson: Allan Libero (954) 253-3806  
Libero Consulting Group Inc. Vendor # 007918  
Discount per The School District of Palm Beach Contract #20C-56P  
Manufactured by: Kirkwood Cabinery



**Libero Consulting Group Inc.**

2347 Harding Street  
Hollywood, FL 33020  
(954) 253-3806 Fax: (954) 922-6357  
allan@lcgspacemakers.com

**Quote**

Number EPQ412  
Date 9/22/2023

**Bill To**

Accounts Payable  
City of Hollywood  
PO Box 229045  
Hollywood, FL, 33022

**Ship To**

Employee Retirement Fund Office  
2450 Hollywood Blvd.  
Suite 202, 204, 207, 209, 210  
Hollywood, FL., 33020

PO Number	Terms	Via	Project
REVISED 9/22/23	Net 30 days	our truck	Christine's Office

Description	Quantity	List Price Each	Discount	Discount Price Each	Amount
Zira Series Furniture					
Zira 4 Drawer Lateral Files Keyed Alike	3	\$2,934.00	40.00%	1760.40	\$5,281.20
30" x 72" Single Box/Box/File Locking Pedestal Desk keyed alike	1.00	\$2,069.00	40.00%		\$1,241.40
24" x 66" Return with Box/Box/File Locking Pedestal - keyed alike	1.00	\$1,656.00	40.00%		\$993.60
Vion High Back Mesh Chair 6321-3	1.00	\$998.00	40.00%		\$598.80
Vion Mesh Back Guest Chairs with Arms	2	\$671.00	40.00%	402.60	\$805.20
Del & Inst 10%	1.00	\$892.02			\$892.02

All Furniture in Avant Honey (AWH)  
All Chairs in Blue Mesh & Indigo Blue Seat (ET94)

One Time Special Delivery & Install Pricing  
One Time Special Pricing

<b>Total</b>	<b>\$9,812.22</b>
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Non-stock items are special order or custom made and are NOT returnable, refundable or exchangable. All sales are final.

Ordered by: \_\_\_\_\_ Date: \_\_\_\_\_

Your Salesperson: Allan Libero (954) 253-3806

Libero Consulting Group Inc. Vendor # 007918

Discount per The School District of Palm Beach Contract #20C-56P

Manufactured by: Kirkwood Cabinery





**Libero Consulting Group Inc.**  
 2347 Harding Street  
 Hollywood, FL 33020  
 (954) 253-3806 Fax: (954) 922-6357  
 allan@lcgspace.com

## Quote

Number EPQ413  
 Date 9/22/2023

### Bill To

Accounts Payable  
 City of Hollywood  
 PO Box 229045  
 Hollywood, FL, 33022

### Ship To

Employee Retirement Fund Office  
 2450 Hollywood Blvd.  
 Suite 202, 204, 207, 209, 210  
 Hollywood, FL, 33020

PO Number	Terms	Via	Project
REVISED 9/22/23	Net 30 days	our truck	Offices

Description	Quantity	List Price Each	Discount	Discount Price Each	Amount
OTG Series Furniture					
30" x 72" Single Box/Box/File Locking Pedestal Desk In American Dark Cherry	3	\$996.00	44.00%	557.76	\$1,673.28
24" x 48" Return with Locking File/File Pedestal In American Dark Cherry	3	\$800.00	44.00%	448.00	\$1,344.00
20" x 72" Credenza with 36" w 2 drawer Locking Lateral File & 36" w Double Door Storage Cabinet in American Dark cherry	3	\$1,690.00	44.00%	946.40	\$2,839.20
Supra X Mid Back Multi Tasking chair with adjustable arms in burgandy fabric 5336-3-TC68	2	\$924.00	40.00%	554.40	\$1,108.80
Del & Inst 10%	1.00	\$696.53			\$696.53
Piggy Backing off The School District of Palm Beach County 20C-56P					

Colors: Furniture is American Dark Cherry  
 Chairs are Burgandy Fabric  
**One Time Special Delivery & Install Pricing**

Piggy Backing off The School District

**Total** \$7,661.81

Non-stock items are special order or custom made and are NOT returnable, refundable or exchangable. All sales are final.

Ordered by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Your Salesperson: Allan Libero (954) 253-3806  
 Libero Consulting Group Inc. Vendor # 007918  
 Discount per The School District of Palm Beach Contract #20C-56P  
 Manufactured by: Kirkwood Cabinery

**Libero Consulting Group Inc.**

2347 Harding Street  
Hollywood, FL 33020  
(954) 253-3806 Fax: (954) 922-6357  
allan@lcfgspacemakers.com

**Quote**

Number EPQ411  
Date 9/22/2023

**Bill To**

Accounts Payable  
City of Hollywood  
PO Box 229045  
Hollywood, FL, 33022

**Ship To**

Employee Retirement Fund Office  
2450 Hollywood Blvd.  
Suite 202, 204, 207, 209, 210  
Hollywood, FL., 33020

PO Number	Terms	Via	Project
REVISED 9/22/23	Net 30 days	our truck	Breakroom

Description	Quantity	List Price Each	Discount	Discount Price Each	Amount
36" x 72" Rectangular Table with Tapered Legs - Color to be selected	1.00	\$1,397.00	40.00%		\$838.20
Regular Height Armless Chairs - Propylene Seat & Back Chrome Base in Buzz Blue	6	\$261.00	40.00%	156.60	\$939.60
Del & Inst 10%	1.00	\$177.70	0.00%		\$177.70
Piggy Backing off The School District of Palm Beach County 20C-56P					

Standard Mica Color to be selected  
**One Time Special Delivery & Install Pricing**

Piggy Backing off The School District of  
Palm Beach County 20C-56P

<b>Total</b>	<b>\$1,955.50</b>
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Non-stock items are special order or custom made and are NOT returnable, refundable or exchangable. All sales are final.

Ordered by: \_\_\_\_\_ Date: \_\_\_\_\_  
Your Salesperson: Allan Libero (954) 253-3806  
Libero Consulting Group Inc. Vendor # 007918  
Discount per The School District of Palm Beach Contract #20C-56P  
Manufactured by: Kirkwood Cabinery

**Libero Consulting Group Inc.**

2347 Harding Street  
Hollywood, FL 33020  
(954) 253-3806 Fax: (954) 922-6357  
allan@lcgspacemakers.com

**Quote**

Number EPQ414

Date 9/19/2023

**Bill To**

Accounts Payable  
City of Hollywood  
PO Box 229045  
Hollywood, FL, 33022

**Ship To**

Employee Retirement Fund Office  
2450 Hollywood Blvd.  
Suite 202, 204, 207, 209, 210  
Hollywood, FL., 33020

PO Number	Terms	Via	Project
REVISED 9/19/23	Net 30 days	our truck	Open Offices

Description	Quantity	List Price Each	Discount	Discount Price Each	Amount
OTG Series Furniture					
30" x 60" Desk no drawers in american dark cherry	2.00	\$408.00	44.00%	228.48	\$456.96
Del & Inst 10%	1.00	\$45.70	0.00%		\$45.70
Piggy Backing off The School District of Palm Beach County 20C-56P					

Color: American Dark Cherry  
**One Time Special Delivery & Install Pricing**

Piggy Backing off The School District of  
Palm Beach County 20C-56P

<b>Total</b>	<b>\$502.66</b>
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Non-stock items are special order or custom made and are NOT returnable, refundable or exchangable. All sales are final.

Ordered by: \_\_\_\_\_ Date: \_\_\_\_\_

Your Salesperson: Allan Libero (954) 253-3806

Libero Consulting Group Inc. Vendor # 007918

Discount per The School District of Palm Beach Contract #20C-56P

Manufactured by: Kirkwood Cabinery

## Christine Bailey

---

**From:** Dana Nelson  
**Sent:** Thursday, September 7, 2023 10:22 AM  
**To:** Christine Bailey  
**Cc:** Karyn Sashi; Kenneth Jenkins  
**Subject:** Pension Update

Hi Christine,

I just wanted to give you a quick update on the progress.

The contractor has issued a schedule adjustment pushing out the substantial completion to the end of November. The reasons behind are push are: Building Management altering our work schedules, Building Management above ceiling work, and mechanical questions requiring the former design team to be retained.

As we go into the finish stages of the project, flooring, ceilings, etc., we've had some challenges with the building management altering our schedule due to the construction activity. For a good part during the framing and drywall activities, the GC was required to shut down and change their schedule to the evenings which had to be coordinated with the trades. Until last week they have been allowed to continue during business hours and we were given permission to also work Saturday's, in which they will start this Saturday to help make up lost time. This created significant delays.

There was also significant above ceiling work that was discovered upon opening the ceilings. We gave the building manager several options to quickly deal with this however they chose to have their own contractor complete the work. This prevented some progress from our GC and added to their clean up efforts.

