

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, AUGUST 24, 2021 AT 9:35AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:35a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Secretary Robert Strauss, Melissa Cruz, Charles Howell (Virtually), and George Keller. Also present: Executive Director Christine Bailey; Keith Reynolds, and Felicia Ewell of Segal Marco; Diane McNally and Matthew Jackson of Segal; Ronald Cohen of Lorium Law; Sally Corbin and Leighann Thilo of USA Union Services Agency.

Trustee Cassidy was absent.

a. August 24, 2021 Regular Board Meeting Agenda

MOTION made by Trustee Strauss, seconded by Trustee Cruz, to adopt the August 24, 2021 Regular Board Meeting Agenda with the change to switch Agenda Items 4a and 4b. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

b. Election of Vice Chair

After discussion, it was determined that the position of Vice Chair would remain vacant.

c. Absent and Excused

MOTION made by Trustee Strauss, seconded by Trustee Cruz, to excuse the absence of Trustee Cassidy. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

3. CONSENT AGENDA

- a. June 22, 2021 Regular Meeting Minutes
- b. July 27, 2021 Regular Meeting Minutes
- c. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- d. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

MOTION made by Trustee Strauss, seconded by Trustee Keller, to approve the Consent Agenda Items 3a, b, c and d. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

4. FINANCIAL

a. Financial Reports and Investment Summary

Ms. Bailey provided the Board with the Final May 2021 Financial Operations and Investment Summary as well as the Draft July 2021 Summary. She also provided the Budget Variance Reports for Fiscal Year 2021 as of July 31, 2021.

b. Proposed Fiscal Year 2021 Budget Modification

Ms. Bailey provided the Board with proposed budget modifications to the Fiscal Year 2021 budget. She noted that the modifications were being requested to provide funding for expense changes that occurred during the fiscal year, primarily an increase in investment fees, the purchase and expenses of a new pension office, and the new computer system project. She noted that the modifications did not require an increase in the overall budget as there was sufficient unspent funds in the current budget to cover all of the anticipated expenditures for the fiscal year.

MOTION made by Trustee Keller, seconded by Trustee Strauss to approve the amended budget. In a roll call vote of the members present, all members voted in favor. **Motion** passed 4-0. (Charles Howell was not available virtually)

5. INVESTMENT (Keith Reynolds – Segal Marco)

- a. June 2021 Flash Performance Report
Mr. Reynolds provided the Board with the Flash Performance Report for June 2021. He noted that the market value of the assets available for investment as of June 30, 2021 was \$426.0 million, up 3.9% net of fees for the quarter ended June 30, 2021, and up 18.9% net of fees for the fiscal year to date. He noted that Brightwood Capital made their first capital call in July.
- b. Work Plan 2021
Mr. Reynolds provided the 2021 Work Plan.
- c. Board Insurance Update
Segal and USA Union Services Agency representatives presented the renewal proposals for Employment Practices Liability, Fiduciary Liability, Workplace Violence, Fidelity Bond, and Commercial Package Insurance Policies. The Cyber Liability policies were not yet available.

MOTION made by Trustee Keller, seconded by Trustee Strauss, to increase the limit of liability on the employment practices insurance from \$1 million to \$2 million. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

Trustee Strauss noted that the list of Trustees to be covered on the Fiduciary Liability Insurance Policies were incorrect and needed to be updated. Mr. Jackson noted that these policies had a waiver of recourse premium which if paid by each trustee, would result in the carriers' agreement not to seek recovery of any payment made by the carriers under the policies from Trustees. It was recommended that trustees take advantage of the recourse waivers.

MOTION made by Trustee Strauss, seconded by Trustee Cruz, to approve the Fiduciary Liability and Excess insurance policies with multiple carriers. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

Mr. McNally noted that the Indian Harbor workplace violence policy included a new exclusion and would not cover the residence of insured persons. Trustees discussed the current environment with individuals working from home and their desire to provide coverage. Trustees requested that Segal request that the carrier remove that exclusion for staff or that Segal seek alternate coverage.

