

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, May 25, 2021 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

All attendees participated telephonically. Board Members: Chair Phyllis Shaw, Vice Chair Jeffrey Greene, Secretary Robert Strauss, Melissa Cruz, Charles Howell and George Keller (disconnected 11:00am). Also present: Executive Director Christine Bailey; Keith Reynolds, Linda McDonald and Felicia Ewell of Segal Marco; Jeffery Amrose of GRS; and Ronald Cohen of Lorium Law.

Trustee Cassidy was Absent. Ms. Bailey advised that Mr. Cassidy had a personal matter, was unable to attend, and requested to be excused.

a. May 25, 2021 Regular Board Meeting Agenda

MOTION made by Trustee Greene, seconded by Trustee Strauss, to adopt the May 25, 2021 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. April 27, 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 Keller, to approve the Consent Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

4. FINANCIAL

a. Actuarial Valuation Report as of October 1, 2020

Mr. Jeffrey Amrose of GRS reviewed the Actuarial Valuation Report as of October 1, 2020. He noted that this was the first time in 10 years that the Employer Contributions had decreased. The decrease was over \$1 million. He advised that the Actuarially Determined Contributions were \$28,082,806, which when added to the 2nd installment payment of the prior contribution shortfall of \$3,072,428, resulted in a total required contribution of \$31,155,234 as of October 1, 2021.

Mr. Amrose noted that the Funded Ratio was 63.3% as of October 1, 2020, up from 60.3% a year earlier. In response to a question, Mr. Amrose noted that while the funded ratio was considered low, the steps taken by the Fund are expected to improve the ratio in upcoming years.

Trustee Keller provide the Board with the City's perspective. He noted that the City was being cautious as, with the pandemic there is uncertainty about the City's revenues and expenses in the coming year. He requested that Trustees not consider lowering the assumption rate at this time. Mr. Amrose noted that the Fund's reduction of the actuarially assumed rate to 7.3% was within the range of reasonableness but a lower rate may be more reasonable and could be considered.

In response to questions from Trustee Strauss, Mr. Amrose reviewed the changes in the unfunded actuarial accrued liability over time. Trustees agreed to not consider changing the assumed rate of return at this time and to revisit the discussion in the future.

MOTION made by Trustee Strauss, seconded by Trustee Keller, to approve the Actuarial Valuation Report as of October 1, 2020. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

- b. Proposed Budget for Fiscal Year 2022
Ms. Bailey provided the Board with the preliminary proposed budget for fiscal year 2022. She advised that additional cost were yet to be quantified and that investment manager expenses would be difficult to estimate as performance fees were expected to increase these expenses.
- c. Financial Reports and Investment Summary
Ms. Bailey provided the Board with the Draft April 2021 Financial Operations and Investment Summaries. She also provided the Budget Variance Reports for Fiscal Year as of April 30, 2021.

5. INVESTMENT (Keith Reynolds – Segal Marco)

- a. April 2021 Flash Performance Report
Mr. Reynolds provided the Board with the Flash Performance Report for April 2021. He noted that the market value of the assets available for investment as of April 30, 2021 was \$419.8 million, up 2.5% net of fees for the month of April 2021, and up 15.6% net of fees for the fiscal year to date. After discussion, the Board requested that the Flash Report be provided prior to the meeting. Going forward the report will be presented two months after the end of the month.
- b. Fourth Quarter Performance Review
Mr. Reynolds reported the Fund's performance for the quarter ended December 31, 2020. He noted that the assets available for investments were \$409.8 million and performance was 10.5% for the quarter. He noted that for the one-year period the Fund returned 12.9%, or approximately \$41.1 million with less risk than its peers.
- c. Affiliated Housing Impact Fund Analysis
Ms. McDonald provided the Board with additional information regarding the investors and their investments in the Affiliated Housing Impact Fund. Trustees noted that the investors were all local funds including the Hollywood Police Pension and Fire Funds. Trustees expressed interest in having representatives of the Affiliated Housing Fund present the investment opportunity to the Board.

MOTION made by Trustee Strauss, seconded by Trustee Greene, that Affiliated Housing be invited to the June 2021 Board Meeting for the presentation of their investment product.

Jeffrey Burns and Nicholas Rojo provided public comment.

In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0. Trustee Keller was disconnected.