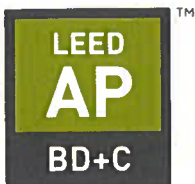
Lastly, as you're aware we had to get the design team back on board to respond to critical mechanical questions. I think we all responded quickly and were able to get this completed without too much delay.

The schedule update was provided to me last week after we raised concerns on their progress. I haven't formally accepted the revised schedule until I see they are making every effort to recover any lost time. I am also examining the contract language for how the GC shall report delays.

I have reached out to Bill Clift regarding the door hardware and we have a meeting with IT Monday to hopefully press forward with their requirements.

That's all for now, Thanks!

Dana Nelson, LEED AP BD+C  
Construction Management Support Services Manager  
City of Hollywood  
Department of Design & Construction Management  
Office: 954-921-3992  
Cell: 954-669-5441  
E-mail: [Dnelson@hollywoodfl.org](mailto:Dnelson@hollywoodfl.org)



# **AGENDA ITEM 7.C.**

## **EXECUTIVE DIRECTOR'S REPORT**

### **PENSION OFFICE RENOVATION UPDATE**



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



September 22, 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) for Fiscal Year 2024.

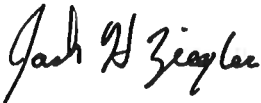
The scope of work is described in a PGL Tasks list maintained by COHERF and summarized in the attachment. GTJZ will work to assist COHERF to complete as many tasks as possible during the period of 10/1/2023 through 9/30/2024 and within GTJZ's available hours.

GTJZ's professional fees for the FY2024 PGL Tasks will be billed on a time & materials basis for actual hours incurred at our current hourly rate of \$225 per hour. Total fees will not exceed \$202,500.00.

\* \* \* \* \*

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 Tunncliffe & Jack Ziegler LLC*

**PGL Task List Summary – Remaining Tasks**

<b>Task #</b>	<b>Type</b>	<b>Topic</b>
11	Design and UAT	Workflow - Test Disability workflow
13	Design and UAT	Calculations - Test Estimate for youngest beneficiary DOB override
14	Design and UAT	Calculations - Test Vested Deferred and Vested Commencement
15	Design and UAT	Calculations - Test Recalculations
16	Design and UAT	Calculations - Test DROP Max End Date when 32 years of credited service is reached
18	UAT	Calculations - Test partial lump sum benefit
19	UAT	Calculations - Test retiree death process
20	UAT	Calculations - Test vesting service override
21	UAT	Letter - Test 415 Limit
22	UAT	Letter - Test Death Benefit Deceased Retiree No Beneficiary
23	UAT	Letter - Test Death Benefit Survivor Joint Annuity Beneficiary Benefit
24	UAT	Letter - Test Death Benefit Survivor Put on Payroll
25	UAT	Letter - Test Death Benefit Survivor Year Certain Beneficiary Benefit
28	UAT	Letter - Test Retirement DROP (upon leaving DROP)
30	UAT	Letter - Test Retirement Service Retirement
31	UAT	Letter - Test Verification DROP
32	UAT	Letter - Test Verification Payee
33	Research and Compile	Plan process for COHERF to research and compile information for beneficiaries of retirees
34	Research and Compile	Plan process for COHERF to research and compile Benefit and Payment Option information for retirees from data conversion
35	Research and Compile	Plan process for COHERF to research and compile Membership Dates for retirees
36	Research and Data Entry	13th Check - Plan process for COHERF to enter spousal relationship for applicable retiree beneficiaries from data conversion and new beneficiaries
38	Research and Data Entry	13th Check - Plan process for COHERF to enter non-contributory time for new retirees since Go-live
40	UAT	Test Non-Vested rehires process (and related report)
41	Design and UAT	Letter (new) - Design and test Active Member Beneficiary Change
42	Design and UAT	Letter (new) - Design and test Retiree Beneficiary Change
43	UAT	Report - Test 13th Check Report
44	UAT	Report - Test Actuarial Valuation Report - Active
45	UAT	Report - Test Actuarial Valuation Report - Inactive
46	UAT	Report - Test DROP Participant Report
47	UAT	Report - Test DROP Reconciliation Report

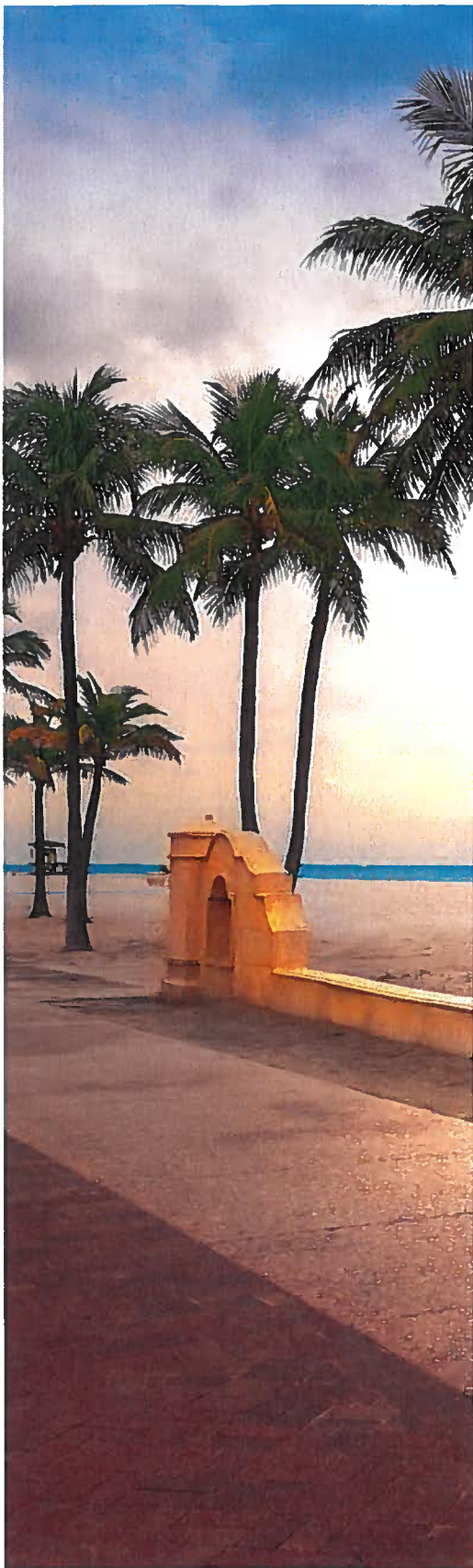
Task #	Type	Topic
48	UAT	Report - Test Eligible Retirees in Coming Year Report
49	UAT	Report - Test report format revisions
50	UAT	Report - Test Member Status Report
51	UAT	Report - Test Prior Service and Arrears Report
52	Research and Compile	Plan process for COHERF to research and compile beneficiary information for Active members
53	Research and Data Entry	Plan process for COHERF to review monthly credited service and adjust, as needed, those members where CPMS could not automatically determine service credit for the month
54	Research and Data Entry	Plan process for COHERF to upload electronic member documents existing in their file
55	Research and Data Entry	Plan process for COHERF to work with City to flag members who are subject to FL Ch 119 Confidentiality rules
56	Research and Data Entry	Plan process for COHERF to enter historical quarterly interest rates for DROP
57	Research and Data Entry	Plan process for COHERF to enter historical quarterly Interest rates for Planned Retirement
58	CPMS System	Revise How Do I Training Guides for certain COHERF procedures
59	Design and UAT	Beneficiaries - Design and test Actuary rules for young beneficiaries
60	Design and UAT	Letters (new) - Design and test up to 21 existing COHERF letters which are not currently in CPMS
61	Design and UAT	Design and test export from CPMS to Principal
62	UAT	Letter - Test Vested Member Notice
63	Design and UAT	Workflow (new) - Design and test Contribution Refunds workflow
65	Research and Data Entry	Plan for COHERF to research and enter retirement benefit information and beneficiaries for Vested Deferred members
66	Research and Data Entry	Plan process for COHERF to research Vested Deferred members who have become eligible for retirement benefits
67	Design and UAT	Workflow (new) - Design and test DROP Entry workflow
68	Design and UAT	Workflow (new) - Design and test DROP Exit workflow
69	Design and UAT	Workflow (new) - Design and test Terminations workflow
70	Design and UAT	Workflow (new) - Retirement workflow
71	MSS Implementation	Plan for and implement MSS for COHERF members in early 2024 including assessment of staffing to support MSS rollout
72	Data Conversion	Upload research results for retirees and beneficiaries to CPMS
73	Specification	Review and finalize Member Retirement Spec
74	Specification	Review and finalize DROP Member Retirement Spec
75	Data Conversion	Work with City to implement revised Biweekly Payroll Feed logic in Oracle Production
76	Data Conversion	Work with City to generate new Oracle Data Extraction File for missing "Retro" Deduction Elements

Task #	Type	Topic
78	Data Conversion	Work with City to revise Oracle Data Extraction File logic for (1) missing Pay Elements, and (2) double/triple earning amounts and hours; generate new data extraction file
79	Data Conversion	Upload revised historical earnings records from Oracle to CPMS; Recast Service History in CPMS
80	Data Conversion	Upload missing "Retro" Deduction Elements to CPMS

# **AGENDA ITEM 7.E.**

## **EXECUTIVE DIRECTOR'S REPORT**

### **SUMMARY PLAN DESCRIPTION UPDATE 2023**



## Summary Plan Description

Supplement - September, 2023

City of Hollywood Employees' Retirement Fund



the 1990s, the number of people in the UK who are aged 65 and over has increased by 1.5 million (1990–1999) and is projected to increase by a further 1.5 million by 2010 (Office of National Statistics 2000).