Mr. Jackson noted that the Fidelity Bond insurance policy renewal was a three-year policy, with an increase in the deductible from \$10,000 to \$25,000 at a cost of \$15,213.

MOTION made by Trustee Strauss, seconded by Trustee Cruz, to approve the Fidelity Bond as described. In a roll call vote of the members present, all members voted in favor. **Motion** passed 4-0. (Charles Howell was not available virtually)

Mr. Jackson noted that the Cyber insurance market was very volatile and that premium quotes had not yet been finalized. He noted that there have been increases in both premiums and retentions. He also noted that carriers were withdrawing from this market and that the Board may see a significant increase in premiums.

Ms. Thilo and Ms. Corbin reviewed the Commercial Package, the Commercial Umbrella, and the Public Bond policies. She noted that the commercial policies included coverage for the new pension offices and the public bond policy would be updated to list the current insured individuals. Ms. Thilo noted that Commercial Package and the Umbrella policies provided \$2 million in coverage at a cost of \$4,011 and \$758, respectively. She also

noted that the variance in the commercial package quote on the insurance renewal summary was a \$50 premium for certified terrorism which the Fund declined.

MOTION made by Trustee Cruz, seconded by Trustee Strauss, to approve the Commercial Package policy as detailed in the presentation. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

MOTION made by Trustee Cruz, seconded by Trustee Strauss, to approve the Umbrella policy at a cost of \$758. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

MOTION made by Trustee Cruz, seconded by Trustee Keller, to approve the Public Official Bond policy. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

Trustees requested that all policies end on September 30 and renew on October 1.

6. LEGAL (Ron Cohen – Lorium Law)

a. Attendance and Participation Policy

Mr. Cohen discussed the proposed changes to the Attendance and Telephone participation policy and a resolution of the Board of Trustees concerning the telephone Participation Policy during public emergencies. He noted that the change to the policy would provide the Attorney General's position without making it a definitive statement. He noted that the resolution would waive the telephone participation portion of the policy if City Hall is closed due to a pandemic or natural disaster.

Trustees discussed the policy and resolution. The Board amended the resolution to not include the proposed second and third Whereas paragraphs regarding the City's administrative policy and COVID testing. They also amended the second resolved to automatically waive the telephone participation portion of the policy in the case of a pandemic or natural disaster without reference to City Hall.

MOTION made by Trustee Strauss, seconded by Trustee Keller, to accept the changes to the document with the changes noted. In a voice of the members present, all members voted in favor. **Motion** passed 5-0. Mr. Cohen noted, and the Board acknowledged, that the changes presented and approved were to the resolution. Mr. Cohen requested a separate vote on the proposed change to the policy.

MOTION made by Trustee Keller, seconded by Trustee Cruz, to accept the changes on page 1 of the Attendance and Telephone Participation Policy as presented by the Board Attorney. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

b. Legal Updates

Mr. Cohen advised the Board that the Broward County Appraiser approved the property tax exemption for the new pension office effective 2022. With regard to the PTG contract, Mr. Cohen advised that PTG no longer required a change in their payment schedule. He noted that the contracts issues were resolved and he was working with PTG on the final language.

c. Affiliated Housing Impact Fund

Mr. Cohen noted that Affiliated has agreed to use commercially reasonable efforts to build the Tropic. He noted that Affiliated will notify the Fund, the City, the Union and the Retirees Association of any vacancy in reserved units. In response to a question, Mr. Cohen noted that he was not aware that the Hollywood Fire Pension Board had approved any additional investment in Affiliated.

d. Virginia Tisdale-Ferguson v. the Board of Trustees of the City of Hollywood Employees' Retirement Fund, and Blanche T. Pressley, a/k/a/ Blanche Tisdale

Mr. Cohen advised the Board that the court has issued an order to show cause in the lawsuit filed by Ms. Tisdale-Ferguson. He noted that he requested and received an extension until September 10, 2021. He also noted that the insurance companies have been notified and that they have agreed that this claim covered with reservation of rights. He advised that the Board had the opportunity to select their own counsel to represent the Fund.

