

**CITY OF HOLLYWOOD
EMPLOYEES' RETIREMENT FUND**

CALENDAR OF ITEMS

REGULAR BOARD MEETING

SEPTEMBER 22, 2026

AGENDA ITEM 1

CALL TO ORDER

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 2

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA ITEM 2.A.

AGENDA ADOPTION



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

2450 Hollywood Blvd. • Suite 204 • Hollywood, FL 33020
(954) 921-3333 • (954) 921-3332 Fax • www.hollywoodpension.com

AGENDA

REGULAR PENSION BOARD MEETING

TUESDAY, SEPTEMBER 22, 2026 at 9:00 AM

PENSION OFFICE, 2450 HOLLYWOOD BOULEVARD, ROOM 209

1. CALL TO ORDER
2. ROLL CALL AND PLEDGE OF ALLEGIANCE
 - A. Agenda Adoption
3. PUBLIC COMMENT
4. CONSENT AGENDA
 - A. August 25, 2026 Regular Meeting Minutes
 - B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
 - C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities
5. FINANCIAL
 - A. Financial Reports and Investment Summary
6. INVESTMENT (Segal Marco Advisors)
 - A. July 2026 DB Flash Performance Report
 - B. Nationwide DC and Hybrid DC Plan Updates
 - C. Private Credit: Brightwood Presentation
 - D. Work Plan
 - E. Board Insurance Renewals
7. LEGAL (Ron Cohen – Lorium Law)
 - A. Legal Update
 - B. Ordinance O-2025-10 Update
 - i. Pick-up Contribution Analysis
 - ii. Buyback of Refunded Member Credited Service
 - C. Executive Director's Evaluation
8. EXECUTIVE DIRECTOR'S REPORT
 - A. City Commission Communication
 - B. Proposed Employee Election Process
 - C. Personnel Considerations
 - D. Hybrid Plan Independent Auditors for Fiscal Years Ending Sept. 30, 2026, and 2027
 - E. Communications from the Executive Director
9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS
10. ADJOURNMENT

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

AGENDA ITEM 3

PUBLIC COMMENT

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 4.A.

CONSENT AGENDA

AUGUST 25, 2026

REGULAR MEETING MINUTES

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, AUGUST 25, 2026 AT 9:00AM

1. CALL TO ORDER

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

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair David Keller, Secretary Robert Strauss; April Allen; Barbara Armand; Jeffrey Greene (joined at 9:22a.m.); and George Keller (electronically). Also present: Executive Director Christine Bailey; Keith Reynolds, Felicia Ewell, Francios Otieno, and Michael St. Germain of Segal Marco; and Ron Cohen of Lorium Law.

August 25, 2026 Regular Board Meeting Agenda

MOTION made by Trustee Strauss, seconded by Trustee D. Keller to adopt the August 25, 2026 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. July 28, 2026 Regular Meeting Minutes
- B. August 20, 2026 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 Allen, 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. Financial Reports and Investment Summary
Ms. Bailey provided the Preliminary July 2026 Financial Report and Investment Summaries. She also provided the Budget Variance Report as of July 31, 2026.

6. INVESTMENT (Keith Reynolds – Segal Marco)

- A. June 2026 Flash Performance Report
Mr. Reynolds provided the Flash Performance Report for June 2026. He noted that the Fund's market value of assets as of June 30, 2026 increased to \$550.6 million. He also noted that the estimated return for the Fund was up 0.9% net of fees for the month of June 2026, and up 10.0% net of fees for the fiscal year to date.

In response to questions, Mr. Reynolds noted that the issues surrounding AI Data Center locations and tariffs had not been as big an impact as expected on financial markets. Trustee requested information on Brightwood, Board insurances and investment performance and return.

- B. Work Plan
Mr. Reynolds reviewed the work plan.

7. LEGAL (Ron Cohen – Lorium Law)

- A. Legal Update
Mr. Cohen advised that the Fund had settled with the 2450 Condominium for a little over \$5,000 for the building leaks that damaged the office space. He advised that the Fund had received payment to cover the expenses incurred.

Mr. Cohen advised that the City's auditors raised a concern that the employee contributions for the DC and Hybrid Plan did not meet the requirement for pickup contributions. He advised that the auditor's draft letter had been sent to Ice Miller.

Mr. Cohen advised that the amendment to the MOU with the City regarding the new Plans was complete and ready for signature. He advised that the GRS Hybrid contract addendum was complete. He also advised that a letter had been sent to Mr. O'Brien regarding the Board's decision on his requests. He noted that the letter included notice that he had a right, within a limited timeframe, to request an informal or a formal hearing on his requests.

Mr. Cohen advised that the Florida attorney for the Guardian of Gina McDonald had contacted the Pension Office regarding beneficiaries and beneficiary payments. He advised that she accepted the Fund's position on her request. Mr. Cohen also discussed a recent case related to retirement and compensation.

8. EXECUTIVE DIRECTOR'S REPORT

A. City Commission Communication

The Board received the City Commission Communication.

B. Communications from the Executive Director

- Ms. Bailey requested that the Board of Trustees retain GRS as the actuary of the Defined Benefit and Hybrid Plans. She provided proposals from GRS to continue providing their services from October 1, 2026 through September 30, 2031. She noted that the fees would increase annually by the Consumer Price Index with a 3% maximum.

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to extend the GRS Contracts for five years. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

- Ms. Bailey advised that the 2027 Segal Client Conference would be held from February 4-7, 2027.
- Ms. Bailey provided the DROP Participant List.
- Ms. Bailey advised that City employees had been granted the first look at Affiliated Housing's new workforce housing development, the Era in Fort Lauderdale.

Trustee Shaw expressed concerns about the new employee orientation.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

There were no Trustee comments.

10. ADJOURNMENT

MOTION made by Trustee Greene, seconded by Trustee D. Keller, to adjourn the meeting. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0. The meeting adjourned at 10:25a.m.

Phyllis Shaw, Chair

Date

AGENDA ITEM 4.B.

CONSENT AGENDA

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

EMPLOYEES' RETIREMENT FUND
Refunds and DROP Distributions
September 22, 2026 Regular Pension Board Meeting

<u>Name</u>	<u>Refund</u>
<u>Refunds of Contributions</u>	
Brizard, Senthia	\$ 12,125.52
Camacho, Isabel	16,754.41
Johnson, Giovana	1,013.95
Johnston, Antonio	13,184.51
McCray, Nina	27,339.59
	\$ 70,417.98
<u>Planned Retirement</u>	
None	
	\$ -
<u>Partial Lump Sum Distribution</u>	
None	
	\$ 0.00
<u>DROP Distributions</u>	
Castillo, Jaime (Final)	\$ 14,684.83
John, Mary Ann (Final)	\$ 381,891.72
Maldonado-Juriga, Yolanda (Final)	\$ 15,539.72
Purcarea, Nicolette (Final)	\$ 219.13
Ramos, Edgardo (Final)	\$ 420.40
Smith, Lisa (Final)	\$ 9,487.64
Stanley, Madeline (Partial)	\$ 7,521.74
	429,765.18
TOTAL:	\$ 500,183.16

EMPLOYEES RETIREMENT FUND
Disbursements Processed
August 1, 2026 to August 31, 2026

2450 Center Court Condominium	(\$4,293.07)
Christine Bailey (KORIED)	(\$94.87)
George Keller (FPPTA)	(\$316.42)
Insurance Reimbursement	\$5,380.10
Phyllis Shaw (TLC III)	(\$511.91)
Phyllis Shaw (KORIED)	(\$133.06)
Wells Fargo (KORIED & Supplies)	(\$2,989.33)
Wells Fargo (KORIED)	(\$283.35)
	<u>(\$3,241.91)</u>

AGENDA ITEM 4.C.

CONSENT AGENDA

APPROVAL/RATIFICATION OF NEW RETIREMENT

/DROP/VESTED/DEATH ANNUITIES

EMPLOYEES' RETIREMENT FUND
New Retirement/DROP/Death/Vested Annuities - Monthly Amounts
September 22, 2026 Regular Pension Board Meeting

<u>New Retirement</u>	<u>Future Benefit</u>	<u>Pension</u>
Stanley, Madeline - DROP 06/01/2026	Joint & Half	\$ 3,760.87
Wade, Jason - VESTED 03/19/2026	Joint & Equal	\$ 998.38

Benefits Stopped

None

Benefits Stopped - Missing Life Certificates

Anderson, Mark - May 25, 2024	\$ 914.79
Dees, William - August 25, 2023	\$ 1,951.91
Dees, William - August 25, 2023	\$ 506.79
Vassal, Violet - May 25, 2025	\$ 945.74

Benefits Stopped May 25, 2026 - Missing Life Certificate

Allen, Sheila	\$ 676.26
Butterworth, William	\$ 3,126.10
Lettera, Frank	\$ 2,122.40

Benefits Reinstated - Life Certificates Received

Arias, Jesus	\$ 1,743.04
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AGENDA ITEM 5.A.

FINANCIAL

FINANCIAL OPERATIONS AND INVESTMENT SUMMARY

CITY OF HOLLYWOOD
EMPLOYEES' RETIREMENT FUND
FINANCIAL OPERATIONS AND INVESTMENT SUMMARY
PRELIMINARY
August 2026
Fiscal Year-To-Date

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance October 1, 2025	\$ 506,686,870.61	\$ 355,011,330.41	\$ 151,675,540.20
Contributions and Payments:			
City Contributions		\$ 30,820,721.38	
Employees Contributions		\$ 71,895.50	
Pension Disbursement		\$ (38,915,491.94)	
Building		\$ -	
Furniture		\$ -	
CPMS project		\$ (131,742.00)	
Administrative Expenses		\$ (1,179,452.19)	(1)
Net Contributions/Payments		\$ (9,334,069.25)	
Investment Income:			
Dividends & Interest Received		\$ 8,036,302.85	
Gain on Sales (Realized Gains/(Loss))		\$ 16,503,910.51	
Commission Recapture		\$ -	
Total Invest. Professional Fees		\$ (773,908.10)	(2)
Net Investment Income		\$ 23,766,305.26	
Balance August 31, 2026	<u>541,098,214.89</u>	<u>\$ 369,443,566.42</u>	<u>\$ 171,654,648.47</u>
Increase (Decrease) for the Period	<u>\$ 34,411,344.28</u>	<u>\$ 14,432,236.01</u>	<u>\$ 19,979,108.27</u>
Unreconciled			(335,632.86)
<u>Unrealized Gain (Loss) Account</u>			
Composition of Increases (Decreases)			
50 South			\$ 49,268.17
Affiliated Development			\$ (610,073.04)
AG Direct Lending			\$ (2,184,496.00)
Angelo-Gordon Realty			\$ 441,090.04
Baird Core Plus Bond Fund			\$ (1,402,389.61)
Bayview			\$ 91,644.01
BC Partners			\$ 179,337.15
Brightwood			\$ 304,422.01
Earnest Partners			\$ 4,282,828.94
EnTrust Blue Ocean			\$ 536,914.99
Golden Tree			\$ 870,050.55
Gold Point			\$ (813,984.45)
Harbourvest Dover IX49			\$ (306,033.99)
IFM Global			\$ 1,226,721.42
LM Capital			\$ (1,765,687.94)
Loomis Sayles			\$ 2,374,015.16
Marathon			\$ 994,481.19
Morgan Stanley			\$ (332,373.35)
NB Crossroads			\$ (1,718,986.94)
NB Private Debt			\$ (1,216,518.95)
Neuberger Short Duration			\$ 912,782.83
Northern Trust-Extended			\$ 1,801,273.43
Northern Trust			\$ 4,507,886.01
Principal Investors			\$ 93,548.38
RBC Emerging Markets			\$ 5,419,915.06
Wellington International			\$ 5,907,840.34
			<u>\$ 19,643,475.41</u>
Investment Return			
Net Investment Income			\$ 23,766,305.26
Increases (Decrease) in Unrealized Gain/Loss			\$ 19,979,108.27
Total Investment Return for the Period			<u>\$ 43,745,413.53</u>
Beginning Market Value			\$ 506,686,870.61
Plus/(Less): Net Contributions/Payment			\$ (9,334,069.25)
Assets Available for Investment			<u>\$ 497,352,801.36</u>
Investment Return as a result of % of Assets Available for Investments			<u>8.80%</u>

(1) (2) Refer to Cash Payments Detail

EMPLOYEES RETIREMENT FUND
Disbursements Processed
August 1, 2026 to August 31, 2026

2450 Center Court Condominium	(\$4,293.07)
Christine Bailey (KORIED)	(\$94.87)
George Keller (FPPTA)	(\$316.42)
Insurance Reimbursement	\$5,380.10
Phyllis Shaw (TLC III)	(\$511.91)
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Wells Fargo (KORIED)	(\$283.35)
	<u>(\$3,241.91)</u>

	FYE 2026 Expenses	FYE 2026 Disbursements By Type	FYE 2026 Disbursements
September	\$ -		\$ (464,549.56)
October	\$ (62,027.09)	CPMS Project \$ (131,742.00)	\$ (62,027.09)
November	\$ (175,703.40)	Admin. Expenses \$ (1,179,452.19)	\$ (175,703.40)
December	\$ (91,523.93)	Total Invest. Prof. Fees \$ (773,908.10)	\$ (91,523.93)
January	\$ (222,849.29)		\$ (238,449.07)
February	\$ (219,923.15)		\$ (219,923.15)
March	\$ (84,839.58)		\$ (84,839.58)
April	\$ (210,412.08)		\$ (210,412.08)
May	\$ (78,340.90)		\$ (78,340.90)
June	\$ (268,507.06)		\$ (268,507.06)
July	\$ (187,584.56)		\$ (187,584.56)
August	\$ (3,241.91)		\$ (3,241.91)
	<u>\$ (1,604,952.95)</u>	<u>\$ (2,085,102.29)</u>	<u>\$ (2,085,102.29)</u>

City of Hollywood Employees Retirement Fund

Budget v. Actual

For Year Ending 09/30/2026

Expenses as of 08/31/2026

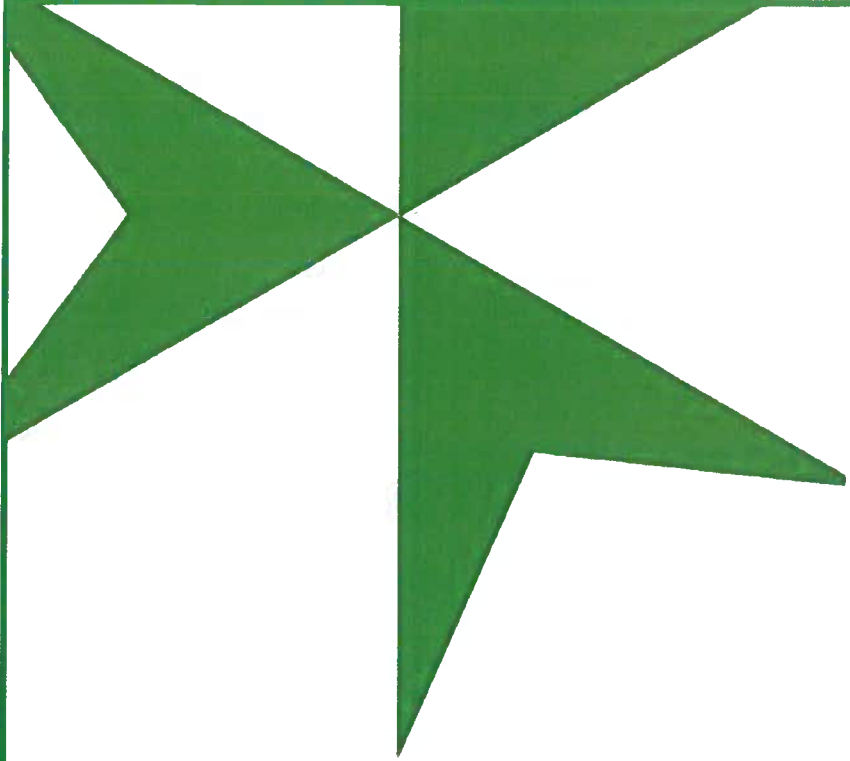
	2026 Approved Budget (A)	Aug-26	YTD Actual (B)	Remaining Available (A-B)	% Remaining Available (A-B)/(A)
Investment Fees:					
LM Capital	34,000	-	47,184	(13,184)	-38.78%
Northern Trust	40,000	-	28,135	11,865	29.66%
Wellington	415,000	-	638,933	(223,933)	-53.96%
Custodial Fees	60,000	-	59,657	343	0.57%
Total Invest. Professional Fees	549,000	-	773,908	(224,908)	(0)
Administrative Fees:					
Consultants	130,000	-	108,333	21,667	16.67%
Accounting	50,000	-	46,667	3,333	6.67%
Audit	26,000	-	26,000	-	0.00%
GRS-Actuarial and other Fees	73,500	-	51,086	22,414	30.50%
Medical Svcs (Disability Verification)	6,500	-	-	6,500	100.00%
Lorium PLLC- Board Attorney	140,000	-	7,040	132,960	94.97%
Total Admin. Professional Fees	426,000	-	239,126	186,874	44%
Personnel Expenses:					
Salaries - Staff	436,056	-	358,018	78,039	17.90%
Salaries - Temporary	50,000	-	-	50,000	100.00%
Taxes & Benefits	156,980	-	123,238	33,742	21.49%
Total Personnel Expenses	643,037	-	481,256	161,781	25%
Other Expenses:					
Continuing Education/Dues	45,000	18	43,821	1,179	2.62%
Training-Travel, Meals & Lodging	45,000	2,473	57,878	(12,878)	-28.62%
Participant/Member Education	5,000	-	-	5,000	100.00%
Equipment Rent	2,500	-	2,614	(114)	-4.55%
Software Maintainance	46,600	-	23,734	22,866	49.07%
Printing & Postage Cost	8,000	-	1,483	6,517	81.46%
Equipment & Supplies	20,000	113	2,184	17,816	89.08%
Outside service	3,000	(3,655)	54,135	(51,135)	-1704.50%
Insurance	220,000	-	215,957	4,043	1.84%
Project Management Services	200,000	-	11,000	189,000	94.50%
Office Condo Utilities	6,176	717	6,046	130	2.10%
Office Condo Fees and Assessments	48,724	3,576	40,218	8,506	17.46%
Total Other Expenses:	650,000	3,242	459,070	190,929	29.37%
Administrative Expenses	1,719,036	3,242	1,179,452	539,584	31.39%
Capital Expenditures		-	131,742		
Contingency Reserves	220,000	-	-	220,000	
Total Expenditure FYE 2025	2,488,036	3,242	2,085,102	534,676	21.49%
FYE 2025 Accrued Expenses Paid 2026		-	(480,149)	480,149	
Total Cost FYE 2025	2,488,036	3,242	1,604,953	1,014,825	

AGENDA ITEM 6.A.

INVESTMENT

JULY 2026

DB FLASH PERFORMANCE REPORT



Monthly Flash Report

City of Hollywood Employees' Retirement Fund

Period Ending July 31, 2026

J. Keith Reynolds
Senior Vice President

Felicia Ewell
Associate Consultant

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Market Environment – July 2026

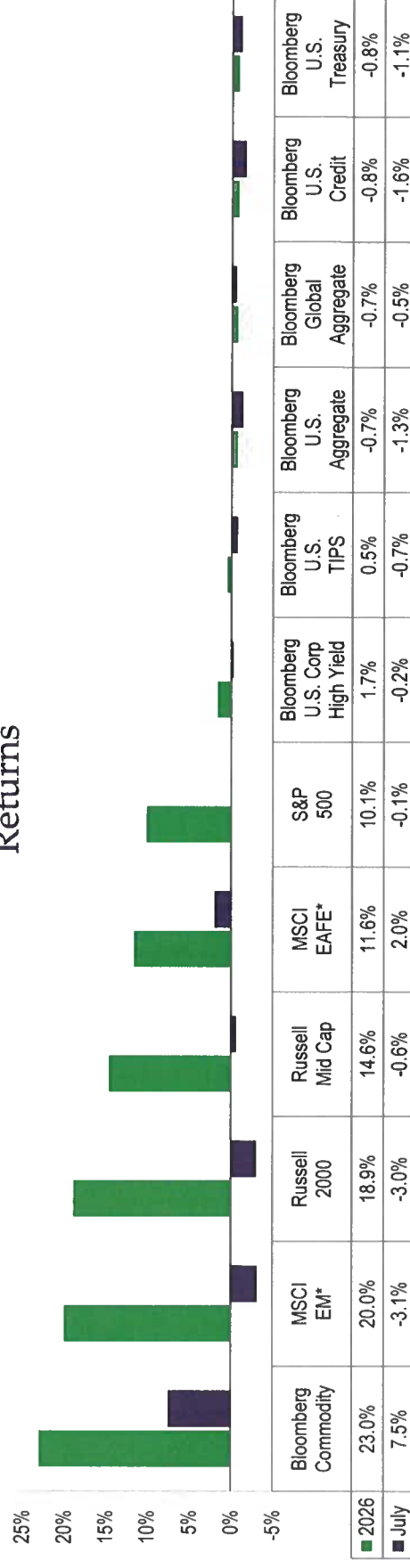
July Highlights

- The Fed's preferred measure of inflation, core Personal Consumption Expenditures (PCE) that excludes food and energy, increased (+0.1%) at a lower than expected rate with the annualized rate at 3.3%. The Consumer Price Index (CPI) decreased (-0.4%) with the annualized rate at 3.5%. The Federal Reserve held benchmark rate steady at 3.5-3.75% on a divided vote of 9-3. Oil prices surged as renewed conflict with Iran increased WTI crude nearly 24%, to reach \$85 per barrel.
- U.S. equities declined with large cap ahead of small and mid cap on a relative basis. Value (+3.7%) exceeded growth (-4.8%) across the size spectrum. S&P 500 sector performance varied widely with Energy (+12.6%) and Financials (+6.2%) leading, while several sectors were negative with Information Technology (-3.4%) and Industrials (-3.0%) trailing.
- International equity was mixed as developed EAFE markets led emerging markets. Within EAFE, Pacific (+2.7%) led Europe (+1.6%) regionally with Norway (+11.5%) the top country. Within EM, Latin America (+4.9%) was ahead of Eastern Europe (+1.4) and Asia (-4.2%) regionally, with Columbia (+20.1%) the top country.
- The Bloomberg U.S. Aggregate index was negative as the yield curve bear steepened. Yields increased across the middle and long portions with the 10-year rising to 4.71%. U.S. bonds were mostly negative with U.S. Short Treasuries (+0.2%) leading, while U.S. Long Government/Credit (-3.9%) trailed.
- Commodities were mostly positive wide dispersion across major subsectors, including Energy (+15.6%) Agriculture (+6.0%), Industrial Metals (+3.7%), and Precious Metals (-0.1%).

