

**MINUTES  
ANNUAL PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
TUESDAY, DECEMBER 10, 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, Secretary Robert Strauss, Christopher Cassidy, Charles Howell (telephonically), and Adam Reichbach, Also present: Executive Director Christine Bailey; Felicia Ewell of Segal Marco; and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

Jeffery Greene was absent and excused.

**MOTION** made by Trustee Cassidy, seconded by Trustee Keller, to allow Trustee Howell to attend the meeting telephonically. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

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

**A. December 10, 2019 Annual Board Meeting Agenda**

**MOTION** made by Trustee Cassidy, seconded by Trustee Keller, to adopt the December 10, 2019 Annual Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

**B. Election of Chair, Vice Chair and Secretary**

**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.

**MOTION** made by Trustee Cassidy, seconded by Trustee Strauss, 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 6-0.

**MOTION** made by Trustee Keller, 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 6-0.

**3. CONSENT AGENDA**

- A. November 12, 2019 Regular Meeting Minutes
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Trustee Strauss requested that information not be redacted from the documents submitted to the Board. Ms. Bailey advised that the information can be requested publicly and that going forward the documents would be submitted without redaction. Trustee Shaw requested that the information provided to the Board is compliant with applicable laws, including the continued redaction of Social Security numbers. Trustee Strauss also inquired about the restoration of retiree benefits after receipt of a Life certificate and noted that he hoped that the suspension of benefits would not become routine.

Trustee Cassidy questioned the use of a rental car for conference travel. Ms. Bailey noted that in the particular instances questioned, it was less expensive to rent and fuel a car than to be reimbursed for mileage for the use of a personal vehicle.

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

**4. FINANCIAL**

- a. Ms. Bailey provided the Board with the Draft October 31, 2019 Financial Operations and Investment Summaries. Ms. Bailey noted that this is the first report for FY2020 and therefore the opening balances would no longer reflect the October 1, 2018 balances but the October 1, 2019 balances. Trustee Strauss inquired if the \$24 million contributions reflected the 2020 employer contributions. Ms. Bailey confirmed that it was.
- b. Ms. Bailey provided the Board with the Budget Variance Report as of October 30, 2019.

**5. INVESTMENT (Felicia Ewell – Segal Marco)**

- a. October 2019 Flash Performance Report  
Ms. Ewell advised that the October Flash Report was not available as the hosting provider for their reporting system had experienced a cyberattack and shut down their systems immediately. She noted that the breach did not have access or compromise any client data. She advised that as soon as the system was back online, the reports would be sent to Ms. Bailey for distribution to trustees. Ms. Ewell noted that the domestic equity, international and fixed income indices were all up for the month of October as well as year to date. Trustee Strauss requested that Segal provide a more detailed written report on the breach.

Ms. Ewell advised that Brandes cash on hand as of November 30<sup>th</sup> was 13.79% with an average cash holding of 5% year to date.

- c. 2020 Work Plan  
Ms. Ewell provided the Board with the preliminary 2020 Work Plan. She noted that additional detail would be added to the plan once the ALM study was completed.

Trustee Shaw noted that the ALM Study was expected in March and recommended that the Board move the March meeting to 9:00am.

**MOTION** made by Trustee Strauss, seconded by Trustee Cassidy, to move the March 31, 2020 meeting from 6:00pm to 9:00am and move the April 28, 2020 meeting from 9:00am to 6:00pm. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

**MOTION** made by Trustee Keller, seconded by Trustee Reichbach, to move the June 23, 2020 meeting from 6:00pm to 9:00am and move the October 27, 2020 meeting from 9:00am to 6:00pm. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

**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 settlement agreement had been signed by the City and the Mayor, and would be signed by Chair Shaw and himself after the meeting, after which he would seek the dismissal of the lawsuit.
- b. Segal Investment Consultant Contract Extension  
Mr. Cohen advised that Segal had signed the contract extension and it would be signed by Chair Shaw and himself after the meeting. He noted that the contract extension would be for two years.
- c. 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**

a. City Commission Communication

The Board received the City Commission Communication with meeting date changes approved earlier.

b. Member Considerations: (i) Recoupment of Overpayment – C. Benson

Ms. Bailey advised the Board that Mr. Sheffel requested that his repayment be expedited, therefore his pension would be suspended from January 2020 through August 2020.

Ms. Bailey noted that Mr. Benson was overpaid by \$288.52 for 33 months or \$9,459.33 and the initial recommendation was that the repayments be made in the same amounts over the same period. She noted that Mr. Benson had requested that the payments be made in 3 annual payments each January. After discussion, the Board determined that it would be difficult to track individual repayment options and therefore repayments should be made monthly or in a lump sum as had been the practice. Mr. Cohen noted that the amount of the overpayment was less than included in the GRS calculation and in his letter to Mr. Benson of \$9,747.85. Ms. Bailey noted that the GRS calculation assumed a November 2019 overpayment, however the November payment was reduced timely.

**MOTION** made by Trustee Keller, seconded by Trustee Strauss, to set the minimum repayment at \$288.52 for 33 month. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0. It was noted that Mr. Benson would still have the option to repay the amount in a lump sum or higher monthly payments.

