

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, AUGUST 27, 2019 AT 9:00AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:10a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair George Keller (Arrived at 10:55am), Secretary Robert Strauss (telephonically), Christopher Cassidy, Charles Howell, and Cintya Ramos. Also present: Executive Director Christine Bailey; Pension Coordinator Veron Sibble; Felicia Ewell of Segal Marco; Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen; and Diane McNally and Matthew Jackson of Segal Select Insurance Inc.

Jeffery Greene was Absent and Excused.

a. August 27, 2019 Regular Board Meeting Agenda

MOTION made by Trustee Cassidy, seconded by Trustee Howell, to allow Trustee Strauss to attend the meeting telephonically. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

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

MOTION made by Trustee Cassidy, seconded by Trustee Ramos, to adopt the August 27, 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. July 23, 2019 Regular Meeting Minutes
- b. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- c. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Ms. Bailey advised the Board that 3a. Minutes of the July 23rd meetings, 7a. City Commission Communication and 7b. Administrative Consideration would not be available for review at this meeting.

MOTION made by Trustee Strauss, seconded by Trustee Cassidy, to table the July 23rd minutes, Commission Communications and Administrative considerations regarding clarification of the ordinance, to the next meeting. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to approve Agenda Item 3b. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

Trustee Cassidy inquired about the benefits that were stopped due to missing life certificates. Ms. Bailey advised that benefits were stopped for six retirees. Of those, three members have completed the certificates and their benefits were restarted. She noted that three members who were stopped had not yet submitted their life certificates, Cynthia Commella, Mary Schoenbrod, and Alfonso Vassall. She noted that James True, was also stopped. While we believe we have spoken to him, he has not return the life certificate. She also noted that Lundy Schwark, was not stopped as of the report date but was stopped in August as he indicated that he would submit the forms and had not done so.

MOTION made by Trustee Cassidy, seconded by Trustee Ramos, to approve Agenda Item 3c. Trustee Howell noted that he was not able to vote on the benefits of Virginia Catania as she was his client.

MOTION amended by Trustee Cassidy, seconded by Trustee Ramos, to approve Agenda Item 3c with the exclusion of Virginia Catania. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

MOTION by Trustee Cassidy, seconded by Trustee Ramos, to approve the death benefits payable to Virginia Catania. In a voice vote of the members present, **Motion** passed 4-0. Trustee Howell abstained.

4. **FINANCIAL**

- a. Ms. Bailey provided the Board with the Draft July 31, 2019 Financial Operations and Investment Summary.
- b. Ms. Bailey provided the Board with the Budget Variance Report as of July 31, 2019.

Trustee Shaw requested that documentation be provided to explain the relationship between the expenditures on the Financial Operations and Investment Summary and those on the Budget Variance Report. Trustee Cassidy noted a discrepancy between the Salaries and Taxes & Benefits on the Budget Variance report and the supporting documentation provided of the Financial Summary. Ms. Bailey will review the report and provide the Board with an explanation of the discrepancy.

MOTION made by Trustee Strauss, seconded by Trustee Cassidy, to table Agenda Item 4a. and 4b. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

- c. Ms. Bailey provided the Board with the Fiscal Year 2020 Proposed Budget. The Board discussed the proposed budget and requested changes in the budget to reflect additional anticipated costs.

MOTION made by Trustee Cassidy, seconded by Trustee Ramos, to table Agenda Item 4c. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

- d. Trustee Howell advised the Board that the Audit Committee reviewed a proposal from Marcum, LLP to conduct the Fiscal Year 2019 Financial Audit at a cost of \$19,000. He advised that the Audit Committee unanimously recommended that Marcum be engaged to conduct the audit. He stated that due to time constraint, the fact that Marcum has previously conducted the audit, as well as the fact that they already have relationship with the City, the committee concluded that Marcum should be engaged for the 2019 Audit and a RFP can be issued for future engagements.

MOTION made by Trustee Howell, seconded by Trustee Strauss, to engage Marcum to perform the Fiscal Year 2019 Financial Audit at a cost of \$19,000. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

5. **INVESTMENT (Felicia Ewell – Segal Marco, Diane McNally, Matthew Jackson – Segal Select)**

a. July 2019 Flash Performance Report

Ms. Ewell provided the Board with the Flash Performance Report for July 2019. She noted that the assets were up \$1 million over June 2019. She noted that performance was positive in July and that the alternative managers had not yet reported their performance.

b. Board Insurance Update

Ms. McNally and Mr. Jackson presented the 2019 Insurance Summary for the Board's Fiduciary and other insurance policies and information on the renewal of the policies.

