

City of Hollywood

Employees' Retirement Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2023 Funding Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2023





July 19, 2024

Board of Trustees
City of Hollywood Employees' Retirement Fund
Hollywood, Florida

Dear Members of the Board:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Hollywood (City) Employees' Retirement Fund (Retirement Fund or Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data and other information through October 1, 2023. This report was based upon information furnished by the Plan Administrator and the City concerning plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the City.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions approved by the Board as authorized under and prescribed by the Florida Statutes, as described in our October 1, 2023 actuarial valuation report, and the GASB Statement No. 67 disclosure letter for the fiscal year ending September 30, 2023. This report is also based on the plan provisions, census data, and financial information as summarized in our October 1, 2023 actuarial valuation report and the September 30, 2023 GASB Statement No. 67 disclosure letter. Please refer to the October 1, 2023 actuarial valuation report, dated June 7, 2024, and the GASB Statement No. 67 disclosure letter, dated February 16, 2024, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

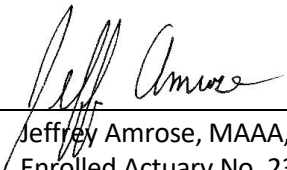
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our opinion, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By 
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Enrolled Actuary No. 23-6599
Senior Consultant & Actuary


By 
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Enrolled Actuary No. 23-8010
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CH. 112.664, FLORIDA STATUTES

RESULTS

**Schedule of Changes in the Employer's Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,

1. Total Pension Liability

	2023
a. Service Cost	\$ 6,779,525
b. Interest	42,681,318
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	16,128,178
e. Assumption Changes	-
f. Benefit Payments	(38,513,438)
g. Contribution Refunds	(940,866)
h. Net Change in Total Pension Liability	26,134,717
i. Total Pension Liability - Beginning	622,680,740
j. Total Pension Liability - Ending	\$ 648,815,457

2. Plan Fiduciary Net Position

a. Contributions - Employer (City) and Non-Employer (County)	\$ 25,542,306
b. Contributions - State	-
c. Contributions - Member	3,674,798
d. Net Investment Income	37,798,196
e. Benefit Payments	(38,513,438)
f. Contribution Refunds	(940,866)
g. Administrative Expense	(1,031,636)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	26,529,360
j. Plan Fiduciary Net Position - Beginning	385,662,027
k. Plan Fiduciary Net Position - Ending	\$ 412,191,387

3. Net Pension Liability / (Asset)

\$ 236,624,070

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	7.00%
Mortality Table	Mortality Rates from 7/1/21 FRS Valuation



**Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,

1. Total Pension Liability

	2023
a. Service Cost	\$ 6,779,525
b. Interest	42,681,318
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	16,128,178
e. Assumption Changes	-
f. Benefit Payments	(38,513,438)
g. Contribution Refunds	(940,866)
h. Net Change in Total Pension Liability	26,134,717
i. Total Pension Liability - Beginning	622,680,740
j. Total Pension Liability - Ending	\$ 648,815,457

2. Plan Fiduciary Net Position

a. Contributions - Employer (City) and Non-Employer (County)	\$ 25,542,306
b. Contributions - State	-
c. Contributions - Member	3,674,798
d. Net Investment Income	37,798,196
e. Benefit Payments	(38,513,438)
f. Contribution Refunds	(940,866)
g. Administrative Expense	(1,031,636)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	26,529,360
j. Plan Fiduciary Net Position - Beginning	385,662,027
k. Plan Fiduciary Net Position - Ending	\$ 412,191,387

3. Net Pension Liability / (Asset)

\$ 236,624,070

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	7.00%
Mortality Table	Mortality Rates from 7/1/21 FRS Valuation



**Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

1. Total Pension Liability

	2023
a. Service Cost	\$ 10,387,246
b. Interest	39,419,900
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(38,513,438)
g. Contribution Refunds	(940,866)
h. Net Change in Total Pension Liability	10,352,842
i. Total Pension Liability - Beginning	797,737,903
j. Total Pension Liability - Ending	\$ 808,090,745

2. Plan Fiduciary Net Position

a. Contributions - Employer (City) and Non-Employer (County)	\$ 25,542,306
b. Contributions - State	-
c. Contributions - Member	3,674,798
d. Net Investment Income	37,798,196
e. Benefit Payments	(38,513,438)
f. Contribution Refunds	(940,866)
g. Administrative Expense	(1,031,636)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	26,529,360
j. Plan Fiduciary Net Position - Beginning	385,662,027
k. Plan Fiduciary Net Position - Ending	\$ 412,191,387

3. Net Pension Liability / (Asset)

\$ 395,899,358

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	5.00%
Mortality Table	Mortality Rates from 7/1/21 FRS Valuation



Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	<u>2023</u>
1. Total Pension Liability	
a. Service Cost	\$ 4,684,973
b. Interest	46,007,017
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(38,513,438)
g. Contribution Refunds	(940,866)
h. Net Change in Total Pension Liability	<u>11,237,686</u>
i. Total Pension Liability - Beginning	<u>526,231,260</u>
j. Total Pension Liability - Ending	<u><u>\$ 537,468,946</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer (City) and Non-Employer (County)	\$ 25,542,306
b. Contributions - State	-
c. Contributions - Member	3,674,798
d. Net Investment Income	37,798,196
e. Benefit Payments	(38,513,438)
f. Contribution Refunds	(940,866)
g. Administrative Expense	(1,031,636)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>26,529,360</u>
j. Plan Fiduciary Net Position - Beginning	<u>385,662,027</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 412,191,387</u></u>
3. Net Pension Liability / (Asset)	\$ 125,277,559
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	9.00%
Mortality Table	Mortality Rates from 7/1/21 FRS Valuation



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from the Latest Actuarial Valuation

FYE	Market Value of Assets (BOY)*	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)*
2024	\$ 404,109,450	\$ 26,763,509	\$ 43,547,212	\$ 387,325,747
2025	387,325,747	25,555,609	44,491,229	368,390,127
2026	368,390,127	24,200,949	45,324,580	347,266,496
2027	347,266,496	22,695,301	46,095,825	323,865,972
2028	323,865,972	21,030,331	46,865,331	298,030,972
2029	298,030,972	19,198,529	47,532,556	269,696,945
2030	269,696,945	17,190,891	48,225,590	238,662,246
2031	238,662,246	14,999,385	48,770,637	204,890,994
2032	204,890,994	12,621,626	49,164,098	168,348,522
2033	168,348,522	10,050,549	49,538,492	128,860,579
2034	128,860,579	7,281,203	49,686,798	86,454,984
2035	86,454,984	4,310,609	49,749,725	41,015,868
2036	41,015,868	1,131,386	49,706,420	-
2037	-	-	49,543,005	-
2038	-	-	49,261,438	-
2039	-	-	48,785,742	-
2040	-	-	48,247,000	-
2041	-	-	47,598,092	-
2042	-	-	46,780,588	-
2043	-	-	45,955,492	-
2044	-	-	45,011,663	-
2045	-	-	44,034,530	-
2046	-	-	42,928,890	-
2047	-	-	41,763,548	-
2048	-	-	40,473,808	-
2049	-	-	39,210,419	-

**Net of DROP Accounts and Supplemental Pension Distribution (if any)*

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 12.75

Certain Key Assumptions

Investment Return Assumption 7.00%
Mortality Table Mortality Rates from 7/1/22 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)*	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)*
2024	\$ 404,109,450	\$ 26,763,509	\$ 43,547,212	\$ 387,325,747
2025	387,325,747	25,555,609	44,491,229	368,390,127
2026	368,390,127	24,200,949	45,324,580	347,266,496
2027	347,266,496	22,695,301	46,095,825	323,865,972
2028	323,865,972	21,030,331	46,865,331	298,030,972
2029	298,030,972	19,198,529	47,532,556	269,696,945
2030	269,696,945	17,190,891	48,225,590	238,662,246
2031	238,662,246	14,999,385	48,770,637	204,890,994
2032	204,890,994	12,621,626	49,164,098	168,348,522
2033	168,348,522	10,050,549	49,538,492	128,860,579
2034	128,860,579	7,281,203	49,686,798	86,454,984
2035	86,454,984	4,310,609	49,749,725	41,015,868
2036	41,015,868	1,131,386	49,706,420	-
2037	-	-	49,543,005	-
2038	-	-	49,261,438	-
2039	-	-	48,785,742	-
2040	-	-	48,247,000	-
2041	-	-	47,598,092	-
2042	-	-	46,780,588	-
2043	-	-	45,955,492	-
2044	-	-	45,011,663	-
2045	-	-	44,034,530	-
2046	-	-	42,928,890	-
2047	-	-	41,763,548	-
2048	-	-	40,473,808	-
2049	-	-	39,210,419	-

