



A MESSAGE FROM MAYOR PETER BOBER



Dear Neighbors,

As I begin this article, I need to tell you how it is going to end: I will be asking for you to commit yourselves to being engaged in City Commission decisions related to employee pensions and the City's unfunded pension liabilities. For those of you who know me, you are aware that I am a pretty big cheerleader for this City. You know I also tend to be a straight shooter. And, so, I will be completely straight with you about the City's financial position as it relates to the City's pension obligations. The situation is not good.

If your kids came home from school with three "F's" on their report cards, there is no doubt you would be greatly upset—to put it mildly. Well, sadly, such is the case with the ratings on the City's three pension plans for its police, fire and general employees. The LeRoy Collins Institute, a nonpartisan, statewide policy organization which works in affiliation and collaboration with the State University System of Florida and is located at Florida State University in Tallahassee, rates the financial health of the City's pension plans as among the worst in the State of Florida. The implications of having received "F" ratings for all three of our pension plans should be a wake up call to you and every other taxpayer.

Simply stated, the City spends such significant sums of money fulfilling past pension promises that it squeezes out funds available to be spent on other important day-to-day City functions and programs. I want to be very clear that this, in no way, means that our past and present City employees are/were not worthy of competitive compensation benefits. What it means, however, is there are sad, cold facts we must confront, so we do not *further* exacerbate our pension woes.

Currently, the City's pension contributions as a percentage of the General Fund (the primary "account" which pays for day-to-day operations) increased from 7.3% in 2003 to 19.6% in 2013. The City's pension contributions (the amount we must pay to fulfill past/current pension promises) as a percentage of property taxes has grown from 19.6 % in 2003 to 50.3% in 2013.

You may ask how the City funds its part of employee pension costs. In short, each year financial experts (actuaries) for each of the pension plans provide the City with the amount it must contribute to pay the normal pension costs for the year and the amortization (essentially a percentage) of the unfunded liability. Each year, the City builds this cost into its annual budget. The unfunded liability is the difference between the estimated cost of the benefits owed to current and future retirees and the amount of money the plan has socked away to pay those obligations. Drops in the investment markets or increases in benefits create a funding gap, or unfunded liability. Fitch Rating Agency recently stated that a funded status of 70% or above is considered adequate; under 60% is considered weak. In 2013, the funding ratio of Hollywood's three pension plans was: Fire: 41.2%; Police: 54.7%; General Employees: 56.2%.

This is most definitely not good news. Indeed, having unfunded liabilities of many hundreds of millions of dollars, crowds out spending for other vital City services, and even worse, saddles *future* residents of Hollywood with significant debt. While actions taken by the City Commission over the past several years have improved the current fiscal condition of the City, the City's pensions represent a significant long-term financial challenge. With the recovering real estate market, some may be fooled into a false sense of security regarding the City's financial health. In fact, you might be surprised that I would devote attention to the "F" ratings for the City's pension plans, thinking the average elected official would prefer, instead, to do a dog and pony show, and only promote fluff and feel-good items. I, however, am here to tell you that if the seven elected officials of this City fail to turn this boat insofar as unfunded liabilities, then the consequences will be dire.

In conclusion, almost every other financial issue is a mere pittance when compared to the monolithic and far-reaching effects of the City's pension obligations and liabilities. As a taxpayer, if you are not engaged on this issue, then you have essentially blindfolded your own eyes, and like a proverbial ostrich, buried your head in the sand. While I hope you will e-mail me your thoughts and feelings on this important subject at pbober@hollywoodfl.org, the entire City Commission (all 7 members) can be reached via a single e-mail to mayor-commissioners@hollywoodfl.org. In the final analysis, while I feel it is my role as Mayor to promote this City, it is also my role to give you the straight dope on matters of great public importance—even when the news is not so hot.

Peter Bober, Mayor

Table of Contents

- 3-6 News from your City Commissioners & District Map
- 11-22 Parks & Recreation Winter Program & Events Guide
- 28-29 Public Safety News



On the Cover

This cover features a look back at some of the fantastic special events that took place in the City of Hollywood in 2014. Check out the upcoming schedule of events in the Winter Program Guide starting on page 11.

New Horizons is a quarterly newsletter for residents of the City of Hollywood. This publication is produced by the Office of Public Affairs Raelin Storey, Public Affairs Director • Joann Hussey, Public Information Manager Pauline Wallace, Administrative Assistant • Kris Rebar, Graphic Designer

This public document was produced at a cost of \$.21 per copy, to provide information about City services and programs. If you need this publication in an alternate format, please call 954.921.3201.