

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, OCTOBER 27, 2020 AT 9:00AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:05a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

All attendees participated telephonically. Board Members: Chair Phyllis Shaw, Vice Chair George Keller, Secretary Robert Strauss, Christopher Cassidy, Jeffrey Greene (joined 9:06 a.m.), and Adam Reichbach. Also present: Executive Director Christine Bailey; Keith Reynolds and Felicia Ewell of Segal Marco; and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

Charles Howell was absent.

a. October 27, 2020 Regular Board Meeting Agenda

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to adopt the October 27, 2020 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. September 22, 2020 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 Greene, seconded by Trustee Cassidy, 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 Final June 30 and July 31, 2020 Financial Operations and Investment Summaries, and the Preliminary September 30, 2020 Summary. She also provided the Budget Variance Report as of September 30, 2020. In response to a question from Trustee Cassidy, Ms. Bailey advised that the rate of return listed on the Financial Report were net of all investment and administrative fees.

5. INVESTMENT (Keith Reynolds – Segal Marco)

- a. September 2020 Flash Performance Report
Mr. Reynolds provided the Board with the Flash Performance Report for September 2020. He noted the Fund's market value of assets as of September 30, 2020 increased to \$336.3 million, up 4.89% net of fees for the quarter and up 6.53% for the fiscal year. Mr. Reynolds noted that several managers rebounded during the quarter. In response to a question regarding GoldenTree, Mr. Reynolds noted that the GT Blended index was the Benchmark for GoldenTree and the Barclays U.S. Aggregate Index was a broader index, provided as a comparison with a general investment grade fixed income index.
- b. Emerging Manager Program
Mr. Reynolds advised the Board that he was in the process of drafting language for the Emerging Manager Program. He advised that the language would be provided to Ms. Bailey for distribution after the meeting.
- c. SMID Cap Value Search
Mr. Reynolds reviewed the US SMID Cap Value Search book, including ownership, fees, assets under management and past performances. He presented Burgundy Asset Management, Chartwell Investment Partners, EARNEST Partners and TSW. The Board discussed the managers as well as the timing and selection of candidates for presentations. The Board discussed whether to have presentations from any of these candidates in January or to wait for Segal to do further analysis in January with December 30, 2020 investment performance before selection managers to present. Five Trustees indicated that they were in favor of waiting for further analysis. Trustee Cassidy indicated a preference to do both the presentations and the additional analysis in January.

MOTION made by Trustee Greene, seconded by Trustee Reichbach, to postpone the SMID Value Search until after further analysis. In a roll call voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

- d. Work Plan 2020
Mr. Reynolds provided the Board with the 2020 Work Plan. He noted the plan reflected the many accomplishments of the Fund this year.

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

- a. Update on Member Request – Stephanie Szeto
Mr. Cohen noted that the Board had requested the position of the City Attorney on Ms. Szeto's request. He noted that the City Attorney, Douglas Gonzales had responded that he did not believe that the City could agree to the request and asked Alan Fallik if he concurred. He advised that before Mr. Fallik could respond, Ms. Szeto withdrew her request.
- b. Update on Investment Contract
Mr. Cohen advised that after several delayed responses, the Blue Ocean Contracts were finalized.
- c. Board Meeting Requirements
Mr. Cohen advised that Governor had not extended the Executive Order which waives the requirement that a quorum be physically present for meetings of the Board. He noted that the exemption to this requirement would expire on October 30, 2020. He advised that in the absence of an extension, the Board must comply with all the requirements of the Sunshine Law. He noted that representatives of the Governor's office indicated that it is unlikely that the order would be extended.

In response to a question regarding the November Workshop, Mr. Cohen advised that the workshop would have to comply with the Sunshine Law if the waiver is not extended.

7. EXECUTIVE DIRECTOR'S REPORT

- a. City Commission Communication
The Board received the City Commission Communication. Ms. Bailey would update the report to include information from the September Flash Report. She would also add language regarding the employer contribution and emerging manager program.

MOTION made by Trustee Cassidy, seconded by Trustee Greene, to approve the Commission Communication with the recommended amendments. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0

- b. Relocation
Clinton Casey of the Rotella Group, presented the Board with lease and purchase options for the relocation of the Pension Office. The Board discussed the options and a preference of purchase over leasing. Ms. Bailey advised the Board that the timeline for moving was March 2021. In response to a question, Mr. Casey advised that the search criteria was 2,000 to 3,000 square feet, professionally managed buildings, and adequate parking.

Trustees requested the opportunity to walk through the proposed properties. They also requested that Mr. Casey provide additional purchase options for consideration since the relocation was a long-term decision.

- c. Proposed 2020 and 2021 Board Meeting Dates
Ms. Bailey provide the Board with proposed meeting dates for 2021 as well as changes to the time and location of the remaining 2020 meetings. Ms. Bailey advised the Board that City Hall Room 219 was now available from 9:00am on both November 17, and December 8, 2020. She noted that the times and locations of the 2021 meetings were still to be determined.

In response to a question, Ms. Bailey advised that the Workshop would include presentations on the 2021 Summary Plan Description, the new Comprehensive Pension Management System, the Relocation of the Pension Office and the development of a Retention Policy for pension records.

MOTION made by Trustee Cassidy, seconded by Trustee Keller, to approve the November and December Board Meeting times and locations. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

MOTION made by Trustee Greene, seconded by Trustee Cassidy, to approve the Proposed 2021 Board Meeting Dates. The Board discussed the dates, including moving the meetings to Thursdays. After discussion, the motion was withdrawn and the Board requested that the dates be adjusted as much as possible to the fourth Tuesday of the month.

d. Communications from the Executive Director

- Ms. Bailey advised the Board that 38 retirees had not yet returned their 2020 Life Certificates to date. Trustee Cassidy requested that a policy be documented for the Life Certificate Policy
- Ms. Bailey advised the Board that 35 distributions remained for the FY2012 13th Check Settlement totaling \$211,456.21.
- Ms. Bailey advised that there were two responses to the RFP for a new Comprehensive Pension Management System. She also noted that three firms did not bid due as they could not meet the minimum requirements.
- Ms. Bailey advised that the Retirees Association has advised that Robert Strauss was reelected to the Board of Trustees as the Retiree Representative.
- Ms. Bailey advised that the Employer Contributions were received for Fiscal Years 2020 and 2021. She advised that as of October 1, 2020, there was an outstanding balance of \$1,340,560 representing the Employer Contribution for Fiscal Year 2020. She noted that interest would continue to accrue on the outstanding balance until it was paid.
- Ms. Bailey provided the Board with the DROP and Planned Retirement Participant Lists.

8. **PUBLIC COMMENTS**


There were no Public Comments.

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

Trustees congratulated Trustee Strauss on his reelection. Trustees also thanked the pension and City staff for their efforts to accommodate the members and their work for the City. Trustee Strauss thanked the Board and expressed his appreciation from the work the Board had done and his hope that the good work would continue. Trustee Shaw expressed her support for the Emerging Manager Program and thanked the Board for adopting the program during her absence at the September meeting.

10. **ADJOURNMENT**

MOTION made by Trustee Greene, seconded by Trustee Cassidy, to adjourn the meeting. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0. The meeting adjourned at 11:30a.m.



Phyllis Shaw, Chair
12 March 2021

Date