2026 Highlights

- Global capital markets experienced wide performance dispersion since the outbreak of war with Iran. Macro and geopolitical issues such as volatile oil prices, sticky inflation, and tariff uncertainty, have been offset by strong corporate earnings along with continued spending on AI-related projects. Central banks have begun divergent interest rate policies given the impact of volatile energy prices on inflation and uncertain growth prospects.
- U.S. equities trailed global markets with Energy (+34.7) and Industrials (+20.2%) the top-performing S&P 500 sectors, while Consumer Discretionary (0.0%) was the worst. Small-cap stocks are ahead of mid and large companies. All-cap value (+20.8%) was ahead of growth (+0.8%).
- International equities are led by emerging markets ahead of developed regions. Within EM, Asia (+22.8%) was ahead of Latin America (+15.9%) and Eastern Europe (+3.8%) with Korea (+81.2%) the top country. Within EAFE, Pacific (+16.0%) was ahead of Europe (+9.5%) with Norway (+27.1%) the lead country.
- U.S. fixed income and global bonds remained volatile with most sectors negative. Corporate High Yield (+1.7%) was the leading sector, while U.S. Long Government/Credit (-3.2%) trailed. Treasury yields rose across the yield curve, especially in the middle.
- Commodities had wide performance dispersion across major subsectors, including Energy (+60.2%), Industrial Metals (+10.5%), Agriculture (+11.0%) and Precious Metals (-7.7%).

Returns

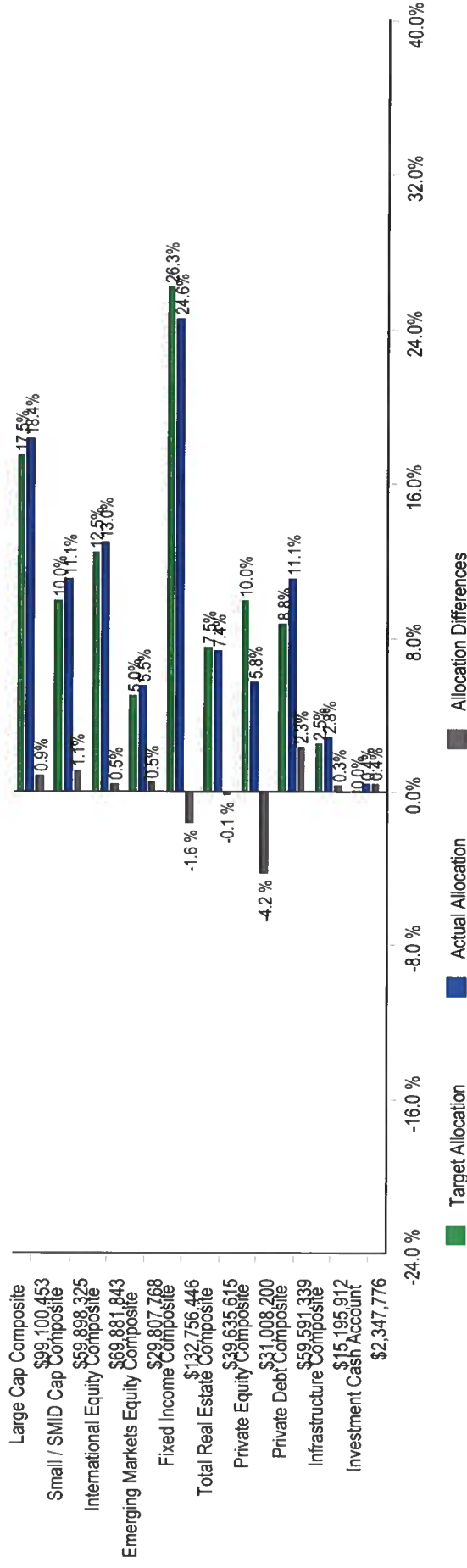


Source: Investment Metrics
*Net dividends reinvested

The City of Hollywood

Total Fund Composite*

As of July 31, 2026



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund Composite*	539,223,675	100.0	100.0	0.0		
Large Cap Composite	99,100,453	18.4	17.5	0.9	10.0	25.0
Small / SMID Cap Composite	59,898,325	11.1	10.0	1.1	5.0	15.0
International Equity Composite	69,881,843	13.0	12.5	0.5	7.5	17.5
Emerging Markets Equity Composite	29,807,768	5.5	5.0	0.5	2.0	8.0
Fixed Income Composite	132,756,446	24.6	26.3	-1.6	20.0	35.0
Total Real Estate Composite	39,635,615	7.4	7.5	-0.1	0.0	12.5
Private Equity Composite	31,008,200	5.8	10.0	-4.2	0.0	15.0
Private Debt Composite	59,591,339	11.1	8.8	2.3	0.0	14.0
Infrastructure Composite	15,195,912	2.8	2.5	0.3	0.0	5.0
Investment Cash Account	2,347,776	0.4	0.0	0.4	0.0	5.0

*Total does not include non-investment cash account

The City of Hollywood

Asset Allocation

As of July 31, 2026

	Total Fund	%
	(\$)	
Total Fund Composite*	539,223,675	100.0
Domestic Equity Composite	158,998,778	29.5
Large Cap Composite	99,100,453	18.4
Northern Trust S&P 500	99,100,453	18.4
Small / SMID Cap Composite	59,898,325	11.1
Earnest Partners Small/Mid Cap Value Equity	21,646,378	4.0
Loomis, Sayles Small/Mid Cap Growth	21,587,962	4.0
Northern Trust Extended Equity Market Index	16,663,984	3.1
International Equity Composite	69,881,843	13.0
Wellington International	69,881,843	13.0
Emerging Markets Equity Composite	29,807,768	5.5
RBC Emerging Markets Equity	29,807,768	5.5
Fixed Income Composite	132,756,446	24.6
Baird Core Plus Bond	49,671,395	9.2
LM Capital Group, LLC Active Core Plus	19,731,249	3.7
Neuberger & Berman Short Duration	39,672,120	7.4
GoldenTree Multi-Sector LP	23,681,681	4.4
Total Real Estate Composite	39,635,615	7.4
Core Real Estate Composite	19,735,135	3.7
Morgan Stanley	9,372,357	1.7
Principal Enhanced Property Fund	10,362,778	1.9
Private Real Estate Composite	19,900,479	3.7
TPG AG Realty Value Fund X	4,826,643	0.9
TPG AG Realty Value Fund XI, L.P.	8,621,773	1.6
Affiliated Housing Impact Fund	5,283,121	1.0
Affiliated Housing Impact Fund II, LP	1,168,942	0.2
Private Equity Composite	31,008,200	5.8
NB Crossroads Fund XXI	14,735,846	2.7
HarbourVest Dover Fund IX	3,671,934	0.7
Apogem Heritage Fund VI LP	7,917,985	1.5
50 South Capital PECF XI, L.P.	4,682,435	0.9

*Total does not include non-investment cash account.

The City of Hollywood

Asset Allocation

As of July 31, 2026

	Total Fund	
	(\$)	%
Private Debt Composite	59,591,339	11.1
EnTrust Blue Ocean Onshore Fund LP	5,141,403	1.0
Brightwood Capital SBIC III, LP	3,484,815	0.6
Brightwood Capital Fund V, LP	7,691,354	1.4
Marathon Healthcare Finance Fund	19,310,596	3.6
NB Private Debt Fund IV LP	17,033,720	3.2
BCP Special Opportunities Onshore Feeder III LP	3,726,610	0.7
Bayview MSR Opportunity Domestic 3, LP	3,202,841	0.6
Infrastructure Composite	15,195,912	2.8
IFM Global Infrastructure	15,195,912	2.8
Investment Cash Account	2,347,776	0.4

*Total does not include non-investment cash account.

The City of Hollywood

Comparative Performance

As of July 31, 2026

	Allocation		Apr-2026		Jul-2026		Oct-2025		Performance (%)				
	Market Value (\$000)	% of Portfolio	To Jun-2026	8.7	To Jul-2026	-1.0	To Jul-2026	9.5	1 Year	3 Years	5 Years	7 Years	Since Inception Date
Total Fund Composite (Gross)	539,224	100.0	8.7	8.7	-1.0	-1.0	9.5	14.0	11.2	11.2	7.4	9.4	8.1
Total Fund Composite (Net)			8.6	8.6	-1.0	-1.0	9.3	13.7	10.9	10.9	7.1	9.2	8.0
Policy Index*			9.6	9.6	-0.8	-0.8	10.5	15.5	11.9	11.9	6.7	8.6	8.1
Domestic Equity Composite (Gross)	158,999	29.5	17.2	17.2	-1.8	-1.8	15.2	21.7	17.5	17.5	10.5	13.7	13.6
Domestic Equity Composite (Net)			17.2	17.2	-1.8	-1.8	15.1	21.6	17.4	17.4	10.4	13.5	13.4
Northern Trust S&P 500 (Gross)	99,100	18.4	15.2	15.2	-0.1	-0.1	13.1	19.6	19.3	19.3	12.8	15.8	14.9
Northern Trust S&P 500 (Net)			15.2	15.2	-0.1	-0.1	13.0	19.5	19.3	19.3	12.8	15.8	14.9
S&P 500			15.2	15.2	-0.1	-0.1	13.1	19.6	19.3	19.3	12.9	15.8	15.0
Earnest Partners Small/Mid Cap Value Equity (Gross)	21,646	4.0	21.4	21.4	-3.4	-3.4	28.7	35.2	16.2	16.2	N/A	N/A	14.2
Earnest Partners Small/Mid Cap Value Equity (Net)			21.2	21.2	-3.5	-3.5	28.0	34.4	15.5	15.5	N/A	N/A	13.5
Russell 2500 Value Index			18.5	18.5	0.1	0.1	28.2	36.3	17.2	17.2	10.6	12.2	15.2
Loomis, Sayles Small/Mid Cap Growth (Gross)	21,588	4.0	20.1	20.1	-5.9	-5.9	14.3	20.1	12.0	12.0	3.4	N/A	7.5
Loomis, Sayles Small/Mid Cap Growth (Net)			20.1	20.1	-5.9	-5.9	14.3	20.1	12.0	12.0	3.4	N/A	7.5
Russell 2500 Growth Index			24.0	24.0	-7.9	-7.9	10.6	19.7	12.0	12.0	3.7	9.5	8.9
Northern Trust Extended Equity Market Index (Gross)	16,664	3.1	19.8	19.8	-4.1	-4.1	13.5	20.6	15.7	15.7	6.0	11.4	9.7
Northern Trust Extended Equity Market Index (Net)			19.8	19.8	-4.1	-4.1	13.5	20.5	15.7	15.7	6.0	11.4	9.6
DJ U.S. Completion TSM Indx			19.8	19.8	-4.2	-4.2	13.5	20.5	15.6	15.6	5.9	11.3	9.6
International Equity Composite (Gross)	69,882	13.0	12.5	12.5	-0.9	-0.9	15.6	24.4	16.5	16.5	8.3	10.2	7.4
International Equity Composite (Net)			12.3	12.3	-1.0	-1.0	15.0	23.7	15.8	15.8	7.6	9.4	6.6
Wellington International (Gross)	69,882	13.0	12.5	12.5	-0.9	-0.9	15.6	24.4	16.5	16.5	8.2	10.7	7.6
Wellington International (Net)			12.3	12.3	-1.0	-1.0	15.0	23.7	15.8	15.8	7.6	9.9	6.9
MSCI AC World ex USA (Net)			14.5	14.5	0.3	0.3	19.8	28.5	17.4	17.4	9.2	10.4	6.9
Emerging Markets Equity Composite**	29,808	5.5	23.6	23.6	-3.7	-3.7	27.5	39.2	18.5	18.5	9.9	N/A	10.7
RBC Emerging Markets Equity**	29,808	5.5	23.6	23.6	-3.7	-3.7	27.5	39.2	18.5	18.5	9.9	N/A	10.7
MSCI EM (Net)			24.1	24.1	-3.1	-3.1	25.7	36.4	19.3	19.3	8.0	9.5	9.8

The City of Hollywood

Comparative Performance

As of July 31, 2026

	Allocation		Performance (%)								
	Market Value (\$000)	% of Portfolio	Apr-2026 To Jun-2026	Jul-2026 To Jul-2026	Oct-2025 To Jul-2026	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Fixed Income Composite (Gross)	132,756	24.6	1.4	-0.5	2.1	4.3	6.2	2.4	3.2	6.4	02/01/1991
Fixed Income Composite (Net)			1.4	-0.5	2.1	4.3	6.2	2.4	3.2	N/A	
Baird Core Plus Bond**	49,671	9.2	1.0	-1.2	0.7	3.0	4.5	0.2	1.7	2.2	06/01/2017
Bimbg. U.S. Aggregate			0.7	-1.3	0.4	2.7	3.7	-0.4	1.0	1.6	
LM Capital Group, LLC Active Core Plus (Gross)	19,731	3.7	0.8	-1.3	1.0	3.4	4.3	N/A	N/A	3.3	07/01/2022
LM Capital Group, LLC Active Core Plus (Net)			0.7	-1.3	0.8	3.2	4.1	N/A	N/A	3.1	
Bimbg. U.S. Aggregate			0.7	-1.3	0.4	2.7	3.7	-0.4	1.0	2.5	
Neuberger & Berman Short Duration**	39,672	7.4	1.9	0.2	3.3	5.3	7.4	3.7	3.7	3.7	02/01/2018
NB Blended Benchmark***			0.7	0.3	2.7	3.7	4.6	3.1	2.6	2.6	
Bimbg. Intermed. U.S. Government/Credit			0.4	-0.4	1.2	2.8	4.4	1.0	1.8	2.3	
GoldenTree Multi-Sector LP**	23,682	4.4	2.1	0.3	4.2	6.5	9.0	5.9	6.2	5.9	10/01/2017
GT Blended Index****			2.2	0.3	3.2	4.7	7.8	5.1	5.2	5.1	
Bimbg. U.S. Aggregate			0.7	-1.3	0.4	2.7	3.7	-0.4	1.0	1.5	
Core Real Estate Composite**	19,735	3.7	1.5	0.2	3.5	5.2	1.0	4.0	4.4	5.3	03/01/2008
Morgan Stanley**	9,372	1.7	0.7	0.0	1.4	2.7	0.3	3.7	4.0	5.1	05/01/2008
NCREIF ODCE Equal Weighted			1.5	0.0	3.7	4.3	-0.9	2.7	3.5	4.5	
Principal Enhanced Property Fund**	10,363	1.9	2.1	0.4	5.5	7.7	1.7	4.4	4.9	8.1	11/01/2013
NCREIF Property Index			1.2	0.0	3.6	4.9	1.1	3.2	3.7	6.1	
Infrastructure Composite**	15,196	2.8	4.1	0.5	9.5	11.5	8.7	9.7	9.8	11.2	09/01/2017
IFM Global Infrastructure**	15,196	2.8	4.1	0.5	9.5	11.5	8.7	9.7	9.8	11.2	09/01/2017

*Policy Index (Oct 2020-current) consists of 17.5% S&P 500, 10% Russell 2500, 12.5% MSCI ACWI ex US (net), 5% MSCI EM (net), 35% Bloomberg U.S. Aggregate, 2.5% NCREIF ODCE (ew), 3% NCREIF NPI+3%, 10% Russell 3000+3% and 2.5% CPI+3.5%

**Performance shown net of fees

***NB Blended Benchmark consists of 60% Bloomberg U.S. Treasury Bills: 1-3 Months and 40% Bloomberg U.S. Government/Credit 1-3 Year Index.

****GT Blended Index consists of 50% ICE BofA U.S. High Yield Index and 50% Morningstar LSTA U.S. Leveraged Loan Index.

The City of Hollywood

Comparative Performance - IRR

As of July 31, 2026

	Market Value (\$)	%	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Private Equity								
Private Equity Composite								
NB Crossroads Fund XXI	31,008,200	5.8	-0.1	0.3	5.3	14.8	15.0	06/23/2016
HarbourVest Dover Fund IX	14,735,846	2.7	0.9	2.6	6.5	14.3	14.0	06/23/2016
Apogem Heritage Fund VI LP	3,671,934	0.7	-4.3	-4.4	-2.2	10.8	16.5	12/16/2016
50 South Capital PECF XI, L.P.	7,917,985	1.5	-6.6	-3.4	6.6	18.7	16.4	04/23/2018
	4,682,435	0.9	N/A	N/A	N/A	N/A	18.9	08/06/2025
Private Debt								
Private Debt Composite								
EnTrust Blue Ocean Onshore Fund LP	59,591,339	11.1	8.0	9.8	11.6	11.1	11.0	05/31/2017
Brightwood Capital SBIC III, LP	5,141,403	1.0	16.9	11.5	16.5	N/A	16.1	09/22/2020
Brightwood Capital Fund V, LP	3,484,815	0.6	29.6	N/A	N/A	N/A	26.7	01/19/2024
Marathon Healthcare Finance Fund	7,691,354	1.4	5.0	9.2	10.0	N/A	10.0	07/12/2021
NB Private Debt Fund IV LP	19,310,596	3.6	7.9	7.7	N/A	N/A	7.7	05/23/2022
BCP Special Opportunities Onshore Feeder III LP	17,033,720	3.2	3.3	9.4	N/A	N/A	10.5	07/21/2022
Bayview MSR Opportunity Domestic 3, LP	3,726,610	0.7	10.9	N/A	N/A	N/A	14.9	04/30/2024
	3,202,841	0.6	N/A	N/A	N/A	N/A	6.8	11/26/2025
Private Real Estate								
Private Real Estate Composite								
TPG AG Realty Value Fund X	19,900,479	3.7	2.5	3.3	7.7	9.1	8.8	06/10/2019
TPG AG Realty Value Fund XI, L.P.	4,826,643	0.9	-6.8	-4.9	3.7	6.7	6.3	06/10/2019
Affiliated Housing Impact Fund	8,621,773	1.6	14.2	N/A	N/A	N/A	6.8	05/23/2024
Affiliated Housing Impact Fund II, LP	5,283,121	1.0	-3.0	13.1	N/A	N/A	16.8	11/18/2021
	1,168,942	0.2	N/A	N/A	N/A	N/A	-4.1	01/07/2026

Cash Flow Activity Detail – July 2026

Manager	Product	Wire Type	Transfer Date	Transfer Amount
Wellington	International Opportunities	Commingled Fund Redemption	Jul 7, 2026	\$3,500,000.00
Principal Financial Group	DB Account	Internal Bank Transfer	Jul 8, 2026	\$3,500,000.00
Wellington	International Opportunities	Capital Distribution	Jul 8, 2026	\$3,500,000.00
Affiliated Development	Affiliated Housing Impact Fund	Capital Call	Jul 17, 2026	\$543,717.44
Northern Trust Global Inv	NT Collective Extended Equity Market Index Fund	Commingled Fund Redemption	Jul 28, 2026	\$1,500,000.00
Northern Trust Global Inv	Northern Trust S&P 500 Index	Commingled Fund Redemption	Jul 28, 2026	\$2,000,000.00
NB	Crossroads XXI	Capital Distribution	Jul 28, 2026	\$405,264.00
EnTrust	Blue Ocean Fund	Capital Distribution	Jul 29, 2026	\$607,377.00
Northern Trust Global Inv	NT Collective Extended Equity Market Index Fund	Capital Distribution	Jul 29, 2026	\$1,500,000.00
Northern Trust Global Inv	Northern Trust S&P 500 Index	Capital Distribution	Jul 29, 2026	\$2,000,000.00
Brightwood Capital Adviso	Brightwood Capital Fund V	Capital Call	Jul 29, 2026	\$150,000.00
Principal Financial Group	DB Account	Internal Bank Transfer	Jul 31, 2026	\$3,500,000.00
		TOTAL		\$22,706,358.44

AGENDA ITEM 6.B.

INVESTMENT

NATIONWIDE DC AND HYBRID DC PLAN UPDATES

(HANDOUT)

AGENDA ITEM 6.C.

INVESTMENT

PRIVATE CREDIT:

BRIGHTWOOD PRESENTATION

(HANDOUT)

AGENDA ITEM 6.D.

INVESTMENT

WORK PLAN

City of Hollywood Employees' Retirement Fund

2026 Work Plan

MEETING DATE	SEGAL MARCO INVESTMENT ITEMS	MANAGER PRESENTATIONS
January 13	November 2025 Flash Performance Report Plan Document Review – DC/Hybrid Plans DC Investment Options	
February 24	Third Quarter Performance Review (Approved at February 5th Special Meeting) December 2025 Flash Performance Report DC/Hybrid Foreclosure and Plan Reserve Fund Accounts	
March 24	January 2026 Flash Performance Report Asset Liability Discussion DC/Hybrid Plans	Loomis, Sayles Small/Mid Growth
April 28	February 2026 Flash Performance Report NB Short Duration Discussion New Opportunities Discussion – Emerging Managers	
May 19	March 2026 Flash Performance Report New Opportunities Discussion – Emerging Managers (cont'd)	
June 23	April 2026 Flash Performance Report Fourth Quarter Performance Review Emerging Manager Follow up FY2025 Manager Fee Detailed Schedule	
July 28	PE Managers' Interviews and Discussion May 2026 Flash Performance Report First Quarter Performance Review	Valhalla Group, LLC Outlander VC RPS Ventures
August 25	June 2026 Flash Performance Report	
September 22	July 2026 Flash Performance Report Board Insurance Program Renewal	Brightwood
November 17	August & September 2026 Flash Performance Report Second Quarter DB Performance Review Second and Third Quarter DC Performance Review Draft Investment Policy Statements for Review	
December 15	October & November 2026 Flash Performance Reports Final Investment Policy Statements for Approval	

**This is a working document and subject to change.*

AGENDA ITEM 6.E.

INVESTMENT

BOARD INSURANCE RENEWALS



City of Hollywood Employees Retirement Fund

Fiduciary Liability Insurance

**Policy Number: SFD31211202, MFX0016632 &
82552645**

September 18, 2026



Diane McNally
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Memorandum

To: Phyllis Shaw
Deputy Director

From: Albert Malafronte, RPLU
Associate Consultant, Insurance

Date: September 18, 2026

Re: **Fiduciary Liability Insurance**
City of Hollywood Employees Retirement Fund
Policy Number: SFD31211202, MFX0016632 & 82552645

Thank you for the opportunity to provide quotations for this year's renewal of Fiduciary Liability Insurance. Quotes were received from the incumbent carriers – Encore/Hudson, Ullico/Markel and Chubb. An alternative primary quote with a competitive premium was also received from Ullico/Markel, but it contained restrictive exclusions that we do not recommend.

Therefore, we recommend renewing coverage with the incumbent carriers based on continuity, broad scope of coverage, capacity and premium savings.

Layer	Carrier	Premium	Limit of Liability	Response
Primary	Encore/Hudson	\$75,342	\$5 million	Incumbent Program Quotes Key decision variables: broad scope of coverage, continuity, competitive premium.
1 st Excess	Ullico/Markel	\$31,382	\$5 million	
2 nd Excess	Chubb	\$22,098	\$5 million	
Total		\$128,822 (6.9% decrease)	\$15 million	
Primary	Ullico/Markel	\$65,373	\$5 million	Alternative Primary Option Key decision variables: competitive premium, more restrictive 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.

