

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, APRIL 28, 2020 AT 9:00AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:06a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

All attendees participated telephonically. Board Members: Chair Phyllis Shaw, Vice Chair George Keller (left at 10:30am), Secretary Robert Strauss (joined at 9:10am), Christopher Cassidy, Jeffery Greene, Charles Howell and Cynthia Ramos. Also present: Executive Director Christine Bailey; Keith Reynolds, Felicia Ewell, John Ross and David Palmerino of Segal Marco; Matthew Jackson and Diane McNally of Segal, and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

a. April 28, 2020 Regular Board Meeting Agenda

MOTION made by Trustee Cassidy, seconded by Trustee Greene, to adopt the April 28, 2020 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

3. CONSENT AGENDA

- A. February 25, 2020 Regular Meeting Minutes
- B. March 31, 2020 Informational Meeting Minutes
- C. April 7, 2020 Special meeting Minutes
- D. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- E. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Agenda Item 3e. - Trustees requested that the retirement calculation for Rose Mone be provided at the next meeting with her retirement option selection and her salary history.

MOTION made by Trustee Greene, seconded by Trustee Keller, to approve Consent Agenda Items 3a through 3e. In a roll call vote of the members present, all members voted in favor. **Motion** passed 7-0.

4. FINANCIAL

- a. Ms. Bailey provided the Board with the Draft February 29, 2020 and March 31, 2020 Financial Operations and Investment Summaries. She also provided the Budget Variance Report as of February 29, 2020 and March 31, 2020.

5. INVESTMENT (Keith Reynolds, Diane McNally, John Ross and David Palmerino - Segal Marco)

- a. Board Insurance Update
Diane McNally responded to questions previously asked by the Board. She noted that AXA advised that the definition of a weapon was an instrument or explosive device intended for use to kill, injure or incapacitate an individual. She noted that the carrier advised that they would not change their definition of weapon. With regard to the question of duplication of insurance, Ms. McNally noted that this policy would provide additional coverage and respond to additional incidents that the Board's other policies would not. She advised that the suicide exclusion applied to the assailant's suicide.
- b. ALM Study
John Ross presented the Stochastic Analysis of Fund's Asset/Liability Study. He noted that the Treasury Yield Curve had shifted down and affected every asset class. He discussed the expected rates of return based on the current investment policy and noted that the recommended portfolios now included an allocation to Emerging Market Equity.

Mr. Palmerino continued the presentation and reviewed the projections of returns, cash flows and funding status if the Fund's performance was above or below the assumed rate of return. He noted that under the current portfolio, assets are expected to grow to \$480 million over the next 10 years. He also noted that all the proposed Alternative

Portfolios 1 through 5 had a higher expected rate of return per unit of risk. He discussed the probability of achieving the Funds' assumed interest rate under each alternative. The Board discussed an additional portfolio option Alternative 6 which changed Portfolio 1 to include 23.8% Core Fixed Income, 8.8% Private Credit, 2.5% Real Estate Core. The result reduced the expected returns by 0.1% without changing the standard deviation and Sharpe ratios.

MOTION made by Trustee Strauss, seconded by Trustee Cassidy, to accept Alternative Portfolio 6 as described to the Board. After discussion, Trustee Strauss, with the agreement of Trustee Cassidy, withdrew the motion.

MOTION made by Trustee Strauss, seconded by Trustee Cassidy, to accept Segal's recommendation of Alternative Portfolio 5. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to extend the meeting to 1:00p.m. in a voice vote of the members present, **Motion** passed 4-2. Trustee Greene and Trustee Ramos opposed the motion.

c. Work Plan 2020

Mr. Reynolds provided the Board with the 2020 Work Plan. After discussion, the Board agreed to consider private credit finalist opportunities; Entrust Blue Ocean Fund and TALF 2.0 Manager, at the May Board Meeting.

d. March 2020 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for March 2020. He noted that not all managers had reported their performance. He noted that the U.S. equity markets were down but that the market had rebounded in April. He noted that the Fund's market value of assets as of March 31, 2020 decreased to \$312.2 million, down 8.29% for the fiscal year to date.

Trustee Shaw inquired about the timeline for the transfer of assets from current to proposed managers. Mr. Reynolds noted that these changes were being considered and would be made over the next few months.

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to move assets from Brandes to the Northern Trust S&P 500 Index Fund. 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. Emily Glover, individually and as Personal Representative of the Estate of George Glover v. Ferihaja Kolari, City of Hollywood Employees' Retirement Fund, and City of Hollywood. Mr. Cohen advised the Board that Ms. Glover and Ms. Kolari have worked out a settlement between themselves. He noted that the Fund had no part in that decision. He noted that the part of the settlement would reimburse the Fund \$900 which would cover the Fund's estimated fees not covered by insurance. He advised that the case should be dismissed with prejudice after the benefit payments under the agreement are made by the Fund to Ms. Kolari, and by Ms. Kolari to Ms. Glover.

b. 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.

b. i Administrative Considerations – Recoupment of overpayment to a member.

Ms. Bailey advised the Board that Mr. Lalla benefits were paid prematurely and the Fund needed to recoup \$9,155.72. Mr. Lalla addressed the Board on the item. After discussion, the Board requested that Ms. Bailey provide the Board with a recommendation for the recoupment of the overpayments and bring it back to the Board.

c. Communications from the Executive Director

- Ms. Bailey advised the Board that the City was developing a WebEx teleconferencing system that the Fund hoped to use for its future meetings.
- Ms. Bailey advised the Board that the October 1, 2019 Actuarial Valuation was expected to be completed in early May and that the Actuary would be present at the next meeting.
- Ms. Bailey advised the Board that 890 retirees, 83% had returned their 2020 Life Certificates to date. She noted the deadline for the return of the Life Certificates had been extended to May 31, 2020. She noted that the Fund had still not located the member who did not return the 2019 Life Certificate.
- Ms. Bailey advised the Board that, of the 741 annuitants eligible for the FY2012 13th Check Settlement, 82 remained to be distributed. These are mostly to estates.
- Ms. Bailey provided the Board with the DROP and Planned Retirement Participant Lists.
- Ms. Bailey advised the Board that the DROP statements were almost completed and would be mailed to members on April 30, 2020.

8. **PUBLIC COMMENTS**

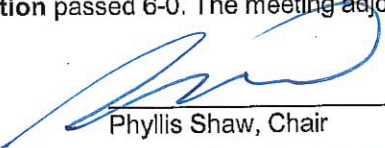
There were no public comments.

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

Trustee Green noted his thanks to, and appreciation of, the City of Hollywood employees and departments for their efforts during this time. Ms. Shaw thanked everyone for ensuring that the operations continue to run smoothly.

10. **ADJOURNMENT**

MOTION made by Trustee Greene, seconded by Trustee Ramos, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 1:10p.m.



Phyllis Shaw, Chair

Date

May 18, 2020