

**MINUTES**  
**REGULAR PENSION BOARD MEETING**  
**CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**  
**TUESDAY, JULY 27, 2021 AT 9:00AM**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:18a.m.

**2. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Board Members present: Chair Phyllis Shaw, Secretary Robert Strauss, Melissa Cruz, and Charles Howell. Also present: Executive Director Christine Bailey; Keith Reynolds, Alan Kosan, Benji Patzik, Francois Otieno, and Felicia Ewell of Segal Marco; and Ronald Cohen of Lorium Law.

Trustee Cassidy and Trustee Keller were absent.

a. July 27, 2021 Regular Board Meeting Agenda

**MOTION** made by Trustee Strauss, seconded by Trustee Howell, to adopt the July 27, 2021 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

b. Election of Vice Chair

Chair Shaw requested that the Election of Vice Chair be laid over.

**MOTION** made by Trustee Cruz, seconded by Trustee Strauss, to table the Election of Vice Chair. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

c. Absent and Excused

Ms. Bailey advised that Trustee Cassidy and Trustee Keller were unable to attend the meeting and requested to be excused.

**MOTION** made by Trustee Strauss, seconded by Trustee Howell, to excuse the absences of Trustee Cassidy and Trustee Keller. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

**3. CONSENT AGENDA**

- a. June 22, 2021 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 Strauss, seconded by Trustee Cruz, to approve the Consent Agenda Items 3a through 3c. After discussion, the motion was withdrawn. The Board requested that Ms. Bailey make requested changes to the minutes of the June 22, 2021 Regular Meeting Minutes.

**MOTION** made by Trustee Strauss, seconded by Trustee Cruz, to approve the Consent Agenda Items 3b and 3c. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

**4. FINANCIAL**

a. Audit Committee Report

Trustee Howell reported that the Audit Committee met at 9:45am on July 27, 2021. He advised that the Audit Committee recommended that the Fund continue to retain the services of Marcum LLP to conduct the Fiscal Year 2021 Audit of the Financial Statements. The Board discussed continuing to retain Marcum LLP and the cost of the retention.

**MOTION** made by Trustee Cruz, seconded by Trustee Howell to allow the Executive Director to negotiate with Marcum for auditing services for the next fiscal year up to \$20,000. In a roll call vote of the members present, all members voted in favor. **Motion** passed 4-0.

c. Financial Reports and Investment Summary

Ms. Bailey provided the Board with the Final March 2021 and April 2021 Financial Operations and Investment Summaries as well as the Draft June 2021 Summaries. She also provided the Budget Variance Reports for Fiscal Year 2021 as of June 30, 2021.

Trustees requested that Ms. Bailey provide a breakdown of the contingent reserve funds and a modification to align the budget more closely with actual expenditures.

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

a. May 2021 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for May 2021. He noted that the market value of the assets available for investment as of May 31, 2021 was \$425.2 million, up 0.5% net of fees for the month of May 2021, and up 17.9% net of fees for the fiscal year to date.

b. First Quarter Performance Review

Mr. Reynolds reported the Fund's performance for the quarter ended March 31, 2021. He noted that the assets available for investments were \$418.7 million and performance was 3.7% for the quarter.

c. Private Credit Consideration

Messrs. Reynolds, Kosan, Patzik and Otieno presented an overview of Private Credit and Opportunistic Credit. Mr. Reynolds noted that the Board increases its allocation to private credit from 3.75% to 8.75% in 2020 after the asset liability study. Mr. Patzik and Mr. Otieno reviewed three potential investments: AG Credit Solutions Fund II, Marathon Healthcare Finance and Neuberger Berman Private Debt Fund IV. Due to technical difficulties with the video conferencing equipment, Trustees were unable to ask questions.

The Board requested that the discussion be continued at the next meeting at which time Segal would provide a quick summary and Trustees would be better able to ask questions and review the allocation as well as prospective investments.

d. Work Plan 2021

Mr. Reynolds provided the 2021 Work Plan. Mr. Reynolds noted that the Private Credit Manager Presentations would be pushed back until Trustees are able to ask questions in person.

**6. LEGAL (Ron Cohen – Lorium Law)**

a. Legal Updates

Mr. Cohen advised that the Fund was not part of the initial close of the Affiliated Housing Impact Fund. He noted that a portion of the investment would be used to pay the initial investors to cover their preferred returns to date. He further noted that the fees were on committed capital and not called capital. He noted that the language regarding fees and the fee formula would have to be corrected to properly document the reduced fee and the way the fees would be calculated.

Mr. Cohen noted that 5% of the units at the Tropic development would be reserved for General Pension Fund members who work for, or retired from the City of Hollywood. He noted that the agreement stated that once the building was at 95% capacity and there remained vacant reserved units, and after using their best efforts, Affiliated would be allowed to lease the reserved units to anyone. The Board discussed best efforts and requested that it be defined to include notification to the City, the Retirees Association, and the Fund of any reserved vacancy before leasing to anyone else.