Please provide binding instructions and all subjectivities before September 30, 2026. 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:

- Practice Leader:
Diane McNally
Senior Vice President and Principal
929.240.1433
drmcnally@segalco.com
CA license: 0L61457
Segal Select CA license: 0I06323

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Premium and Coverage Summary*

Primary

Description	Expiring Encore/Hudson	Renewal Encore/Hudson	Alternative Ullico/Markel
Policy Summary			
Policy Period	10/01/2025 – 10/01/2026	10/01/2026 – 10/01/2027	10/01/2026 – 10/01/2027
Limit of Liability	\$5 million	\$5 million	\$5 million
Basic Premium	\$81,438	\$75,342	\$65,373
Waiver of Recourse Premium	\$175	\$175	\$175
State Surcharge	\$816.13	N/A	N/A
Retention	\$0 Non indemnifiable loss \$50,000 Indemnifiable loss	\$0 Non indemnifiable loss \$50,000 Indemnifiable loss	\$0 Non indemnifiable loss \$50,000 Indemnifiable loss
Coverages/Endorsements			
Administrative Errors & Omissions	✓	✓	✓
Conduct Exclusions – Final Adjudication	✓	✓	✓
Duty to Defend	✓	✓	✓
Enforcement Agency Interview Coverage	✓	✓	✓
Failure to Fund Exclusion	✓ Defense Costs Only	✓ Defense Costs Only	✓ Absolute exclusion
First Party Benefit Overpayment Coverage	✓ \$100,000 sublimit	✓ \$100,000 sublimit	✓ \$100,000 sublimit
First Party Cyber Reimbursement	✓ \$100,000 sublimit	✓ \$100,000 sublimit	x
Guaranteed Renewal	x	x	✓
HIPAA Fines/Penalties	✓	✓	✓
IRC 4975 Tax Coverage	✓	✓	✓
Legal Challenge Exclusion	x	x	✓ Excludes claims brought by sponsor municipality
Miscellaneous Regulatory Penalty Coverage	✓ \$250,000 sublimit	✓ \$250,000 sublimit	✓ \$250,000 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.

Description	Expiring Encore/Hudson	Renewal Encore/Hudson	Alternative Ullico/Markel
No Hammer/Settlement Clause	✓	✓	✓
Non-Cancellable Except for non Payment	✓	✓	✓
Non-Fiduciary Defense	✓ No sublimit	✓ No sublimit	✓ \$1-million sublimit
Pending and Prior Litigation Exclusion	✓ 09/04/1998	✓ 09/04/1998	✓ 09/04/1998
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"	✓ DOL, PBGC, or "any other governmental enforcement entity"
Prior Notice Exclusion	✓	✓	✓
Section 203 Bipartisan Act Penalty Coverage	✓	✓	✓
Selection of Defense Counsel	✓	✓	✓
Settlor/Plan Sponsor Coverage	✓	✓	✓
Severability Coverage	✓	✓	✓
Specific Claim/Matter Exclusion – Florida Circuit Court Case CACE 15-017333	✓	✓	✓
Specific Claim/Matter Exclusion – RLI Claim # 00413206	✓	✓	✓
Spousal Coverage	✓	✓	✓
State Amendatory Endorsement(s)	✓	✓	✓
Surcharge/Equitable Relief Coverage	✓	✓	✓
Voluntary Settlement Program	✓ \$250,000 sublimit One Reinstatement	✓ \$250,000 sublimit One Reinstatement	✓ \$250,000 sublimit One Reinstatement

First Excess

Description	Expiring Ullico/Markel	Renewal Ullico/Markel
Policy Summary		
Policy Period	10/01/2025 – 10/01/2026	10/01/2026 – 10/01/2027
Limit of Liability	\$5-million	\$5-million
Basic Premium	\$33,495	\$31,382
Waiver of Recourse Premium	\$175	\$175
State Surcharge	\$336.45	N/A
Retention	\$5 million Encore/Hudson policy	\$5 million Encore/Hudson policy
Coverages/Endorsements		
First Party Benefit Overpayment Coverage	✓ \$100,000 dropdown	✓ \$100,000 dropdown
Miscellaneous Regulatory Penalty Coverage	✓ \$250,000 dropdown	✓ \$250,000 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 Chubb	Renewal Chubb
Policy Summary		
Policy Period	10/01/2024 – 10/01/2025	10/01/2026 – 10/01/2027
Limit of Liability	\$5-million	\$5-million
Basic Premium	\$23,385	\$22,098
Waiver of Recourse Premium	\$175	\$175
State Surcharge	\$235.60	N/A
Retention	\$10-million underlying limits	\$10-million underlying limits
Coverages/ Endorsements		
First Party Benefit Overpayment Coverage	✓ \$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

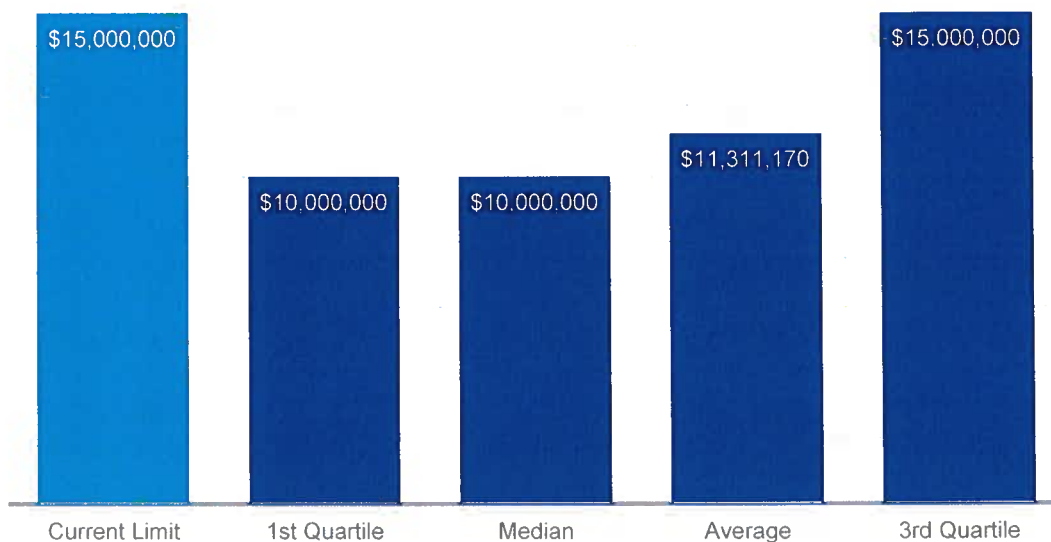
Policy Analyses

Limit of liability

Description

Encore/Hudson, Ullico/Markel and Chubb quoted the same \$15 million combined limit of liability as the expiring program. Our proprietary benchmarking data illustrates below what limits similar sized funds typically purchase, however higher limits may be available upon request.

Peer Group = Assets Greater Than \$100 Million
but Less Than \$500 Million



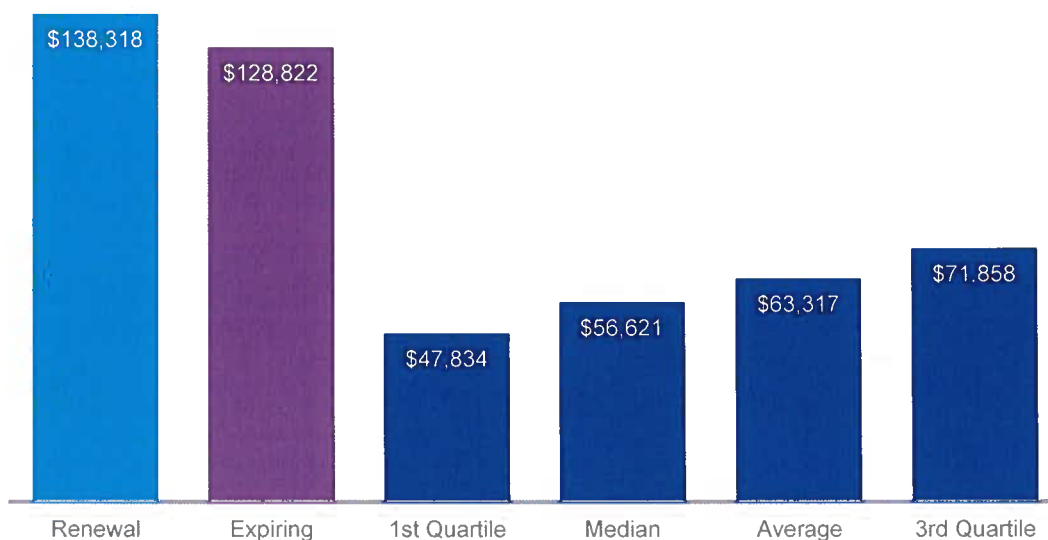
Premium

Description

The incumbent carriers, Encore/Hudson, Ullico/Markel and Chubb have quoted a premium decrease of \$9,496 (6.9%) for this renewal. This remains above the Average and 3rd Quartile for this limit of liability based on our proprietary benchmarking data, though please note the majority of Funds in the peer group are multiemployer. The combined renewal premium represents the lowest total since 2020.

Please note that Florida is no longer charging a separate state surcharge on these policies, resulting in additional cost savings.

Peer Group = Limit of Liability Equals \$15 Million



Scope of coverage

At this renewal, Encore/Hudson, Ullico/Markel, and Chubb will provide the same scope of coverage as the expiring policies. 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.

The alternative primary quote from Ullico/Markel included an absolute Failure to Fund exclusion (i.e., no defense costs coverage) and a Legal Challenge exclusion excluding any claims brought by the sponsor municipality, which we do not recommend.

Waiver of recourse

Certain laws, such as ERISA, provide insurers that issue fiduciary liability insurance policies the ability to recover money that was paid to or on behalf of fiduciaries for breaches of fiduciary duty, a process known as "recourse." Even though recourse is generally not allowed by insurance law, insurers are usually permitted to waive their right of recourse via a provision in fiduciary liability policies. To do so, they charge an additional premium that is calculated at each renewal and typically based on the number of active trustees.

Crucially, the waiver of recourse premium, when applicable, must be paid with non-plan assets. Employers can use corporate assets to pay the basic and/or waiver of recourse premiums, but waiver of recourse premiums for multiemployer plans are typically paid by a related employer, union or the trustees themselves.

When reviewing the waiver of recourse provision in a fiduciary liability policy, it is important to consider:

- The specific language, which varies substantially among insurers and can even vary among policies issued by the same insurer, and requires legal review;
- Who is covered (e.g., employees who may perform periodic fiduciary duties or past fiduciaries);
- For multiemployer plans, how much to bill trustees to cover the premium costs, as ERISA is unclear on whether the premium must be evenly divided.

The above should not be construed as legal advice nor a binding interpretation of coverage. We recommend that you review your policies with legal counsel.

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.

Encore/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.

Trustee list

Please review the accuracy of the attached list, which is used in determining the waiver of recourse premium. If there are any discrepancies, please contact us immediately to avoid any billing problems.

1. April Allen
2. Barbara Armand
3. David Keller
4. George Keller
5. Jeffrey Greene
6. Phyllis Shaw
7. Robert Strauss



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. 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.

View a copy of Segal's firm-wide [ERISA Section 408\(b\)\(2\) fee disclosure](#).

NY Regulation 194

View a copy of Segal's firm-wide [NY Regulation 194 disclosure](#).

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. 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.

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 and 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 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

Type of Insurance	Protection
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 – Hybrid
Plan

Fiduciary Liability Insurance

Policy Number: MGL0044161

September 10, 2026



Diane McNally
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20th Floor
New York, NY 10001-2192
segalco.com
CA License No. 0106323

Memorandum

To: Phyllis Shaw
Deputy Director

From: Diane McNally
Senior Vice President and Principal

Date: September 10, 2026

Re: **Fiduciary Liability Insurance**
City of Hollywood Employees Retirement Fund - Hybrid Plan
Policy Number: MGL0044161

Thank you for the opportunity to provide the quotation for this year's renewal of Fiduciary Liability Insurance. We obtained a quotation from the incumbent carrier, Ullico/Markel.

We recommend renewing with Ullico/Markel based on the broad scope of coverage and continuity of coverage.

Carrier	Premium	Limit of Liability	Response
Ullico/Markel	\$8,956 + Approx. \$90 FL State Surcharge	\$3 million	Incumbent 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.

Please provide binding instructions and all subjectivities before September 30, 2026. 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:

- **Practice Leader:**
Diane R. McNally
Senior Vice President and Principal
929.240.1433
drmcnally@segalco.com
CA license: 0L61457
Segal Select CA license: 0106323

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Premium and Coverage Summary*

Description	Expiring Ullico/Markel	Renewal Ullico/Markel
Policy Summary		
Policy Period	12/16/2025 – 10/1/2026	10/1/2026 – 10/1/2027
Limit of Liability	\$3-million	\$3-million
Basic Premium	\$8,588 (\$10,846 Annualized)	\$8,956
FL State Surcharge	\$87.27	Approx. \$90
Waiver of Recourse Premium	\$175	\$175
Retention	\$0	\$0
Coverages/ Endorsements		
Administrative Errors & Omissions	✓	✓
Conduct Exclusions – Final Adjudication	✓	✓
Duty to Defend	✓	✓
Enforcement Agency Interview Coverage	✓	✓
HIPAA Fines/Penalties	✓	✓
Investigatory Expenses	✓ \$100,000 sublimit	✓ \$100,000 sublimit
No Hammer/Settlement Clause	✓	✓
Non-Cancellable Except for non Payment	✓	✓
Non-Fiduciary Defense	✓ \$2-million sublimit	✓ \$2-million sublimit
Pending and Prior Litigation Exclusion	✓ 12/16/2025	✓ 12/16/2025
PPACA Fines/Penalties	✓	✓
Pre-Claim Investigation Coverage	✓ IRS/DOL audits/investigations	✓ IRS/DOL audits/investigations
Prior Notice Exclusion	✓	✓
Selection of Defense Counsel	✓	✓
Settlor/Plan Sponsor Coverage	✓	✓
Severability Coverage	✓	✓

* 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 Ullico/Markel	Renewal Ullico/Markel
Spousal Coverage	✓	✓
State Amendatory Endorsement(s)	✓	✓
Surcharge/Equitable Relief Coverage	✓	✓
Voluntary Settlement Program	✓	✓
	\$100,000 sublimit One Reinstatement	\$100,000 sublimit One Reinstatement

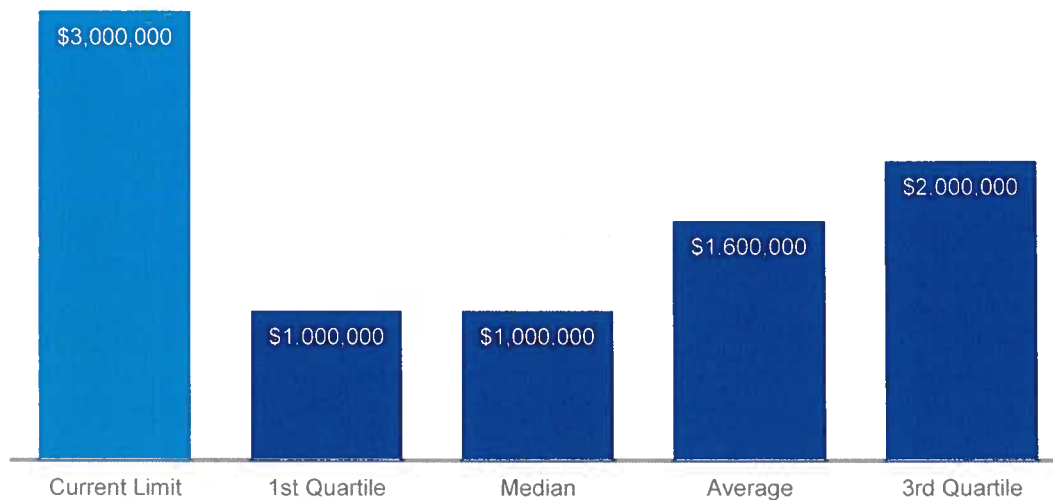
Policy Analyses

Limit of liability

Description

Ullico/Markel quoted the same \$3-million limit of liability as your expiring policy. Our proprietary benchmarking data illustrates below what limits similar sized funds typically purchase, however, higher limits may be available upon request.

Peer Group = Assets Greater Than \$1 Million but Less Than \$5 Million

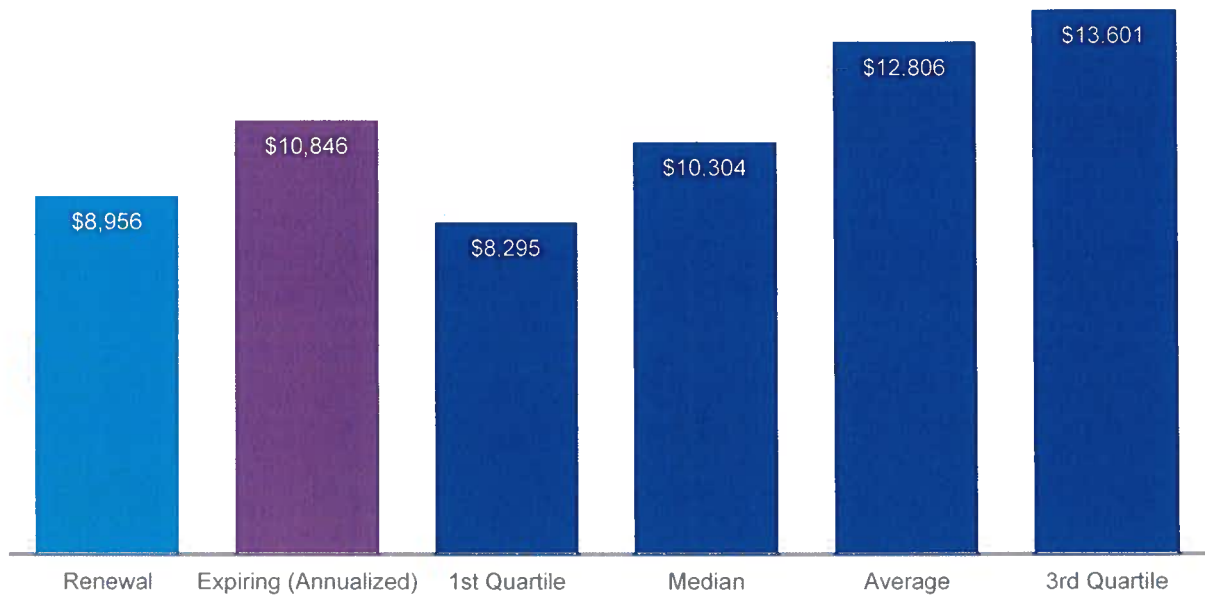


Premium

Description

On an annualized basis, Ullico/Markel has quoted a basic premium decrease of approximately \$1,890 (17.4%) for this renewal which remains between the 1st Quartile and Average for this limit of liability.

Peer Group = Limit of Liability Equal to \$3 Million



Scope of coverage

At this renewal, Ullico/Markel will provide the same scope of coverage as the expiring policy.

Waiver of recourse

Certain laws, such as ERISA, provide insurers that issue fiduciary liability insurance policies the ability to recover money that was paid to or on behalf of fiduciaries for breaches of fiduciary duty, a process known as "recourse." Even though recourse is generally not allowed by insurance law, insurers are usually permitted to waive their right of recourse via a provision in fiduciary liability policies. To do so, they charge an additional premium that is calculated at each renewal and typically based on the number of active trustees.

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- For multiemployer plans, how much to bill trustees to cover the premium costs, as ERISA is unclear on whether the premium must be evenly divided.

The above should not be construed as legal advice nor a binding interpretation of coverage. We recommend that you review your policies with legal counsel.

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.

Ullico/Markel

There are no subjectivities at this time.

Trustee List

Please review the accuracy of the attached list, which is used in determining the elimination/waiver of recourse premium. If there are any discrepancies, please contact us immediately to avoid any billing problems.

1. April Allen
2. Barbara Armand
3. David Keller
4. George Keller
5. Jeffrey Greene
6. Phyllis Shaw
7. Robert Strauss



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. 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.

View a copy of Segal's firm-wide [ERISA Section 408\(b\)\(2\) fee disclosure](#).

NY Regulation 194

View a copy of Segal's firm-wide [NY Regulation 194 disclosure](#).

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. 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.

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 and 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 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

Type of Insurance	Protection
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 – DC Plan

Fiduciary Liability Insurance

Policy Number: MGL0044164

September 9, 2026



Diane McNally
Senior Vice President and Principal
M 929.240.1433
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New York, NY 10001-2192
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CA License No. 0106323

Memorandum

To: Phyllis Shaw
Deputy Director

From: Diane McNally
Senior Vice President and Principal

Date: September 9, 2026

Re: **Fiduciary Liability Insurance**
City of Hollywood Employees Retirement Fund – DC Plan
Policy Number: MGL0044164

Thank you for the opportunity to provide the quotation for this year's renewal of Fiduciary Liability Insurance. We obtained a quotation from the incumbent carrier, Ullico/Markel.

We recommend renewing with Ullico/Markel based on the broad scope of coverage and continuity of coverage.

Carrier	Premium	Limit of Liability	Response
Ullico/Markel	\$5,557 + Approx. \$58 FL State Surcharge	\$3 million	Incumbent 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.

Please provide binding instructions and all subjectivities before September 30, 2026. 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:

- **Practice Leader:**
Diane R. McNally
Senior Vice President and Principal
929.240.1433
drmcnally@segalco.com
CA license: 0L61457
Segal Select CA license: 0106323

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Premium and Coverage Summary*

Description	Expiring Ullico/Markel	Renewal Ullico/Markel
Policy Summary		
Policy Period	12/16/2025 – 10/1/2026	10/1/2026 – 10/1/2027
Limit of Liability	\$3-million	\$3-million
Basic Premium	\$5,224 (\$6,597 Annualized)	\$5,557
FL State Surcharge	\$53.63	Approx. \$58
Waiver of Recourse Premium	\$175	\$175
Retention	\$0	\$0
Coverages/ Endorsements		
Administrative Errors & Omissions	✓	✓
Conduct Exclusions – Final Adjudication	✓	✓
Duty to Defend	✓	✓
Enforcement Agency Interview Coverage	✓	✓
HIPAA Fines/Penalties	✓	✓
Investigatory Expenses	✓ \$100,000 sublimit	✓ \$100,000 sublimit
No Hammer/Settlement Clause	✓	✓
Non-Cancellable Except for non Payment	✓	✓
Non-Fiduciary Defense	✓ \$2-million sublimit	✓ \$2-million sublimit
Pending and Prior Litigation Exclusion	✓ 12/16/2025	✓ 12/16/2025
PPACA Fines/Penalties	✓	✓
Pre-Claim Investigation Coverage	✓ IRS/DOL audits/investigations	✓ IRS/DOL audits/investigations
Prior Notice Exclusion	✓	✓
Selection of Defense Counsel	✓	✓
Settlor/Plan Sponsor Coverage	✓	✓
Severability Coverage	✓	✓

* 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 Ullico/Markel	Renewal Ullico/Markel
Spousal Coverage	✓	✓
State Amendatory Endorsement(s)	✓	✓
Surcharge/Equitable Relief Coverage	✓	✓
Voluntary Settlement Program	✓	✓
	\$100,000 sublimit One Reinstatement	\$100,000 sublimit One Reinstatement

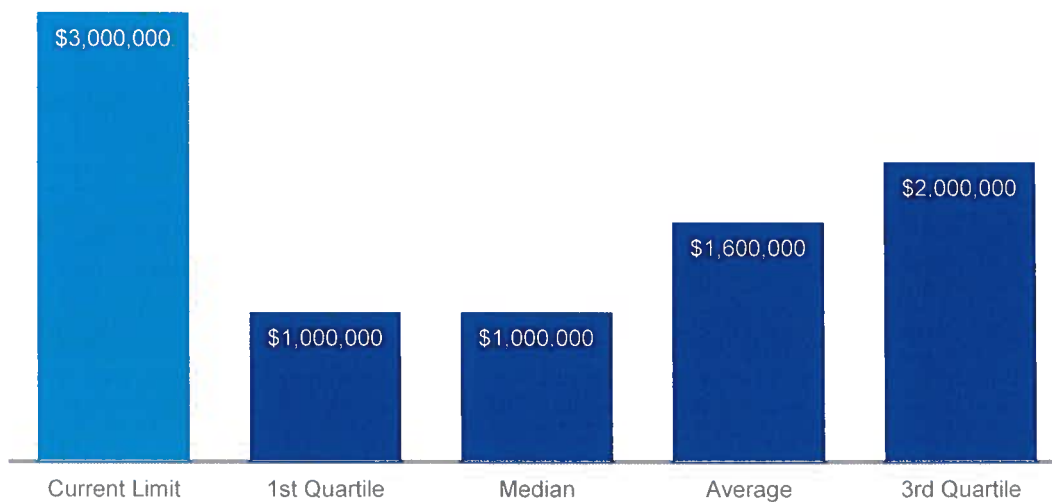
Policy Analyses

Limit of liability

Description

Ullico/Markel quoted the same \$3-million limit of liability as your expiring policy. Our proprietary benchmarking data illustrates below what limits similar sized funds typically purchase, however, higher limits may be available upon request.