There is a growing awareness of the need to develop strategies to meet the needs of the ageing population. The Department of Health (2000) has identified the need to develop a 'new paradigm' of care for the ageing population, one that is based on the concept of 'active ageing'.

The concept of 'active ageing' is defined by the World Health Organization (WHO) as 'the process of maximizing the opportunities for health, participation and security in old age' (WHO 1999, p. 10). The WHO (1999) has identified three key components of active ageing: health, participation and security.

Health is defined as 'the state of well-being, not just the absence of disease' (WHO 1999, p. 10). Participation is defined as 'the ability to take part in the life of the community' (WHO 1999, p. 10). Security is defined as 'the ability to meet the needs of old age' (WHO 1999, p. 10).

The WHO (1999) has identified a number of factors that influence the process of active ageing. These factors are: health, participation, security, and the environment. The environment is defined as 'the physical and social environment in which people live' (WHO 1999, p. 10).

The WHO (1999) has identified a number of strategies to promote active ageing. These strategies are: health promotion, participation promotion, security promotion, and environment promotion. Health promotion is defined as 'the process of enabling people to take control of their own health' (WHO 1999, p. 10).

Participation promotion is defined as 'the process of enabling people to take part in the life of the community' (WHO 1999, p. 10). Security promotion is defined as 'the process of enabling people to meet the needs of old age' (WHO 1999, p. 10). Environment promotion is defined as 'the process of enabling people to live in a healthy and safe environment' (WHO 1999, p. 10).

The WHO (1999) has identified a number of key messages for the promotion of active ageing. These messages are: health, participation, security, and the environment. The WHO (1999) has identified a number of key actions for the promotion of active ageing. These actions are: health promotion, participation promotion, security promotion, and environment promotion.

The WHO (1999) has identified a number of key outcomes for the promotion of active ageing. These outcomes are: health, participation, security, and the environment. The WHO (1999) has identified a number of key indicators for the promotion of active ageing. These indicators are: health, participation, security, and the environment.

The WHO (1999) has identified a number of key challenges for the promotion of active ageing. These challenges are: health, participation, security, and the environment. The WHO (1999) has identified a number of key opportunities for the promotion of active ageing. These opportunities are: health, participation, security, and the environment.

The WHO (1999) has identified a number of key principles for the promotion of active ageing. These principles are: health, participation, security, and the environment. The WHO (1999) has identified a number of key values for the promotion of active ageing. These values are: health, participation, security, and the environment.

The WHO (1999) has identified a number of key goals for the promotion of active ageing. These goals are: health, participation, security, and the environment. The WHO (1999) has identified a number of key strategies for the promotion of active ageing. These strategies are: health promotion, participation promotion, security promotion, and environment promotion.

The WHO (1999) has identified a number of key actions for the promotion of active ageing. These actions are: health promotion, participation promotion, security promotion, and environment promotion. The WHO (1999) has identified a number of key outcomes for the promotion of active ageing. These outcomes are: health, participation, security, and the environment.

The WHO (1999) has identified a number of key indicators for the promotion of active ageing. These indicators are: health, participation, security, and the environment. The WHO (1999) has identified a number of key challenges for the promotion of active ageing. These challenges are: health, participation, security, and the environment.

The WHO (1999) has identified a number of key opportunities for the promotion of active ageing. These opportunities are: health, participation, security, and the environment. The WHO (1999) has identified a number of key principles for the promotion of active ageing. These principles are: health, participation, security, and the environment.

The WHO (1999) has identified a number of key values for the promotion of active ageing. These values are: health, participation, security, and the environment. The WHO (1999) has identified a number of key goals for the promotion of active ageing. These goals are: health, participation, security, and the environment.



**City of Hollywood Employees' Retirement Fund  
2600 Hollywood Boulevard  
Annex Building, Room 20  
Hollywood, FL 33020**

**SUMMARY PLAN DESCRIPTION  
SUPPLEMENT - SEPTEMBER 2023**

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**TRUSTEES**

**Phyllis Shaw**  
Chair

**George R. Keller**  
Vice Chair

**Robert Strauss**  
Secretary

**Barbara Armand**

**Jeffrey Greene**

**Charles Howell**

**David Keller**

**STAFF**

**Christine Bailey**  
Executive Director

**Veron Sibble**  
Pension Coordinator

**Yvonne Narayan**  
Executive Assistant

**September 2023**

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September 2023

Dear Member or Prospective Member

Since the publication of the City of Hollywood Employees' Retirement Fund Summary Plan Description (SPD), there have been no significant legislative changes have taken place that affect your retirement plan.

In this booklet, we have provided corrections and updated certain statistical information. Just follow the arrows that start on the pages to the left and that direct you to miniaturized replicas of the pages from the SPD updated through September 2021. These arrows guide you from explanations of the current data, then point you to sections of the SPD that have changed.

We strongly encourage you to keep this supplement with your SPD. Please be aware that we present herein only that which has changed in your retirement plan. Please also be aware that in the event of any discrepancy between this SPD, the SPD Supplement and the actual provisions of the Plan, the provisions of the Plan will govern. Neither the SPD, nor the SPD Supplement constitute a contract for retirement benefits.

We encourage you to visit the Pension Office to discuss any questions you may have with our dedicated staff. We hope that the SPD and this supplement will be of assistance to you and your loved ones.

Sincerely,

Christine Bailey  
Executive Director

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## WHO PAYS FOR YOUR BENEFITS

refund of these contributions. Your annual statement from COHERF reports your actual contributions.

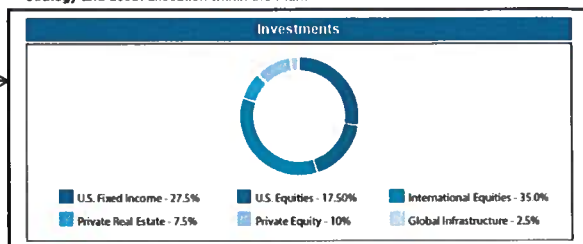
Your contributions will cease upon your death, retirement, employment termination or entry into the DROP.

### Employer Contributions

The Plan's Actuary calculates and determines how much the employer should contribute to the Plan on your behalf. City contributions are not allocated to specific members, but are combined with all the employee contributions and investment earnings to pay benefits.

### How Your Contributions Are Invested

Know that the earnings of Plan investments fund much of the cost of your retirement benefits. The fund is made up of diversified investments, predominantly domestic stocks, bonds, real estate and other like securities. These investments are managed and monitored by the Board with the assistance of an Independent Investment Consultant and Professional Investment Managers. The chart that follows illustrates the investment strategy and asset allocation within the Plan.



### WHAT KIND OF SERVICE COUNTS AND HOW

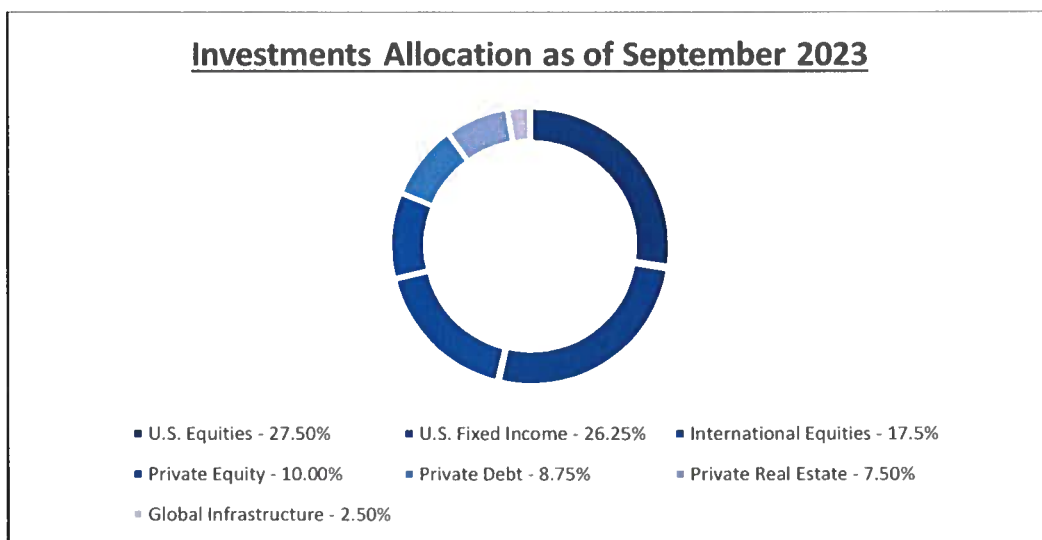
Credited Service (that is, employment which counts toward your retirement allowance) can include the following:

- Membership Service
- Previous Service
- Military Service
- Forward Purchase Service

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## How Your Contributions Are Invested



## HOW BENEFITS ARE PAID

### Option 4 - 100% Joint and Equal

You receive a reduced monthly benefit for the rest of your life. Upon your death, your primary beneficiaries only will together receive 100% of your reduced allowance until the last surviving beneficiary dies in the ratio you select. This is a benefit guaranteed to be paid for as long as you live and then continue to be paid in an amount equal to your benefit until your last surviving primary beneficiary dies.