Mr. Cohen advised that Affiliated requested that language in a City agreement that had not yet been fully drafted or approved be referenced. Trustees noted that the Fund was a separate entity and requested that no relationship should be made to a City agreement as part of the Fund's agreement. The Board also expressed concern that the Tropic might not be built. It was noted that while it appears that the Tropic development was moving forward, there is not written guarantee that it would be built.

Mr. Cohen advised that he would be reviewing the scope of services with PTG for CPMS. He also noted that PTG may request a change in their payment schedule based on their data quality unknowns. He noted that he would have additional information after PTG had an initial meeting with the Fund staff and the City's IT Department.

Mr. Cohen advised that the GTJZ contract was complete and awaited the finalization of the PTG contract.

**MOTION** made by Trustee Cruz, seconded by Trustee Strauss, to extend the meeting for an additional 30 minutes. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

## 7. EXECUTIVE DIRECTOR'S REPORT

### a. City Commission Communication

The Board received the City Commission Communication.

### b. Member Consideration – Survivor Benefits of Joseph Bowman

Ms. Bailey reviewed the history of Mr. Bowman's Disability Retirement Benefits. She advised that Mr. Bowman had submitted a retirement application in February 2014 that was never processed. She recommended that the Board approve the processing of the application as it was correctly completed and received timely. She noted that this would result in an overpayment to Mr. Bowman of \$152,352.92 and a survivor benefit of \$2,357.71 to Mr. Bowman's beneficiaries for the lifetime of the last surviving beneficiary. Ms. Bailey further recommended that the overpayment be recovered from the beneficiary payment from June 2021 through July 2026.

**MOTION** made by Trustee Cruz, seconded by Trustee Strauss, to approve the Executive Director's recommendation. In a roll call vote of the members present, all members voted in favor. **Motion** passed 4-0.

### c. Pension Office Relocation

Ms. Bailey provided the Board with proposed designs for the new office space. She noted that the designs were incomplete. She requested permission to obtain significant assistance on this project from the City, who had resources more capable of managing the renovations. She noted that based on prior discussions with the City, there would be no charge for the City's assistance.

### d. Communications from the Executive Director

- Ms. Bailey advised that approximately 40 of the 2021 Life Certificates remain outstanding.
- Ms. Bailey advised that 31 distributions remained for the FY2012 13th Check Settlement totaling \$179,324.79.
- Ms. Bailey advised that the 2020 CPPT renewal fees for Trustees were paid despite emails recently received by Trustees. She noted that the 2021 renewal fees were outstanding and have since been paid.
- Ms. Bailey advised that after beginning the transition of the administration of the investments, she believes that it is in the best interest of the Fund to retain Segal. She noted that the transactions required were very detailed and intricate, and that one mistake could result in a charge equal to the annual administrative fees currently charged by Segal.
- Ms. Bailey noted that the interns were reviewing all member Designation of Beneficiary Forms to ensure that all designation forms are completed correctly and processed. She advised that they were also collecting data for the compensation review.

- Ms. Bailey stated that the Summary Plan Description was almost complete and expected publication in September 2021.
- Ms. Bailey provided the Board with the CPMS Project Vision, Objectives and Critical Success Factors. She requested any recommendations, suggestions, or comments from Trustees.
- Ms. Bailey advised that a group of Hollywood residents, Get My Money Out (GMMO) had requested to appear before the Board to present a request for the Fund to divest from fossil fuels. She advised that they were expected to present at the September Meeting. Mr. Reynolds noted that fossil fuel divestment, as well as zero emission targets, have been embraced by investment managers. He noted that managers are moving away from or discounting these types of investments.
- Ms. Bailey provided the DROP and Planned Retirement Participant Lists.

9. **PUBLIC COMMENTS**

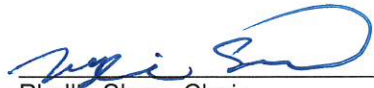
There were no additional public comments.

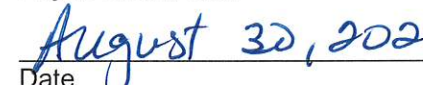
10. **TRUSTEE REPORTS, QUESTIONS AND COMMENTS**

Trustee Shaw commented on the timely payment of vendors for service. She also commented on the benefits of Fund investments that benefit the City and the membership.

11. **ADJOURNMENT**

**MOTION** made by Trustee Cruz, seconded by Trustee Strauss, to adjourn the meeting. In a voice vote by the members present, all members voted in favor. **Motion** passed 4-0. The meeting adjourned at 12:35p.m.

  
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Phyllis Shaw, Chair

  
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Date