

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, JANUARY 18, 2022 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

Board Members present: Chair Phyllis Shaw, Vice-Chair George Keller, Secretary Robert Strauss, Barbara Armand, Charles Howell, and David Keller. Also present: Executive Director Christine Bailey; Zindy Agredo and Karyn Sashi of City of Hollywood, Keith Reynolds, and Felicia Ewell of Segal Marco; and Ronald Cohen of Lorium Law.

A. January 18, 2022 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to adopt the January 18, 2022 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. December 14, 2021 Annual 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 D. Keller, to approve Consent Agenda Items 3a, b, and 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 September 30, 2021; Final October 31, 2021; Draft November 30, 2021; and the Draft December 31, 2021 Financial Operations and Investment Summaries. Ms. Bailey noted that the total unaudited return for the fiscal year was 21.78%. She also provided the Budget Variance Report as of December 31, 2021.

5. INVESTMENT (Keith Reynolds – Segal Marco)

A. November 2021 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for November 2021. He noted the Fund's market value of assets as of November 30, 2021 decreased to \$459.7 million. He also noted that the estimated return for the Fund was about -1.4% net of fees for the month of November 2021 and up 1.1% net of fees for the fiscal year to date.

B. Third Quarter Performance Review

Mr. Reynolds reported the Fund's performance for the quarter ended September 30, 2021. He noted that the assets available for investments were \$428.6 million and performance was 0.8% for the quarter. He noted that for the one-year period the Fund returned 21.5% net of fees, with less risk than its peers. He noted the difference in the returns from the Flash report to the Final report was due to added returns from the private markets.

Trustee Strauss noted that TSW had been on the watchlist for some time and its overall longer-term performances remained under its benchmarks. He stated that he was in favor of replacing TSW. Mr. Reynolds advised the 2022 work plan included a review of all managers which would include the latest due diligence reports. He suggested that the Board review the research and then consider a course of action.

C. Investment Policy Statement Update

Mr. Reynolds provided the Board with proposed new language to update the Investment Policy Statement and advised that there were no changes to the proposed update since the December meeting. This Item was considered after Agenda Item 5D.

D. 2022 Work Plan

Mr. Reynolds provided the Board with the Draft 2022 Work Plan. Trustee Shaw requested that the ESG Policy Discussion be moved up from May 2022. She also requested that Trustee D. Keller provide, at the February Meeting of the Board, an estimated date for a preliminary ESG Policy, at which time Trustees and Segal can provide input.

Trustee Shaw congratulated Mr. Reynolds and the Segal team for the outstanding returns for the fiscal year. She noted that the returns was mostly the result of their efforts to make the changes in the investment portfolio that the Board had requested.

C. Investment Policy Statement Update

MOTION made by Trustee Strauss, seconded by Trustee D. Keller, to approve Agenda Item 5C, the Investment Policy Update. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

6. **LEGAL (Ron Cohen – Lorium Law)**

A. Legal Updates

Mr. Cohen advised that the Marathon contract would be completed shortly. He noted that the fees were on invested capital and would not be on uncalled capital. Trustee D. Keller asked how their 1.5% fees compared to other investment fees. Mr. Reynolds noted that the fees were in line with similar investments.

Mr. Cohen advised that the Core Concepts contract would be signed. He also advised that the court accepted Ms. Tisdale-Ferguson's reply brief and the case was before the court.

B. 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 for the month of January.

B. Pension Office Renovation

Ms. Agredo and Ms. Sashi, from the City's Department of Design and Construction Management reviewed the proposed pension office floor plans. The Board discussed the plan, including fire regulation requirements, security and overall design of the space. Ms. Agredo noted that the next steps include demolition, permitting, furniture layout, and placements of electrical and other outlets. She anticipated that drawings should be completed by mid-March, at which time proposals would be sought from contractors. She noted that she expected that it would take three to four months for a contractor to get the work done.

C. CPMS Update

Ms. Bailey requested that the Board approve a proposal for GTJZ to conduct detailed data analysis and extraction assistance. Ms. Bailey noted that this would expedite the data cleansing and conversion process.

MOTION made by Trustee Armand, seconded by Trustee D. Keller, to approve an additional \$38,250 to GTJZ for data extraction analysis services. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Trustee Strauss asked if there were any additional legal requirements based on the size of a change order. Trustees discussed the issues related to CPMS contract, the resources of the City and the data extraction process.

D. FPPTA Annual Education Committee Meeting

Ms. Bailey advised that the FPPTA Annual Education Committee Meeting would be held on March 28, 2022 through March 30, 2022 at the Rosen Shingle Creek. She noted that Trustee Shaw was a member of the Education Committee.

MOTION made by Trustee Armand, seconded by Trustee D. Keller, to approve the cost of Trustee Shaw's attendance at the FPPTA Annual Education Committee Meeting. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

E. Communications from the Executive Director

- Ms. Bailey advised that three life certificates remained outstanding and that these members would be inactivated on pension payroll until the Fund received their certificates. She noted that the 2022 life certificates would be mailed to retirees at the end of January.
- Ms. Bailey advised the Board that 31 distributions remained for the FY2012 13th Check Settlement totaling \$179,324.79. Trustee Strauss asked if there was one additional claim. Ms. Bailey advised that one additional claim had been received and was being processed.
- Ms. Bailey advised that two applications for candidacy had been received for the new term of an employee-elected member of the Board by the December 23rd deadline. She advised that one application was withdrawn, and therefore an election would not be required as the only active application was received by the deadline, submitted by Trustee Armand. She noted that based on the Election Procedures, Trustee Armand had been elected to the Employee Elected Trustee position for the term March 1, 2022 through February 28, 2025.
- Ms. Bailey advised that there were two disability in process. She noted that one application was just received.

She advised that there was an issue regarding the other application which had been forwarded to the Human Resources Department to obtain their position on the application. She advised that the member had resigned. While the disability procedures policy did not address the issue, it was her belief, after consultation with Mr. Cohen, that the application survived resignation. The Board agreed that it was appropriate to proceed with the application.

- 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 Armand.

10. **ADJOURNMENT**

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 10:45a.m.


Phyllis Shaw, Chair

Date

3/22/2022