

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
THURSDAY, APRIL 26, 2018 at 9:00AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:01a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Secretary Robert Strauss, Christopher Cassidy, Charles Howell (arrived at 9:10am – departed at 12:20pm), George Keller, and Cintya Ramos.

Absent and Excused: Vice Chair Jeffery Greene

Also present: Executive Director Christine Bailey, Keith Reynolds and Amy Forebaugh of Segal Marco, James Linn of Lewis, Longman & Walker, Fei-Lu Qian and Joshua Ruthizer of Wolf Popper, Tami Thornton of the City of Hollywood Human Resources Department, and Justine Steele.

a. April 26, 2018 Regular Board Meeting Agenda

MOTION made by Trustee Ramos, seconded by Trustee Keller, to approve the April 26, 2018 Regular Board Meeting Agenda as presented. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

3. CONSENT AGENDA

- a. Draft – March 22, 2018 Regular Meeting Minutes
- b. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- c. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Trustee Cassidy requested that Items 3a. and 3b. be pulled.

MOTION made by Trustee Keller, seconded by Trustee Cassidy, to approve Consent Agenda Item 3c. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

Trustee Cassidy question why the minutes were submitted in draft. Ms. Bailey advised that the meeting was not recorded and asked that Board member review the minutes and add any information they deem appropriate before considering the minutes for approval.

MOTION made by Trustee Keller, seconded by Trustee Cassidy, to table Agenda Item 3a. until the next meeting. In a voice vote by the members present, the Motion was adopted. **Motion** passed 5-1. Trustee Strauss opposed the Motion.

Mr. Cassidy also questioned the distribution of invoices to Board Members prior to their payment. The Board discussed the payments of invoices. After some discussion, a **MOTION** was made by Trustee Ramos, seconded by Trustee Strauss to institute a pilot process for the next two months as follows:

1. Upon receipt, invoices will be emailed to Trustees for review.
2. Trustees will have 5 calendar dates to review and object to the payment of any invoices. Objections should be sent to the Executive Director.
3. If there are no responses or objections after 5 days, the invoices can be processed.

4. If there is an objection to an invoice, the Executive Director will have 3 business days to address the objection and communicate the resolution to the Board. If the objection is addressed, the invoice can be processed. If the objection cannot be addressed, the invoice is to be held until the issue is resolved or until the next Board Meeting.

In a voice vote by the members present, the motion was adopted. **Motion** passed 5-1. Trustee Shaw opposed the motion.

Item 3b. was tabled.

TAKEN OUT OF ORDER

7. ADMINISTRATIVE ISSUES

a. Resolutions of Appreciation

The Board expressed its appreciation and gratitude to Tami Thornton, Cintya Ramos, the Department of Financial Services and the Department of Information Technology for their support, dedication and tireless service to the Board of Trustees and the members of the Retirement Fund. Trustee Shaw expressed appreciation to the Departments, she also expressed appreciation to the members and retirees for their patience. She also thanked Mr. Linn for his service to Fund.

4. TREASURER'S REPORT

No report was provide due to a delay in manager reporting.

5. INVESTMENT ISSUES (Keith Reynolds and Amy Forebaugh – Segal Marco Advisors)

a. Segal Investment Administrative Service Update

Mr. Reynolds and Ms. Forebaugh discussed the setup of the administration of the investment portfolio and the management of the custodial relations with Wells Fargo. Ms. Forebaugh noted almost \$50 million dollars in activities took place in the Fund from December 1, 2017 through March 31, 2018, including Capital calls and transfers. It was noted that Segal would continue to provide services on a month to month basis beginning in June 2018. Trustee Shaw requested a one page report on activities

b. Real Estate Investment Education Session

Mr. Reynolds provided a brief overview of Private Real Estate Investment. He noted that Morgan Stanley was a Core Manager, Principal was Enhanced Core, and recommended that the Board consider a Value-Added Investment from Angelo Gordon to diversify the Fund's Real Estate Portfolio. He recommended that the Board consider reallocate its Real Estate allocation as follows: 5% to Morgan Stanley (approx. \$17 million), 3% to Principal (approx. \$10 million), and 2% to Value Added/Opportunistic (approx. \$6.5 million).