Peer Group = Assets Greater Than \$1 Million but Less Than \$5 Million

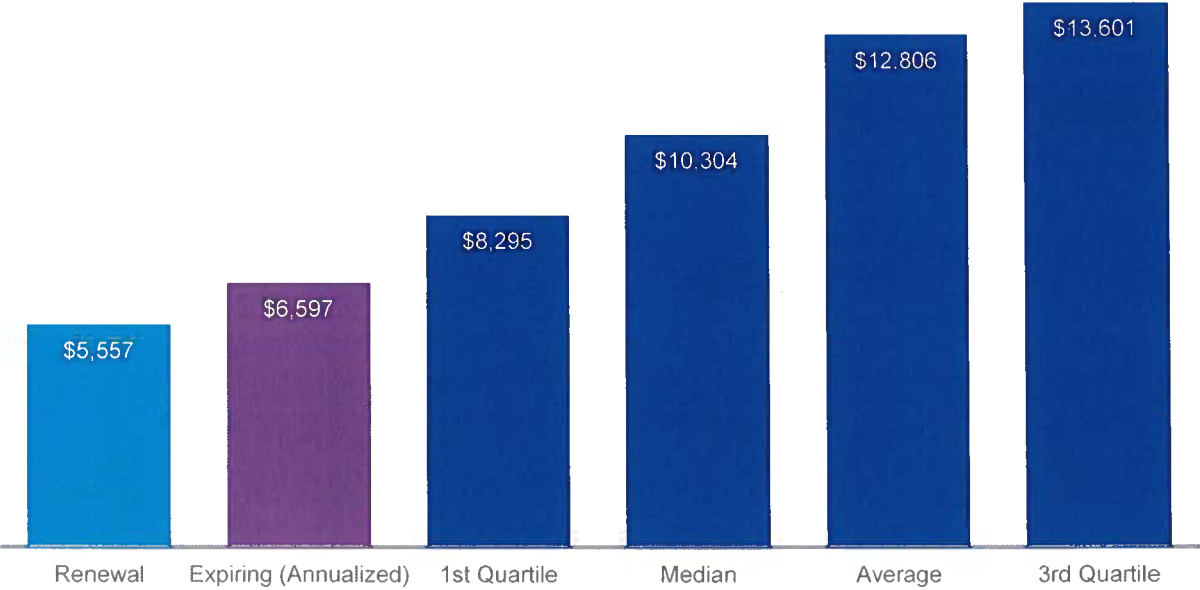


Premium

Description

On an annualized basis, Ullico/Markel has quoted a basic premium decrease of approximately \$1,040 (15.8%) for this renewal which remains between the Average and 3rd Quartile for this limit of liability.

Peer Group = Limit of Liability Equal to \$3 Million



Scope of coverage

At this renewal, Ullico/Markel will provide the same scope of coverage as the expiring policy.

Waiver of recourse

Certain laws, such as ERISA, provide insurers that issue fiduciary liability insurance policies the ability to recover money that was paid to or on behalf of fiduciaries for breaches of fiduciary duty, a process known as “recourse.” Even though recourse is generally not allowed by insurance law, insurers are usually permitted to waive their right of recourse via a provision in fiduciary liability policies. To do so, they charge an additional premium that is calculated at each renewal and typically based on the number of active trustees.

Crucially, the waiver of recourse premium, when applicable, must be paid with non-plan assets. Employers can use corporate assets to pay the basic and/or waiver of recourse premiums, but waiver of recourse premiums for multiemployer plans are typically paid by a related employer, union or the trustees themselves.

When reviewing the waiver of recourse provision in a fiduciary liability policy, it is important to consider:

- The specific language, which varies substantially among insurers and can even vary among policies issued by the same insurer, and requires legal review;
- Who is covered (e.g., employees who may perform periodic fiduciary duties or past fiduciaries);
- For multiemployer plans, how much to bill trustees to cover the premium costs, as ERISA is unclear on whether the premium must be evenly divided.

The above should not be construed as legal advice nor a binding interpretation of coverage. We recommend that you review your policies with legal counsel.

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.

Ullico/Markel

There are no subjectivities at this time.

Trustee List

Please review the accuracy of the attached list, which is used in determining the elimination/waiver of recourse premium. If there are any discrepancies, please contact us immediately to avoid any billing problems.

1. April Allen
2. Barbara Armand
3. David Keller
4. George Keller
5. Jeffrey Greene
6. Phyllis Shaw
7. Robert Strauss



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. 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.

View a copy of Segal's firm-wide [ERISA Section 408\(b\)\(2\) fee disclosure](#).

NY Regulation 194

View a copy of Segal's firm-wide [NY Regulation 194 disclosure](#).

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. 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.

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 and 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 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

Type of Insurance	Protection
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, City of Hollywood Employees Retirement Fund
- DC Plan, City of Hollywood Employees Retirement Fund - Hybrid Plan

Management Liability Insurance

Policy Number: 106987998

September 16, 2026



Diane McNally
Senior Vice President and Principal
Mobile 929.240.1433
drmcnally@segalco.com

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Memorandum

To: Phyllis Shaw
Deputy Director

From: Albert Malafronte, RPLU
Associate Consultant, Insurance

Date: September 16, 2026

Re: Management Liability Insurance
City of Hollywood Employees Retirement Fund, City of Hollywood Employees Retirement Fund - DC Plan, City of Hollywood Employees Retirement Fund - Hybrid Plan
Policy Number: 106987998

Thank you for the opportunity to provide a quotation for this year's renewal of Cyber Liability and Employment Practices Liability (EPL) insurance coverage. We received a quotation from the incumbent carrier, Travelers.

We recommend renewing with Travelers based on the broad scope of coverage and continuity of coverage and combined policy premium savings.

Carrier	Premium	Limit of Liability	Response
Travelers	\$27,413 (6% increase)	\$5 million Cyber \$2 million EPL	Incumbent 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.

Please provide binding instructions and all subjectivities before September 30, 2026. Binding instructions or subjectivities 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:

- Practice Leader:

Diane McNally
Senior Vice President and Principal
929.240.1433
drmcnally@segalco.com
CA license: 0L61457
Segal Select CA license: 0I06323

CC: Christine Baily/Executive Director

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Premium and Coverage Summary*

Description	Expiring Travelers	Renewal Travelers
Policy Summary		
Policy Period	12/16/2025 – 10/1/2026	10/1/2026 – 10/1/2027
Pending and Prior Litigation Date	9/27/2018	9/27/2018
Retroactive Date	Full Prior Acts Coverage	Full Prior Acts Coverage
Admitted Status	Admitted	Admitted
Basic Premium	\$25,872	\$27,413
FL State Surcharge	\$258.72	N/A
Cyber 1st Party Expense and 3rd Party Liability		
Aggregate Limit of Liability ¹	\$5 million	\$5 million
Retention	\$25,000	\$25,000
Waiting Period	8 hours	8 hours
Accounting Costs Coverage	✓ \$25,000 Sublimit	✓ \$25,000 Sublimit
Additional Response Costs	✓	✓
Betterment Coverage	✓ \$100,000 sublimit, 50% Coinsurance	✓ \$100,000 sublimit, 50% Coinsurance
Business Interruption	✓	✓
Computer Fraud Coverage	✓ \$250,000 Sublimit \$2,500 Deductible	✓ \$250,000 Sublimit \$2,500 Deductible
Consequential Reputational Loss	✓ \$250,000 Sublimit	✓ \$250,000 Sublimit
Contingent Bodily Injury Carveback	✓	✓
Contingent Business Interruption Loss — Malicious Acts	✓ \$500,000 Sublimit	✓ \$500,000 Sublimit
Contingent Business Interruption Loss — Non-Malicious Acts	✓ \$500,000 Sublimit	✓ \$500,000 Sublimit
Criminal Reward Coverage	✓ \$25,000 sublimit \$0 retention	✓ \$25,000 sublimit \$0 retention
Data Protection	✓	✓
Funds Transfer Fraud	✓ \$250,000 Sublimit \$2,500 Deductible	✓ \$250,000 Sublimit \$2,500 Deductible

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

¹ This limit can also apply as excess over the first party response and/or breach notification limits.

Description	Expiring Travelers	Renewal Travelers
GDPR Coverage	✓	✓
Media Liability	✓	✓
No ERISA Exclusion	✓	✓
Personal Device Coverage	✓	✓
PCI Fines and Penalties	✓	✓
Public Relations and Crisis Management	✓	✓
Ransomware/Extortion	✓	✓
Regulatory Defense/Penalties	✓	✓
Security & Privacy Liability	✓	✓
Social Engineering Fraud Loss	✓ \$250,000 Sublimit \$2,500 Deductible	✓ \$250,000 Sublimit \$2,500 Deductible
State Amendatory Endorsement(s)	✓	✓
System Failure	✓	✓
Telecommunication Fraud	✓ \$250,000 Sublimit \$2,500 Deductible	✓ \$250,000 Sublimit \$2,500 Deductible
Vendor/Client Payment Fraud Endorsement	✓ \$250,000 Sublimit \$2,500 Deductible	✓ \$250,000 Sublimit \$2,500 Deductible
Cyber First Party Response — Legal/Forensics		
Aggregate Limit of Liability	\$1 million	\$1 million
Retention	\$0	\$0
Forensics	✓	✓
Legal Expenses	✓	✓
Cyber Breach Notification Services		
Aggregate Limit of Liability	100,000 Notifications	100,000 Notifications
Retention/Threshold	Required notification of 100 individuals	Required notification of 100 individuals
Call Center Services	✓	✓
Required Notifications	✓	✓
Credit/Identity Monitoring	✓	✓
Voluntary Notifications	✓	✓
EPL Coverages/Endorsements		
Aggregate Limit of Liability	\$2 million	\$2 million
Retention	\$5,000	\$5,000
Back/Front Pay Coverage	✓	✓
Breach of Contract Exclusion	✓	✓

Description	Expiring Travelers	Renewal Travelers
Claim includes EEOC Charge	✓	✓
Claim includes Non-Monetary Relief	✓	✓
Direct Bodily Injury Exclusion	✓	✓
Duty to Defend with Panel Counsel	✓	✓
Hammer/Settlement Clause	✓	✓
	80%/20%	80%/20%
Immigration Claims Endorsement	✓	✓
	\$100,000 Sublimit	\$100,000 Sublimit
Independent Contractor Coverage	✓	✓
Insured Person includes Trustee	✓	✓
Non-cancellable except for non-payment	✓	✓
Pending and Prior Litigation Exclusion/ Continuity Date	✓ 9/27/2018	✓ 9/27/2018
Punitive Damages Most Favorable Venue	✓	✓
Retaliation Coverage including ERISA/NLRA	✓	✓
Severability Coverage	✓	✓
State Amendatory Endorsement(s)	✓	✓
Third Party Coverage	✓	✓
Unauthorized Access of Employee Data Coverage	✓	✓
Violation of Employee Privacy Coverage	✓	✓
Wage and Hour Defense Coverage	✓	✓
	\$250,000 Sublimit \$5,000 Retention	\$250,000 Sublimit \$5,000 Retention
Workplace Violence Expense Reimbursement	✓	✓
	\$250,000 Sublimit \$0 Retention	\$250,000 Sublimit \$0 Retention

Policy Analyses

Limit of liability

Travelers quoted the same separate aggregate limits of liability per coverage section as your expiring policy. Higher limits may be available upon request.

Premium

Travelers has quoted a basic premium increase of \$1,541 (6.0%) for this renewal.

Scope of coverage

Travelers 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.

Travelers

- Verification of no changes to Multi-Factor Authentication.

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. 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.

View a copy of Segal's firm-wide [ERISA Section 408\(b\)\(2\) fee disclosure](#).

NY Regulation 194

View a copy of Segal's firm-wide [NY Regulation 194 disclosure](#).

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. 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.

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 and 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.

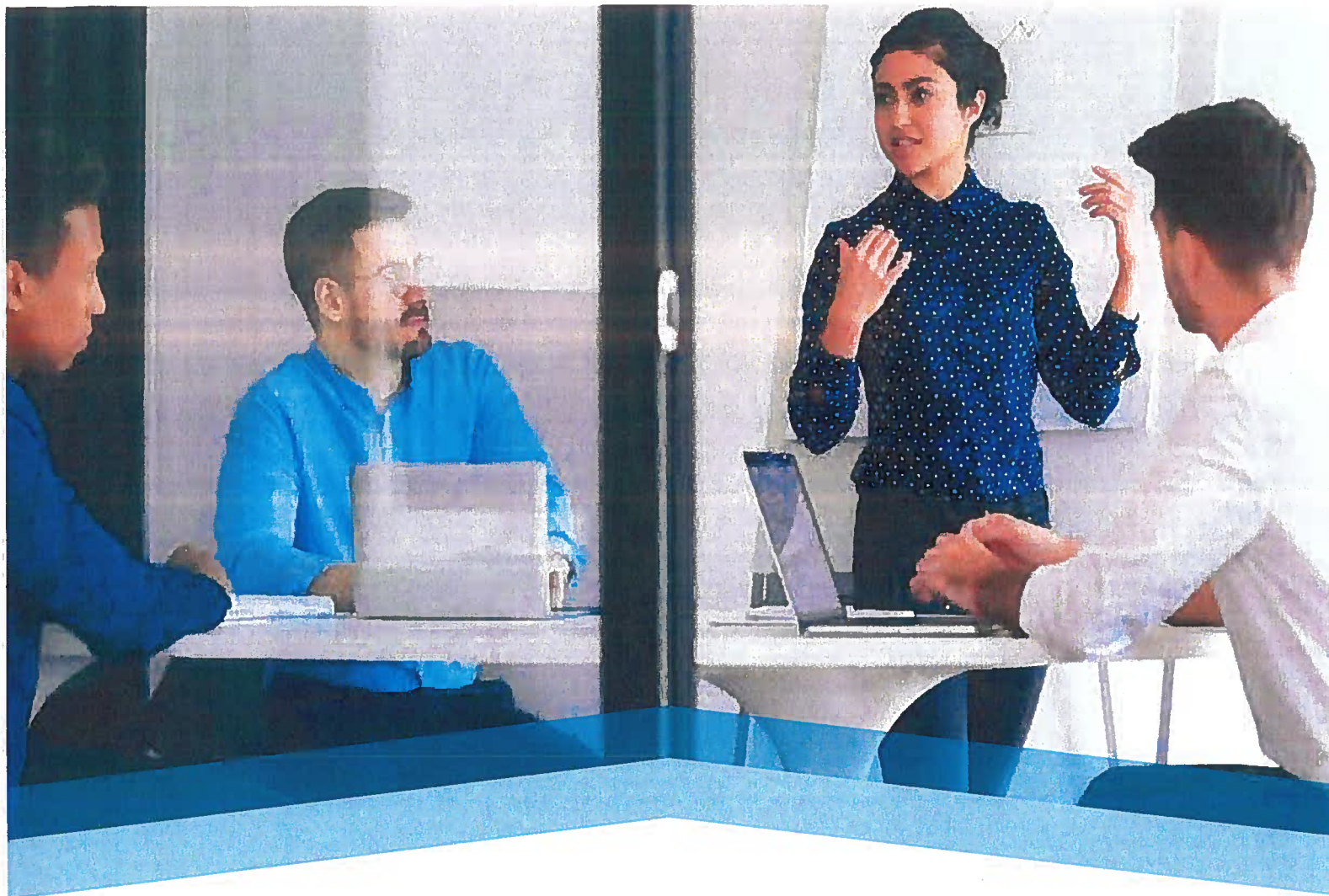


Your Organization May Need a Range of Insurance Coverage

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 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
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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

Type of Insurance	Protection
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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 Number: 106745674

September 18, 2026



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

66 Hudson Blvd, E
20th Floor
New York, NY 10001-2192
segalco.com
CA License No. 0106323

Memorandum

To: Phyllis Shaw
Deputy Director

From: Matthew Jackson, RPLU, CCIC
Senior Vice President

Date: September 18, 2026

Re: **Public Officials Bond**
City of Hollywood Employees Retirement Fund
Policy Number: 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 the incumbent, Travelers, based on scope of coverage and competitive flat renewal premium.

Carrier	Premium	Limit of Liability	Response
Travelers	\$8,750	\$2.5-million Based on \$500,000 per bonded official	Incumbent Quote Key decision variables: scope of coverage, flat 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.

Please provide binding instructions and all subjectivities before September 30, 2026. Binding instructions or subjectivities 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:

- Practice Leader:
Diane McNally
Senior Vice President and Principal
929.240.1433
drmcnally@segalco.com

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Premium and Coverage Summary*

Description	Expiring Travelers	Renewal Travelers
Policy Summary		
Policy Period	10/01/2025 – 10/01/2026	10/01/2026 – 10/01/2027
Limit of Liability	\$2.5-million (increased from \$1.75-million effective 12/16/2025)	\$2.5-million
Premium	\$8,203 (\$6,125 annualized + \$2,078 prorated midterm increase)	\$8,750
Retention	\$0	\$0

Covered Individuals	Position	Amount of Guarantee
Phyllis Shaw	Chair of Board	\$500,000
David Keller	Vice Chair Board of Trustees	\$500,000
Robert Strauss	Secretary of the Board	\$500,000
Christine Bailey	Executive Director	\$500,000
Veron Sibble	Pension Coordinator	\$500,000

* 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

Travelers quoted the same scope of coverage as expiring based on the individuals listed above.

Limit of Liability

Travelers quoted the same limits of liability as expiring which were increased to \$500,000 each and \$2.5-million in total effective December 16, 2025.

Premium

Travelers quoted a flat annualized premium for this year's Bond.

| Subjectivities

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

Travelers

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. 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.

View a copy of Segal's firm-wide [ERISA Section 408\(b\)\(2\) fee disclosure](#).

NY Regulation 194

View a copy of Segal's firm-wide [NY Regulation 194 disclosure](#).

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. 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.

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 and www.spglobal.com.

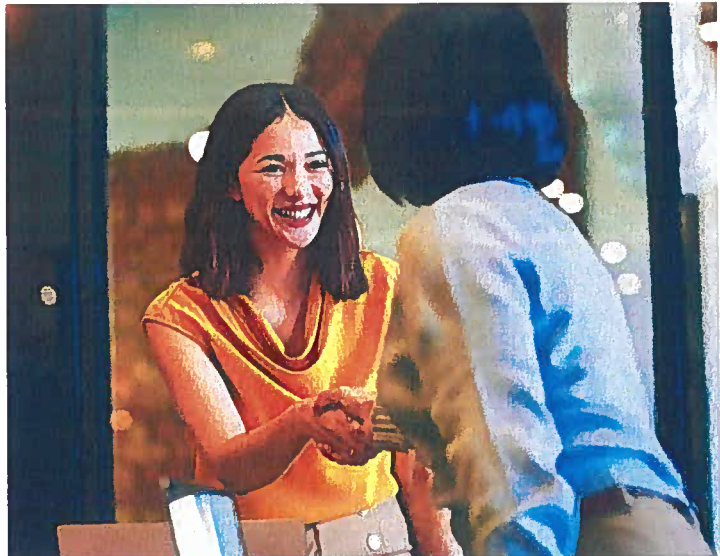
Proposal advisory

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 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

Type of Insurance	Protection
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



Christine Bailey

From: Malafronte, Albert <amalafronte@segalco.com>
Sent: Tuesday, September 15, 2026 3:47 PM
To: Phyllis Shaw
Cc: McNally, Diane R.; Jackson, Matthew; Richardson, Mark; Reynolds, Keith J.; Christine Bailey; Veron Sibble
Subject: [EXT]Segal Insurance Renewal Summary - H0212MP000059 - City of Hollywood Employees' Retirement Fund, Hybrid Plan and DC Plan
Attachments: Endorsement.pdf; 2025-2026 policy.pdf; Active Assailant Tria Form.pdf; Surplus Lines - FL Disclosure.pdf

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Hello Phyllis

On behalf of Diane R. McNally, in support of Hadron Specialty Insurance Company's commitment to City of Hollywood Employees' Retirement Fund, Hybrid Plan and DC Plan, they have agreed to automatically renew the captioned Workplace Violence policy on 10/1/2026 with the same terms and conditions as expiring.

Based on updated rating factors, Hadron Specialty Insurance Company has quoted a flat renewal with no premium increase or decrease. All other terms and conditions remain the same as expiring, and there is no renewal application required.

We recommend this approach but please advise as soon as possible if there have been any material changes with the Fund, and/or if the Board is interested in exploring higher limits, as Hadron Specialty Insurance Company may require additional underwriting information and further review before proceeding. Please also sign the attached Active Assailant TRIA Form and Surplus Lines – FL Disclosure form which acknowledge acceptance of the renewal.

Please note that insurance coverage cannot be bound or changed via email, voicemail, text, or fax unless confirmed by a licensed broker.

Notice of Claim

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

All electronic loss notifications to be processed by Segal must be sent to claims@segalco.com. Please copy me on any notification, but Segal is not responsible for the processing of any electronic loss notification if it is not addressed to claims@segalco.com.

Payments & Policy Issuance

An invoice with your payment options and instructions will follow shortly from our Finance and Operations Department. Policyholders may pay invoices via ePayPolicy.com, a third-party payment site. The policy is expected to be issued by the insurance carrier within 30-60 days, which will be forwarded for your records.

Services and Compensation

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. Client 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 www.segalco.com/disclosure-of-compensation.

NY Regulation 194

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

FATCA

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Please let us know if you have any questions. Thank you for your placing your business with Segal.

