

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, MAY 19, 2026 AT 9:00AM**

1. CALL TO ORDER

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

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair David Keller, Secretary Robert Strauss (electronically); April Allen (joined at 9:50a.m.); Barbara Armand; Jeffrey Greene (electronically, joined at 9:53a.m.); and George Keller. Also present: Executive Director Christine Bailey; Keith Reynolds, Felicia Ewell, and Michael St. Germain of Segal Marco; and Ron Cohen of Lorium Law.

May 19, 2026 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee Armand to adopt the May 19, 2026 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT AGENDA

- A. April 28, 2026 Regular Meeting Minutes
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

MOTION made by Trustee D. Keller, seconded by Trustee Armand, to approve Consent Agenda Items 4a through 4c. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

5. FINANCIAL

A. Defined Benefit Actuarial Valuation Report as of October 1, 2025

Mr. Jeffrey Amrose of Gabriel Roeder, Smith and Company (GRS) reviewed the Defined Benefit Actuarial Valuation Report as of October 1, 2025. He advised that the Actuarially Determined Employer Contributions would be \$31,507,654 as of October 1, 2026, an increase of \$1,085,997. He stated that the increase was primarily due to increases in Normal Cost, revisions in actuarial assumptions or methods, and the amortization payments on the unfunded accrued liability, offset by revisions in benefits and actuarial experience gains. He stated that while the Normal Cost increased as a percentage of payroll, increasing by \$420,000 because payroll increased by 11%. He further stated that the method used to calculate the amortization payments on the unfunded accrued liability and the mandated revision of assumptions resulted in increases of \$705,000 and \$510,000 respectively.

Mr. Amrose noted that 82 members left the Defined Benefit (DB) Plan and enrolled in the Hybrid and Defined Contribution (DC) Plan resulting in a \$550,000 decrease in Employer Contributions. The Board discussed the demographic assumptions used in the valuation.

Mr. Amrose advised that the conditions were not met for a supplemental pension distribution for Fiscal Year 2025.

Mr. Amrose noted that the Funded Ratio was 67.6% as of October 1, 2025, up from 65.1% a year earlier. He stated that this was considered low but noted that the Board had taken steps to improve the ratio. He stated that the lower assumption rate, new

mortality tables, and shorted amortization period, would positively impact the funded ratio. Mr. Amrose noted that there were several methods of calculating the funded ratio. He noted that the funded ratio based on the market value of assets was 72.8%, but that any funded ratio percentage should not be considered without context.

MOTION made by Trustee G. Keller, seconded by Trustee Allen, to accept the Defined Benefit Plan Actuarial Valuation Report as of October 1, 2025, as presented. In a roll call vote of the members present, all members voted in favor. **Motion** passed 7-0.

Mr. Cohen reminded the Board of the State's requirement to make an annual declaration regarding expected rate of return.

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

- B. Hybrid Plan Actuarial Valuation Preliminary Discussion and Considerations
Mr. Amrose discussed proposed assumptions and methods. He recommended the Entry Age Normal Funding Method, Asset Smoothing over 5 years, and an Amortization Period of 15 years. The Board discussed reducing the amortization period to 10 years to reduce the interest paid by the City.

Mr. Amrose recommended an Investment Return Assumption of 7% provided that the Plan had an equity allocation of 60% or more, the FRS Mortality table as required by Florida Statute, a Salary Scale service-based table as used by the DB Plan, retirement rates as used by the DB Plan for general fund members hired after 9/30/2011 and non-general fund members hired after 3/5/2014, Termination Rates as used by the DB Plan, Disability Rates as used by the DB Plan, and Administrative Expenses of \$50,000. He noted that the actual experience of the Plan would be used to update the assumptions.

The Board discussed the amortization period and concluded that a 10-year amortization period would be more effective with little impact on employer contributions to the plan.

Mr. Amrose also presented a proposed fee schedule for actuarial services on the Hybrid Plan.