**Net of DROP Accounts and Supplemental Pension Distribution (if any)*

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 12.75

Certain Key Assumptions

Investment Return Assumption 7.00%
Mortality Table Mortality Rates from 7/1/22 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)*	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)*
2024	\$ 404,109,450	\$ 19,116,792	\$ 43,547,212	\$ 379,679,030
2025	379,679,030	17,871,671	44,491,229	353,059,472
2026	353,059,472	16,519,859	45,324,580	324,254,751
2027	324,254,751	15,060,342	46,095,825	293,219,268
2028	293,219,268	13,489,330	46,865,331	259,843,267
2029	259,843,267	11,803,849	47,532,556	224,114,560
2030	224,114,560	10,000,088	48,225,590	185,889,058
2031	185,889,058	8,075,187	48,770,637	145,193,608
2032	145,193,608	6,030,578	49,164,098	102,060,088
2033	102,060,088	3,864,542	49,538,492	56,386,138
2034	56,386,138	1,577,137	49,686,798	8,276,477
2035	8,276,477	-	49,749,725	-
2036	-	-	49,706,420	-
2037	-	-	49,543,005	-
2038	-	-	49,261,438	-
2039	-	-	48,785,742	-
2040	-	-	48,247,000	-
2041	-	-	47,598,092	-
2042	-	-	46,780,588	-
2043	-	-	45,955,492	-
2044	-	-	45,011,663	-
2045	-	-	44,034,530	-
2046	-	-	42,928,890	-
2047	-	-	41,763,548	-
2048	-	-	40,473,808	-
2049	-	-	39,210,419	-

**Net of DROP Accounts and Supplemental Pension Distribution (if any)*

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 11.08

Certain Key Assumptions

Investment Return Assumption 5.00%
Mortality Table Mortality Rates from 7/1/22 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)*	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)*
2024	\$ 404,109,450	\$ 34,410,226	\$ 43,547,212	\$ 394,972,464
2025	394,972,464	33,545,416	44,491,229	384,026,651
2026	384,026,651	32,522,792	45,324,580	371,224,863
2027	371,224,863	31,335,926	46,095,825	356,464,964
2028	356,464,964	29,972,907	46,865,331	339,572,540
2029	339,572,540	28,422,564	47,532,556	320,462,548
2030	320,462,548	26,671,478	48,225,590	298,908,436
2031	298,908,436	24,707,081	48,770,637	274,844,880
2032	274,844,880	22,523,655	49,164,098	248,204,437
2033	248,204,437	20,109,167	49,538,492	218,775,112
2034	218,775,112	17,453,854	49,686,798	186,542,168
2035	186,542,168	14,550,057	49,749,725	151,342,500
2036	151,342,500	11,384,036	49,706,420	113,020,116
2037	113,020,116	7,942,375	49,543,005	71,419,486
2038	71,419,486	4,210,989	49,261,438	26,369,037
2039	26,369,037	177,855	48,785,742	-
2040	-	-	48,247,000	-
2041	-	-	47,598,092	-
2042	-	-	46,780,588	-
2043	-	-	45,955,492	-
2044	-	-	45,011,663	-
2045	-	-	44,034,530	-
2046	-	-	42,928,890	-
2047	-	-	41,763,548	-
2048	-	-	40,473,808	-
2049	-	-	39,210,419	-

**Net of DROP Accounts and Supplemental Pension Distribution (if any)*

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 15.50

Certain Key Assumptions

Investment Return Assumption 9.00%
Mortality Table Mortality Rates from 7/1/22 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Actuarially Determined Contribution

	Plan's Latest Actuarial Valuation	112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(b), F.S. Except 2% Higher Investment Return Assumption
A. Valuation Date	October 1, 2023	October 1, 2023	October 1, 2023	October 1, 2023
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	September 30, 2025	September 30, 2025	September 30, 2025	September 30, 2025
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability	\$ 22,705,365	\$ 22,705,365	\$ 27,933,093	\$ 17,313,718
E. Employer Normal Cost	4,584,478	4,584,478	8,687,197	2,197,509
F. ADC if Paid on Valuation Date: D + E	27,289,843	27,289,843	36,620,290	19,511,227
G. ADC Adjusted for Frequency of Payments	28,249,436	28,249,436	37,548,688	20,385,193
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	61.35 %	61.35 %	81.55 %	44.27 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.50 %	3.50 %	3.50 %	3.50 %
J. Covered Payroll for Contribution Year	47,655,275	47,655,275	47,655,275	47,655,275
K. ADC for Contribution Year: H x J	29,236,511	29,236,511	38,862,877	21,096,990
L. Estimated Credit for State Revenue in Contribution Year	0	0	0	0
M. Employer ADC in Contribution Year	29,236,511	29,236,511	38,862,877	21,096,990
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	61.35 %	61.35 %	81.55 %	44.27 %
O. Expected Member Contributions	3,942,726	3,942,726	3,942,726	3,942,726
P. Total Contribution (including Members) in Contribution Year	33,179,237	33,179,237	42,805,603	25,039,716
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	69.62 %	69.62 %	89.82 %	52.54 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	Mortality Rates from 7/1/22 FRS Valuation	Mortality Rates from 7/1/22 FRS Valuation	Mortality Rates from 7/1/22 FRS Valuation	Mortality Rates from 7/1/22 FRS Valuation