Al Malafronte sending on behalf of Diane R. McNally

Diane R. McNally
Senior Vice President and Principal
Segal
66 Hudson Blvd. E | 20th Floor | New York, New York 10001-2192
T 212.251.5146 | **M** 929.240.1433
DRMcNally@segalco.com
CA License #0L61457, Segal Select CA License #0I06323

PAY NOW
e pay

Policyholders may now pay an invoice via ePayPolicy.com, using a third-party payment site.

Please note that insurance coverage cannot be bound or changed via email, voicemail, text, or fax unless confirmed by a licensed broker. Please call us to further discuss your insurance needs.

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Segal, Segal Marco Advisors and Segal Benz are all members of the Segal family.

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immediately by replying: "Received in error" and delete the message.
Thank you.

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Premium and Coverage Summary*

Description	Expiring Indian Harbor Insurance Company (X.L. America, Inc.)	Renewal Indian Harbor Insurance Company (X.L. America, Inc.)	Alternative Hadron Specialty Insurance Company
Policy Summary			
Admitted Status	Non-Admitted	Non-Admitted	Non-Admitted
Policy Period	10/1/2024 – 10/1/2025	10/1/2025 – 10/1/2026	10/1/2025 – 10/1/2026
Limit of Liability	\$3 million	\$3 million	\$3 million \$4 million \$5 million
Annual Base Premium	\$4,548	\$5,003	\$3,938 \$4,613 \$5,288
Surplus Lines Taxes/Fees	\$227.40	\$512.65	\$406.90 \$440.65 \$474.40
Policy Deductible	\$0	\$0	\$0
Total Number of Locations	2	2	2
Coverages/Endorsements			
Act of Workplace Violence Expense Coverage	✓	✓	✓
Stalking Threat Expenses Per Event Coverage	✓	✓	Silent
3 rd Party Legal Liability per Insured Event Expenses Coverage	✓	✓	✓
Amend Definition of Insured Person to include Trustee Endorsement	✓	✓	✓
Business Interruption Expenses Per Insured Event Coverage	✓	✓	✓
Business Interruption Indemnity Period	120 Days	120 Days	120 Days
Business Interruption Waiting Period	6 Hours	6 Hours	No Waiting Period
Cancellation – 10 day notice by carrier	✓	✓	✓

* 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 Indian Harbor Insurance Company (X.L. America, Inc.)	Renewal Indian Harbor Insurance Company (X.L. America, Inc.)	Alternative Hadron Specialty Insurance Company
Consolidation-Merger – 90 day notice requirement due to change in revenue or assets > 25%	✓	✓	✓
Communicable Disease Exclusion	x	x	✓
Crisis Management	✓	✓	✓
Cyber Exclusion	x	x	✓
Death Benefit Coverage	Included in Personal Accident Coverage	Included in Personal Accident Coverage	Included under No-Fault 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	Notify the Proper Authorities and prompt written notice to the carrier and signed, sworn Statement of Loss within sixty (60) days
Event Protocols – (Form Specific)	✓	✓	✓
Funeral and Burial Coverage	✓	✓	✓
Off-Premises Coverage Endorsement for Insured Persons	✓	✓	✓
Other Insurance	Valid and Collectible ✓	Valid and Collectible ✓	Valid and Collectible ✓
Personal Accident Expenses Per Insured Person Coverage	Policy Aggregate limit, per above options \$50,000 Per Insured Person	Policy Aggregate limit, per above options \$50,000 Per Insured Person	Policy Aggregate limit, per above options \$50,000 Per Victim sublimit
Personal Financial Loss – Form Specific	✓	✓	✓
PFAS Exclusion	x	x	✓
Psychiatric Care	✓	✓	✓
Rehabilitation Expenses	✓	✓	✓
Reward Money for Post Event Investigation Tips	✓	✓	✓
Russian-Ukraine-Belarus Conflict Exclusion	x	x	✓
Service of Suit Endorsement	✓	✓	✓
Sexual Abuse or Molestation Exclusion	x	x	✓
State Amendatory Endorsement(s)	✓	✓	✓

Description	Expiring Indian Harbor Insurance Company (X.L. America, Inc.)	Renewal Indian Harbor Insurance Company (X.L. America, Inc.)	Alternative Hadron Specialty Insurance Company
Temporary Security Measures Coverage	✓	✓	✓
Total Pollution Exclusion	x	x	✓
Weapons – As Form defined	✓	✓	✓
Worldwide Coverage	✓	✓	x "anywhere in the US"



City of Hollywood Employees Retirement Fund, City of
Hollywood Employees Retirement Fund - DC Plan, City of
Hollywood Employees Retirement Fund - Hybrid Plan

Commercial Lines Insurance

Policy Number: D02435597, 73645614, 56723928

September 17, 2026



Leighann A. Parrish, RPLU, CISR
Senior Consultant, Team Leader
M 517.512.3410
lparrish@segalco.com

119 Pere Marquette
Suite 1A
Lansing, MI 48912
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CA License No. 0106323

Memorandum

To: Christine Bailey
Executive Director

From: Leighann A. Parrish, RPLU, CISR
Senior Consultant and Team Leader

Date: September 17, 2026

Re: **Commercial Lines Insurance**
City of Hollywood Employees Retirement Fund, City of Hollywood Employees Retirement Fund - DC Plan, City of Hollywood Employees Retirement Fund - Hybrid Plan
Policy Number: D02435597, 73645614, 56723928

Thank you for the continued opportunity to provide this year's Commercial Lines Insurance Renewal Program.

Chubb has automatically renewed the program, resulting in an overall premium decrease of 42.5% compared to the prior term. This significant reduction is primarily attributable to the removal of the 2600 Hollywood Blvd., Hollywood, FL location from the schedule.

The increase in the Business Auto premium is driven by anticipated liability rate adjustments, as well as broader market-wide pricing increases. The Umbrella premium adjustment reflects evolving risk exposures and current market conditions.

We support the decision to renew coverage with Chubb based on the scope and quality of coverage provided, including valuable protection for Flood, Wind, and Hail exposures.

Carrier	Coverage Type	Premium	Response
Chubb	Package	\$4,603	Incumbent Quotes Key decision variables: scope of coverage and continuity.
	Business Auto	\$2,248	
	Umbrella	\$869	

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 by September 30, 2026. 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

Leighann A. Parrish, RPLU, CISR
Senior Consultant, Team Leader
517.512.3410
lparrish@segalco.com

- Lead Regional Consultant:

Susan Ginexi
Vice President, National Property and Casualty Manager
347.344.7970
sginexi@segalco.com

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Schedule of Named Insureds and Locations

Schedule of Named Insureds

- City of Hollywood Employees Retirement Fund
- City of Hollywood Employees Retirement Fund - DC Plan
- City of Hollywood Employees Retirement Fund - Hybrid Plan

Schedule of Locations

- Location 1: 2450 Hollywood Blvd., Units 202, 204, 205, 207, 209, 210, Hollywood, FL 33020-6619

Summary of Premiums

In order to facilitate your insurance program, we provide below a 2026 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.

Expiring Carrier	Expiring Policy Number	Policy Type	Expiring Premium	Renewal Premium
Chubb	D02435597	Commercial Package	\$10,742.32	\$4,603
Chubb	56723928	Umbrella	\$796.89	\$869
Chubb	73645614	Business Auto	\$2,247	\$2,448
Total Premiums			\$13,786.21	\$7,920

Premium and Coverage Summary*

Commercial Package

Description	Renewal	Renewal
Carrier	Chubb	Chubb
Policy Summary		
Policy Period	10/01/2025 – 10/01/2026	10/01/2026 – 10/01/2027
Total Premium	\$10,742.32	\$4,603
Terrorism — Certified Acts	Excluded	Excluded
Location #1: 2600 Hollywood Blvd, Hollywood FL 33020-4807		
Business Personal Property Value (Including Theft)	\$22,938	Location Removed
Property Deductible	\$2,500	Location Removed
Valuation	Replacement Cost	Location Removed
Location #2: 2450 Hollywood Blvd, Units 202, 204, 205, 207, 209, 210, Hollywood FL 33020-6619		
Business Personal Property Value (Including Theft)	\$1,126,176	\$1,171,223
Property Deductible	\$2,500	\$2,500
Valuation	Replacement Cost	Replacement Cost
Additional Coverages		
Blanket Limit	\$100,000	\$100,000
Tenants Improvements and Betterments	Included Above	Included Above
Debris Removal	\$50,000	\$50,000
Errors or Omissions	\$25,000	\$25,000
Fungus Clean-up/Removal	\$15,000	\$15,000
Loss Prevention Expenses	\$10,000	\$10,000
Goods in Transit	\$50,000	\$50,000
Paved or Concrete Surfaces	\$25,000	\$25,000
Processing Water	\$5,000	\$5,000
Business Income/Extra Expense	\$50,000	\$50,000
Valuable Papers and Records	\$100,000	\$100,000
	Included in Blanket Limit	Included in Blanket Limit
Property Enhancement Endorsement	✓	✓

* 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	Renewal	Renewal
Flood Including Inundation, Back-Up, and Mudflow	✓ \$1,000,000 / \$100,000 Deductible	✓ \$1,000,000 / \$100,000 Deductible
Certified Terrorism Excluded	✓	✓
Windstorm/Hail	5% Deductible / \$25,000 Minimum Deductible	5% Deductible / \$25,000 Minimum Deductible
Commercial General Liability	Limits	Limits
General Aggregate	\$2,000,000 (Products and Completed Operations subject to this limit)	\$2,000,000 (Products and Completed Operations subject to this limit)
Each Occurrence Limit	\$1,000,000	\$1,000,000
Personal and Advertising Injury Limit	\$1,000,000	\$1,000,000
Damage to Premises Rented to You	\$1,000,000	\$1,000,000
Medical Expenses — per Person	\$5,000	\$5,000
Product Withdrawal Expenses Aggregate Limit	\$50,000	\$50,000
Crisis Assistance Expenses Aggregate Limit	\$50,000	\$50,000
General Liability Plus Enhancement	✓	✓
Certified Acts of Terrorism Exclusion	✓	✓
Additional Insured – Managers or Lessors of Premises	✓ City of Hollywood	✓ City of Hollywood
Exclusion - Access Or Disclosure Of Confidential Or Personal Material Or Information	✓	✓
Employment-Related Practices Exclusion	✓	✓
Assault, Battery Or Assault and Battery Exclusion - Florida	✓	✓
Trust Property, Leased Property, and Construction Loan (Financial Institutions) Exclusions	✓	✓
Foreclosure and Related Liability (Financial Institutions) Exclusion	✓	✓
Managed Care Exclusion	✓	✓
Securities and Trade Practices Exclusion	✓	✓

Business Auto

Description	Expiring	Renewal
Carrier	Chubb	Chubb
Policy Summary		
Policy Period	10/01/2025 – 10/01/2026	10/01/2026 – 10/01/2027
Total Premium	\$2,247	\$2,448
Limits		
Covered Autos Liability (8,9)	\$1,000,000	\$1,000,000
Uninsured/Underinsured Motorists (10)	\$1,000,000	\$1,000,000

Commercial Umbrella

Description	Expiring	Renewal
Carrier	Chubb	Chubb
Policy Summary		
Policy Period	10/01/2025 – 10/01/2026	10/01/2026 – 10/01/2027
Total Premium	\$796.89	\$869
Terrorism — Certified Acts	Excluded	Excluded
Limits		
Excess Coverage Other Aggregate Limit (as applicable)	\$1,000,000	\$1,000,000
General Aggregate	\$1,000,000	\$1,000,000
Products/Completed Operations Aggregate	\$1,000,000	\$1,000,000
Each Occurrence Limit	\$1,000,000	\$1,000,000
Personal and Advertising Injury Aggregate	\$1,000,000	\$1,000,000
Self-Insured Retention	\$0	\$0
Advertising Injury Excl. - Cov. B	✓	✓
Auto Leasing Excl. Excess Follow-form Cov A	✓	✓
Data Processing - Policy Exclusions	✓	✓
Employee or Worker Injury Exclusion	✓	✓
Money and Securities Excl.	✓	✓
Personal Injury Exclusion - Cov. B	✓	✓
Pollution Excl. - Excess Follow-form Cov. A	✓	✓
Policy Exclusions - Leased Property	✓	✓
Policy Exclusion - Trust	✓	✓

Description	Expiring	Renewal
Policy Exclusions - Foreclosure and Related Liability	✓	✓
Exclusions/Umbrella Coverage B - Financial Institution Activities	✓	✓
Securities & Trade Practices Excl.	✓	✓
Lead Exclusion	✓	✓
Biological Agents Excl.	✓	✓
Exclusion of Certified Acts of Terrorism	✓	✓
Construction Loans Exclusion - Total	✓	✓
Excl. Asbestos, Silica, Sim Cmpds, Mixed Dust	✓	✓
Policy Exclusions - Managed Care	✓	✓
Exclusions - Construction or Development	✓	✓
Cov B Excl-Intellectual Prop Laws or Rights	✓	✓
Policy Exclusion - War	✓	✓
Policy Exclusion – Violation of Laws Addressing Data Privacy	✓	✓
Exclusion/Umbrella Coverage B – Cyber Incident	✓	✓
Policy Exclusion – Recording and Distribution of Material or Information in Violation of Law	✓	✓
Cov A Excl – Access to or Disclosure of Confidential or Personal Material or Info & Electronic Data-related Liability with Exceptions; Cov B Excl – Access to or Disclosure of Confidential or Personal Material or Info & Electronic Data-related Liability	✓	✓

Schedule of underlying insurance

1. General Liability – Chubb – D02435597
2. Business Auto – Chubb – 73645614

| Subjectivities

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

Chubb

- Nothing at this time.



Services and Compensation Disclosure

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Insurance carrier ratings

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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 and 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

Type of Insurance	Protection
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 7.A.

LEGAL

LEGAL UPDATE

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 7.B.

LEGAL

ORDINANCE O-2025-10 UPDATE

i. Pick-up Contribution Analysis

September 16, 2026

WRITER'S DIRECT NUMBER: 317-236-2133
EMAIL: Robert.Gauss@icemiller.com

WRITER'S DIRECT NUMBER: 317-236-5806
EMAIL: LISA.HARRISON@ICEMILLER.COM

Mr. Ronald J. Cohen
Lorium Law
100 N.E. 3rd Ave., Suite 700
Fort Lauderdale, FL 33301
rcohen@loriumlaw.com

RE: Picked-up Contribution Analysis

Dear Ron:

Please allow this letter to follow-up to our prior conversations and confirm our analysis with respect to the treatment of employee contributions under the City of Hollywood retirement plans as picked-up contributions under Section 414(h)(2) of the Internal Revenue Code ("Code").

I. REQUIREMENTS FOR "PICKED-UP" CONTRIBUTIONS

A. Code Section 414(h)

Code Section 414(h) states as follows:

(h) Tax treatment of certain contributions.--

(1) In general. Effective with respect to taxable years beginning after December 31, 1973, for purposes of this title, any amount contributed—

- (A) to an employees' trust described in section 401(a), or
- (B) under a plan described in section 403(a),

shall not be treated as having been made by the employer if it is designated as an employee contribution.

(2) Designation by units of government. For purposes of paragraph(1), in the case of any plan established by the government of any State or political subdivision thereof, or by any agency or instrumentality of any of the foregoing, or a governmental plan described in the last sentence of section 414(d) (relating to plans of Indian tribal governments), where the contributions of employing units are designated as employee contributions but where any

employing unit picks up the contributions, the contributions so picked up shall be treated as employer contributions.

Emphasis added.

Thus, Code Section 414(h)(2) allows contributions to a qualified governmental plan which are "designated" as employee contributions to be treated as employer contributions if the governmental employer picks up the contributions, with the result that the employee contributions are not treated as taxable income for federal income tax purposes at the time they are contributed to the plan. In other words, under Code Section 414(h)(2) the employee contributions are made on a pre-tax basis to the plans.

B. IRS Guidance on Requirements for a Valid Pick-up

Although Code Section 414(h)(2) does not specifically impose any requirements to constitute a valid pick-up, the Internal Revenue Service ("Service") has issued a series of revenue rulings on the requirements for a permissible pick-up under Code Section 414(h)(2). The most recent binding guidance on picked-up contributions is found in Revenue Ruling 2006-43, which amplifies and modifies a series of prior Revenue Rulings. *See* Rev. Rul. 81-35, 1981-1 CB 255, Rev. Rul. 81-36, 1981-1 CB 255, and Rev. Rul. 87-10, 1987-1 CB 136. Under the most recent ruling, the IRS held that a contribution to a governmental qualified plan will not be treated as picked up by the employing unit under Code Section 414(h)(2) unless the employing unit:

- (1) Specifies that the contributions, although designated as employee contributions, are being paid by the employer. For this purpose, the employing unit must take formal action to provide that the contributions on behalf of a specific class of employees of the employing unit, although designated as employee contributions, will be paid by the employing unit in lieu of employee contributions. A person duly authorized to take such action with respect to the employing unit must take such action. The action must apply only prospectively and be evidenced by a contemporaneous written document (e.g., minutes of a meeting, a resolution, or an ordinance).
- (2) Does not permit a participating employee from and after the date of the "pick-up" to have a cash or deferred election right (within the meaning of § 1.401(k)-1(a)(3)) with respect to designated employee contributions. Thus, for example, participating employees must not be permitted to opt out of the "pick-up", or to receive the contributed amounts directly instead of having them paid by the employing unit to the plan.

Rev. Rul. 2006-43 (emphasis added).

The Treasury Regulations under Code Section 401(k) define a cash or deferred election or arrangement ("CODA") as follows:

- (2) *Rules applicable to cash or deferred arrangements generally.*

- (i) Definition of cash or deferred arrangement. Except as provided in paragraphs (a)(2)(ii) and (iii) of this section, a cash or deferred arrangement is an arrangement under which an eligible employee may make a cash or deferred election with respect to contributions to, or accruals or other benefits under, a plan that is intended to satisfy the requirements of section 401(a) (including a contract that is intended to satisfy the requirements of section 403(a)).

(3) *Rules applicable to cash or deferred elections generally.*

- (i) Definition of cash or deferred election. A cash or deferred election is any direct or indirect election (or modification of an earlier election) by an employee to have the employer either—
 - (A) Provide an amount to the employee in the form of cash (or some other taxable benefit) that is not currently available; or
 - (B) Contribute an amount to a trust, or provide an accrual or other benefit, under a plan deferring the receipt of compensation.

Treas. Reg. 1.401(k)-1(a)(2)(i), (a)(3)(i) (emphasis added).¹

The IRS has applied the requirements of Revenue Ruling 2006-43 to a variety of different factual situations under private letter rulings ("PLRs"). While a PLR is only binding on the taxpayer to whom it is issued, PLRs do provide informal guidance as to how the IRS may view a particular set of circumstances.

Under these PLRs, the IRS has consistently found that, where an employee's contribution remains the same under the different options that are made available, there is not an impermissible

¹ Additionally, Treasury Regulation § 1.401(k)-1(a)(3) defines a cash or deferred election, and provides for an exception for one-time, irrevocable elections as follows:

(v) *Certain one-time elections not treated as cash or deferred elections.* A cash or deferred election does not include a one-time irrevocable election made no later than the employee's first becoming eligible under the plan or any other plan or arrangement of the employer that is described in section 219(g)(5)(A) (whether or not such other plan or arrangement has terminated), to have contributions equal to a specified amount or percentage of the employee's compensation (including no amount of compensation) made by the employer on the employee's behalf to the plan and a specified amount or percentage of the employee's compensation (including no amount of compensation) divided among all other plans or arrangements of the employer (including plans or arrangements not yet established) for the duration of the employee's employment with the employer, or in the case of a defined benefit plan to receive accruals or other benefits (including no benefits) under such plans. Thus, for example, employer contributions made pursuant to a one-time irrevocable election described in this paragraph are not treated as having been made pursuant to a cash or deferred election and are not includible in an employee's gross income by reason of § 1.402(a)-1(d).

CODA under Treas. Reg. 1.401(k)-1(a)(3)(i). If the employee contribution is different, the IRS has approved a structure where the lowest contribution amount across the plans will be treated as picked-up, and any increment above that amount must be contributed on a post-tax basis. Of course, if there is no actual election (*i.e.*, the employer mandates the plan in which the employee will participate), a pick-up will be found to exist.

For example, PLR 201532036 describes an election for current employees to participate in a plan with different employee contribution amounts. The IRS concluded that to offer employees who are already participating in one plan an election to stay in that plan or go to another plan, with a different employee contribution, would be an impermissible CODA. However, under PLR 201529009, where the employee pre-tax contribution amount was always the same, regardless of which coverage plan the employee selected, there was not an impermissible CODA. This position has been confirmed under several PLRs. *See* PLR 201720009 (structure where elections are only available to employees for whom the mandatory employee contribution rate will remain the same before and after the employee's transfer between plans is not an impermissible CODA); PLR 202041004 (modifying 202020019) (found that in order for a pick-up to be valid, the mandatory, pre-tax employee contribution amount to the hybrid plan had to be the same as the employee contributions under the defined benefit plan).

A more recent PLR, 202304001, involved a group of current employees who participated in a defined contribution plan with 12% picked-up mandatory employee contributions. These employees were given the option to stay in the defined contribution plan or participate in both a new defined benefit plan and the existing defined contribution plan. If they chose to participate in both plans, the employee contribution rate would be 3.75% to the DC Plan and 8.25% to the defined benefit plan (both plans' definition of compensation was substantially the same). The IRS concluded that, because the aggregate mandatory employee contributions were the same whether contributed solely to the defined contribution plan or to both plans, and the plans' definition of compensation was substantially the same, there was not an impermissible CODA and the contributions would be treated as picked-up contributions.

C. Analysis

As we have discussed, we are not aware of any private letter rulings that have addressed a situation similar to that presented by the Hollywood retirement plans—namely, where the contribution rate (as well as the actual contribution dollar amount) for each employee is the same across all of the applicable plans, but members in certain plans will receive a compensation increase. In this regard, we have considered the Technical Memorandum of CBIZ Advisors, LLC dated July 16, 2026, in which CBIZ raised a concern that the election for existing members in the legacy defined benefit plan (“DB Plan”) to switch to the new defined contribution plan (“DC Plan”) or the new hybrid plan (“Hybrid Plan”) constituted an impermissible CODA. To be certain, there is not a CODA concern for new employees hired on or after January 31, 2026. However, for existing employees who were members in the legacy DB Plan and were given an option to move to either the DC Plan or Hybrid Plan, we think that it is reasonable to view the compensation increase which electing members received as a separate component that is unrelated to the employee contributions and the plan participation election, because the employee's contribution

rate and associated dollar amount remained the same regardless of the plan in which the member choose to participate.

