

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
THURSDAY, June 28, 2018 at 9:00AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:13a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair Jeffery Greene (via teleconference), Secretary Robert Strauss, Christopher Cassidy, Charles Howell, George Keller (arrived at 9:17a.m.), and Cintya Ramos.

Also present: Executive Director Christine Bailey; Felicia Ewell, Francois Otieno, and Keith Reynolds of Segal Marco; Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen; and Hilde Johnson, plan member.

a. June 28, 2018 Regular Board Meeting Agenda

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to approve the June 28, 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. May 24, 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 Strauss, to approve the Consent Agenda. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

4. TREASURER'S REPORT

The Treasurer's Reports for January and February 2018 and the Draft Reports for March and April 2018 were provided to the Board for review. Ms. Shaw thanked the City for continuing to provide the Treasurer's Reports.

5. INVESTMENT UPDATE

- a. Education Session: Emerging Manager Programs

Francois Otieno provided an overview of the Emerging Manager landscape and how the inclusion of emerging managers can be an additive to the performance of the Fund. He advised that the first step in developing an emerging manager program was to define the parameters of the program. He noted that some programs were defined by the asset platform, or by ownership. He also noted that the programs did not come at the expense of performance and that research has shown that emerging managers add value.

Mr. Otieno advised that there are currently 2,300 firms defined as Minority, Women and/or Disabled-owned firms in the Investment Alliance Database. He explained Segal's search methods and noted that all managers, including emerging managers must meet Segal's principles of research and ranking.

Mr. Otieno stated that there are two options when considering an emerging manager program. Either establishing a dedicated program or including an emerging manager component in standard searches. Trustee Shaw thanked Mr. Otieno and requested continued discussion on the economics that can be obtained through an emerging manager program.

- b. Annual Investment Policy Update
Mr. Reynolds provided Trustees with an updated Investment Policy for their review and consideration. The Policy will be considered for adoption at the next regular meeting of the Board.
- c. Flash Report May 2018
Mr. Reynolds provided the Board with the Flash Report for May 2018 for review. He noted the fund increased by over \$1 million in the month of May. The Fund is up 4% fiscal year to date. Trustee Shaw noted the addition of the administrative activity to the Flash Report.
- d. 2018 Work Plan
Mr. Reynolds provided the 2018 Work Plan for review.

Mr. Reynolds also provided a report of 2018 Capital Market Assumptions, noting the increase return from the Board decision to move into alternative investment strategies. Trustee Strauss inquired on the status of Frontier. Mr. Reynolds advised that the research group was preparing a report for the Board to consider.

6. **DISABILITY APPLICATION**

- a. Initial Hearing: Disability Application of Hilde Johnson.
(Trustee Greene disconnected during this portion of the meeting.)
Mr. Cohen summarized the contents of Hilde Johnson's Disability File.

MOTION made by Trustee Cassidy, seconded by Trustee Keller, to approve the Non-Duty Application of Hilde Johnson. In a voice vote by the members present, **Motion** passed 7-0. Ms. Johnson thanked the Board for their approval of her application. Mr. Keller thanked her for her service to the City.

(Trustee Greene reconnected.)

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

- a. Proposed Changes to the By-laws
The Board reviewed and discussed the proposed changes to the By-laws.

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to amend the proposed By-laws to include a Financial Report similar to the Treasurer's Report. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

MOTION made by Trustee Strauss, seconded by Trustee George Keller, to adopted the proposed changes to the By-laws as amended. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0. (Trustee Cassidy exited the room briefly prior to the vote.) Trustee Keller requested that the record reflect that amendment to Article IV requesting the City's assistance is intended as a request and that information and assistance would be provided as before.

- b. Update on City of Hollywood v. City of Hollywood Employees' Retirement Fund
- c. Communication from the Florida Department of Management Services.
Mr. Cohen provided an update on the City of Hollywood v. City of Hollywood Employees' Retirement Fund litigation. He advised the he had spoken to the City's outside counsel and had a brief conference call with outside counsel and

him and the Counsel for the Police and Fire Pension Funds. He advised the City's counsel that the Board would like to conclude this matter and would not granting any further extension for the 164 process. He also advised the City's counsel that the Actuarial Valuation included prefunding of future supplemental benefit distributions which the City has not fund to date. Mr. Cohen advised that he requested a meeting with the City in an effort to resolve this matter. Trustee Keller advised that the City also interested in concluding this matter.

- d. Audit Finding 2017-001 – Non-compliance with 112.63(4), Florida Statue
Mr. Cohen noted the Audit finding and the response provided by management for the Board's review.

8. ADMINISTRATIVE ISSUES

- a. City Commission Communication
The Board received the City Commission Communication.
- b. Communications from the Executive Director
The Board received Communications from the Executive Director.
- Ms. Bailey provide trustees with an update of the Deputy Executive Director search. She advised that of those interviewed, none were selected. The position had been reclassified and re-advertised with cover letters and resumes coming directly to the pension Office.
 - Ms. Bailey advised that the Pension Office would be closed on Friday June 29th from 2-5pm.
 - Ms. Bailey also advise of a delay in providing the actuary with the data necessary to complete the 2017 Actuarial Valuation.

9. PUBLIC COMMENTS

Public comment was made by: Ronald Bolton

10. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Cassidy reported on his attendance at the FPPTA Annual Conference including the Election of Directors for FPPTA. Trustee Strauss stated that as the elected Retiree representative he was concerned about the holdup in the payment of the 2012 supplemental pension benefit. Trustee Cassidy and Trustee Shaw discussed the addition of staff to the Pension Office.

11. PENSION COORDINATOR'S REPORT

The Board Receive the Executive Directors Report. The Board discussed the Death Notification Processes, the

12. ADJOURNMENT

MOTION made by Trustee Keller, seconded by Trustee Howell, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 11:30 a.m.



Phyllis Shaw, Chair



Date