In response to a question about the Public Officers Bond, Ms. McNally advised that all Trustees and employees were covered under the Fiduciary Bond. She noted that the limits on liability were not singular but per occurrence. Mr. Cohen advised that he did not believe that the State required the Public Official Bond. The Board requested that going forward the policy renewal periods begin on October 1st. Mr. Jackson noted that it was possible and would only require a small per diem rate to cover the additional 3 days.

Ms. McNally also noted that the Active Shooter policy was still available for the Board of consider.

MOTION made by Trustee Keller, seconded by Trustee Strauss, to renew the Board's insurance policies as recommended. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

c. 2019 Work Plan

Ms. Ewell noted that the ALM Study review would have to be rescheduled as the August Investment Committee meeting was cancelled. Trustee Shaw recommended that the review be done at the September Board meeting.

Trustee Shaw noted that the Segal Contract expired in December 2019. She recommended that the contract be extended for an additional year to allow the continuation of the work with the ALM Study.

Mr. Cohen noted that the Loomis Sayles contract was a comingled fund. He noted that this was a collective trust fund created under certain revenue rulings which allows pension plans to invest in a group trust. While common and used by many of his clients, the documents say that the Board must adopt the documents of the trust in the plan documents. Mr. Cohen recommended that the pension ordinance be amended to allow for these documents to be incorporated by reference into the plan. He advised that he would continue to discuss the issue with Keith.

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

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

Mr. Cohen noted that the City is still in communication with the State to see if they will accept a payoff of the amount still owed. He noted that the State requested a breakdown of the amount owed from the Fund's Actuary. Trustee Keller noted that he believed that all the terms for the payment of the outstanding

13th check and the prefunding had been settled except the City's request of the State to amortize the outstanding prefunding required contribution.

b. George Glover

Mr. Cohen advised the Board that the Board has been served with a lawsuit, Emily Glover, individually, and as personal representative of the estate of George Glover v. Ferihaja Kolari, the City of Hollywood Employees Retirement Fund, and the City of Hollywood. He summarized the complaint in the lawsuit.

Mr. Cohen noted that the Fund would have been exposed to double jeopardy. He noted that the board may interplead to determine the ownership of the benefit. Mr. Cohen noted that Ms. Glover's attorney has requested that the benefit be paid to him. Mr. Cohen recommended that the Board seek to keep the funds until the issue was resolved. Trustees noted that the Board should not give consideration to changing a member's designation after they have passed. They concluded that it is the Fund's obligation to pay the benefits as the member designated.

MOTION by Trustee Cassidy, seconded by Trustee Keller, to extend the meeting for 20 minutes. In a voice vote of the members present, **Motion** passed 6-0.

MOTION by Trustee Keller, seconded by Trustee Cassidy, to freeze the assets payable to the beneficiary of Mr. Glover. In a voice vote of the members present, **Motion** passed 6-0.

MOTION by Trustee Keller, seconded by Trustee Howell, to appoint current attorney to represent the Fund in the Glover case. In a voice vote of the members present, **Motion** passed 6-0.

c. COHERF 401(a)

Mr. Cohen advised the Board that the setup documents for the COHERF 401(a) Plan for the pension staff was complete and once signed the 401(a) account can be setup.

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. Request for Executive Session to Discuss Pending Litigation

Mr. Cohen requested an Executive Session to discuss Pending Litigation with Glover v, Kolari, City of Hollywood Employees' Retirement Fund, and City of Hollywood. He noted the conditions of the session.

7. **EXECUTIVE DIRECTOR'S REPORT**

c. Communications from the Executive Director

- Ms. Bailey advised the Board that the Retiree Audit was completed with 6 members stopped. Three who we believe we have contacted, but cannot confirm and three who we have had no communication with since the audit began in January.
- Ms. Bailey advised the Board that there were 149 members eligible to retroactively DROP and of those 70 members chose to DROP retroactively.

8. PUBLIC COMMENTS

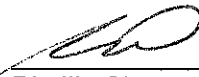
There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Keller requested that the recalculation of Cameron Benson be placed on the Agenda for the September meeting. Trustee Shaw also requested that the recommendation regarding retirees who designated non-spousal beneficiaries who were 10 or more years younger be placed on the September Agenda.

10. ADJOURNMENT

MOTION made by Trustee Keller, seconded by Trustee Howell to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. Meeting adjourned at 12:47p.m.



Phyllis Shaw, Chair

Date

9/23/19

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, CHARLES HOWELL, hereby disclose that on August 27, 20 19 :

(a) A measure came or will come before my agency which (check one or more)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, _____ ;
- inured to the special gain or loss of my relative, _____ ;
- inured to the special gain or loss of VIRGINIA CATAINA, by whom I am retained; or
- inured to the special gain or loss of _____, which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

APPROVAL OF APPLICATION FOR SURVIVING BENEFICIARY BENEFITS.

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

9/11/19
Date Filed

Charles Howell
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.