You can name one or more primary beneficiaries. If you do name more than one beneficiary the benefit will be divided among them in the ratio you select. The age of your beneficiary will affect the reduction of benefits. If you designate more than one beneficiary, the age of the youngest beneficiary will be used in the calculation of benefits. You choose your primary beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time. Note that under this option, your benefit will be recalculated if you make a beneficiary change. Your benefit may increase or decrease, in part, depending on the difference in ages between the old and new youngest beneficiary.

Please note: The IRS limits the percentage of a survivor annuity for non-spousal beneficiaries. This limitation is based on your age and the age of your preferred beneficiaries. If you are considering designating non-spousal beneficiaries who are ten or more years younger than you, this option may not be available to you.

### Option 5 - 50% Joint and Equal

You receive a reduced monthly benefit for the rest of your life. Upon your death, your primary beneficiaries only will together receive 50% of your reduced allowance until the last surviving beneficiary dies in the ratio you select. This is a benefit guaranteed to be paid for as long as you live and then continue to be paid in an amount that is half of your benefit until your last surviving primary beneficiary dies.

You can name one or more primary beneficiaries. If you do name more than one beneficiary the benefit will be divided among them. The age of your beneficiary will affect the reduction of benefits. If you designate more than one beneficiary, the age of the youngest beneficiary will be used in the calculation of benefits. You choose your primary beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time. Note that under this option, your benefit will be recalculated if you make a beneficiary change. Your benefit may increase or decrease, in part, depending on the difference in ages between the old and new youngest beneficiary.

### Payment Of Benefits

Retirement benefit payments are made once per month, on the 25th of each month (or on the next business day when the 25th falls on a weekend or holiday). COHERF can either send your check directly to your home, or deposit your payment directly into

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### Option 5 - 50% Joint and Half:

You receive a reduced monthly benefit for the rest of your life. Upon your death, your primary beneficiaries only will together receive 50% of your reduced allowance until the last surviving beneficiary dies in the ratio you select. This is a benefit guaranteed to be paid for as long as you live and then continue to be paid in an amount that is half of your benefit until your last surviving primary beneficiary dies.



## IMPORTANT GENERAL INFORMATION ABOUT COHERF

### Pertinent Actuarial Information

The Plan undergoes an actuarial valuation each year. The following tables provide pertinent actuarial information about the Plan, the revenues and expenditures of the Plan and a summary of the Plan's Assets.

Pertinent Actuarial Information		
	As of October 1	
	2020	2019
<b>Number of Members of the Plan</b>		
Active Members	599	592
Active Transfers	9	11
Those Receiving or Due to Receive Benefits	1,190	1,186
<b>Annual Payroll of Active Members</b>	\$40,789,456	\$40,869,983
<b>Annual Rate of Benefits in Pay Status</b>	35,469,154	33,458,933
<b>Actuarial Accrued Liability</b>	583,426,971	565,621,420
<b>Net Assets Available for Benefits (Actuarial Value)</b>	369,068,328	341,286,411
<b>Unfunded Actuarial Accrued Liability</b>	214,358,643	224,335,009
<b>Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan</b>	29,112,903	30,198,278
<b>Expected Annual Payroll of Active Members in Contribution Year</b>	42,217,087	42,300,432
<b>Required Contribution as % of Expected Payroll of Active Members in Contribution Year</b>	68.96%	71.39%
<b>Required Contribution to be Paid During Year Ending</b>	9/30/2022	9/30/2021

PERTINENT ACTUARIAL INFORMATION		
	As of October 1	
	2022	2021
Number of Members of the Plan		
Active Members	587	603
Active Transfers	6	9
Those Receiving or Due to Receive Benefits	1,222	1,185
Annual Payroll of Active Members	\$40,906,705	\$41,931,489
Annual Rate of Benefits in Pay Status	39,092,505	36,663,676
Actuarial Accrued Liability	631,435,869	613,804,664
Net Assets Available for Benefits (Actuarial Value)	406,687,916	393,278,367
Unfunded Actuarial Accrued Liability	224,747,953	220,526,297
Required Contribution to be Made to the Plan Over and Above Contributions by Members of the Plan	27,439,543	26,404,007
Expected Annual Payroll of Active Members In Contribution Year	42,338,440	43,399,091
Required Contribution as % of Expected Payroll of Active Members in Contribution Year	64.81%	60.84%
Required Contribution to be Paid During Year Ending	9/30/2024	9/30/2023

REVENUES AND EXPENDITURES		
	Year Ended	
	9/30/2022	9/30/2021
<b>REVENUES:</b>		
a. Member contributions	\$ 3,507,528	\$ 3,455,693
b. City contributions – Including receivables	28,387,441	29,914,898
c. County contributions	37,128	29,913
d. Investment income		
Interest, dividends, and other income	5,477,861	4,706,833
Net appreciation (depreciation) in fair value of investments	(45,485,428)	73,078,949
Investment expenses	(648,438)	(677,405)
Net investment income	(40,656,005)	77,108,377
e. Other	-	-
f. Total revenues	(8,723,908)	110,508,881
<b>EXPENDITURES:</b>		
a. Refunds of member contributions	921,883	480,993
b. Benefits paid	35,157,992	33,058,248
c. DROP Distributions	3,720,189	3,149,632
d. Supplemental Pension Distribution	7,578,907	-
e. Administrative expenses	921,596	800,993
f. Total expenditures	48,300,567	37,489,866
<b>NET INCOME:</b>		
Total revenues minus total expenditures	(57,024,475)	73,019,015

SUMMARY OF ASSETS – MARKET VALUE		
	Year Ended	
	9/30/2022	9/30/2021
Money Market Shares	\$ 7,097,960	\$ 6,237,302
Corporate Equities	13,798,701	15,681,939
Corporate Bonds	3,880,835	-
U.S. Government Securities	5,388,842	-
Mutual Funds	207,499,592	285,999,924
Pooled Investment Funds	148,586,662	124,015,119
Payables/Accrued Expenses	(1,676,009)	(1,093,946)
Receivables	1,085,444	11,846,164
Total Assets	\$ 385,662,027	\$ 442,686,502
DROP Accounts	(6,317,935)	(6,928,906)
Supplemental Pension Distribution	-	(7,578,907)
Net Assets	\$ 379,344,092	\$ 428,178,689

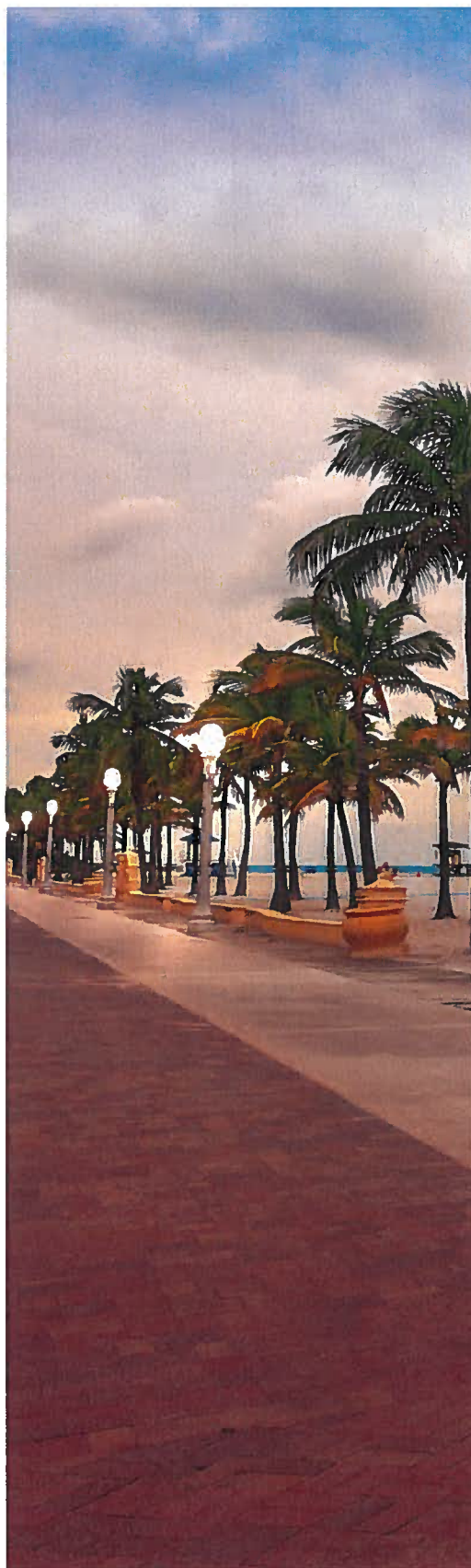
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## NOTES