MOTION made by Trustee Keller, seconded by Trustee Strauss, to approve Mr. Cohen as the attorney of record in the lawsuit Virginia Tisdale-Ferguson v. the Board of Trustees of the City of Hollywood Employees' Retirement Fund, and Blanche T. Pressley, a/k/a/ Blanche Tisdale. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

- e. Request for Executive Session to Discuss Pending Litigation
Mr. Cohen requested an Executive Session to discuss Pending Lawsuit Virginia Tisdale-Ferguson v. the Board of Trustees of the City of Hollywood Employees' Retirement Fund, and Blanche T. Pressley, a/k/a/ Blanche Tisdale. He noted the conditions of the session.

7. EXECUTIVE DIRECTOR'S REPORT

- a. City Commission Communication
The Board received the City Commission Communication. The Board requested that the upcoming educational opportunities for the Commissioners be added to the report.

MOTION made by Trustee Howell, seconded by Trustee Keller, to extend the meeting until 12:30p.m. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

- b. Pension Office Relocation
Ms. Bailey advised that the City has agreed to coordinate the renovation of the new offices. She advised that Zindy Agredo, City of Hollywood Department of Design and Construction Management had been assigned as the Project Manager for the renovation. Ms. Bailey noted her dissatisfaction with the current architect and requested that the Board terminate the contract. Mr. Cohen advised that the architect's contract required a seven day notification.

MOTION made by Trustee Keller, seconded by Trustee Strauss, to allow the Executive Director and the Board Attorney to terminate the architect's contract. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

- c. Rules For Supplemental Pension Benefits
Ms. Bailey provided the Board with proposed rules for the supplemental pension distributions for their review and comment. She also provided a letter from Gary Leuchtman, PLLC. who opined on the eligibility of vested members, non-general employee members and deceased members. Ms. Bailey also advised that there would be two clarifying amendments to Section 1 and Section 7. She advised that the rules would be presented at the September meeting for consideration.
- d. Communications from the Executive Director
- Ms. Bailey advised that approximately 37 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 Marcum LLC had agreed to conduct the financial audit of the Fund for the fiscal year ending September 30, 2021.
 - Ms. Bailey requested the Board's permission to attend the DMS Police and Firefighter's Pension Conference to be held in Orlando Florida from November 3 – 7, 2021.

MOTION made by Trustee Cruz, seconded by Trustee Keller, as amended to allow any Trustee, the Executive Director, or her designee to attend the Police

and Fire Conference in November. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

- Ms. Bailey advised that the SPD would be printed in September 2021 with no changes to the text.
- Ms. Bailey provided the Board with the CPMS Project Charter. She noted that the GTJZ contract started on July 1, 2021 and the PTG Contract was expected to start on September 8, 2021.
- Ms. Bailey provided the DROP and Planned Retirement Participant Lists.

9. PUBLIC COMMENTS

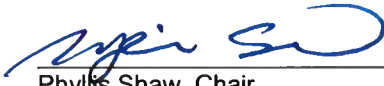
There were no additional public comments.

10. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Keller advised the Board that the City had implemented new policies for testing and vaccinations. He encouraged everyone to review the latest COVID information developed jointly with Memorial Hospital and posted on the City's website. Trustee Shaw advised that the Restoration presentation was well received and that FPPTA had again requested that the City, and the Fund as well as the Fire and Pension Board's repeat the presentation at the Fall School.

11. ADJOURNMENT

MOTION made by Trustee Strauss, seconded by Trustee Keller, 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 12:30p.m.



Phyllis Shaw, Chair

12/9/2021

Date