

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
TUESDAY, MARCH 26, 2019 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, Jeffery Greene, Christopher Cassidy, Charles Howell (via teleconference), and Cintya Ramos. Also present: Executive Director Christine Bailey; Keith Reynolds and Felicia Ewell of Segal Marco; and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

Vice Chair George Keller and Secretary Robert Strauss were Absent and Excused.

Trustee Howell granted permission to record his participation for the meeting.

a. March 26, 2019 Regular Board Meeting Agenda

**MOTION** made by Trustee Cassidy, seconded by Trustee Ramos, to adopt the March 26, 2019 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

**3. CONSENT AGENDA**

- a. January 22, 2019 Regular Meeting Minutes - Correction
- b. February 26, 2019 Regular Meeting Minutes
- c. March 4, 2019 Special Meeting Minutes
- d. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- e. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

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

**4. FINANCIAL**

- a. Ms. Bailey provided the Board with the February 28, 2019 Draft Financial Operations and Investment Summary
- b. Ms. Bailey provided the Board with the Budget Variance Report as of February 28, 2019.

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

- a. February 2019 Flash Performance Report  
Mr. Reynolds provided the Board with the Flash Performance Report for February 2019. He noted that the returns were flat for the fiscal year to date but highlighted that the returns for the calendar year to date were significantly better. In response to a question, Mr. Reynolds noted that IFM's returns were flat year to date. He highlighted that they had an 18% return in FY 2018 and stated that more detailed information would be available once the quarterly report was completed.

**Asset Liability Study**

Mr. Reynolds discussed the Asset Liability Study and the 2018 Actuarial Valuation Report. Trustee Cassidy questioned the value of a report on the current Plan given potential changes being considered. Mr. Reynolds noted that the results of the study could be modeled on the current plan and rerun to include any changes to the plan. Mr. Reynolds discussed the portfolio modelling that would result from the study. It was noted that the Investment Committee would

review the model portfolios and make their recommendation, but the Board would make the final decision.

**MOTION** made by Trustee Greene, seconded by Trustee Ramos, to proceed with the Asset Liability Study at a cost of \$25,000. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

The Board discussed the 2019 Work Plan for the Board and for the Investment Committee. The Board requested that the Work Plan clearly delineate the items for the Board and Investment Committee meetings. Trustees agreed to move the Investment Meetings to 2:00p.m.

**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 noted that there was a memorandum of understanding (MOU) between AFSME Local 2432 and the City. It was noted that the Ordinance would not be in effect until it was adopted by the members of the Fund. Mr. Cohen also discussed his memorandum dated March 21, 2019 to Ms. Bailey regarding the definition of Market Rate of Return used in the ordinance. He noted that Mr. Thomas, the former Board counsel had written to the IRS and provided them with an MOU between the City and Local 2432. He stated that this appears to be the origin of the language. He did note that there may be additional explanations prior to that MOU but he had not located any.

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

Mr. Cohen advised the Board that the stay had been lifted and that he had filed a joint motion with the City's outside counsel to sever the Fund from the current combined lawsuit. He noted that the other two funds did not oppose the motion, He advised that he remains concerned about the pace of the lawsuit and noted that he would be proceeding with discovery.

- c. Review Sunshine Law  
This review was held over.

- d. 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.

- e. Securities Litigation – BLB&G, LLP and Wolf Popper, LLP

Ms. Bailey provided information on the securities litigation proposals from BLB&G, LLP and Wolf Popper, LLP. The Board discussed the proposals and the securities litigation process.

**MOTION** made by Trustee Greene, seconded by Trustee Howell, to accept both proposals and add these firms to the current securities litigation pool. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

The Board discussed a proposed lawsuit against Spectrum Holdings. A representative of Labaton, after consenting to be recorded, presented the proposed lawsuit. **MOTION** made by Trustee Greene, seconded by Trustee

Howell, to move forward with the case. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

## 7. EXECUTIVE DIRECTOR'S REPORT

### a. City Commission Communication

The Board received the City Commission Communication.

### b. Board Meeting Schedule – May 2019

Ms. Bailey requested that the Board change the May 28<sup>th</sup> meeting of the Board of Trustees due to conflicting events for some Trustees. **MOTION** made by Trustee Greene, seconded by Trustee Ramos, to reschedule the May 28<sup>th</sup> Regular Meeting of the Board of Trustees to Wednesday, May 22, 2019 at 9:00a.m to 12:00noon. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

### c. Website Proposals

Ms. Bailey provided the Board with Website proposals received from CivicPlus, The Pink Collective, Vincent Martinez, and Karmic Bliss. The Board requested that Ms. Bailey request a summary of each proposal and a spreadsheet comparing the services under the proposals.

### d. Member Considerations

- Ms. Bailey advised the Board that there were 14 deceased retirees with 24 beneficiaries currently receiving benefits who may be affected by the rule regarding non-spousal beneficiaries who are 10 or more years younger than a retiree. She also advised that the office had review about a third of the current retirees and identified at least 10 affected by the rule.
- Ms. Bailey advised the Board that there were also beneficiary re-designation forms in member files that appear not to have been processed.
- Ms. Bailey advised the Board that F. Pinnock requested to join Planned Retirement as of December 2018, the date she first contacted the Retirement System and was told that she could join retroactively and therefore did not submit the form at that time. The Board agreed to accept Ms. Pinnock's application based on her particular circumstance.

### e. Communications from the Executive Director

- Ms. Bailey advised the Board that a second and final communication had been sent to retirees who had not yet responded. She noted that the responses to the second letters were good and still incoming. She stated that approximately 125 had not yet returned the certificates.
- Ms. Bailey advised the Board that the City Commission would hold its annual Fiscal Retreat on April 17, 2019 and the Fund will provide the Commission with an overview of the Fund, its progress and concerns.
- Ms. Bailey advised the Board that the Actuary completed GASB 67 and it had been submitted to the City. She noted that the Auditors had not yet conducted their onsite visit.
- Ms. Bailey advised the Board that the FY2019 budget included two summer internships. These individual will assist with the review of benefit calculations and the development of new forms and form letters. She

also advised that a Summary Plan Description of Benefits was being prepared.

- Ms. Bailey provided the Board with a comparison of the costs of benefits proposed for Fund's staff and those of similar positions in the City of Hollywood and the CRA. After discussion, the Board determined that any additional benefits for staff should be conducted on the anniversary of their employment.

**8. PUBLIC COMMENTS**

There were no public comments.

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

There were no Trustee comments.

**10. ADJOURNMENT**

**MOTION** made by Trustee Greene, seconded by Trustee Cassidy to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. Meeting adjourned at 12:00p.m.

  
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Phyllis Shaw, Chair

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Date 2/16/19