We think it may be helpful to consider alternative scenarios where we think an impermissible CODA does exist:

- A member in a non-contributory defined benefit plan is given the option to choose to participate in a new money purchase defined contribution plan with a required employee contribution rate of 9%. For employees who choose to participate in the new plan, the employer will increase the employees' compensation by 9%.
 - In this situation, an impermissible CODA is created because the employee has the choice to either remain in the defined benefit plan (with no deferral, thereby receiving all compensation in cash) or to participate in the defined contribution plan, where 9% of compensation will be contributed on a tax-deferred basis to the plan. This is true regardless of the fact that the employer is increasing the employees' compensation by 9% upon choosing to participate in the defined contribution plan.
- In a similar scenario, a member in a non-contributory defined benefit plan is given the same option to choose to participate in a new money purchase defined contribution plan with a required employee contribution rate of 9%. However, in this case, the employer increases compensation by 9% for employees who stay in the defined benefit plan.
 - In this situation, an impermissible CODA also is created because the employee has the choice to either remain in the defined benefit plan (with no deferral, thereby receiving all compensation in cash) or to participate in the defined contribution plan, where 9% of compensation will be contributed on a tax-deferred basis to the plan. This is true regardless of the fact that the employer is increasing the employees' compensation by 9% upon choosing to remain in the defined benefit plan.

In both of the above scenarios, the employee is given the option to opt-out of a picked-up contribution, and then receive those amounts directly as cash payments.

We do not think that this is the case under the plan participation options provided to current members under the legacy DB Plan. In this situation, the employee is always deferring either 8% or 9% of pensionable compensation (depending on their tier), regardless of the plan in which they participate. Any corresponding increase in an employee's gross salary for employees who selected to move from the legacy DB plan to either the DC Plan or the Hybrid Plan is not treated as pensionable compensation, and there is no ability for the employee to choose to contribute the salary increase to a Hollywood Retirement Plan on a tax-deferred basis. As a result, the actual amount of compensation that is being deferred under each available plan option remains exactly the same. The legacy DB Plan members were not allowed to opt-out of the pick-up, nor were they allowed to receive the 8% or 9% contribution amount (depending on their tier) in cash instead of

having it contributed to the applicable retirement plan. The examples below, based on our email exchange with Christine Bailey, illustrate this result:

- A legacy DB Plan member, with gross salary of \$70,000, contributed 9% (\$6,300) on a tax-deferred basis to the DB Plan. The member elected to participate in the DC Plan, with a contribution rate of 9%. While the member received a 9% salary increase (with a gross salary of \$76,300), the member's pensionable compensation remained \$70,000. Thus, the member's tax-deferred employee contribution amount to the DC Plan continues to be \$6,300.
- A legacy DB Plan member, with a gross salary of \$70,000, contributed 9% (\$6,300) on a tax-deferred basis to the DB Plan. The member elected to participate in the Hybrid Plan, with a total contribution rate of 9% (4% to the DC component and 5% to the DB component). While the member receives a 4% salary increase (with a gross salary of \$72,800), the member's pensionable compensation remains \$70,000. Thus, the member's tax-deferred employee contribution amount to the Hybrid Plan continues to be \$6,300.

Thus, while the member did receive a salary increase if they chose the DC Plan or Hybrid Plan, the member could not elect to defer that compensation, because the increased compensation is not pensionable compensation under any of the plans. As a result, the amount of compensation being deferred is unchanged regardless of the member's plan participation choice. Because the member's election does not change the amount of compensation being deferred (either the percentage amount or the actual dollar amount), we do not think that the option for the active employees in the legacy DB plan constituted an impermissible CODA.

In conclusion, we believe that it is reasonable to take the position that the election provided to active members under the Hollywood retirement plans did not constitute an impermissible CODA under applicable IRS guidance. Revenue Ruling 2006-43 requires that employees must not be permitted to opt out of a pick-up, or to receive the contributed amounts directly instead of having them paid by the employer to the plan. In the case of the choice provided to active employees in the legacy DB Plan, permitting them to remain in the DB Plan or to choose to participate in either the DC Plan or the Hybrid Plan, we think that this requirement is satisfied. Members in the DB Plan continue to contribute at the same picked-up employee contribution rate and amount, regardless of the plan in which they choose to participate. Thus, they are not allowed to opt-out of the pickup, and they do not have the option of receiving the amount of picked-up contributions directly instead of having them contributed to the retirement plan—under all three plans, the contributed amounts are paid to the plan, and not in cash to the member.

We further want to note that the window for existing DB members to have elected either the DC Plan or the Hybrid Plan was a one-time irrevocable elective for a thirty-day period which ended on March 11, 2026. Additionally, based on information provided by Christine Bailey, 91 members (approximately 12.3% of active employees in the DB Plan as of January 31, 2026) elected to move to either the DC Plan or the Hybrid Plan. Accordingly, the election window has closed, current members in the plans are not receiving new elections, and the number of existing employees who chose to move to one of the new plans was relatively modest.

Of course, given the particular facts of the situation, the only way to have a definitive answer on the risk associated with the election provided to legacy DB Plan members and the picked-up treatment of their employee contributions would be to submit a private letter ruling request to the IRS. We note that there is considerable time and expense involved in making a private letter ruling request, and that, in the present situation, the election has already occurred.

II. FICA TREATMENT OF "PICKED-UP" CONTRIBUTIONS

In considering the FICA taxation treatment of picked-up contributions, we think that the position of the Tax Court in *Public Employees Retirement Board v. Shalala*, 153 F.3d 1160 (10th Cir. 1998) reflects the current IRS position, and we think that this is the approach many governmental plans take with respect to FICA treatment.

Code Section 3121(a) defines "wages" for purposes of FICA taxation as "all remuneration for employment, including the cash value of all remuneration (including benefits) paid in any medium other than cash," subject to a number of exceptions. One of these exceptions is the exclusion from FICA wages for employer contributions made on behalf of an employee to a qualified pension plan. Code Section 3121(a)(5)(A). However, an employee's own contributions to a qualified plan generally are not excepted from FICA wages.

In 1983, Code Section 3121(v)(1)(B) was added, providing that picked up amounts treated as employer contributions under Code Section 414(h)(2) would be treated as FICA wages. This provision was amended in 1984, and now states that FICA wages includes "any amount treated as an employer contribution under section 414(h)(2) where the pickup referred to in such section is pursuant to a salary reduction agreement (whether evidenced by a written instrument or otherwise)."

In *Shalala*, the State of New Mexico sought a refund of Social Security taxes paid on picked-up employee contributions, arguing that, because the contributions were mandated, they could not be considered to have been made pursuant to a "salary reduction agreement" as required to be included as FICA taxes. The Tenth Circuit found that FICA taxes were properly paid on the picked-up contributions.

While New Mexico conceded that the circumstances of the pick-up arrangement "resulted in a salary reduction," the State argued that there was no "agreement" to reduce salaries because the pickup, and the resulting salary reductions, were mandated by State law. Thus, because there was no option concerning the pick-up contributions, there could be no "agreement." The Tax Court disagreed, stating the following:

Contributions are deemed "picked up" by the employer under section 414(h) (2) if two criteria are satisfied. See Rev. Rul. 81-35. First, the employer must specify that the contributions, although designated as employee contributions, are being paid by the employer in lieu of employee contributions. See *id.* Second, the employee must not have the option of receiving the contributed amounts directly instead of having them paid by the employer to the pension plan. See *id.*

It is clear that the contributions under consideration here were "picked up" by New Mexico during the relevant time period. With that understanding, we turn to section 3121(v)(1)(B). Section 3121(v)(1)(B) includes as FICA wages "any amount treated as an employer contribution under section 414(h)(2) where the pickup referred to in such section is pursuant to a salary reduction agreement." Congress did not define "salary reduction agreement" in the statute. The State argues, though, that the meaning of the term is clear and that a salary reduction agreement excludes arrangements such as New Mexico's in which the employees' participation in the salary reduction plan is mandated by state statute. Rather, the State contends that a salary reduction agreement "requires an individually negotiated contract under which an employee agrees to a salary reduction and an employer agrees to contribute the amount of the reduction to a qualified trust for the employee's benefit." Appellant's Br. at 13. According to the State, although New Mexico's pickup plan is one described in section 414(h)(2), it is not pursuant to a salary reduction agreement, and the contributions at issue here are not included within the FICA definition of wages....

The State cannot be correct given our understanding of "pickup" in section 414(h)(2) and section 3121(v)(1)(B). The State's proposed definition of "salary reduction agreement" under section 3121(v)(1)(B) describes the precise arrangement presented in the IRS's example from Revenue Ruling 81-35, quoted above. There, the employee individually agreed with her employer that her salary would be reduced in exchange for the employer contributing to the state's pension plan. Under those facts, the IRS concluded that the contributions to the plan are not considered "picked up" within the meaning of section 414(h)(2) because the employee voluntarily agreed to the arrangement.

If contributions are not deemed "picked up" under section 414(h)(2), section 3121(v)(1)(B) does not implicate them. Only contributions that have been picked up are the subject of section 3121(v)(1)(B). Thus, our understanding of "salary reduction agreement" in section 3121(v)(1)(B) is dictated by our understanding of the term "pickup" as that term is used in section 414(h)(2). A pickup under section 414(h)(2) must be mandatory. The State argues that a salary reduction agreement must be voluntary. Under the State's definition of the latter term, however, section 3121(v)(1)(B) makes no sense; the two terms would be mutually exclusive. Because a pickup is mandatory, it could never be pursuant to a salary reduction agreement, as the State defines the latter term. Yet, section 3121(v)(1)(B) speaks directly to pickups that are pursuant to a salary reduction agreement.

Thus, our interpretation of "salary reduction agreement" cannot be as narrow as the State asserts it should be. In order for the provision to operate coherently, the term must refer to something broader than "an individually negotiated contract under which an employee agrees to a salary reduction and an employer agrees to contribute the amount of the reduction to a qualified trust for the employee's benefit." Appellant's Br. at 13. Given the IRS's interpretation of "pickup" and given

Congress's subsequent endorsement of that interpretation in section 3121(v)(1)(B), a salary reduction agreement necessarily includes any arrangement in which there is a reduction in an employee's salary in exchange for the employer's contribution of the amount of the reduction to a pension plan on the employee's behalf. An "agreement" is not limited to individually negotiated contracts, as the State suggests, but may also refer generally to "a manifestation of mutual assent on the part of two or more persons." RESTATEMENT (SECOND) OF CONTRACTS § 3. Such manifestation of assent "may be made by words or by any other conduct." *Id.* at comment b; see also *id.* at § 19 (elaborating on conduct as manifestation of assent). Here, an employee's decision to go to work or continue to work as a State employee constitutes conduct manifesting assent to a salary reduction in exchange for the State's contribution to a pension plan on the employee's behalf. The employee has "agreed" to the salary reduction by continuing employment with the State.

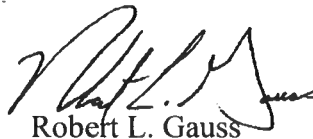
Emphasis added.

We understand that the picked-up employee contributions to all three of the Hollywood qualified retirement plans is that the pick-up operates as a salary reduction—*i.e.*, the picked-up contributions are deducted from the employee's compensation on a pre-tax basis. Thus, we think that the picked-up contributions to all three of the Hollywood qualified retirement plans should be considered made pursuant to a "salary reduction agreement" for purposes of Code Section 3121(v)(1)(B) and, as a result, such contributions should continue to be included as FICA wages (as the Retirement Fund has previously treated them).

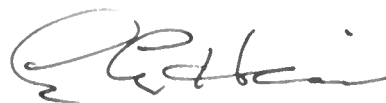
We hope that this explanation is helpful to you. Of course, please let us know if you have any additional questions.

Very truly yours,

ICE MILLER LLP



Robert L. Gauss



Lisa Erb Harrison

cc: Christine Bailey
David E. Keller



CBIZ Advisors, LLC

1899 L Street NW Suite 850
Washington, DC 20036

P: (440) 459-5782

TECHNICAL MEMORANDUM OF CBIZ ADVISORS, LLC

TO: City of Hollywood, Florida
FROM: Preston Ridinger, Senior Manager, NTO
CC: Moises Ariza, Managing Director
RE: Tax Treatment of Contributions to City of
Hollywood's Retirement Plan
DATE: July 16, 2026

SCOPE OF SERVICES

The City of Hollywood, Florida (the "City")¹ engaged CBIZ Advisors, LLC to review the City's retirement plans and the processes and procedures related thereto and draft a technical memorandum that discusses the rules and regulations applicable to the operation of the plans and identifies best practices and process improvements, as applicable, of the City's procedures regarding the plans.

FACTS

On July 2, 2025, the City adopted Ordinance O-2025-10 (the "Ordinance") to amend the City of Hollywood Employees' Retirement Fund (the "Fund") to add additional retirement plan options to the original defined benefit plan option. Following the amendment, the Fund consists of (1) the original defined benefit and a deferred retirement option plan (the "DB Plan"), (2) a new defined contribution plan (the "DC Plan"), and (3) a new "Hybrid Plan" (together, with the DB Plan and DC Plan, the "Plans"). The Plans are all intended to qualify under § 401(a) of the Internal Revenue Code² and to be governmental plans under § 414(d).

The City established the new DC and Hybrid Plans for current employees and employees hired on or after January 31, 2026. For current employees, participation is available for the new DC and Hybrid Plans if the employee submits a one-time irrevocable election during the thirty-day period that ends on March 11, 2026. The City provided this 2026 Active Member Retirement Benefit Plan Election form to employees on February 10, 2026, and allowed employees to elect one of the three Plans. The form states that the failure to make an election will result in the employee remaining in the DB Plan.

The Ordinance provides that "[a]ll member contributions to each of the City Plans shall be treated as picked-up contributions pursuant to Internal Revenue Code Section 414(h)(2). Members do not have any option of choosing to receive the contributions directly instead of having them paid to the applicable Plan."

¹ The City was created by chapter 30836, Laws of Florida, 1966, which vested with the "governmental, corporate and proprietary powers to enable it to conduct municipal government, perform municipal functions, and render municipal services; and may exercise any power for municipal purposes not expressly prohibited by the constitution, general or special law or county charter."

² "Code," "§" or "Code §" refer to the Internal Revenue Code of 1986, as amended.

CBIZ.COM



Defined Benefit Plan

To become a member of the DB Plan, the individual must be hired as a full-time City employee that allows membership in the DB Plan. The DB Plan provides for a normal retirement benefit equal to the lesser of 2.5%³ of the member's average final compensation multiplied by years of credited service or 81% of the average final compensation.

All active employee members of the DB Plan are required to make bi-weekly contributions equal to either 8% of their compensation or 9% of their compensation depending upon their date of hire. The employee contributions are made to the Fund through payroll deductions before federal taxes are taken out of the employee's paycheck. The City also makes contributions to the Fund; however, City contributions are not allocated to specific members but are combined with all the employee contributions and investment earnings to pay benefits.

Defined Contribution Plan

In order to participate in the DC Plan, the individual must be hired as a full-time City employee in a position that allows participation in the Plan. For current employees as of January 31, 2026, participation is available only if they submit a one-time election in the designated thirty-day window. Participation will commence on the City's pay period that starts on March 30, 2026, with an April 17, 2026, pay date. Individuals hired on or after February 1, 2026, are permitted to make a single, irrevocable choice at the time of hire for participation in the DC Plan. Participation begins on the later of March 30, 2026, or the first day of the first full pay period following hire.

Current employees who elect to participate in the DC Plan are required to make bi-weekly contributions equal to either 8% or 9% of their compensation, depending on the contribution rate they previously made to the DB Plan. "Compensation" means only a participant's base pay received from the City, and includes longevity and certification pay, but no other payments. The City also provides an 8% or 9% increase in compensation, depending on the contribution rate they previously made to the DB Plan. The required employee contribution rates remain in effect for the entire duration of employment. Employee contributions are made through payroll deductions on a pre-tax basis.

Hybrid Plan

In order to participate in the Hybrid Plan, the individual must be hired as a full-time City employee in a position that allows participation in the Plan. For current employees as of January 31, 2026, participation is available only if they submit a one-time election in the designated thirty-day window. Participation will commence on the City's pay period that starts on March 30, 2026, with an April 17, 2026, pay date. Individuals hired on or after February 1, 2026, are permitted to make a single, irrevocable choice at the time of hire for participation in the Hybrid Plan. Participation begins on the later of March 30, 2026, or the first day of the first full pay period following hire.

All employees who elect to participate in the Hybrid Plan are required to make bi-weekly contributions equal to 5% of their compensation for the defined benefit portion of the Hybrid Plan. "Compensation" means only a participant's base pay received from the City, and includes longevity and certification pay, but no other payments.

³ Members hired prior to July 15, 2009, and employed by the City on June 19, 2019, receive 3% of the member's final compensation multiplied by years of credited service.



Current employees are required to make a 3% or 4% pick-up contribution of the employee's compensation into the defined contribution component depending on whether the employee previously contributed 8% or 9% to the DB Plan, respectively. The City also contributes an amount equal to 2% or 1% of compensation to the defined contribution component depending on whether the employee previously contributed 8% or 9% to the DB Plan, respectively. For employees hired on or after February 1, 2026, the City will contribute 5% into the defined contribution component.

Current employees will receive a non-pensionable salary offset to the employee contributions they make to the defined contribution component which is paid directly to the employee. For new employees only, the City contributes an amount equal to 5% of compensation to the defined contribution component, which will begin on the later March 30, 2026 or the first day of the first full pay period following hire.

The Hybrid Plan does not permit employees to make elective deferrals or after-tax contributions.

Operations of the Fund

The City's Financial Services ("Finance") and Human Resources ("HR") departments manage the processing of payroll, accounting, reporting, and remittance of contributions to the Fund. The Pension Board for the Fund manages administration of the pension benefits. Nationwide receives the DC Plan contributions, performs recordkeeper duties for the DC Plan, and manages the plan documents for the Fund. ADP is the payroll provider and processes payroll and performs tax reporting (Form W-2s, Form 941s, etc.).

Each new-hire employee receives an enrollment form included in their new-hire personnel action form and paperwork. The enrollment form states this form should be completed and submitted to the Office of Human Resources. The form affords the employee a one-time irrevocable election to participate in the DB Plan, Hybrid Plan, or DC Plan. The employee must also complete the Nationwide 401(a) EZ Enrollment Form if the employee elects to participate in the Hybrid or DC Plan. The enrollment form goes to the Pension Board and HR who enrolls the employee in the appropriate plan within the first week of employment. Based on the form, it does not appear that there is a default plan if the new-hire does not make an election.

Finance then enters the employee's election and calculates the contribution based on the employee's pay and election. Finance performs sample testing of contributions made to the Fund to ensure it matches the election. Oracle processes wages and taxes and provides an annual report to ADP. There is coding in Oracle by the City that maps ADP and Form W-2. ADP prints the W-2 and the City performs due diligence and sample tests the W-2s. Once testing is complete, ADP processes and remits the W-2s.

An employee may become a member of the DB Plan by electing on the new-hire enrollment form or electing to continue membership with the one-time irrevocable election submitted to employees on February 10, 2026. The following is an example of an employee who retained membership in the DB Plan.

Example 1:

Pay Period	April 3, 2026	April 17, 2026	Delta
Gross Earnings	\$4,261.92	\$4,261.92	\$0.00
Ded Gen Pension 572	\$340.16	\$340.16	
Pretax Deductions (Total)	\$349.77	\$349.77	
FICA Wages	\$4,252.26	\$4,252.26	\$0.00



An employee may become a member of the Hybrid Plan by electing on the new-hire enrollment form or electing to continue membership with the one-time irrevocable election submitted to employees on February 10, 2026. The following is an example of an employee who switched from the DB Plan to the Hybrid Plan.

Example 2:

Pay Period	April 3, 2026	April 17, 2026	Delta
Gross Earnings	\$3,933.12	\$4,131.57	\$198.45
Pay Adjustment Hybrid 401a		\$120.05	
Ded Gen Pension 572	\$313.86		
Ded DC Hybrid 401a		\$120.05	
Ded Gen Pension Hybrid		\$200.08	
Pretax Deductions (Total)	\$414.70	\$420.97	
FICA Wages	\$3,832.26	\$4,030.65	\$198.39

An employee may become a member of the DC Plan by electing on the new-hire enrollment form or electing to continue membership with the one-time irrevocable election submitted to employees on February 10, 2026. The following is an example of an employee who switched from the DB Plan to the DC Plan.

Example 3:

Pay Period	April 3, 2026	April 17, 2026	Delta
Gross Earnings	\$2,638.40	\$2,849.47	\$211.07
Pay Adjustment DC 401a		\$211.07	
Ded Gen Pension 572	\$211.07		
Ded DC 401a		\$211.07	
Pretax Deductions (Total)	\$279.94	\$279.94	
FICA Wages	\$2,579.52	\$2,790.48	\$210.96

ISSUES

What is the tax treatment of the contributions made to each of the Plans from both an income and employment tax perspective?

EXECUTIVE SUMMARY

1. Contributions made to the DB Plan are subject to employment taxes but exempt from income tax because the City enacted a law stating that the City will make contributions to the Fund in lieu of employee contributions and it does not permit an employee election regarding the same.
2. Contributions made to the Hybrid and DC Plans are at risk of being subject to income tax (i.e., they are not pick-up contributions) because the election to transfer to the Hybrid and DC Plans from the DB Plan provided the electing employees an additional cash benefit not present in the DB Plan which likely constitutes an impermissible cash or deferred election.

DISCUSSION

Internal Revenue Code (“Code”) § 414(h)(1) provides that any amount contributed to a qualified plan is not treated as having been made by the employer if it is designated as an employee contribution.

Code § 401(k) and the Regulations promulgated thereunder provide the rules relating to qualified cash or deferred elections. Code § 402(e)(3) provides that contributions made by an employer on behalf of an employee to a trust of a qualified cash or deferred arrangement shall not be treated as distributed or made available to the employee. In other words, employee elective deferrals to a qualified cash or deferred arrangement are excluded from the employee’s gross income. Notwithstanding the foregoing, the employee’s gross income does include any elective deferrals that exceed the Code § 402(g) limit.

Treasury Regulation § 1.401(k)-1(a)(3) generally defines a cash or deferred election as any direct or indirect election by an employee to have the employer (i) provide an amount that is not currently available to the employee in the form of cash or some other taxable benefit, or (ii) contribute an amount to a trust or provide an accrual for a plan deferring the receipt of compensation.

Treasury Regulation § 1.401(k)-1(a)(1) provides that only a profit-sharing, stock bonus, pre-ERISA money purchase pension or rural cooperative plan may include a cash or deferred arrangement. In addition, Code § 401(k)(4)(B)(ii) prohibits plans maintained by a State or local government from including a qualified cash or deferred arrangement. Therefore, a qualified defined benefit plan and a governmental 401(a) plan are not permitted to include a qualified cash or deferred arrangement. Absent another exclusion, amounts deferred by employees would be required to be included in gross income.

Employer Pick-up Contributions

Code § 414(h)(2) provides that in the case of a plan established by a government unit, where the contributions of employing units are designated employee contributions, but the employer “picks up” the contributions, the contributions are treated as employer contributions and excluded from the employees’ gross income.

Revenue Ruling (“Rev. Rul.”) 77-462 addresses the income tax treatment of contributions picked up by an employer school district. In Rev. Rul. 77-462, the employer agreed to pick-up the required teachers’ contributions to the retirement plan even though the state still designates these contributions as employee contributions for purposes of determining employee remuneration for services. The IRS ruled that the contributions picked up by the school district are excluded from gross income until they are ultimately distributed.