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**City of Hollywood Employees' Retirement Fund**  
2600 Hollywood Boulevard  
Annex Building, Room 20  
Hollywood, FL 33020





**AGENDA ITEM 7.F.**  
**EXECUTIVE DIRECTOR'S REPORT**  
**PERSONNEL CONSIDERATIONS**

# **City of Hollywood Employees' Retirement Fund** **Personnel Action Considerations - September 26, 2023**

## **Current Status**

Employee Name	Hire Date	Hourly Rate	Annual Salary
Veron Sibble	8/27/2018	44.27	92,081.60
Yvonne Narayan	9/10/2018	23.92	49,753.60
<b>Total</b>			141,835.20

## **Proposed Personnel Action**

Employee Name	Annual Salary	Longevity 5-Year	Retroactive Longevity	Annual Adjustment 3%	Annual Salary with Longevity and Adjustment	Annual Salary with Longevity Only	Annual Salary With Adjustment Only
Veron Sibble	92,081.60	4,604.08	531.24	2,762.45	99,448.13	96,685.68	97,216.92
Yvonne Narayan	49,753.60	2,487.68	191.36	1,492.61	53,733.89	52,241.28	52,432.64

Employee	Proposed Annual Increase
Veron Sibble	7,366.53
Yvonne Narayan	3,980.29
<b>Total</b>	11,346.82



## Southeast Information Office

Search Southeast Region  Go[Southeast Home](#)[Southeast Geography](#)[Southeast Subjects](#)[Southeast Archives](#)[Contact Southeast](#)

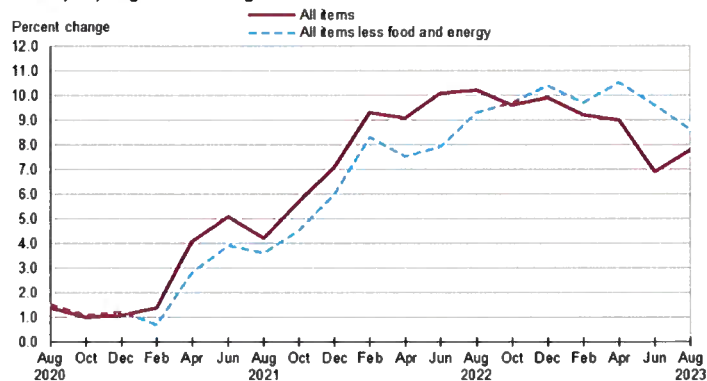
## Consumer Price Index, Miami-Fort Lauderdale-West Palm Beach — August 2023

## Area prices up 7.8 percent over the past 12 months

The Consumer Price Index for All Urban Consumers (CPI-U) for Miami-Fort Lauderdale-West Palm Beach rose 1.2 percent from June to August, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Victoria G. Lee noted that the index for all items less food and energy increased 1.1 percent over the bi-monthly period. The energy index and the food index also increased from June to August, up 3.9 percent and 0.5 percent, respectively. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect the impact of seasonal influences.)

The all items CPI-U increased 7.8 percent for the 12 months ending in August. (See [chart 1](#) and [table A](#).) The index for all items less food and energy advanced 8.6 percent over the year. The indexes for food (+5.6 percent) and energy (+4.3 percent) also increased over the last 12 months. (See [table 1](#).)

**Chart 1. Over-the-year percent change in CPI-U, Miami-Fort Lauderdale-West Palm Beach, FL, August 2020–August 2023**



Source: U.S. Bureau of Labor Statistics.

[View Chart Data](#)

## Food

The food index rose 0.5 percent from June to August, led by a 0.4-percent increase in the food at home index. Four of the six major grocery store food group indexes increased over the month, including a 2.9-percent increase in nonalcoholic beverages and beverage materials. The index for food away from home rose 0.5 percent over the bi-monthly period.

The food index increased 5.6 percent for the 12 months ending in August, led by a 4.6-percent increase in the food at home index as all six major grocery store food groups indexes increased. The food away from home index also continued to increase over the past year, up 7.9 percent.

## Energy

The energy index rose 3.9 percent from June to August, primarily due to a 9.9-percent increase in the gasoline index. In contrast, the electricity and natural gas indexes declined over the two-month period, down 2.5 percent and 0.5 percent, respectively.

The energy index increased 4.3 percent for the 12 months ending in August, led by a 12.2-percent increase in the electricity index. The gasoline index edged up 0.2 percent over the past year, while the index for natural gas increased 9.1 percent.

## All items less food and energy

The index for all items less food and energy rose 1.1 percent from June to August, led by a 1.3-percent increase in the shelter index. Within shelter, owners' equivalent rent increased 1.4 percent over the bi-monthly period and rent of primary residence increased 1.3 percent.

The index for all items less food and energy advanced 8.6 percent for the 12 months ending in August. Shelter (+14.3 percent) was the largest contributor as owners' equivalent (+14.3 percent) and rent of primary residence (+15.3 percent) continued to increase over the past year.

**Table A. Miami-Fort Lauderdale-West Palm Beach, FL, CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted**

Month	2019		2020		2021		2022		2023	
	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month
February	1.0	1.2	0.4	1.4	0.8	1.4	2.8	9.3	2.1	9.2
April	0.8	2.2	-1.0	-0.5	1.6	4.1	1.5	9.1	1.4	9.0
June	-0.5	1.2	0.7	0.7	1.6	5.1	2.5	10.1	0.5	6.9
August	0.4	1.9	1.0	1.4	0.2	4.2	0.4	10.2	1.2	7.8
October	0.4	1.5	0.1	1.0	1.5	5.7	0.9	9.6		
December	-0.2	2.0	-0.2	1.1	1.2	7.1	1.4	9.9		

## News Release Information

23-1999-ATL  
Wednesday, September 13, 2023

## Contacts

## Technical Information:

(404) 893-4222  
[BLInfoAtlanta@bls.gov](mailto:BLInfoAtlanta@bls.gov)  
[www.bls.gov/regions/southeast](http://www.bls.gov/regions/southeast)

## Media contact:

(404) 893-4220

## Related Links

[CPI Charts](#) | [Southeast CPI Card](#)

- Data not available.

Item and Group	Jun. 2023	Jul. 2023	Aug. 2023	Aug. 2022	Jun. 2023	Jul. 2023
Private transportation	288.520	-	297.501	2.6	3.1	-
New and used motor vehicles(3)	136.819	-	135.178	-3.0	-1.2	-
New vehicles(1)	285.583	-	285.725	2.6	0.0	-
Used cars and trucks(1)	422.673	-	413.611	-7.5	-2.1	-
Motor fuel	306.178	310.330	336.403	0.0	9.9	8.4
Gasoline (all types)	302.861	307.115	332.829	0.2	9.9	8.4
Unleaded regular(4)	299.138	303.680	330.132	0.8	10.4	8.7
Unleaded midgrade(4)(5)	298.206	300.789	321.394	-2.8	7.8	6.9
Unleaded premium(4)	320.832	322.711	341.940	-3.8	6.6	6.0
Medical Care	610.032	-	604.993	-1.7	-0.8	-
Recreation(3)	134.092	-	135.675	2.3	1.2	-
Education and communication(3)	133.428	-	134.542	5.8	0.8	-
Tuition, other school fees, and child care(1)	1,112.890	-	1,135.378	5.1	2.0	-
Other goods and services	456.357	-	453.905	8.6	-0.5	-
Commodity and service group						
All Items	335.270	-	339.347	7.8	1.2	-
Commodities	244.439	-	248.086	1.8	1.5	-
Commodities less food & beverages	200.447	-	204.764	0.0	2.2	-
Nondurables less food & beverages	239.498	-	250.999	2.4	4.8	-
Durables	159.530	-	158.934	-2.0	-0.4	-
Services	404.611	-	409.069	10.7	1.1	-
Special aggregate indexes						
All items less medical care	323.203	-	327.532	8.5	1.3	-
All items less shelter	281.723	-	284.959	3.1	1.1	-
Commodities less food	201.722	-	205.870	-0.1	2.1	-
Nondurables	281.314	-	287.928	3.6	2.4	-
Nondurables less food	238.241	-	248.688	2.0	4.4	-
Services less rent of shelter(2)	366.257	-	368.928	4.6	0.7	-
Services less medical care services	386.318	-	391.128	11.9	1.2	-
Energy	252.789	251.627	262.726	4.3	3.9	4.4
All items less energy	344.712	-	348.225	8.2	1.0	-
All items less food and energy	347.702	-	351.487	8.6	1.1	-
Footnotes						
(1) Index is on a November 1977=100 base.						
(2) Index is on a November 1982=100 base.						
(3) Indexes on a December 1997=100 base.						
(4) Special index based on a substantially smaller sample.						
(5) Indexes on a December 1993=100 base.						
- Data not available.						
NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.						

