

CORRECTED

**MINUTES
ANNUAL PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
THURSDAY, DECEMBER 13, 2018 AT 9:00AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:07a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair Jeffery Greene (Arrived at 9:55am), Secretary Robert Strauss, Christopher Cassidy, Charles Howell (Arrived 9:15am), George Keller, and Cintya Ramos (Arrived at 9:40am. Left 10:15am, returned 10:30am). Also present: Executive Director Christine Bailey; Keith Reynolds and Rosa Limas of Segal Marco; and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

a. December 13, 2018 Annual Board Meeting Agenda

MOTION made by Trustee Cassidy, seconded by Trustee Keller, to adopt the December 13, 2018 Annual Board Meeting Agenda as amended, to move Agenda Item 7a. before Agenda Item 2b. In a voice vote by the members present, all members voted in favor. **Motion** passed 4-0. Trustees Greene, Howell and Ramos were not in the room.

7. ADMINISTRATIVE ISSUES

a. Resolution of Appreciation

The Board expressed its thanks and grateful appreciation to Christine Blanthorn for her dedicated and professional service to the Retirement Fund and honored her commitment to public service, The Board congratulate her on her well-earned retirement.

MOTION made by Trustee Strauss, seconded by Trustee Keller, to table [Agenda Item 2a.] the Election of Chair and Vice Chair until a greater presentation of members were present. **Motion** passed 5-0. Trustees Greene, and Ramos were not in the room.

3. CONSENT AGENDA

- a. November 1, 2018 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 Cassidy, seconded by Trustee Keller, to approve Consent Agenda Items. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0. Trustees Greene and Ramos were not in the room.

4. FINANCIAL

- a. The Board received May 2018 through August 2018 Final Treasurer's Reports.
- b. The Board received the October 2018 Draft Financial and Budget Reports and questioned the \$13 million loss in Market Value considering that the Fund received \$22 million in Employer Contribution in the month. Ms. Bailey will review the details used in the report and provide an explanation. The Board requested additional changes to the reports.

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

a. Custodial Fee Discussion

Ms. Rosa Limas provided the Board with updated Custody Fees Schedule using Wells Fargo's actual information and noted that Wells Fargo was very competitive when compared with their peers.

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to retain Wells Fargo until an RFP is done next year. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0. Trustees Greene and Ramos were not in the room.

b. Flash Report October 2018

Mr. Reynolds provided the Board with the Flash Report for September 2018 for review. He noted that effective October 2018, Golden Tree reduced their fees. He also noted that Alan Kosan, Head of the Segal Research Team would attend the January meeting of the Board to discuss the 2019 Work Plan.

In response to a question from Trustee Keller, Mr. Reynolds noted that market expectations are expected to remain the same but with greater volatility. He noted that most plans are incrementally reducing their assumed rate of return and that some plans were going down to 7%.

It was noted that the City usually makes a lump sum payment of the Employer Contribution. A discussion of investment and funding alternatives were discussed. It was recommended that these discussion be continued by the Audit/Finance Committee.

MOTION made by Trustee Keller, seconded by Trustee Cassidy, to recall [Agenda Item 2b.] the Election of Chair and Vice Chair. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0. Trustee Ramos was not in the room.

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

b. Election of Chair and Vice Chair

MOTION made by Trustee Strauss, seconded by Trustee Cassidy, to nominate Phyllis Shaw [to the position of Chair]. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0. Trustee Ramos was not in the room.

MOTION made by Trustee Greene to nominate Robert Strauss [to the position of Vice Chair]. Trustee Strauss declined the nomination.

MOTION made by Trustee Strauss to nominate Christopher Cassidy [to the position of Vice Chair]. Trustee Cassidy declined the nomination.

MOTION made by Trustee Ramos, seconded by Trustee Cassidy, to nominate George Keller [to the position of Vice Chair]. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

MOTION made by Trustee Howell, seconded by Trustee Cassidy, to nominate Robert Strauss [to the position of Secretary]. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

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

a. Rent-A-Center Litigation

Mr. Cohen advised the Board that the lead plaintiff in the case has approved a settlement in the case. Labaton has also approved the settlement. He advised that the Court still need to approve the settlement. He noted that the Fund was eligible to apply for reimbursement of fees incurred related to the litigation.

b. Wells Fargo Custody Agreement

Mr. Cohen advised the board that Wells Fargo requested an update of their contract. He noted that the changes requested by Wells Fargo were minor but noted that he requested two additional changes, to add Fiduciary Duty and change the indemnification agreement.

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

Mr. Cohen, in response to a question from the last Board meeting, advised that DROP payments are considered in 415 calculations. He noted that that the floor was necessary for the preservation on capital which the IRS previously accepted. He noted that the proposed ordinance was on the Agenda for First Reading on the January 16th City Commission meeting.

d. Update on the City of Hollywood v. Board of Trustees of City of Hollywood Employees' Retirement Fund et al.

Mr. Cohen noted that the Commission approved an ordinance to allow the City to file a joint motion with the Fund to lift the Stay. He noted that the Police and Fire Funds did not object to the joint motion. He also noted that the motion was filed but due to a backlog, the Court has not yet entered the order.

In response to a question from Trustee Cassidy regarding the litigation, Mr. Cohen noted that the Board defense would be that the 13th check payments were appropriate. Trustee Strauss noted that there were approximately 639 members who were eligible for the 2012 13th check and approximately 25%, 126 had passed away up to the end of the last fiscal year and six more have passed since then. Trustee Strauss noted that these were friends and coworkers and that there is a pressing need for a resolution.

e. Request for Executive Session to Discuss Pending Litigation

Mr. Cohen requested an Executive Session to discuss Pending Litigation with 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 session.

7. ADMINISTRATIVE ISSUES

b. City Commission Communication

The Board received the City Commission Communication.

c. Communications from the Executive Director

- Ms. Bailey advised the Board that there were two Applications for Candidacy received to date for the Trustee Election.

Trustees discussed the Trustee Election and the need for Elections on Proposed Ordinances and whether the Board agreed to bring a ratification vote on the

Proposed Ordinances at the same time as the Trustee Election. Trustees requested that the records be revisited to determine if the Board agreed to proceed with the Proposed Ordinances ratification at the same time as the Trustee Elections.

- Ms. Bailey advised the Board that the retirees' death record search identified 4 retirees as deceased. She noted that one of the retirees was, in fact, still alive. She advised that the payments were stopped and that all overpayments were recouped.
- She advised that the Life Certificates had gone out to the retirees.
- Ms. Bailey also advised that she will issue a request for proposal for New Software and will be setting up demonstrations of what is available.
- Ms. Bailey provided the Board with the Updated IRS Tax Rollover Notice prepared by Mr. Cohen.
- Ms. Bailey advised that the City had requested the Fiscal Year 2018 Financial Statements by January 15th which was an unattainable deadline.
- Ms. Bailey advised the Board that Trustee Shaw would be attending the FPPTA Education Committee meeting in March 2019 in Orlando. She also reminded Trustees that the Winter School would be held at the Rosen Center in Orlando from February 3 – 6, 2019.
- She also provided the Board with the Administrative and Membership Report.

8. PUBLIC COMMENTS

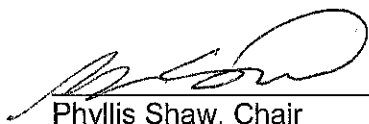
There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

There were no additional Trustee Reports, questions, or comments.

10. ADJOURNMENT

MOTION made by Trustee Shaw, seconded by Trustee Ramos, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 12:00p.m.



Phyllis Shaw, Chair

Date 4/10/19