Rev. Rul. 81-35 and Rev. Rul. 81-36 discuss the requirements for contributions to be considered picked up by an employer within the meaning of §414(h)(2). The employer must specify that contributions, although designated as employee contributions, are being paid by the employer in lieu of contributions by the employee. In addition, the employee must not have the option of choosing to receive the contributed amounts directly instead of having them paid to the pension plan.

In Rev. Rul. 81-35, the employee entered into an agreement with the employing governmental unit to have certain contributions made to the State’s qualified pension plan. The IRS ruled that because the agreement was voluntary, and not entered into as a condition of employment, the amounts contributed were determined not to be picked up within the meaning of Code § 414(h)(2).

Conversely, Rev. Rul. 81-36 concludes that the contributions were considered picked-up because the employee, pursuant to a union-negotiated agreement, had no option to receive the contributed amounts directly instead of having them paid by the employer to the pension plan. This applies even if the employer picks up the contributions through either a reduction in salary or an offset against future salary increases.

Rev. Rul. 87-10 addresses whether an employee may exclude from income contributions that are retroactively picked up by a State government, including a political subdivision thereof. The ruling concludes that the government action to effectuate the pick-up contribution must be completed before the period to which the contributions relate in order to satisfy the criteria set forth in Rev. Rul. 81-35 and Rev. Rul. 81-36. The employee may exclude picked up contributions from income only to the extent the contributions relate to services performed after the government action that effectuates the pick-up.

In Rev. Rul. 2006-43, the IRS clarified the requirements for employee contributions to be considered made, or picked up, by the employer. The IRS ruled that a contribution to a qualified plan established by State government will not be treated as picked up by the employing unit under Code § 414(h)(2) unless the employing unit:

- Specifies that the contributions are being paid by the employer although designated as employee contributions. For this purpose, the employing unit must take formal action to provide that the contributions will be paid by the employing unit in lieu of employee contributions. A person duly authorized to take such action on behalf of the employing units must take such action and the action must apply prospectively.
- Does not permit a participating employee to have a cash or deferred election right with respect to designated employee contributions. Employees must not be permitted to opt out of the pick-up, or to receive the contributed amounts directly instead of having them paid by the employing unit to the plan.

Regarding the second requirement, the IRS views an employee election between two different governmental plans that results in different pick-up contribution amounts as resulting in an impermissible cash or deferred arrangement. Private Letter Rulings ("PLR") 202020019 and 202020006 involve different State legislatures enacting a bill that would allow their respective members to make a one-time irrevocable election to participate in and receive benefits under a new hybrid cash balance plan. The respective hybrid cash balance plans were created by separate legislation and became a new benefit tier as of the date of the legislation. The election to participate in the new hybrid plan was required to be in writing. Under the legislation, the pick-up contribution amount would remain the same before and after the election for some, but not all, members. Certain employees making the election would be required to contribute an additional percentage of compensation to a § 401(h) retiree medical account.

The IRS ruled in both PLRs that the employee contributions which the employing unit picks up shall continue to be treated as employer contributions pursuant to a valid pick-up under § 414(h)(2) provided that the mandatory, pre-tax employee contributions to the new hybrid cash balance are the same as the prior defined benefit contributions. However, the election to participate in the new hybrid cash balance plan would be an impermissible cash or deferred arrangement where there is a difference in total contributions between the two options due to the required contribution to the § 401(h) account. In other words, requiring the employees to contribute an additional contribution to the § 401(h) account results in an impermissible cash or deferred arrangement.

Specifically, the IRS stated:

making the one-time irrevocable election to participate in the hybrid cash balance plan in lieu of the defined benefit plan would not create an impermissible cash or deferred arrangement, assuming the mandatory

*employee contributions are the same between the defined benefit plan and the hybrid cash balance plan. Taxpayer's submission shows that the picked-up mandatory contributions would remain the same before and after the election for Tier 2 members of the three systems. Thus, employees are not given a choice between an amount in the **form of cash (or some other taxable benefit) that is not currently available and an accrual or other benefit under a plan deferring the receipt of compensation.**⁴*

In PLR 201417025, the State previously maintained a governmental defined benefit plan within the meaning of Code § 414(d). The State adopted a new defined contribution plan to maintain in addition to the defined benefit plan. The State allowed the defined benefit plan participants to elect to participate in the defined contribution plan in lieu of the defined benefit plan. Subsequently, the State adopted legislation that required mandatory employee contributions to be picked-up by participating employers and treated as employer contributions. The IRS ruled that the election to participate in the defined contribution plan in lieu of the defined benefit plan did not constitute a cash or deferred arrangement within the meaning of Code § 401(k). The IRS noted that employees did not have the option of choosing to receive the contributed amounts directly, instead of having them paid by the employer to the plans.

Changing the method of picking-up mandatory contributions from an offset against future salary increases to a salary reduction does not change the outcome. PLR 201305021 involved a Code § 401(a) plan where participation was mandatory for all full-time, permanent salaried employees of the State, local school boards and participating local governments and political subdivisions. The political subdivision employer previously made pick-up contributions to the plan in lieu of contributions paid by the employees. The State's General Assembly enacted a law requiring political subdivision employees to contribute 5% of compensation by a pre-tax salary reduction and also required the political subdivisions to make an offsetting salary increase. The IRS ruled that the change from the prior method of picking up contributions in lieu of future salary increases to a pick-up contribution made by salary reduction with an offsetting salary increase does not change the federal tax treatment of the contributions.

Treatment of Contributions for Employment Tax Purposes

The preceding section addresses the income tax treatment for employer pick-up contributions. In general, contributions to a retirement plan from deferred compensation and salary reduction arrangements are subject to Social Security and Medicare ("FICA") tax.⁵ Code § 3121(v)(1)(B) provides that wages for FICA tax purposes includes any amount treated as an employer contribution under Code § 414(h)(2) where the pick-up referred to in such section is pursuant to a salary reduction agreement (whether evidenced by a written instrument or otherwise). For this purpose, the term "salary reduction agreement" includes any salary reduction arrangement, regardless of whether there is approval or choice of participation by individual employees or whether such approval or choice is mandated by State statute.⁶

In *Public Employees' Retirement Board v. Shalala*, 1996 U.S. Dist. LEXIS 10078 (D.N.M. June 6, 1996), aff'd 153 F.3d 1160, the District Court held that the New Mexico State employee contributions to pension plans qualified under Code § 401(a), mandatorily picked up by the State as employer contributions with a corresponding reduction to the employees' gross salaries, were contributions made pursuant to a salary reduction agreement. New Mexico State argued that a salary reduction agreement must be voluntary and "requires an individually negotiated contract under which an employee agrees to a salary reduction and an employer agrees to contribute the amount of the reduction to a qualified trust for the employee's benefit." The State contended that the pick-up contributions at issue were not made pursuant to a salary

⁴ PLR 202020006.

⁵ Code § 3121(v)(1).

⁶ H.R. Conf. Rep. No. 861, 98th Cong. 2d Sess. 1415 (1984).

reduction arrangement and, therefore, the pick-up contributions were not subject to FICA tax. The court disagreed, holding that a salary reduction agreement contemplates a reduction in salary regardless of whether the approval or choice of participation is mandated by State statute.

In order for contributions to be considered paid by the employer – and therefore not subject to FICA – the employer contributions must be a salary “supplement” and not a salary reduction. A salary supplement is where the employer pays the pick-up contribution with supplemental funds and pays the employee an amount equal to the aggregate of the employee’s original salary and the salary increase.

The amounts that would have been included in wages for FICA tax purposes “but for the employee contribution” are determined based on the facts and circumstances that determine the employee’s compensation under the overall employment relationship. If the circumstances indicate that the wages are equal to what they otherwise would have been, but for the contribution, then the amounts are not included in FICA wages. If the facts and circumstances indicate that the contributions reduced or offset the wages paid, they would not meet the test and the contributions to the plan and would be included in FICA wages.

In CCA 200714018, the statute in question authorized the employing unit to pay the employee contributions by a reduction in the employee’s cash salary or to pay the employee contributions without a salary reduction. The employing unit paid the employee contributions from the source of funds used to pay the employee’s salary but did not withhold the contributions from the employee’s salary. The employing unit made employer contributions pursuant to the statute in question and increased the employees’ compensation in an amount consistent with historical salary increases.

The IRS concluded that the contributions were not wages for FICA tax purposes because the employing unit paid the employer contributions in addition to – not in lieu of – all remuneration for services owed to the employees. In addition, the employing unit paid the employer contributions in addition to – not in lieu of – salary increases that were consistent with historical norms.

In PLR 9836005, the State passed a statute that provided for a 7% increase to the employees’ compensation and the State made a 7% pick-up contribution to the State retirement system. The IRS stated that it appears the statute was in fact intended to leave employees’ salaries unchanged and only to provide for the State to pay a portion of the members’ contributions (without salary reduction) to the retirement system. The IRS ruled that where the employer picks up the employee’s 7% mandatory contribution over and above the member’s gross salary, the amount of employee contributions paid on behalf of the employee are not wages for FICA purposes and, therefore, there is no liability for the taxes imposed by the FICA with respect to these contributions.

Governmental Plan

Code § 414(d) defines as a “governmental plan” as “a plan established and maintained for its employees by the Government of the United States, by the government of any State or political subdivision thereof, or by any agency or instrumentality of any of the foregoing.”

In Rev. Rul. 89-49, the IRS addresses whether a retirement plan sponsored by a volunteer fire company was a governmental plan within the meaning of Code § 414(d). The IRS stated that a plan will not be considered a governmental plan merely because it has a relationship with a governmental unit. The IRS outlined factors to determine whether an agency is an organization or agency or instrumentality of the State, including:

- degree of control that the federal or state government has over the organization's everyday operations;
- whether there is specific legislation creating the organization;
- the source of funds for the organization;
- the manner in which the organization's trustees or operating board are selected; and
- whether the applicable governmental unit considers the employees of the organization to be employees of the applicable governmental unit.

Although all of the above factors are considered in determining whether an organization is an agency of a government, the mere satisfaction of one or all of the factors is not necessarily determinative.

Plan Operations

Best practices for the operations of qualified retirement plans include segregation of duties and periodic reconciliations. Segregation of duties is an internal control that divides critical plan operation tasks among different people. It ensures no individual stakeholder has complete control over a plan operation or high-risk process. For example, in the payroll context, entering an employee's compensation into the payroll system. A plan administrator should ensure that one stakeholder is responsible for the entering of data and a different stakeholder is responsible for reviewing the data. The reviewing stakeholder should not have the ability to edit the data, rather they should forward the process back to the entering stakeholder to edit. The plan administrator should establish a hierarchy of stakeholders such that each of the entering and reviewing stakeholders have a secondary in the event the primary is unavailable.

Periodic reconciliations involve reviewing the plan operations periodically to ensure data and operational accuracy. How often the reconciliation is done is dependent upon the type of operation and the data volume. For example, the number of reconciliations for reviewing amounts transferred to the plan trust for a 10-participant plan would be much less than a 1,000-participant plan.

The plan administrator should maintain a robust knowledge transfer system to mitigate the risks associated with employee turnover. When a single stakeholder is responsible for performing all plan reconciliations, the administrator becomes highly vulnerable to operational disruption if that individual leaves the organization. Implementing structured documentation, cross-training, and process redundancy ensures continuity and reduces the impact of any one stakeholder's termination of employment.

CONCLUSION

The Fund as a Governmental Plan

The Plans are all intended to be governmental plans under Code § 414(d). The City is a local government which would be considered a political subdivision of the State of Florida. The City was created under Florida law to conduct municipal government functions and services. The City is primarily funded through a property tax. In addition, the City Ordinance prescribes a procedure for electing the mayor, vice mayor, and City commissioners. As a result, the Fund is a plan established and maintained for employees of the City, a local government. The Fund would be considered a governmental plan under Code § 414(d).



Income Tax Treatment

Under Rev. Rul. 2006-43, the City's contributions to the Fund will be treated as picked-up by the City if (a) the City specifies that the contributions are being paid by the employer although designated as employee contributions and (b) the City does not permit the member employee to have a cash or deferred right with respect to the designated employee contributions.

The City must take formal, prospective action to provide that contributions for a specified class of employees will be paid by the City in lieu of employee contributions. That action must be taken by a person authorized to act on behalf of the City. Ordinance O-2025-10 states that "[a]ll member contributions to each of the City Plans shall be treated as picked-up contributions pursuant to [Code] Section 414(h)(2)." The City Commission passed the Ordinance, and the mayor executed it on September 17, 2025.

In addition, the Ordinance does not permit the member employees to receive the contributions directly instead of having them paid to the applicable Plan. The Ordinance does not permit the member employees to opt out of the member contributions, rather the member employee elects participation in one of the Plans and then the City begins to make contributions to the fund on behalf of the employee. In addition, the Ordinance applies prospectively and does not apply to services performed prior to the enactment.

The pick-up contribution rates remain the same for member employees electing to switch their participation from the DB Plan to the new Hybrid or DC Plan. For member employees who contributed 8% to the DB Plan that transfer to the DC Plan, the City provides an 8% member pick-up contribution rate. The City provides a 9% member pick-up contribution rate for member employees who contributed 9% to the DB Plan.

However, member employees who elect to switch to the DC Plan receive an additional 8% or 9% adjustment to income that the employees do not receive by remaining in the DB Plan. As seen in **Example 3**, the member employee received an additional \$211.07 in gross wages as a result of the switch from the DB to DC Plan. As such, the member employees received a choice between a cash amount that is not currently available (i.e., the increase in compensation) and an accrual under a plan deferring the receipt of compensation (i.e., continuing to defer under the DB Plan) when the member employees received the one-time irrevocable election to switch from the DB Plan to DC Plan. As discussed in Treasury Regulation § 1.401(k)-1(a)(3), a cash or deferred election is either cash not currently available to the employee or a contribution to a trust. Therefore, the adjustment to income likely results in an impermissible cash or deferred arrangement under Code § 401(k).

For the Hybrid Plan, the City makes a 5% pick-up contribution of the member employee's compensation to the DB component of the Hybrid Plan. The City also makes a 3% pick-up contribution to the DC component for member employees who contributed 8% to the DB Plan and a 4% pick-up contribution for member employees who contributed 9%. In addition, the City makes an employer contribution equal to 2% of compensation for employees who contributed 8% and an employer contribution equal to 1% for member employees who contributed 9%. As a result, the pick-up contributions to the Hybrid Plan are equal to the pick-up contributions to the DB Plan.

Similar to member employees who switch to the DC Plan, the City provides a 3% or 4% increase to salary equal to the pick-up contribution made to the DC component of the Hybrid Plan. Therefore, these adjustments to income likely result in an impermissible cash or deferred arrangement under Code § 401(k).

New employees hired on or after February 1, 2026, do not receive a non-pensionable adjustment to salary. Rather there are three options depending upon the selected Plan. Employees selecting the DB Plan shall contribute 8% of their compensation.



The City contributes 8% to the DC Plan for employees selecting the DC Plan. Employees selecting the Hybrid Plan will contribute 5% of their salary to the DB Plan and the City will contribute 5% to the DC Plan for the employee. All member contributions to each of the Plans shall be treated as picked-up contributions pursuant to Code § 414(h)(2).

FICA Tax Treatment

In order for contributions to be not subject to FICA, the employer contributions must be a salary “supplement” and not a salary reduction. This appears to be the intent for the DC contributions to the DC and Hybrid Plans. The member employees received a salary increase equal to the amount that was being contributed to the DC Plan. However, Code § 3121(v)(1)(B) requires that the amount be treated as an employer pick-up contribution under Code § 414(h)(2). As noted in the previous section, the contributions are likely an impermissible cash or deferred arrangement and *not* an employer pick-up contribution.

As for the DB Plan contributions, including the contribution to the DB component of the Hybrid Plan, the Ordinance provides that the member employee shall make a pick-up contribution to the Plans. The Plans’ operations indicate that the Ded Gen Pension 572 pay code is a deduction to gross salary. These amounts would be subject to FICA tax.

Plan Operations

Based on interviews with the HR department, the City employs several best practices for administering the Plans. For example, the City has segregation of duties where HR is responsible for intaking the plan election forms which then goes to the Pension Board for review and enrollment which feeds back to the Finance department. In addition, the City performs periodic reconciliation of plan election, tax reporting, transfers to the trust, etc.

One concern could be the lighter HR team and knowledge transfer. The City has one stakeholder heavily involved in the day-to-day operations, appearing to be the only source of knowledge in the area at times. The City should establish procedures for next steps if a member of the HR function were to terminate from employment.

Finally, the City should consider a third-party review of the Plans’ operations as it would help confirm the City’s practices as best practices or identify discrepancies. For example, the City should perform a third-party review of employee election forms to confirm that the City’s procedures are operating accordingly.

LIMITATIONS ON ADVICE

The opinions, conclusions and advice contained in this memorandum are based solely upon:

- a. the representations, information, documents, and facts that we have included or referenced in this memorandum;
- b. our assumption (without independent verification) that all of the representations and all of the originals, copies, and signatures of documents reviewed by us are accurate, true, and authentic;
- c. our assumption (without independent verification) that there has been timely execution and delivery of and performance as required by the representations and documents;



- d. our assumption that you have reviewed any and all factual assumptions stated in this memorandum, and to the best of your knowledge, information and belief, such assumptions are reasonable, and that if you had believed that any such factual assumptions are not reasonable, you would have expressed that opinion to us;
- e. our assumption that you have reviewed any and all of the representations, statements, findings, or agreements (including projections, financial forecasts, or appraisals) that you provided to us and that are referenced in this memorandum, and to the best of your knowledge, information and belief, our reliance on such representations, statements, findings, or agreements (including projections, financial forecasts, or appraisals) is not unreasonable (taking into account that reliance is unreasonable if one or more representations or assumptions on which any representation is based are incorrect, incomplete, or inconsistent), and that had you found such reliance unreasonable, you would have expressed that opinion to us;
- f. the understanding that only the specific Federal income tax issues and tax consequences discussed herein are covered by this memorandum, and no other federal, state, or local taxes of any kind were considered;
- g. our assumption (without independent verification) that your legal advisors have reviewed the subject transactions to ensure that they comply with all other applicable federal, state, and/or local laws and regulations;
- h. the understanding that any opinions, conclusions or recommendations contained herein are based exclusively on the law, regulations, cases, rulings, and other tax authority in effect as of the date of this memorandum. If there are significant changes in or to the foregoing tax authorities (for which we shall have no responsibility to advise you), such changes may result in our opinions or advice being rendered invalid or necessitate (upon your request) a reconsideration of such opinions or advice;
- i. the understanding that this opinion is not binding on the IRS, state or local taxing authorities, or the courts, and that it should not be considered a representation, warranty, or guarantee that the IRS, state or local taxing authorities, or the courts will concur with our opinion; and
- j. the understanding that this memorandum is solely for the information and benefit of the recipient listed above, is limited to the transaction described herein, and may not be relied upon, distributed, disclosed, made available to, or copied by anyone, including employees, members or others, without prior written consent or as otherwise described herein.

AGENDA ITEM 7.B.

LEGAL

ORDINANCE O-2025-10 UPDATE

- i. Buyback of Refunded Member Credited Service**

City of Hollywood Code of Ordinances §33.025

Scrivener Errors

1. We did not intend to eliminate hired employees from Section (D). The section now only applies to rehired employees. Meaning that hired employees cannot receive any of the benefits of Section (D) – in effect removing any additional accruals in the legacy DB Plan.
2. We did not intend to take away the benefit available to certain employees who were last hired on or before September 30, 2026 to purchase credited service and restoring the credited service forfeited by acceptance of a refund.

Clean language after passage of O-2026-10

(D) Credited service. Each member rehired on or before September 30, 2025, shall receive credit for service rendered as an employee based on subsections (1) through (11) below. Each member rehired after September 30, 2025, shall receive credit for service rendered as an employee based on subsections (2) through (5), (8), and (12) below.

(12) Any City employee rehired after September 30, 2025, who is a contributing member of this plan may purchase credited service under the plan for each period of prior or current City employment in a full-time position during which he or she has forfeited credited service and received a refund or has not received credited service as a member of a contributory, defined benefit retirement plan of the City. Such member may enter into an agreement ("Credited Service Agreement") within one year of date of rehire to purchase such credited service by paying his or her current contribution rate multiplied by the years of credited service being purchase multiplied by his or her current compensation.

Time Payment Plan. Under this option the participant may elect to pay for the purchase of credited service through a one-time payment or through post-tax payroll deduction on a time payment plan over a period of not more than two (2) years after entering into the Credited Service Agreement. The credited service purchased shall not be credited until all installments are paid.

(N) Refund of member contributions.

(1) Any member who separates from City employment may elect to receive a refund of his or her total contributions plus simple interest at the rate of 4% per year through the date of separation.

(2) Any member receiving a refund of contributions shall thereby waive, forfeit and relinquish all accrued rights in the Fund including all accumulated credited service. If a former member who has withdrawn his or her contributions and who shall reenter the service of the City, he or she shall have the right to purchase credited service as defined in section (D)(12).

Solution language Option 1 – Adding deleted language to (D)(12)

(D) Credited service. Each member ~~last hired or~~ rehired on or before September 30, 2025, shall receive credit for service rendered as an employee based on subsections (1) through ~~(115), (8), (11) and (12)(b)~~ below. Each member ~~last hired or~~ rehired after September 30, 2025, shall receive credit for service rendered as an employee based on subsections (2) through (5), (8), and (12)(b) below.

~~(12) (a) Any former member last rehired on or before September 30, 2025 who has withdrawn his or her contributions and who shall reenter the service of the City and rendered at least three years of credited service following his or her reentry, shall have the right make a repayment of the refund or refunds including interest at 4 % per annum for the period of his or her absence from service of the city, and thereby have restored to him or her all credited service previously forfeited by the acceptance of a refund.~~

~~(b) Any City employee last~~ rehired after September 30, 2025, who is a contributing member of this plan may purchase credited service under the plan for each period of prior or current City employment in a full-time position during which he or she has forfeited credited service and received a refund or has not received credited service as a member of a contributory, defined benefit retirement plan of the City. Such member may enter into an agreement ("Credited Service Agreement") within one year of date of rehire to purchase such credited service by paying his or her current contribution rate multiplied by the years of credited service being purchase multiplied by his or her current compensation.

Time Payment Plan. Under this option the participant may elect to pay for the purchase of credited service through a one-time payment or through post-tax payroll deduction on a time payment plan over a period of not more than two (2) years after entering into the Credited Service Agreement. The credited service purchased shall not be credited until all installments are paid.

(N) Refund of member contributions.

(1) Any member who separates from City employment may elect to receive a refund of his or her total contributions plus simple interest at the rate of 4% per year through the date of separation.

(2) Any member receiving a refund of contributions shall thereby waive, forfeit and relinquish all accrued rights in the Fund including all accumulated credited service. ~~If a~~ former member who has withdrawn his or her contributions and who shall reenter the service of the City, ~~he or she~~ shall have the right to purchase credited service as defined in section (D)(12).