**Last Modified Date:** Wednesday, September 13, 2023

U.S. BUREAU OF LABOR STATISTICS Southeast Information Office Suite 7T50 61 Forsyth St., S.W. Atlanta, GA 30303

Telephone: 1-404-893-4222 [www.bls.gov/regions/southeast](http://www.bls.gov/regions/southeast) [Contact Southeast Region](#)

**AGENDA ITEM 7.G.**  
**EXECUTIVE DIRECTOR'S REPORT**  
**INDEPENDENT AUDITORS FOR**  
**THE FISCAL YEAR ENDING SEPTEMBER 30, 2023**



September 20, 2023

To the Board of Trustees and Executive Director  
City of Hollywood Employees' Retirement Fund  
City Hall Annex, Room 20  
2600 Hollywood Boulevard  
Hollywood, FL 33020

Re: Option Year For Audit Contract Between Marcum LLP and City of Hollywood Employees'  
Retirement Fund dated September 1, 2022

This letter serves as an addendum (all previous terms of the referenced agreement/engagement letter are still in effect) of our understanding of the services we, Marcum LLP ("Marcum"), are to provide the City of Hollywood Employees' Retirement Fund (the "Plan", "you" or "your"). This addendum serves as a formal exercise of the option to extend the audit services contract for fiscal years ending September 30, 2023.

**Fees**

Our fee for these services will be based on the actual time spent at our discounted hourly rates reflected in our audit contract referenced above. The financial audit fee for the fiscal year ended September 30, 2023 is \$23,000.

We appreciate the opportunity to be of continued service to the Plan. If you have any questions, please let us know.

Very truly yours,

A handwritten signature in black ink, appearing to read "Moises D. Ariza".

Moises D. Ariza, CPA, CGMA  
Partner

Marcum LLP



**ACCEPTED:**

This letter correctly sets forth the agreement of the City of Hollywood Employees' Retirement Fund.

Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_



September 1, 2022

To the Board of Trustees and Executive Director  
City of Hollywood Employees' Retirement Fund  
City Hall Annex, Room 20  
2600 Hollywood Boulevard  
Hollywood, FL 33020

Re: Engagement of Marcum LLP

We are pleased to confirm our understanding of the services Marcum LLP ("Marcum," the "Firm," "we," "us" or "our") are to provide to the City of Hollywood Employees' Retirement Fund (the Plan) for the fiscal year ending September 30, 2022. We will audit the financial statements of the Plan as of and for the fiscal year ending September 30, 2022 with the option to extend this contract for one (1) additional fiscal year (for fiscal year ending September 30, 2023 and beyond if the Plan chooses to match Marcum LLP's audit contract with the City of Hollywood, Florida.

Accounting standards generally accepted in the United States of America require supplementary information (RSI) such as management's discussion and analysis (MD&A), to supplement the Plan's financial statements] be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of City Contributions
- 3) Schedule of Changes in the City's Net Pension Liability and related Ratios
- 4) Schedule of Investment Returns

#### **Audit of the Financial Statements**

- We will conduct 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 of America =. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence



about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of Plan's financial statements. Our report will be addressed to the governing body of Plan. We cannot provide assurance that unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraphs, or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over

financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report on the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* upon completion of our audit.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods or any losses that might be incurred during any later periods for which we are not engaged as auditors.

You have engaged us to include in our report a section that discusses key audit matters, if any, identified during our audit. Key audit matters that are communicated or required to be communicated to those charged with governance that were, in the auditors' professional judgment, of most significance to the audit of the financial statements of the current period. Key audit matters may involve, among other things, areas of higher risk of material misstatement or significant identified risks; areas that require significant auditor judgment, such as accounting estimates or other areas subject to a high degree of estimation uncertainty; or the effect of significant events or transactions in the current period. For each key audit matter identified in our report, our report will describe the primary reasons we designated it as a key audit matter, how it was addressed in the audit, and refer to the financial statement accounts or disclosures related to it. The communication of key audit matters does not alter in any way our opinion on the financial statements, taken as a whole. If our audit does not identify any key audit matters, our audit report will state that conclusion.

We have identified the following significant risks of material misstatement as part of our audit planning, and we would be happy to discuss these with you during the course of our audit (See examples below:

- Management override of internal controls
- Implementation of new accounting standards (when applicable)
- Fair value measurements

#### **Management's Responsibilities**

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP");

2. 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;
3. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including the disclosures, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report.
4. For including the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For preparing written representation requests from the Plan's attorneys as part of the engagement, and they may bill you for responding to these inquiries.
7. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
8. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials;
9. For informing us of their knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, regulators or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. We strongly urge you to obtain insurance protection for such risks;
10. For the accuracy and completeness of all information provided; and

**11. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information.**

At the conclusion of our audit, we will request certain written representations from you that, among other things, will confirm management's responsibility for the preparation of the financial statements in accordance with GAAP, attesting to the completeness and truthfulness of representations and disclosures made to us during the course of our work, the completeness and availability of all minutes of the Board of Trustees (Board) meetings, and, to the best of your knowledge and belief, the absence of irregularities involving management or those employees who have significant roles in the Plan's internal control structure. Management is also responsible for adjusting the financial statements to correct misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the audited financial statements are immaterial, both individually and in the aggregate, to the financial statements as a whole. Any assistance provided by us in preparing the financial statements, adjusting entries or disclosures does not decrease management's responsibility to assure that the result is not misleading. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing any such services. The management representation letter must be signed and returned to us before we will release our auditors' report.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. If you are missing any documents or workpapers from our prior years' engagements (if applicable), it is your responsibility to inform us. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

If the Contractor has questions regarding the application of Chapter 119, Florida Statutes, the Contractor's duty to provide public records relating to this contract, contact the Custodian of Public Records at:

Christine Bailey  
Executive Director  
City of Hollywood, Florida Employees' Retirement Fund  
(954) 921-3333  
CBAILEY@hollywoodfl.org

**Communication with Those Charged with Governance**

As part of our engagement, we are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process as well as other matters we believe should be communicated to those charged with governance. GAAS does not require the auditor to design procedures for the purpose of identifying other matters to communicate with those charged with governance. Such

matters include, but are not limited to, (1) the initial selection of and changes in significant accounting policies and their application; (2) the process used by management in formulating particularly sensitive accounting estimates and the basis for our conclusions regarding the reasonableness of those estimates; (3) all passed audit adjustments; (4) any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or our report; (5) our views about matters that were the subject of management's consultation with other accountants about auditing and accounting matters; (6) major issues that were discussed with management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; (7) serious difficulties that we encountered in dealing with management related to the performance of the audit; and (8) matters relating to our independence as the Plan's auditors.

#### **Auditors' Report and Reproduction**

We will issue a written report upon completion of our audit of the Plan's financial statements. Our report will be addressed to those charged with governance. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraphs to our auditors' report. If for any reason, we are unable to complete the audit or we are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require us to do so, we may resign from the engagement prior to completion.

With regard to the electronic dissemination of the Plan's financial statements, including financial statements published electronically on the Plan's website, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

#### **Assistance By Your Personnel**

We will ask that your personnel, to the extent possible, prepare required schedules and analyses, and make selected invoices and other required documents available to our staff. This assistance by your personnel will serve to facilitate the progress of our work and minimize our time requirements.

You acknowledge that the Plan's confidential information may be transmitted to us through an information portal or delivery system established by us or on our behalf. You shall notify us in writing of your employees, representatives, or other agents to be provided access to such portal or system; upon the termination of such status, you shall immediately notify us in writing. You acknowledge that you are responsible for the actions of your current and former employees, representatives, or other agents in connection with the transmission of your information. During the course of the engagement, we may communicate with you or your personnel via fax or e-



mail, and you understand that communication in those mediums involves a risk of misdirected or intercepted communications.

### **Background Checks**

As a matter of our Firm policy, we may perform background checks on potential clients and/or on existing clients, on an as-determined basis. The terms and conditions of this engagement are expressly contingent upon the satisfactory completion of our investigatory procedures and we reserve the right to withdraw from any relationship should information which we deem to be adverse come to our attention. The results of all background checks and other investigatory procedures are submitted to, and reviewed by, our Firm's Client Acceptance Committee.

