

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, MAY 24, 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 (arrived at 10:20), Secretary Robert Strauss, Barbara Armand, Charles Howell, and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds and Donell Ward of Segal Marco; and Brent Chudachek of Lorium Law.

A. May 24, 2022 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to adopt the May 24, 2022 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. LAID OVER ITEM: March 22, 2022 Regular Meeting Minutes
- B. April 26, 2022 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 D. Keller, to approve Consent Agenda Items 3a through 3d. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

4. FINANCIAL

A. Proposed Budget Modification for Fiscal Year 2022

Ms. Bailey requested that the contract with GTJZ be extended through December 2022 at a cost of \$57,000, one month beyond CPMS Go Live. She also requested that the Board authorize her to access up to \$5,000 from the Contingent Reserve should there be a need to request additional service from Highstreet. Any amounts approved would be submitted to the Board for ratification. She noted that these requests would not result in an increase in the overall budget.

MOTION made by Trustee Strauss, seconded by Trustee D. Keller, to approve the request for budget modification as presented by the Executive Director. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

- B. Ms. Bailey provided the Board with the Draft April 2022 Financial Operations and Investment Summaries. She also provided the Budget Variance Report as of April 30, 2022. She noted an increase in Employer Contribution as the City paid the balance of the prior years' outstanding employer shortfall.

5. INVESTMENT (Keith Reynolds – Segal Marco)

A. March 2022 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for March 2022. He noted that the Fund's market value of assets as of March 31, 2022, decreased to \$447.6 million. He also noted that the estimated return for the Fund was up 0.8% net of fees for the month of March 2022 and up 0.6% net of fees for the fiscal year to date.

B. SMID Value Finalist Presentations

The Board heard presentations from Systematic Financial Management, EARNEST Partners, Burgundy Asset Management, and Ariel Investments. Trustees questioned each manager on various topics including their investment team, performance, strategy, fees, public fund clients, diversity and ESG (Environmental, Social and Governance) Investments.

Mr. Reynolds and Mr. Ward discussed the managers. They noted that the allocation to be transitioned from TSW was approximately \$15-\$17 million. They provided the Board with analyses of various investment allocation options to one or two investment managers. The Board discussed these allocation options and additional allocation scenarios.

MOTION made by Trustee Strauss, seconded by Trustee Armand, to select EARNEST Partners as the replacement for TSW. In a roll call vote of the members present, the **Motion** passed 5-1. Trustee Shaw opposed the motion.

C. 2022 Work Plan

Mr. Reynolds provided the Board with the 2022 Work Plan.

MOTION made by Trustee G. Keller, seconded by Trustee Strauss, to extend the meeting beyond 12:00noon. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

6. **LEGAL (Brent Chudachek – Lorium Law)**

A. Legal Updates

Mr. Chudechek advised that yesterday, Neuberger Berman provided proposed language for the side letter regarding confidentiality and trade secrets. He stated that his office would be reviewing the proposed language and would advise the Board of their recommendation at the June 21st meeting.

B. Request for Executive Session to Discuss Pending Litigation

Mr. Chudechek 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

Ms. Bailey provided the City Commission Communication for the month of May 2022. The Board requested that the communication be held and submitted after the June 14th Special Meeting.

B. Pension Office Renovation

Ms. Bailey advised that the City's Department of Construction and Management had received and were reviewing the 100% drawings from Core Concepts. She advised that once the drawings had been reviewed, signed and sealed, they would be submitted to the City for permits. She advised that concurrently, DCM would seek pricing from contractors to complete the renovations.

C. CPMS Update

Ms. Bailey advised that the new biweekly payroll feed file was designed and currently being reviewed. She noted that the Database design specifications were complete. She advised that the operational specifications were to begin shortly, including calculations, letters and forms, and refunds. She stated that preparations were being made for Data Load 2, which would advance all available data in CPMS to May 31, 2022. She advised that this data would be used for User Acceptance Testing of CPMS.

D. Communications from the Executive Director

- Ms. Bailey advised that only one 2021 life certificate remained outstanding. She advised that 140 of the 2022 life certificates remained outstanding and a second round of requests would be sent out to those members shortly.
- Ms. Bailey advised that 30 distributions remained for the FY2012 13th Check Settlement totaling \$172,173.84. She advised that two additional claim were being processed.

- Ms. Bailey advised that a member's disability application was still under review. She advised that Human Resources sought to offer the individual a new position and that job description was currently being reviewed by the Board's Physician.
- Ms. Bailey advised that the City's Employer Contribution Shortfall balance was paid off on April 2022 with the receipt of \$8,344,337.
- Ms. Bailey advised that the Actuarial Valuation would be available shortly. She requested a Special Meeting of the Board of Trustees be held on June 14th to review the report.
- 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**

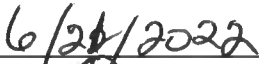
Trustees Shaw thanked Mr. Reynolds and his team for their work on the SMID Cap Value search.

10. **ADJOURNMENT**

MOTION made by Trustee Howell, seconded by Trustee G. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:56a.m.



Phyllis Shaw, Chair



Date 6/24/2022