Mr. Reynolds noted that Angelo Gordon Realty Fund X seeks to raise \$2.5 billion and anticipate returns in the mid to high teens. He stated that the fund did not have a benchmark but instead had a targeted investment return.

c. Flash Report March 2018 (Discussed before 5.b.)

Mr. Reynolds provide the March 2018 report to the Board. He reported that returns were flat, slightly negative but anticipate that once the Private Equity

returns for the period are received the return should be positive. Mr. Reynolds noted the addition of the Preliminary Watch List to the Flash Report. Trustee Cassidy expressed his disappointment that Frontier did not adequately address the Board's concern regarding their fee increase. The Board requested that Frontier's review by the Board be moved up from August to July. Keith will provide additional information on Frontier's performance and fees prior to the July meeting for review by the Board. Trustee Shaw requested a monthly one page report listing all manager fees vs. earnings and gains. Trustee Strauss questioned the performance of Brandes. Mr. Reynolds advised that Segal was closely monitoring Brandes and explained why they have not been recommended for the Watch List at this time, including the age of the investment. Segal will continue to monitor the investment and provide the Board with more information.

6. LEGAL ISSUES (James Linn – Lewis, Longman & Walker)

a. Securities Litigation Presentation Wolf Popper LLP

Joshua Ruthizer and Fei-Lu Qian provided an overview of their firm and the benefit they offer the Fund.

MOTION made by Trustee Howell, seconded by Trustee Strauss, to hire Wolf Popper with no fee. In a voice vote by the members present, the motion was not adopted. **Motion** failed 3-3. Trustee Howell, Trustee Shaw and Trustee Strauss supported the Motion and Trustee Cassidy, Trustee Keller, and Trustee Ramos opposed the Motion.

b. Legal Service Agreement with Rice, Pugatch, Robinson, Stofer and Cohen.

The Board reviewed the Legal Services Agreement and agreed to the following: the addition of a 60 day termination clause, changes in billing, adding specific language to include the review of investment documents and contracts, and an effective date of April 27, 2018.

MOTION made by Trustee Cassidy, seconded by Trustee Keller, to enter into the Agreement with Rice, Pugatch, Robinson, Stofer and Cohen. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

The Board discussed the City's placement on a list of Non-Compliant Plans by the Florida Department of Management Services. This appeared to be related to the lack of prefunding for supplemental pension distributions. The Board expressed its hope that a resolution to that matter could be reached quickly.

c. Electronic Communications Options

The Board reviewed the memorandum dated April 18, 2018 from Jim Linn and Glenn Thomas regarding Legal Issues Related to Electronic Communication Options. The Board expressed a desire to establish an email server and to create pension specific email accounts for all trustees.

d. Order granting Troy Porter disability application (*Discussed before 6.b.*)

The Board discuss retroactive determination of Mr. Porter's disability and the overpayment of salary after November 30, 2017, The Board asked Ms. Bailey assist the City in recouping any overpayment that may be owed by Mr. Porter.

MOTION made by Trustee Howell, seconded by Trustee Shaw, to approve the order granting Troy Porter's disability application. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

7. ADMINISTRATIVE ISSUES

- b. Proposed Changes to the By-Laws
 On a **MOTION** made by Trustee Ramos, seconded by Trustee Cassidy, Proposed Changes to the By-Laws was laid over.
- c. Credit Card Agreement and Policy Update
MOTION made by Trustee Ramos, seconded by Trustee Cassidy, to approve changes to the Credit Card Agreement. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.
- d. Executive Director's Contract (*Discussed before 7.b.*)
 The Board reviewed and discussed the Executive Director's contract including a change to the Health and Life Insurance Benefits, and the effective date of the agreement submitted by Mr. Linn. In additionally, the Board agreed to changes to the Term, Paid Leave and Professional Development

