

**CORRECTED**

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
THURSDAY, August 23, 2018 at 9:00AM**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:22a.m.

**2. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Board Members present: Chair Phyllis Shaw, Vice Chair Jeffery Greene, Secretary Robert Strauss (via teleconference), Charles Howell, and George Keller. Christopher Cassidy and Cintya Ramos were absent and excused.

Also present: Executive Director Christine Bailey; Keith Reynolds of Segal Marco; Diane McNally of Segal Select Insurance and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

a. August 23, 2018 Regular Board Meeting Agenda

**MOTION** made by Trustee Greene, seconded by Trustee Keller, to approve the August 23, 2018 Regular Board Meeting Agenda as presented. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**3. CONSENT AGENDA**

- b. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- c. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities
- d. LAID OVER ITEM: Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Calendar Item 3a. July 28, 2018 Regular Meeting Minutes was withdrawn.

**MOTION** made by Trustee Greene, seconded by Trustee Keller, to approve Consent Agenda Items 3b. through 3d. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**4. FINANCIAL**

The Treasurer's Reports for March and April 2018 and the draft Treasurer's Reports for May and June 2018 were provided to the Board for review.

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

a. Fiduciary Liability Insurance Policy Review

Ms. McNally reviewed the Fund's current fiduciary liability insurance coverage. She noted the fund had high deductibles as well as high premiums and recommended that the fund review the policies available in the marketplace. She noted that there were certain fines and penalty coverages that were not included in the current policy.

**MOTION** made by Trustee Howell, seconded by Trustee Greene, to change the broker of record to allow research for insurance needs and additional insurance needs. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**MOTION** made by Trustee Greene, seconded by Trustee Keller, to allow the Executive Director to sign the insurance forms on behalf of the Board. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

The board requested that Ms. McNally also provide information on fiduciary, public officer, fidelity, cyber liability, active shooter, employment practices and property casualty insurance policies.

b. Second Quarter Performance Review

Mr. Reynolds reported the Fund's performance for the quarter ended June 30, 2018 was up 0.84%. He noted that the return should be higher once the second quarter number on the alternative investments are realized. He noted that the three-, and five-year periods the fund outperformed the policy index and the Fund performance was in the top quartile of its peers, public plans with less than \$500 million and 40-70% equity. He noted that the fund also had less risk and higher returns than the policy index.

Mr. Reynolds reported that a request had been made to fully redeem the Frontier account and exit the fund. He noted that the new Northern Trust account was set up on August 1<sup>st</sup>. Mr. Reynolds also recommended that Brandes be placed on the watch list.

**MOTION** made by Trustee Greene, seconded by Trustee Keller, to place Brandes in the Watch List. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

c. Flash Report July 2018

Mr. Reynolds provided the Board with the Flash Report for July 2018 for review.

d. 2018 Work Plan

Mr. Reynolds provided the 2018 Work Plan for review.

e. Annual Investment Policy Update

Mr. Reynolds request that the Board adopt the Investment Policy Update.

**MOTION** made by Trustee Howell, seconded by Trustee Keller, to approve the updated Investment Policy. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**6. LEGAL (Ron Cohen – Rice Pugatch Robinson Storfer & Cohen)**

a. Proposed Ordinance Amendment for consistency with the September 3, 2015 IRS Determination Letter

Mr. Cohen reminded the Board that the IRS determination letter included required changes to the ordinance which have not yet been made. He noted that the City had provided a proposed ordinance amendment. The Board discussed the substantive changes included in the proposed ordinance and approved the following recommendations to the City:

- Page 6 - to define the Net Market Rate of Return as net of all fund expenses and not only investment related expenses.
- Page 17 – to delete section (GG) as unnecessary, unless an explanation for its inclusion is provided by the City.
- Page 18 – to accept section (HH) as proposed.
- Page 18 – to delete section (II) as unrelated to the IRS required changes.

b. Request for Executive Session to Discuss Pending Litigation

Mr. Cohen advised that an Executive Session was not required at this meeting. He requested two Executive Session to discuss Pending Litigation with Rent-A-

Center and City of Hollywood Florida v the Board of Trustees of the City of Hollywood Employees Retirement Fund et al. He noted the conditions of the sessions.

Chair Shaw turned the Chairmanship over to Vice Chair Greene.

**MOTION** made by Trustee Shaw, seconded by Trustee Keller, to set end times for meetings, with the exception of disability or money manager presentation, at 12:00pm, allowing for an extension of the meeting by majority vote of the Board. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**MOTION** made by Trustee Shaw, seconded by Trustee Keller, to set a debate time and the number of times a member may speak on a topic to twice and each member be limited to 2 minutes, allowing for time to be extended by a two thirds majority vote of the Board. In a voice vote by the members present, all members voted in favor. **Motion** passed 4-1.

Vice Chair Greene returned the Chairmanship to Trustee Shaw.

## 7. ADMINISTRATIVE ISSUES

### a. Staff Performance Evaluation

Trustees provide their completed evaluation forms of the Executive Director. The overall rating was that Ms. Bailey fully achieves and occasionally exceeds expectation. Ms. Bailey thank the Board for their kind words and support.

### b. Proposed Extension of the Agreement with GRS Retirement Consulting

The Board received a proposal for an extension of the GRS contract. Ms. Bailey also provided the Board with GRS' proposed cost for benefit calculations, DROP and planned retirement calculations, and refund calculations. Ms. Bailey explained that the electronic submission cost in the GRS proposal represented a state mandate that was discussed at the August 2017 Board meeting, and represented an ongoing fee to prepare the submissions.

The Board discussed the calculations of benefits and benefit estimates and agreed to have the actuary verify retirement calculations, planned retirement on an as needed basis. The Board also agreed that members would be would receive their annual benefit statement and an additional from the fund at no charge. Additional estimates may incur costs that would be charged to the member.

### c. City Commission Communication

This item was withdrawn.

### d. Communications from the Executive Director

- Ms. Bailey advised the Board of the Denial of the Disability Application for M. Reidinger.
- Ms. Bailey advised that she responded to the letter regarding the Fund's non-compliance for the Florida Department of Management Services. She also advised that the communication was forwarded to the City Commission and the City manager.

- Ms. Bailey reminded the Board that the FPPTA, Segal and IFEBP conferences were approaching and the staff would be available to assist Trustees with their registration and transportation.
- Ms. Bailey advised the Board that two additional staff members would be joining the Pension Office in the next month.

**8. PUBLIC COMMENTS**

There were no public comments.


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

Trustee Keller advised that the City is awaiting the Required Contribution amount from the Fund and explained its impact on the closure of the City's proposed budget. He advised that there was an informal meeting of the pension task force. He noted that the City hoped to close out the 164 process shortly which would lead to litigation.

Trustee Shaw expressed concerns regarding the delay in the valuation. She requested that the Fund set a deadline for next year's valuation of March 2019. Trustee Shaw discussed the OPEB calculations currently performed by GRS. She also expressed concern regarding delayed payment of the 2012 13<sup>th</sup> check and the Fund's desire to conclude the matter with the City. She also requested that the website be updated as it is a source of information for the members.

**10. ADJOURNMENT**

**MOTION** made by Trustee Greene, seconded by Trustee Strauss, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. Meeting adjourned at 12:03p.m.

  
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Phyllis Shaw, Chair

8/23/2018  
Date