

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, MAY 20, 2025 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 David Keller; Secretary Robert Strauss; April Allen; Jeffrey Greene; and George Keller. Also present: Executive Director Christine Bailey; Keith Reynolds, Alan Kosan, Michael St. Germaine, and Felicia Ewell of Segal Marco; Ron Cohen of Lorium Law; and Jeffrey Amrose and Trisha Amrose from Gabriel, Roeder, Smith & Company.

A. May 20, 2025 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee Greene to adopt the May 20, 2025 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT AGENDA

- A. April 22, 2025 Regular Meeting Minutes
- B. May 12, 2025 Special Meeting Minutes
- C. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- D. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to approve Consent Agenda Items 4a through 4d. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

5. FINANCIAL

A. Actuarial Valuation Report as of October 1, 2024

Mr. Jeffrey Amrose of Gabriel Roeder, Smith and Company (GRS) reviewed the Actuarial Valuation Report as of October 1, 2024. He advised that the Actuarially Determined Contributions would be \$30,345,303 as of October 1, 2025, an increase of \$2,100,022. He stated that the increase was primarily due to increases in Normal Cost and the amortization payments on the unfunded accrued liability. He stated that while the Normal Cost decreased as a percentage of payroll, it increased by \$600,000 because payroll increased by 14%. He further stated that the method used to calculate the amortization payments on the unfunded accrued liability and the losses from prior years increased the amortization payment by \$1.5 million due to actuarial losses. He advised that the conditions were met for a supplemental pension distribution for Fiscal Year 2024.

Trustees Strauss noted, and Mr. Amrose confirmed that while the dollar value of the Employer Contribution increased, it decreased as a percentage of payroll. It was noted that the increase was partly the result of an increase in membership as there was an increase in the number of new hires.

Mr. Amrose noted that the Funded Ratio was 65.1% as of October 1, 2024, up from 64.5% a year earlier. He stated that this was considered low but noted that the Board had taken steps to improve the ratio. He stated that the steps the Board had taken to improve the funded ratio included, lowering the assumption rate and amortization period. In response to a question, Mr. Amrose advised that the recognized investment return based on the actuarial value of assets was different from that based on the market value of assets because of the asset-smoothing method used in determining investment return.

The Board discussed the liquidation of the unfunded actuarially accrued liability and requested that the Actuary provide the information graphically. In response to a question from Trustee Strauss, Mr. Amrose noted that there were several methods of calculating the funded ratio. He noted that overall the funded ratio was moving in the right direction and the 71% funded ratio was based on the market value of assets and not the actuarial value of assets used here.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to accept the Actuarial Valuation Report as of October 1, 2024, as presented. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

Mr. Amrose discussed the Actuarial Impact Statement showing the first-year impact of the Proposed Ordinance PO-2025-03. He advised that the Required City Contribution in the first year would increase by approximately \$76,400 or 0.14% of covered payroll and the Funded Ratio would decrease by 0.04%, from 65.11% to 65.07%.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to accept the Actuarial Impact Statement. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

Mr. Cohen advised that the State requires the Board to make an annual declaration of returns stating what the expected return would be for the current year, for each of the next several years, and the long term thereafter. He noted that the valuation report was not sufficient, there had to be a separate letter.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to set the Actuarially Assumed Rate of Return to 7% for the current year, for each of the next several years, and for the long term thereafter. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

B. Proposed Administrative Budget for Fiscal Year 2026

Ms. Bailey presented the Proposed Budget for Fiscal Year 2026 for \$2,488,036. She advised that the Budget increase was primarily due to anticipated personnel actions and ordinance changes. In response to a question from Trustee Shaw, Ms. Bailey advised that certain 2025 expenditures in Fiscal Year 2025 were less than budgeted so additional funding was not being projected on those lines. She also advised that the decrease in the insurance budget was due to the payment of a three-year insurance policy in fiscal year 2025 for fiscal years 2025, 2026 and 2027. Trustee Shaw requested that budget line for insurance be moved to Other Expenses.

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to accept the Proposed Budget for Fiscal Year 2026 as presented. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. Financial Reports and Investment Summary

Ms. Bailey provided the Preliminary April 2025 Financial Report and Investment Summaries. She also provided the Budget Variance Report as of April 30, 2025.

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

A. March 2025 Flash Performance Report

Mr. Reynolds provided the Flash Performance Report for March 2025. He noted that the Fund's market value of assets as of March 31, 2025 decreased to \$480.3 million. He also noted that the estimated return for the Fund was down 1.5% net of fees for the month of March 2025, and down 0.6% net of fees for the fiscal year to date.

In response to questions from Trustees, Mr. Reynolds advised that it had been hard to gauge the market reaction in the short term. He noted that the US was still strong in

relation to other countries. He also noted that if the US dollar devalues, the Plan's international investments would be expected to do well.

B. Fourth Quarter Performance Review

Mr. Reynolds reported the Fund's performance for the quarter ended December 31, 2024. He noted that the assets available for investments were \$474.3 million and performance was -0.6% net of fees for the quarter. He noted that the Fund outperformed its peers across the three-, five-, seven-, and ten-year periods.