Trustees made the following motions and casted votes as follows:

Section	Motion by	Second by	Votes Cast
Section 1			No vote required
Section 2	C. Cassidy	G. Keller	Adopted 5-0
Section 3	C. Ramos	C. Cassidy	Adopted 5-0
Section 4	C. Cassidy	C. Ramos	Adopted 5-0
Section 5A as amended	C. Cassidy	G. Keller	Adopted 5-0
Section 5B with 15 days of annual leave	C. Cassidy	R. Strauss	Failed 2-3 Trustees Keller, Ramos and Shaw opposed
Section 5B with 25 days of annual leave	G. Keller	C. Ramos	Adopted 3-2 Trustees Cassidy and Strauss opposed
Section 5B as amended with employee must use 15 Days of annual leave			Adopted 5-0
Section 5C	C. Cassidy	C. Ramos	Adopted 5-0
Section 5D and 5E	C. Cassidy	C. Ramos	Adopted 5-0
Section 5 Addition	C. Cassidy	C. Ramos	Adopted 5-0
Section 6-End	G. Keller	C. Ramos	Adopted 5-0
Section 7 as amended	C. Cassidy	C. Ramos	Adopted 5-0

e. City Commission Communication

The Board received the City Commission Communication with one edit.

f. Communications from the Executive Director

The Board received Communications from the Executive Director.

- Ms. Bailey advised that the term of Trustee Howell expires on June 30, 2018 and that the City Commission had received two Advisory Board and Committee Interest Forms for Citizen Member of the Board of Trustees starting July 1, 2018.
- Ms. Bailey advised the Board that a temporary employee has been hired to assist in the Fund Office until more permanent staff is hired. Ms. Thornton and Ms. Bailey advised that the initial responses to the Job Posting for the full time position had been discouraging and that the position had been renamed to Deputy Executive Director and re-advertised including advertising on the International Foundation Website. They also advised the Board that resumes for the Part-time position were being reviewed.
- Ms. Bailey advised the Board of the legal memorandum regarding the 2018 Retirement Legislation – Final Update was available and would be provided at a later date.
- Ms. Bailey advised that FPPTA would be holding their 2018 Board of Directors' Elections at their Annual Conference in June and that FPPTA had provided information on the candidates for Director.
- Ms. Bailey advise that Executive Director's Cell Phone was now activated.

8. PUBLIC COMMENTS

There were no Public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Keller requested that the Board review its procedures with an effort to reduce the length of the meetings. Trustee Cassidy requested that we look to technology to assist. He requested that we move forward with obtaining new pension management system to expedite member issues and obtaining a separate email server. Trustee Shaw suggested that the length of the Board meeting should be specific and a vote should be required to extend the meeting beyond that time. She specified the priority of the Director should be the member issues.

Trustee Cassidy inquired about the reimbursement process had changed with the issuance of the credit cards. The Trustees agreed that the process has not changed. Trustee Ramos thanked Ms. Bailey for all her effort to date and Trustee Strauss thanked Ms. Bailey for her attendance at the April meeting of the Retiree's Association. Trustee Strauss also discussed the City's Fiscal Retreat and the presentation made by the Fund. He discussed the establishments of the current Pension office and the relocation of the office. He also asked that we expedite the processing of Mr. Porter's disability pension.

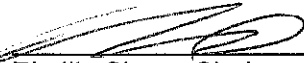
Trustee Shaw expressed her appreciation to Mr. Linn for the work that he has done on behalf of the Fund. Mr. Linn advised the Board that he would provide all the records that his office following the State's Retention Policy.

10. PENSION COORDINATOR'S REPORT

There was no Pension Coordinator's Report.

11. ADJOURNMENT

MOTION made by Trustee Keller, seconded by Trustee Ramos, to adjourn the meeting. In a voice vote by the members present, **MOTION** passed 5-0. Meeting adjourned at 2:01 p.m.



Phyllis Shaw, Chair

6/5/18

Date