MOTION made by Trustee D. Keller, seconded by Trustee Allen, as amended, to amend the proposed estimated rate of return to 6.5%, the amortization to 10 years, and all other assumptions are accepted as presented, including the proposed fees. In a roll call vote of the members present, all members voted in favor. **Motion** passed 7-0.

- C. Financial Reports and Investment Summary
Ms. Bailey provided the Preliminary April 2026 Financial Report and Investment Summaries. She also provided the Budget Variance Report as of April 30, 2026.

6. INVESTMENT (Keith Reynolds – Segal Marco)

- A. March 2026 Flash Performance Report
Mr. Reynolds provided the Flash Performance Report for March 2026. He noted that the Fund's market value of assets as of March 31, 2026 decreased to \$518.6 million. He also noted that the estimated return for the Fund was down 3.6% net of fees for the month of March 2026, and up 1.5% net of fees for the fiscal year to date.
- B. Fourth Quarter performance Review
Mr. Reynolds noted that one manager's statement remained outstanding, and the performance report should be finalized shortly and presented at the next meeting,

C. Emerging Manager Discussion

Mr. Reynolds and Mr. St. Germain discussed five emerging manager investment opportunities: the Valhalla Group, Taproot Capital, Altair Capital, RPS Ventures and Outlander Venture Capital. The Board discussed reviewing the managers in June and selecting managers for presentations in July.

D. Work Plan

Mr. Reynolds reviewed the work plan.

7. **LEGAL (Ron Cohen – Lorium Law)**

A. Legal Update

Mr. Cohen reminded Trustees to complete their Form 1 disclosures.

Mr. Cohen advised that he continued to work on the Segal Replacement Contract and the Nationwide Pro-Account agreement.

B. Accessibility of Website Content and Mobile Applications

Mr. Cohen discussed new Federal rule on the accessibility of website content and mobile applications under the Americans with Disability Act (ADA). He noted that the Board would be required to become compliant by April 2027.

8. **EXECUTIVE DIRECTOR'S REPORT**

A. City Commission Communication

The Board received the City Commission Communication.

B. Defined Contribution Plan and Hybrid Plan Operations Update

Ms. Bailey advised that the plans have been successfully implemented. She noted that the only error identified was a minor human error. She noted that of the new hires since the Plan start, 50% of new hires had elected the DB Plan, 32% had elected the DC Plan and 18% had elected the Hybrid.

C. Communications from the Executive Director

- Ms. Bailey advised that 59 2026 Life Certificates remained outstanding. She advised that the office would continue trying to locate those retirees as the certificates would be due back by May 31, 2026. She advised that the June 2026 retirement benefits would be suspended for any retiree who had not submitted their 2026 certificate by the second request deadline.
- Ms. Bailey advised that the Human Resources Department provided new hires with documentation, including an overview of the three retirement plans, links to the summary plan descriptions, election forms, and contact information for COHERF and Nationwide. She advised that the forms were due to HR from the new hires on Thursday following the date of hire.
- Ms. Bailey advised that there was another leak in the Pension Office and that the Department of Construction and Management identified seven locations with water issues. Some of the issues were the responsibility of the building, and some were the responsibility of the Pension Office. She advised that a full review of the Pension Office renovations would be conducted to identify any other issues.
- Ms. Bailey provided the DROP Participant List.

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

Trustee Allen advised that she had been in discussions with members regarding the current benefits provided to current members and retirees. She advised that members were interested in benefit enhancements including, normal retirement age, retiree life insurance and cost of living adjustments.

She noted that she continued to receive feedback and asked that once completed, the Board support a request to the Actuary to cost of the enhancements based on the final feedback. She stated that she advised the members that the Board could not negotiate these benefits but that she would request cost data from the Actuary.

Trustee Shaw discussed the possibility of providing member education by having investment managers available for a symposium with members.

10. **ADJOURNMENT**

MOTION made by Trustee D. Keller, seconded by Trustee G, 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 12:00noon.



Phyllis Shaw, Chair

July 28, 2026
Date