Ms. Bailey advised that she was researching an additional overpayment to another retiree and anticipated that there would be more. She stated that she would work with Mr. Cohen to develop a repayment policy to clearly define the parameters used to recoup overpayments.

c. Administrative Considerations: (i) Supplemental Pension Distribution 2012

Ms. Bailey advised the Board that transferred contributors did not receive a Supplemental Pension Distribution (SPD) for Fiscal Year ended September 30, 2012 but they did received an SPD for fiscal year ended September 30, 2013. She advised that she had reviewed the section of the ordinance covering the coordination of benefits with Mr. Cohen and believe that the ordinance does not provide an SPD from the Fund to these members. The Board concurred and questioned the recoupment of the 2013 SPD paid in error. The Board requested a list of the members and amounts received from the 2013 SPD.

c. Administrative Considerations: (i) Restoration of Benefits – Impact of break-in-service.  
Trustee Keller advised that he was one of the members impacted by any Board determination and would therefore not be voting on this issue. He noted that he might have information pertinent to the discussion and if so, would participate in the discussion. (See Form 8B – Memorandum Of Voting Conflict For County, Municipal, And Other Local Public Officers attached)

Ms. Bailey advised the Board that the amendments to the ordinance that restored previously frozen benefits include a date of hire criteria, however, the ordinance did not address whether it was date of first hire, date of last hire or another date. She advised that she had reviewed the ordinance with Mr. Cohen and they both recommend that the date of hire to be used for determining the restoration of benefits should be date of first hire.

Trustee Cassidy requested that any member who was eligible receive service credit by repaying a refund, from a prior membership, be notified of their option to do so.

**MOTION** made by Trustee Adam Reichbach, seconded by Trustee Strauss, to define the date of hire used to determine the effective date for eligibility and benefits to be the date of first hire, with an exception to this rule that if the member received a refund and forfeited their prior membership rights, the effective date for eligibility and benefits would be the first date that the employee returns as a member of the Plan, unless the member repays the refund in accordance with the City's ordinance section §33.025(N). In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0. Trustee Keller abstained (See Form 8B attached).

c. Communications from the Executive Director

- Ms. Bailey advised the Board that the FY2019 financial auditors met with the staff in December to discuss the audit plan and anticipated that try would be onsite at the beginning of January.
- Ms. Bailey noted that the Summary Plan Description was drafted and would be ready for review by stakeholders by the end of the year. She anticipated that the Summary Plan Descriptions would be ready by Spring 2020.
- Ms. Bailey provided the Board with lists of the current DROP participants, Planned Retirement Participants, and Retirees whose benefits have been stopped pending receipt of life certificates.
- Ms. Bailey advised that the Fund continues its distribution of the Supplemental Plan Description.

Trustee Keller requested a timeline for the review of all retiree recalculations. Ms. Bailey will provide a timeline at the next meeting.

8. **PUBLIC COMMENTS**

There were no public comments.

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

Trustee Cassidy inquired about a particular member's participation in the DROP. Ms. Bailey noted that the member was not participating in the DROP. She noted that he had completed retiree healthcare forms with the City in error without completing the DROP application forms, resulting in a disruption of his health benefits and payments. She also noted that his pension contributions were not stopped and were correct.

Trustee Strauss questioned members' participation in the DROP and their understanding of the DROP. Ms. Bailey advised that all members were informed of the DROP and provided with DROP packets outlining the program. Trustee Cassidy noted that member questions may be related to the City's implementation of new software and a new payroll system.

Trustee Strauss noted that both the Fund's investment consultant and actuary, had advised that the Fund should review the Actuarially Assumed Interest Rate of Return (AIR) as there was only a 40% change of the Fund achieving the AIR. He reminded the Board that the Fund had already reduced the AIR but that the rate remains on the high spectrum of assumption rates. He also noted that Board had considered reducing the amortization period for the payment of the unfunded liability. Trustee Shaw noted that once the ALM study was completed, the Board would review its funding levels and, working with the City, would create a roadmap for the AIR and the Fund investments. Trustees agreed that the AIR and the amortization of the unfunded liabilities would be revisited.

Trustee Keller noted that a lot of activities related to the pension system have concluded and gone well. He thanked everyone for their efforts toward the Fund's success. He advised the Board that the final report of the Fire Pension Fund forensic audit was concluding and that there


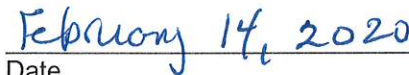
might be inquiries coming to the Trustees and staff that might be unrelated to the Employees' Fund. Trustee Strauss requested that the City's public relations department clearly indicate that any report does not apply to this Fund.

Trustee Cassidy requested that communication go out to DROP participants regarding the issuance of their quarterly statements. Ms. Bailey advised the Board that the calculation of the Net Investment Rate of Return had been revised to more accurately calculate the rate. She noted that the Actuary had reviewed and confirmed the first three rates calculated using the new method.

Trustee Shaw thanked the office staff for a successful year. She noted there were many changes to the Plan that were successfully implemented during the year.

10. **ADJOURNMENT**

**MOTION** made by Trustee Cassidy, seconded by Trustee Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:50a.m.

  
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Phyllis Shaw, Chair  
  
  
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Date