### **Independence**

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. In order to preserve the integrity of our relationship, no offer of employment shall be discussed with any Marcum professionals assigned to the audit, including within the one-year period prior to the commencement of the year-end audit, and through the date of issuance of our audit report. Pursuant to professional standards, should such an offer of employment be made, or employment commences during the indicated time period, we will consider this an indication that our independence has been compromised. As such, we may be required to recall our auditors' report due to our lack of independence. In the event additional work is required to satisfy independence requirements, such work will be billed at our standard hourly rates.

### **Confidentiality/Access to Working Papers**

The working papers prepared in conjunction with our engagement are the property of Marcum and constitute confidential information. These working papers will be retained by us in accordance with applicable laws and with our Firm's policies and procedures. However, we may be required, by law or regulation, to make certain working papers available to regulatory authorities for their review, and upon request, we may be required to provide such authorities with photocopies of selected working papers.

The Firm is required to undergo a "Peer Review" every three years. During the course of a Peer Review engagement, selected working papers and financial reports, on a sample basis, will be inspected by an outside party on a confidential basis. Consequently, the accounting and/or auditing work we performed for you may be selected. Your signing this letter represents your acknowledgement and permission to allow such access should your engagement be selected for review.

As a result of our prior or future services to you, we may be required or requested to provide information or documents to you or a third party in connection with a legal or administrative proceeding (including a grand jury investigation) to which we are not a party. If this occurs, we

shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees) in complying with such request or demand. This is not intended, however, to relieve us of our duty to observe the confidentiality requirements of our profession.

### **Third-Party Service Providers**

Marcum may use third parties, including cloud-based service providers, in each case within or outside of the United States in connection with the provision of services and/or for internal, administrative and/or regulatory compliance purposes. You agree that Marcum may provide confidential and other information Marcum receives in connection with this agreement to third-party providers for such purposes. Marcum maintains internal policies, procedures and safeguards to protect the confidentiality of your information and Marcum will remain responsible to you for the protection of such information and services performed by third-party service providers as provided herein.

### **Dispute Resolution Procedure, Waiver of Jury Trial and Jurisdiction and Venue for Any and All Disputes Under This Engagement Letter and Governing Law**

**AS A MATERIAL INDUCEMENT FOR US TO ACCEPT THIS ENGAGEMENT AND/OR RENDER THE SERVICES TO THE ORGANIZATION IN ACCORDANCE WITH THE PROVISIONS OF THIS ENGAGEMENT LETTER:**

*The Firm and the Organization each hereby knowingly, voluntarily and intentionally waive any right either may have to a trial by jury with respect to any litigation based hereon, or arising out of, under or in connection with this engagement letter and/or the services provided hereunder, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party. The Firm and the Plan each expressly agree and acknowledge that the 17<sup>th</sup> Judicial Court, in and for Broward County, Florida and the United States District Court for the Southern District of Florida, shall each have exclusive and sole jurisdiction and venue for any respective state or federal actions arising from, relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions of either party.*

*The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action of the Firm and/or the Plan and our relationship with you shall be governed by the laws of the State of Florida to the extent said laws are not inconsistent with the Federal Securities Laws and Rules, Regulations and Standards thereunder. In any litigation brought by either the Firm or the Plan, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred, including through all appeals.*

We acknowledge your right to terminate our services at any time, and you acknowledge our right to resign at any time (including instances where in our judgment, our independence has been

impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for all direct and indirect charges including out-of-pocket expenses incurred through the date of termination or resignation or thereafter as circumstances and this agreement may require, plus applicable interest, costs, fees and attorneys' fees.

#### **LIMITATION OF LIABILITY**

Subject to and without waiver of the provisions of Section 768.28, Florida Statutes, the Plan hereby indemnifies Marcum and its partners, principals, and employees, and holds them harmless from all claims, liabilities, losses and costs arising in circumstances where there has been a **known and intentional** misrepresentation by a member of the Plan's management, regardless of whether such person was acting in the Plan's interest. This indemnification will survive completion or termination of this agreement.

#### **Non-Attest/Non-Audit Services**

We will not assume management responsibilities on behalf of the Plan. However, we will provide advice and recommendations to assist management of the Plan in performing its responsibilities.

The Plan's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee any non-attest services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

We are prohibited by professional standards from preparing source documents and authorizing or approving transactions. Accordingly, management must determine and approve all transactions including appropriate account classifications. As part of our engagement, we may propose standard, adjusting or correcting journal entries to the financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

The services cannot be relied on to detect errors, fraud or illegal acts that may exist. However, we will inform you of any material errors, fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in the Plan's internal control as part of a non-attest/non-audit service engagement.

We will perform the following service that is considered a non-attest services:

- Assistance with the Financial Statement Preparation

### **Other Services**

We are always available to meet with you and/or other executives at various times throughout the year to discuss current business, operational, accounting and auditing matters affecting the Plan. Whenever you feel such meetings are desirable please let us know; we are prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend the meetings of the Plan's Board.

### **Timeline**

Marcum's engagement ends on the earlier of termination (including without limitation, our resignation or declining to issue a report or other work product) or Marcum's delivery of its report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

### **Fees**

As delineated in this engagement letter, the above described professional services will be completed for a maximum fee of \$21,000 for fiscal year ending September 30, 2022. The Plan has the option to renew this contract for one subsequent fiscal year and beyond (to match Marcum's audit contract with the City).

Our invoices for these fees will be rendered as the work progresses, and are due and payable once approved by the Board. In accordance with our Firm policies, should any invoice remain unpaid, we reserve the right to defer providing any additional services until all outstanding invoices are paid in full. You agree that we are not responsible for the impact on the Plan of any delay that results from such non-payment by you.

To the extent that certain circumstances, including but not limited to those listed in Appendix A, arise during the engagement, our fee estimate may be significantly affected and additional fees may be necessary. Additional services provided beyond the described scope of services will be billed separately. Any fees above the agreed-upon maximum amount must have prior Board of Trustees approval. Our discounted billing rates for any additional work agreed to by the Plan/Board would be as follows:

- Partner \$350
- Manager \$240
- Supervisor \$185
- Senior \$165
- Staff \$150

## **Agreement**

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If it is determined that any provision of this letter is unenforceable, all other provisions shall remain in full force and effect. This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. Client may not assign or transfer this Agreement, or any rights, licenses, obligations, claims or proceeds from claims arising out of or in any way relating to this Agreement, any Services provided hereunder, or any fees for Services to anyone, by operation of law or otherwise without Marcum's prior written consent and any assignment without consent shall be void and invalid. Marcum may assign this Agreement, including all the rights and benefits hereunder, to any affiliate or acquirer of or successor to its business, or purchaser of all or substantially all of its assets, stock or interests or in the event of a reorganization or restructuring, and by your signature hereto, you consent to such assignment and the transfer of Client's files and information.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the Plan and that no other person or entity shall be authorized to enforce the terms of this engagement. The undersigned represents and warrants that it has the requisite authority and consents to enter into and perform this Agreement and the obligations herein for and on behalf of the Plan.

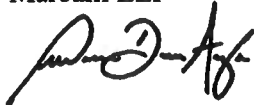
If you agree with the terms of our engagement, as described in this letter, please sign this PDF version of the engagement letter and return it to us by email and we will send you a fully executed copy.

Moises D. Ariza, CPA is the Engagement Partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Michael D. Futterman, CPA will serve as the Quality Control Director on this audit engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Very truly yours,

Marcum LLP



Moises D. Ariza, CPA  
Partner

MDA/kw

City of Hollywood Employees' Retirement Fund  
September 1, 2022  
Page 12

**ACCEPTED**

This letter correctly sets forth the agreement of City of Hollywood Employees' Retirement Fund.

Authorized signature: 

RC

Title: Chair / Trustee

Date signed: 20 October 2022

## **APPENDIX A**

### **City of Hollywood Employees' Retirement Fund Circumstances Affecting Timing and Fees**

The estimated fee is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by Marcum in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Marcum may incur significant unanticipated costs.
2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to Marcum (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). Marcum will provide the accounting personnel with a separate listing of required schedules and deadlines.
3. Weaknesses in the internal control structure.
4. Significant new issues or unforeseen circumstances as follows:
  - a. New accounting issues that require an unusual amount of time to resolve.
  - b. Changes or transactions that occur prior to the issuance of our report.
  - c. Changes in the Organization's accounting personnel, their responsibilities, or their availability.
  - d. Changes in auditing requirements set by regulators.
5. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by Marcum. All invoices, contracts and other documents which we will identify for the Organization, are not located by the accounting personnel or made ready for our easy access.
6. A significant level of proposed audit adjustments are identified during our audit.
7. Changes in audit scope caused by events that are beyond our control.
8. Untimely payment of our invoices as they are rendered.