Solution language Option 2 – Adding deleted language to (N)

(D) Credited service. Each member last hired or rehired on or before September 30, 2025, shall receive credit for service rendered as an employee based on subsections (1) through (5), (8), (11) below and Section (N). Each member last hired or rehired after September 30, 2025, shall receive credit for service rendered as an employee based on subsections (2) through (5), (8), and (12) below.

(12) Any City employee last rehired after September 30, 2025, who is a contributing member of this plan may purchase credited service under the plan for each period of prior or current City employment in a full-time position during which he or she has forfeited credited service and received a refund or has not received credited service as a member of a contributory, defined benefit retirement plan of the City. Such member may enter into an agreement ("Credited Service Agreement") within one year of date of rehire to purchase such credited service by paying his or her current contribution rate multiplied by the years of credited service being purchase multiplied by his or her current compensation.

Time Payment Plan. Under this option the participant may elect to pay for the purchase of credited service through a one-time payment or through post-tax payroll deduction on a time payment plan over a period of not more than two (2) years after entering into the Credited Service Agreement. The credited service purchased shall not be credited until all installments are paid.

(N) Refund of member contributions.

(1) Any member who separates from City employment may elect to receive a refund of his or her total contributions plus simple interest at the rate of 4% per year through the date of separation.

(2) Any member receiving a refund of contributions shall thereby waive, forfeit and relinquish all accrued rights in the Fund including all accumulated credited service. A former member last rehired on or before September 30, 2025 who has withdrawn his or her contributions and who shall reenter the service of the City and render at least three years of credited service following his or her reentry, shall have the right to make a repayment of the refund or refunds including interest at 4 % per annum for the period of his or her absence from service of the city, and thereby have restored to him or her all credited service previously forfeited by the acceptance of a refund. If a former member last rehired after September 30, 2025 who has withdrawn his or her contributions and who shall reenter the service of the City, ~~he or she~~ shall have the right to purchase credited service as defined in section (D)(12).

AGENDA ITEM 7.C.

LEGAL

EXECUTIVE DIRECTOR EVALUATION

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 8.A.
EXECUTIVE DIRECTOR'S REPORT
CITY COMMISSION COMMUNICATION



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

2450 Hollywood Boulevard • Suite 204 • Hollywood, FL 33022
(954) 921-3333 • (954) 921-3332 Fax • generalpensionhelp@hollywoodfl.org

CITY COMMISSION COMMUNICATION

September 2026

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

BOARD OF TRUSTEES

Phyllis Shaw – Chair	April Allen	Jeffrey Greene
David Keller - Vice Chair	Barbara Armand	George Keller
Robert Strauss – Secretary		

All Trustees attended the August 25, 2026 Regular Meeting of the Board of Trustees.

ITEMS OF INTEREST TO THE CITY COMMISSION

- The estimated value of the Defined Benefit Plan assets available for investments on July 31, 2026 was **\$539.2** million, down 1.0% net of fees for the month of July 2026, and up 9.3% net of fees for the fiscal year to date.
- The Funded Ratio of the Defined Benefit Plan (the value of the actuarial assets divided by the actuarial accrued liability) was 67.6% as of October 1, 2025, up from 65.1% as of October 1, 2024, and up from 64.5% as of October 1, 2023. The Hybrid Plan DB Component will target a funded ratio of 100%.
- The Board approved the extension of the GRS Contract for actuarial services for five years.

UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION

- | | |
|--|--|
| • FPPTA Fall School
September 27-30, 2026
Rosen, Shingle Creek | • Koried Plan Sponsor Educational Institute
January 5-8, 2027
Opal Key, Key West |
| • IFEBP New Trustee Institute and Annual Con.
October 25-28, 2026
New Orleans, Louisiana | • FPPTA Winter School
January 31-February 3, 2027
Rosen, Shingle Creek |

MEETING SCHEDULE 2026

All Meetings will be held at the Pension Office, 2450 Hollywood Boulevard, Room 209, unless otherwise stated. Commissioners are invited to attend.

<u>Dates</u>	<u>Time</u>
November 17, 2026	9:00am-12:00pm
December 15, 2026	9:00am-12:00pm

AGENDA ITEM 8.B.

EXECUTIVE DIRECTOR'S REPORT

PROPOSED EMPLOYEE ELECTION PROCESS



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

P. O. Box 229045 • Hollywood, FL 33022-9045
(954) 921-3333 • (954) 921-3332 Fax • generalpensionhelp@hollywoodfl.org

TO: Board of Trustees

FROM: Christine Bailey 

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

DATE: September 22, 2026

The term of Trustee Phyllis Shaw expires on February 28, 2027. 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 23, 2026 **Request for Applications for Candidacy** including the qualification requirements will be sent to all employees who are members of the Fund.

December 17, 2026 **Nominations closes.** Applications will be accepted through 12:00 p.m.

December 30, 2026 **Certification of Qualified Candidates.** 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.

Notification of Qualified Candidates. Candidates are notified of their candidacy and advised that they may begin campaigning. Employees are notified of nominated employees.

January 19, 2027 **Notice of Election to the Board of Trustees.** Notice of the election is posted in all City of Hollywood locations in the areas most commonly utilized for posting notices to employees.

January 25, 2027
Through January 29, 2027 **Early Voting.** Voting will be open 9:00 a.m. to 4:00 p.m. at the Pension Office.

February 2, 2027

Election Day. Voting will be open 7:30 a.m. – 5:00 p.m. at the City Hall Main Entrance, 1st Floor, on the east side of the building.

Ballot Count. Ballots will be counted immediately following the election.

February 3, 2027

Declaration of Election Results. Election results will be posted on the City's Sunshine Board

February 17, 2027

Challenge of Election Results closes. Challenges concerning the election results must be submitted through 5:00p.m.

March 3, 2027

Response to Challenge of Election Results closes. Responses to Challenges concerning the election results may be submitted by candidates through 5:00p.m.

After March 3, 2027

Board Addresses Challenge of Election Results. 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.

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, 1st 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.

AGENDA ITEM 8.C.
EXECUTIVE DIRECTOR'S REPORT
PERSONNEL CONSIDERATIONS

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

Personnel Action Consideration - September 22, 2026

Current Status

Employee Name	Hire Date	Service Yrs
Christine Bailey	1/22/2018	8.67
Veron Sibble	8/27/2018	8.08
Yvonne Narayan	9/10/2018	8.00 (7.67 years full time)

	Current Hourly Base Rate 9/22/2026	Proposed Adjustment				Current Salary	Proposed Salary	Proposed Base Rate Increase
		2%	3%	3.5%	3.7%	4%		
Christine Bailey	\$100.25	\$102.26	\$103.26	\$103.76	\$103.96	\$104.26	\$208,520.00	
Veron Sibble	\$56.83	\$57.97	\$58.53	\$58.82	\$58.93	\$59.10	\$118,206.40	\$2.10
Yvonne Narayan	\$33.67	\$34.34	\$34.68	\$34.85	\$34.92	\$35.02	\$70,033.60	\$1.25
Retirement Specialist - Finance	N/A							



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News Release Information

26-1527-ATL

Friday, September 11, 2026

Contacts

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(404) 893-4222

BLSEInfoAtlanta@bls.gov

www.bls.gov/regions/southeast

Media contact:

(404) 893-4220

Related Links

[CPI Charts | Southeast CPI Card](#)

[Miami, FL, Area Economic Summary](#)

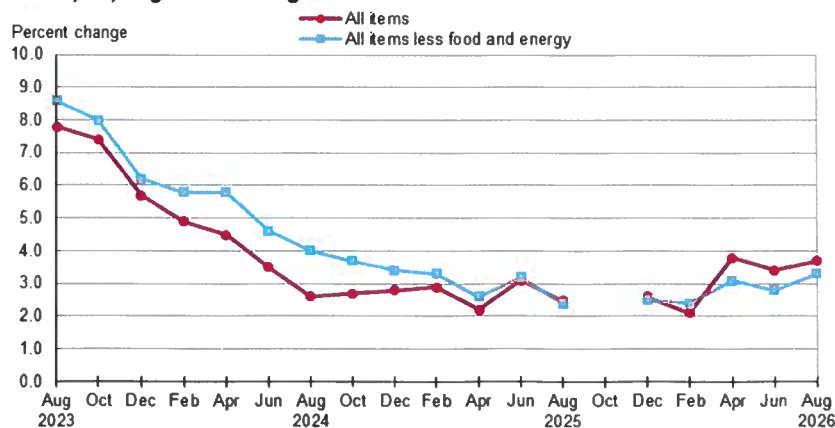
Consumer Price Index, Miami-Fort Lauderdale-West Palm Beach — August 2026

Area prices rose 0.1 percent over the two months, up 3.7 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) for Miami-Fort Lauderdale-West Palm Beach rose 0.1 percent from June to August, the U.S. Bureau of Labor Statistics (BLS) reported today. Regional Commissioner Victoria G. Lee noted that the index for all items less food and energy rose 0.2 percent over the two-month span. The energy index rose 0.6 percent over the same period. In contrast, the food index declined 0.9 percent from June to August. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect the impact of seasonal influences.)

The Miami area all items CPI-U advanced 3.7 percent for the 12 months ending August. The index for all items less food and energy rose 3.3 percent over the last 12 months. The energy index increased 14.8 percent for the 12 months ending August. The food index rose 1.0 percent over the last year.

Chart 1. Over-the-year percent change in CPI-U, Miami-Fort Lauderdale-West Palm Beach, FL, August 2023–August 2026



Note: The October 2025 data values are not available due to the 2025 lapse in appropriations.
Source: U.S. Bureau of Labor Statistics.

Food

The index for food decreased 0.9 percent from June to August. The index for food at home (grocery store purchases) declined 1.1 percent over the two-month period, as prices decreased in 5 of the 6 major grocery store food groups, including cereals and bakery products (-4.5 percent), meats, poultry, fish, and eggs (-0.9 percent), and nonalcoholic beverages and beverage materials (-2.3 percent). The index for food away from home (restaurant, cafeteria, and vending purchases) declined 0.6 percent over the two-month span.

The food index rose 1.0 percent over the 12 months ending in August. The index for food at home rose 1.5 percent over this 12-month span. Prices increased in 3 of 6 major grocery store food groups over the last year, including meats, poultry, fish, and eggs (+6.1 percent) as well as fruits and vegetables (+6.5 percent). The food away from home index decreased 0.4 percent over the past year.

Energy

The energy index rose 0.6 percent from June to August. The gasoline index increased 0.9 percent over the two-month pricing period.

The energy index increased 14.8 percent over the past 12 months. The gasoline index rose 28.9 percent over this 12-month span.

All items less food and energy

The index for all items less food and energy rose 0.2 percent from June to August. The shelter index also rose 0.2 percent over the two-month period, led by a 0.3-percent increase in the owners' equivalent rent index. Among the indexes to increase over the two-month span include apparel (+3.1 percent), education and communication (+1.8 percent), and used cars and trucks (+0.8 percent). In contrast, the recreation index and household furnishings and operations index fell 0.9 percent and 0.4 percent, respectively.

The index for all items less food and energy rose 3.3 percent over the past 12 months. The shelter index increased 3.0 percent over the last year. Within the shelter index, the index for owners' equivalent rent rose 2.9 percent over the last 12 months and the index for rent increased 2.4 percent.

The October 2026 Consumer Price Index for the Miami-Fort Lauderdale-West Palm Beach area is scheduled to be released on November 10, 2026.

Technical Note

The [Consumer Price Index](#) (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Consumer Price Index for **Miami** is published bi-monthly. The set of components and sub-aggregates published for regional and metropolitan indexes is more limited than at the U.S. city average level; these indexes are byproducts of the national CPI program. Each local index has a much smaller sample size than the national or regional indexes and is, therefore, subject to substantially more sampling and other measurement error. As a result, local-area indexes are more volatile than the national or regional indexes. In addition, local indexes are not adjusted for seasonal influences. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Miami-St. Petersburg-Clearwater, FL** Core Based Statistical Area includes Broward, Miami-Dade, and Palm Beach Counties in Florida.

Refer to the national [CPI news release technical note](#) or the [Handbook of Methods](#) for more information.

If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

Table 1. Miami-Fort Lauderdale-West Palm Beach, FL, CPI-U by expenditure category for August 2026, not seasonally adjusted (1982-84=100 unless otherwise noted)

Expenditure category	Indexes				Percent change from:		
	Historical data	Jun. 2026	Jul. 2026	Aug. 2026	Aug. 2025	Jun. 2026	Jul. 2026
All items		369.764	-	370.123	3.7	0.1	-
All items (November 1977=100)		596.009	-	596.586	-	-	-
Food and beverages		345.970	-	342.828	0.8	-0.9	-
Food		351.920	-	348.617	1.0	-0.9	-
Food at home		330.151	331.451	326.519	1.5	-1.1	-1.5
Cereals and bakery products		403.336	401.475	385.059	-3.0	-4.5	-4.1
Meats, poultry, fish, and eggs		340.055	341.747	337.071	6.1	-0.9	-1.4
Dairy and related products		258.189	268.270	260.607	-8.0	0.9	-2.9
Fruits and vegetables		357.938	353.646	355.695	6.5	-0.6	0.6
Nonalcoholic beverages and beverage materials ⁽¹⁾		361.931	346.286	353.640	-0.3	-2.3	2.1
Other food at home		279.083	286.576	278.376	1.9	-0.3	-2.9
Food away from home		391.125	-	388.701	-0.4	-0.6	-
Alcoholic beverages		259.097	-	258.290	-1.3	-0.3	-
Housing		420.474	-	421.156	3.4	0.2	-
Shelter		493.089	494.172	493.852	3.0	0.2	-0.1
Rent of primary residence		488.528	489.870	489.193	2.4	0.1	-0.1
Owners' equivalent rent of residences ⁽²⁾		499.354	500.677	500.797	2.9	0.3	0.0
Owners' equivalent rent of primary residence ⁽²⁾		499.354	500.677	500.797	2.9	0.3	0.0

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.

Index applies to a month as a whole, not to any specific date.

Expenditure category	Indexes				Percent change from:		
	Historical data	Jun. 2026	Jul. 2026	Aug. 2026	Aug. 2025	Jun. 2026	Jul. 2026
Household furnishings and operations		221.281	-	220.453	8.9	-0.4	-
Apparel		182.340	-	187.906	6.4	3.1	-
Transportation		296.567	-	297.098	6.7	0.2	-
Private transportation		305.517	-	305.240	4.4	-0.1	-
New and used motor vehicles ⁽³⁾		131.987	-	132.555	0.8	0.4	-
New vehicles ⁽¹⁾		280.486	-	280.930	0.6	0.2	-
Used cars and trucks ⁽¹⁾		377.473	-	380.355	-2.3	0.8	-
Motor fuel		350.460	350.436	354.219	29.3	1.1	1.1
Gasoline (all types)		346.540	346.416	349.607	28.9	0.9	0.9
Unleaded regular ⁽⁴⁾		342.487	342.410	345.627	29.6	0.9	0.9
Unleaded midgrade ⁽⁴⁾⁽⁵⁾		343.922	343.366	346.680	25.8	0.8	1.0
Unleaded premium ⁽⁴⁾		368.037	367.657	370.597	25.1	0.7	0.8
Medical care		679.787	-	679.318	3.7	-0.1	-
Recreation ⁽³⁾		141.855	-	140.623	3.2	-0.9	-
Education and communication ⁽³⁾		136.879	-	139.300	1.2	1.8	-
Tuition, other school fees, and childcare ⁽¹⁾		-	-	-	-	-	-
Other goods and services		538.313	-	537.510	11.7	-0.1	-
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.							
Index applies to a month as a whole, not to any specific date.							

Table 2. Miami-Fort Lauderdale-West Palm Beach, FL, CPI-U by special aggregate index for August 2026, not seasonally adjusted (1982-84=100 unless otherwise noted)

Special aggregate index	Indexes				Percent change from:		
	Historical data	Jun. 2026	Jul. 2026	Aug. 2026	Aug. 2025	Jun. 2026	Jul. 2026
All items		369.764	-	370.123	3.7	0.1	-
Food		351.920	-	348.617	1.0	-0.9	-
Energy		269.987	270.014	271.567	14.8	0.6	0.6
All items less food and energy		385.739	-	386.567	3.3	0.2	-
All items less energy		381.100	-	381.342	3.0	0.1	-
All items less medical care		356.168	-	356.565	3.7	0.1	-
All items less shelter		305.267	-	305.425	4.2	0.1	-
Commodities		257.960	-	258.618	3.8	0.3	-
Commodities less food		211.669	-	214.009	6.1	1.1	-
Commodities less food & beverages		208.933	-	211.354	6.4	1.2	-
Durables		154.329	-	155.880	-0.8	1.0	-
Nondurables		307.966	-	307.969	5.5	0.0	-
Nondurables less food		268.090	-	271.260	12.0	1.2	-
Nondurables less food & beverages		267.074	-	270.505	13.1	1.3	-
Services		455.153	-	455.293	3.7	0.0	-
Services less rent of shelter ⁽¹⁾		409.932	-	409.229	4.9	-0.2	-
Services less medical care services		435.189	-	435.343	3.7	0.0	-
Footnotes							
(1) Indexes on a November 1982=100 base.							
- Data not available.							
Index applies to a month as a whole, not to any specific date.							

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

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

AGENDA ITEM 8.D.

EXECUTIVE DIRECTOR'S REPORT

**HYBRID PLAN INDEPENDENT AUDITORS FOR FISCAL
YEARS ENDING SEPT. 30, 2026, AND 2027**

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 8.E.

EXECUTIVE DIRECTOR'S REPORT

COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR



Communications – September 22, 2026

- New Hire Enrollment Statistics
- Pension Office Update
 - Building Status
 - Temporary Employee
- DROP Participant List

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

DROP

September 2026 Regular Pension Board Meeting

	Name		DROP Start Date	DROP End Date	Reports
1	Caraballo	Luis	December 1, 2021	November 30, 2026	Yes
2	Batista	Francisco	January 1, 2022	December 31, 2026	Yes
3	Fiorillo	Richard	March 1, 2022	February 28, 2027	Yes
4	DeRosa	Anthony	May 1, 2022	April 30, 2027	Yes
5	Cerny	Patricia	May 1, 2022	March 12, 2027	Yes
6	Schiff	Christine	June 1, 2022	May 31, 2027	Yes
7	Russ	Lemmie	June 1, 2022	May 31, 2027	Yes
8	Irizarry Figueroa	Fernando	June 1, 2022	May 31, 2027	Yes
9	Kimble	LaShanda	August 1, 2022	July 31, 2027	Yes
10	Saintange	Carmen	August 1, 2022	July 31, 2027	Yes
11	Vazquez	David	August 1, 2022	July 31, 2027	Yes
12	Greene	Charmaine	September 1, 2022	August 31, 2027	Yes
13	Davis	Curtis	September 1, 2022	August 31, 2027	Yes
14	Kis	Laslo	September 1, 2022	August 31, 2027	Yes
15	Estevez	Andrew	November 1, 2022	October 31, 2027	Yes
16	Graves	Kimberly	January 1, 2023	December 31, 2027	Yes
17	Morris	Travis	January 1, 2023	December 31, 2027	Yes
18	Sheinfeld	Scott	February 1, 2023	January 31, 2028	Yes
19	Sabillon	Karrie	March 1, 2023	February 28, 2028	Yes
20	Senecharles	Francis	May 1, 2023	April 30, 2028	Yes
21	Di Sciascio	Alex	May 1, 2023	April 30, 2028	Yes
22	Wharton	Michael	June 1, 2023	May 31, 2028	Yes
23	Isaac	Septimus	June 1, 2023	May 31, 2028	Yes
24	Leo	Justin	June 1, 2023	May 31, 2028	Yes
25	Rivers	Miguel	June 1, 2023	May 31, 2028	Yes
26	Caruso	Nancy	August 1, 2023	July 31, 2028	Yes
27	Kiriazis	Dan	November 1, 2023	October 31, 2028	Yes
28	Gardner	Irish	November 1, 2023	July 31, 2028	Yes
29	Parma	Ganga	December 1, 2023	June 30, 2028	Yes
30	Lahoud	Cheryl	January 1, 2024	December 5, 2026	Yes
31	Beech	Alan	January 1, 2024	December 31, 2028	Yes
32	Carter	Ronnie	January 1, 2024	December 31, 2028	Yes
33	Vera	Omar	February 1, 2024	January 31, 2029	Yes
34	Valenzuela	Mari	April 1, 2024	March 31, 2029	Yes
35	Jackson	Sandie	May 1, 2024	April 30, 2029	Yes
36	Jones	Clinton	May 1, 2024	April 30, 2029	Yes
37	Williams	Genise	September 1, 2024	August 31, 2029	Yes

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

DROP

September 2026 Regular Pension Board Meeting

	Name		DROP Start Date	DROP End Date	Reports
38	Youmans	Heather	December 1, 2024	November 30, 2029	Yes
39	Caseus	Florence	January 1, 2025	December 31, 2029	Yes
40	Nelson	Burnon	February 1, 2025	January 31, 2030	Yes
41	Adamcik	Christine	February 1, 2025	January 31, 2030	Yes
42	Mullenski	Gregory	April 1, 2025	March 31, 2030	Yes
43	Kine	Robert	May 1, 2025	April 30, 2030	Yes
44	Lake	Allan	May 1, 2025	April 30, 2030	Yes
45	Roelofs	Bernadette	June 1, 2025	May 31, 2030	Yes
46	Anderson	Sharon	June 1, 2025	May 31, 2030	Yes
47	Nembhard	Nichole	August 1, 2025	July 31, 2030	Yes
48	Marin	Jorge	August 1, 2025	July 31, 2030	Yes
49	Freeman	Shirley	August 1, 2025	July 31, 2030	Yes
50	Dominici	Tamika	November 1, 2025	October 31, 2030	Yes
51	Lemieux	Richard	December 1, 2025	November 30, 2030	Yes
52	Clark	Kim	December 1, 2025	November 30, 2030	Yes
53	Regan	Rosanne	December 1, 2025	November 30, 2030	Yes
54	Lisi	Martin	January 1, 2026	December 31, 2030	Yes
55	Testa	Tim	January 1, 2026	December 31, 2030	Yes
56	Vidaurre	Rene	January 1, 2026	December 31, 2030	Yes
57	McNulty	David	February 1, 2026	January 31, 2031	Yes
58	Lawson	Shontrell	February 1, 2026	January 31, 2031	Yes
59	Superville	Glen	February 1, 2026	January 31, 2031	Yes
60	Davis	Tangela	March 1, 2026	February 28, 2031	Yes
61	Mirea	Gabriela	March 1, 2026	February 28, 2031	Yes
62	Singh	Stephen	April 1, 2026	March 31, 2031	Yes
63	Bouloy	Tanya	July 1, 2026	May 24, 2031	Yes
64	Plau	Tammy	July 1, 2026	June 30, 2031	Yes
65	Hugelheim	Henry	July 1, 2026	June 30, 2031	Yes
66	Cembalest	Albert	September 1, 2026	August 31, 2031	
67	Smith	Anthony	September 1, 2026	August 31, 2031	

AGENDA ITEM 9

TRUSTEE REPORTS, QUESTIONS AND COMMENTS

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 10

ADJOURNMENT

(NO BACKUP FOR THIS SECTION)