C. New Opportunities – Affiliated Housing Fund II

Mr. Reynolds advised that Affiliated Housing would be presenting an update on Fund I and would be providing an overview of Fund II. He advised that the Segal recommendation on Fund II would be presented at one of the next two meetings.

Mr. Nick Rojo and Mr. Jeffrey Marano provided an update on Fund I and reviewed several of the investments in Fund I, including The Tropics – an investment in Hollywood. They noted that there was a very high demand for the apartments in the investments and that Fund II would have the same strategy as Fund I.

Mr. Reynolds advised that Segal will review the Fund's allocation and cash flow expectation before finalizing their recommendation on the investment.

D. Work Plan

Mr. Reynolds reviewed the work plan.

7. LEGAL (Ron Cohen – Lorium Law)

A. Legal Update

Mr. Cohen advised the judge in the Gina McDonald case had requested a hearing on the motion to recognize the Foreign Guardian to Manage Property of Non-Resident Ward for her and authorize the Fund to pay the outstanding and future pension benefits to the guardian.

Mr. Cohen noted that he had provided final comments at the request of the City Attorney on the City's Memorandum of Understandings Agreements with the Union as it related to the Board's understanding of the intent of the agreements regarding the DROP Program.

Mr. Cohen advised that he had begun his review of the 50 South Capital documents, including a Side letter. He advised that a preliminary review indicated that an agreement was probable, but he needed to do complete and more thorough review.

8. EXECUTIVE DIRECTOR'S REPORT

A. City Commission Communication

The Board received the City Commission Communication.

B. COHERF Comprehensive Pay Plan

Ms. Bailey presented the Proposed Comprehensive Pay Plan. The Board discussed the Plan. In response to a question, Ms. Bailey noted that in the sections where the Benefits were the same as those of City employees, the language stated that if those benefits changed for City employees, they would also change for COHERF employees. The Board discussed the proposed job descriptions for the Executive Director, the Pension Coordinator, the Retirement Specialist – Benefits, and the Retirement Specialist – Finance and pay ranges associated with each title.

The Board discussed assignment pay timeframe and amount. They also discussed vacation periods.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, as amended, to approve assignment pay at 10% increase in the employee's base rate of pay for two or more days up to three consecutive weeks; and if more than three consecutive weeks or interim appointment, to increase the employee's base rate of pay to the greater of: the minimum of the higher classification, or the employee's base rate of pay plus longevity plus 10%. Additionally, any employee vacation request over three consecutive weeks must be approved by the Board of Trustees. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to approve the COHERF Comprehensive Pay Plan effective October 1, 2025, as amended above. In a roll call vote of the members present, the **Motion** passed 5-1. Trustee Allen opposed the motion.

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to extend the meeting to 12:30p.m. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. CPMS Upgrade

Ms. Bailey presented the PTG Proposal should Proposed Ordinance PO-2025-03 be adopted. In response to a question from Trustee Strauss, Ms. Bailey advised that the cost would be \$26, 500 with an increase of \$2,650 in annual maintenance. She also advised that she did not anticipate scope creep as the changes anticipated were additions to programming already in place.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to approve the PTG Proposal if PO-2025-03 passes and subject to the approval of the Executive Director and approved as to form by the Board Counsel. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

D. Communications from the Executive Director

- Ms. Bailey advised that the benefit payments of six retirees were suspended due to missing 2025 Life Certificates. Ms. Bailey advised that there are two additional members suspended, one from each of the last two cycles. In response to a question from Trustee G. Keller, Ms. Bailey advised that retiree overpayments were covered under the Board's current Insurance policies.
- Ms. Bailey advised that the Open House would be June 18, 2025.
- Ms. Bailey advised that the election for the Proposed Ordinance PO-2025-03 was underway with ballots being mailed to retirees on May 22nd.
- Ms. Bailey provided the DROP Participant List.

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

Trustee Greene noted that his term of appointment would be expiring soon and thanked everyone who worked with him. He thanked the City for the privilege of giving back to the City and its employees. He also thanked the members of the Board. It was noted that the Commission would hold a Special meeting to consider Board appointments on May 28, 2025 at 6:00p.m.

Trustee G. Keller discussed the CRA's attempts to join COHERF. Trustee Strauss discussed the proposed ordinance election. Mr. Cohen reminded Trustees that the Form 1 would be due on July 1, 2025. Trustee Allen expressed support for Proposed Ordinance PO-2025-03.

Trustee Strauss expressed interest in increasing the representation of retirees on the Board. The Board discussed the request and the possibility of requesting that one of the two Commission appointments be a retiree of the Fund as well as a resident of the City, and the possibility of updating the City Code of Ordinance to reflect that requirement.

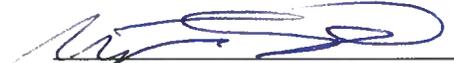
MOTION made by Trustee Strauss, seconded by Trustee D. Keller, to approach negotiations with a request to amend the language of the Plan ordinance to have one Commission appointed

position be a resident and a retiree of the Fund. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

Trustee Shaw requested that in the future, the City consider the number of years and the age thresholds for retirement below the current 30 years and age 65.

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 12:50p.m.



Phyllis Shaw, Chair

~~to~~ 6/17/2025

Date