# **AGENDA ITEM 7.H.**

## **EXECUTIVE DIRECTOR'S REPORT**

### **COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR**



# Communications – September 26, 2023

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- 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
- Disability Application Received
- Membership Statistics
- Accomplishments
- Upcoming Projects
- Decommission Old Pension Management System
- DROP Participant List

# City of Hollywood Employees' Retirement Fund

## Statistics as of September 26, 2023

### Current Membership

Active Members	622
Retirees and Beneficiaries	1,092
DROP Participants	69
Vested Terminated Members	67
Total	1,850

### Member Activity

	2018	2019	2020	2021	2022	2023	Total
New Members	59	68	71	82	100	128	508
Nonvested Terminations	39	29	29	51	65	60	273
Vested Terminations	5	1	0	4	12	8	30
Disability Retirements	2	0	0	0	1	0	3
Service Retirements	34	35	44	29	32	30	204
New Beneficiaries	9	7	14	19	10	10	69
Active Member Deaths	0	1	0	1	2	0	4
Retiree and Beneficiary Deaths	26	23	43	47	36	36	211
DROP Participants	0	70	25	15	26	11	147

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

## **ACCOMPLISHMENTS 2018 - 2023**

- Completed Five Independent Financial Audit with unmodified opinions (2018-2022)
- Completed Five Actuarial Valuation Reports (2018-2022)
- Ordinance Changes
  - O-2018-05: To incorporate changes regarding the purchase of credited service
  - O-2019-06: To incorporate changes needed to bring the Fund into Compliance with the IRS Determination Letter
  - O-2019-14: To incorporate changes including the restoration of benefits
- Cleared the Fund's Non-Compliance Status with the Florida Department of Management Services
- Favorable Lawsuit Settlements
  - With City, negotiated payment plan to minimize impact of settlement on the City's finances
  - With an Individual regarding the death benefit of a deceased member, with more than one party claiming the benefit.
  - With an Individual regarding the death benefit of a deceased retiree, with more than one party claiming the benefit.
  - With Rent-A-Center
- Improved Funding Level from 62.1% to 64.4% while
  - Taking more conservative approach by reducing Assumed Interest Rate of Return from 7.5% to 7.0% net of Fees
  - Reduced amortization period of the Unfunded Actuarial Accrued Liability from 30 years to 25 years
  - The Funded Ratio dropped by approximately 6.5% as a result of Ordinance O-2019-14 - Restoration
- Established Audit/Finance Committee
- Established Investment Committee
- Instituted Life Certificate Process - completed 4 (2019-2022)
- Updated Securities Litigation Pool
- Investments
  - For FY 2023 performance in the top 1% nationwide in performance
  - Instituted Annual Manager Review
  - Increased Assets from \$316 Million to \$426.3

- Developed Investment Manager Fees Schedule
- Conducted Annual Asset Allocation Reviews
- Conducted Asset Liability Study
- Diversified the Fund's Assets into Real Estate, Healthcare, and Maritime Investments
- Developed an Emerging Manager Program
- Custodial Banking Services Transition from Wells Fargo to Principal
- Pension Office
  - Hired Executive Director and Staff
  - Hired Attorney, Actuary, and other Service Providers
  - Acquired New Pension Office
  - Developed Staff Evaluation Process
  - Established Annual Administrative Budgets and a Capital Budget
  - Obtained Fiduciary, Cyber, Employment Practices, Commercial Loss Package and Workplace Violence Liability Insurances
  - Obtained Fiduciary Bond Coverage for all authorized signers of the Fund
  - Establish 401(a) Plan for Pension Staff
- Conducted Three Employee Trustee Elections
- Conducting one Employee Trustee Election
- Ordinance Project - Compiled all ordinances affecting COHERF since Inception
- All Trustee and Senior Staff hold professional certifications.
- Summary Plan Description
  - Rewrote Summary Plan Description to easily readable 2022
  - Updated Summary Plan Description 2024
- Designed and developed a New Comprehensive Pension Management System (CPMS)
- Created a Memorandum of Understanding with the City regarding the transmission of Member Data
- Processed FY2012 and FY2021 Supplemental Pension Distributions (13th checks)
- Revised and or redesigned all Pension Office forms
- Conducted Beneficiary Audit of all Retiree and Member Files
- Adopted New GASB Standards
- Recalculation Project resulting in significant overpayment recoupments
- Established COHERF Annual Calendar
- Established and Updated Policies

- Attendance and Telephone Participation Policy
- By-laws and Operating Procedures
- Credit Card Policy and Credit Card User Agreement
- Disability Application Processing and Hearing Procedures
- Policy on Overpayments to Members or Beneficiaries
- Records Retention and Destruction Policy
- Statement of Overall Investment Objectives and Policy
- Routine Tasks
  - Monthly COLA Adjustments
  - Monthly Retirement Processing
  - Monthly DROP Processing
  - Disability Processing, as needed
  - Monthly Refund Processing
  - Monthly Journal Entries
  - Monthly Bank Reconciliation
  - Monthly/Quarterly DROP Entries/Statements
  - Monthly Pension Payroll Processing
  - Monthly Pension Lump Sum Processing
  - Member Change Requests
  - Member Correspondence
  - Member Counselling
  - Monthly Board Package Preparation
  - Annual Disability Tax Audit
  - Annual IRS 1099R Distribution to Retirees, Beneficiaries and Refunded Members
  - Annual IRS 415 Limitations for Retirees

# City of Hollywood Employees' Retirement Fund

Pension Office Upcoming Projects as at September 26, 2023

UPCOMING PROJECTS	PRIORITY LEVEL	DEADLINE
Actuarial Experience Study	High	6/30/2024
Administrative Procedures Manual	High	12/31/2024
Comprehensive Pay Plan	High	9/30/2024
CPMS		
Post Go-Live Tasks	High	9/30/2024
Member Self Service	High	7/1/2024
Specification Finalization	High	7/31/2024
Procedures Manual	High	12/31/2024
CRA Transition	Low	TBD
Electronic Document Storage	Medium	12/1/2024
Managers and Consultants Review	High	9/30/2024
Newsletter	High	4/30/2024
Office Relocation	High	4/30/2024
Paperless Office	Medium	12/1/2025
Policies		
Missing Participants	High	9/30/2024
Life Certificate Procedures	High	12/31/2023
Records Imaging Project	Medium	12/31/2025
Records Management Project	High	9/30/2024
Staff Training	High	Ongoing
Website	High	12/31/2024
Workshops		
Active	High	6/30/2024
Retired	High	5/31/2024
Eligible for Retirement	High	4/30/2024



# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

## DROP

September 2023 Regular Pension Board Meeting

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

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

**September 2023 Regular Pension Board Meeting**

	Name		DROP Start Date	DROP end Date	Payroll Reports Received
41	DeRosa	Anthony	May 1, 2022	April 30, 2027	Yes
42	Cerny	Patricia	May 1, 2022	March 12, 2027	Yes
43	Schiff	Christine	June 1, 2022	May 31, 2027	Yes
44	Clift	William	June 1, 2022	May 31, 2027	Yes
45	Blouin	Lisa	June 1, 2022	February 13, 2027	Yes
46	Russ	Lemmie	June 1, 2022	May 31, 2027	Yes
47	Irizarry Figueroa	Fernando	June 1, 2022	May 31, 2027	Yes
48	Andrews	Henry	July 1, 2022	June 30, 2027	Yes
49	Kimble	LaShanda	August 1, 2022	July 31, 2027	Yes
50	Saintange	Carmen	August 1, 2022	July 31, 2027	Yes
51	Vazquez	David	August 1, 2022	July 31, 2027	Yes
52	Greene	Charmaine	September 1, 2022	August 31, 2027	Yes
53	Davis	Curtis	September 1, 2022	August 31, 2027	Yes
54	Roman	Raul	September 1, 2022	August 31, 2027	Yes
55	Kis	Laslo	September 1, 2022	August 31, 2027	Yes
56	Estevez	Andrew	November 1, 2022	October 31, 2027	Yes
57	Graves	Kimberly	January 1, 2023	December 31, 2027	Yes
58	Morris	Travis	January 1, 2023	December 31, 2027	Yes
59	Cairns	William	January 1, 2023	December 31, 2027	Yes
60	Sheinfeld	Scott	February 1, 2023	January 31, 2028	Yes
61	Sabillon	Karrie	March 1, 2023	February 28, 2028	Yes
62	Senecharles	Francis	May 1, 2023	April 30, 2028	Yes
63	Di Sassicio	Alex	May 1, 2023	April 30, 2028	Yes
64	Wharton	Michael	June 1, 2023	May 31, 2028	Yes
65	Isaac	Septimus	June 1, 2023	May 31, 2028	Yes
66	Leo	Justin	June 1, 2023	May 31, 2028	Yes
67	Rivers	Miguel	June 1, 2023	May 31, 2028	Yes
68	Caruso	Nancy	August 1, 2023	July 31, 2028	Yes
69	Kiriazis	Dan	November 1, 2023	October 31, 2028	

# **AGENDA ITEM 8**

## **PUBLIC COMMENT**

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 9**

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

**(NO BACKUP FOR THIS SECTION)**

# **AGENDA ITEM 10**

## **ADJOURNMENT**

**(NO BACKUP FOR THIS SECTION)**