- d. TSW Manager Presentation
Mr. Matthew Soule and Mr. Brett Hawkins of TSW provided an account review of the Fund's investment and their outlook on the investment strategy. TSW offered the Fund a five basis point fee reduction in recognition of the Fund's 17-year longstanding relationship, a \$10,000 savings. Mr. Soule noted that TSW was acquired by Pandal Group. Mr. Reynolds advises that this acquisition was not expect to change their recommendation of TSW or TSW's strategy.
- e. Work Plan 2021
Mr. Reynolds provided the 2021 Work Plan.

MOTION made by Trustee Strauss, seconded by Trustee Cruz, to extend the meeting to the time necessary as prescribed by the Chair (one hour). In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

6. LEGAL (Ron Cohen – Lorium Law)

- a. Final Order for Administrative Hearing – Benefits to be paid as a result of the death of John Tisdale.

Mr. Cohen reviewed the proceedings of the administrative hearing held on April 27, 2021 regarding the benefits to be paid as a result of the death of John Tisdale. He provided the Board with a written proposed order for the payment of these benefits. Mr. Cohen advised that Ms. Centorino claimed that she did not receive certain documentation. He stated that the information had been forwarded to Ms. Centorino and that she had been invited to address the Board at this meeting prior to any final decision. He advised that Ms. Centorino had requested a continuance of this item. Ms. Centorino requested a continuance based on several factors.

MOTION made by Trustee Howell, to grant a continuance. The motion was not seconded. Motion failed.

MOTION made by Trustee Greene, seconded by Trustee Howell, to deny the request for a continuance. In a roll call vote of the members present, all members voted in favor. Motion passed 5-0.

Ms. Centorino reviewed the designation of beneficiary forms and made allegation to the validity of the forms. She requested that any funds due as a result of Mr. Tisdale's death be paid to her client, Virginia Ferguson or to the estate of Mr. Tisdale.

MOTION made by Trustee Strauss, seconded by Trustee Greene, to accept Board Attorney Ron Cohen's proposed final order for the administrative hearing for Mr. John Tisdale. In a roll call vote of the members present, all members voted in favor. Motion passed 5-0.

- b. Other Legal Updates

Mr. Cohen advised that the contract with the Architect was completed. He further advised that the Brightwood contract was progressing with agreement on the side letter and the completion of the subscription documents.

7. EXECUTIVE DIRECTOR'S REPORT

- a. City Commission Communication
The Board received the City Commission Communication.
- b. Proposed Questions for Prospective City Commission Board Appointees
Ms. Bailey advised that at least one of the current questions for prospective City Commission Board appointees was outdated. She provided new proposed questions and requested feedback from Trustees.
- c. Summary Plan Description
Ms. Bailey provided the Trustees with the final version of the Summary Plan Description (SPD). She advised the Board that the description would now be prepared for printing and a print ready copy would be provided to the Board before issue.
- d. Communications from the Executive Director
- Ms. Bailey advised that approximately 100 of the 2021 Life Certificates remain outstanding and a second request had been sent to those retirees. She advised the Board that of the 16 retirees' benefits that had been stopped effective March 25, 2021, eight has been reinstated, six had contacted the office and would be sending in their certificates and two remained outstanding.
 - Ms. Bailey advised the Board that 32 distributions remained for the FY2012 13th Check Settlement totaling \$185,819.44.
 - Ms. Bailey advised that the Architect had begun designing the office space.
 - Ms. Bailey advised that the RFQ for a CPMS project manager was being issued and responses were due on June 7, 2021.
 - Ms. Bailey provided the DROP and Planned Retirement Participant Lists.

Ms. Bailey requested that the June 2021 meeting be held in person.

MOTION made by Trustee Strauss, seconded by Trustee Cruz, to meet in-person on June 22, 2021 at City Hall. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

9. **PUBLIC COMMENTS**


There were no additional public comments.

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

Trustee Cruz inquired about the due date of the CPMS Project Management RFQ and requested that changes in the proposed SPD and the current SPD be highlighted. Ms. Bailey advised that the responses were due by June 7th and that the SPD was a complete rewrite. Trustee Strauss requested that the SPD be completely reviewed by the Board Attorney for compliance with the City Ordinance. Trustee Shaw thanked the attorney, consultant and staff.

11. **ADJOURNMENT**

MOTION made by Trustee Strauss, seconded by Trustee Howell, to adjourn the meeting. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0. The meeting adjourned at 12:25p.m.



Phyllis Shaw, Chair
7/20/2021

Date