

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, August 23, 2022 AT 9:00AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:20a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair George Keller, Secretary Robert Strauss (electronically), Barbara Armand, Jeffrey Greene, Charles Howell (electronically), and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds and Felicia Ewell, Diane McNally and Sally Corbin of Segal Marco; and Ron Cohen of Lorium Law.

A. August 23, 2022 Regular Board Meeting Agenda

MOTION made by Trustee G. Keller, seconded by Trustee Greene, to adopt the August 23, 2022 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

B. Absent and Excused

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to excuse the absence of Trustee Strauss from the July 26, 2022 Regular Meeting of the Board of Trustees. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

3. CONSENT AGENDA

- A. July 26, 2022 Regular Meeting Minutes
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Trustee Shaw noted that there was an amendment to the July 26, 2022 Regular Meeting Minutes under Item 5a, which should state that Mr. Gardiner worked 0.07 hours for the City on April 5, 2022 and not 0.7 Hours.

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to approve Consent Agenda Items 3a through 3c as amended. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

4. FINANCIAL

- A. Ms. Bailey provided the Board with the March, April and May 2022 Final as well as the July 2022 Draft Financial Operations and Investment Summaries. She also provided the Budget Variance Report as of July 31, 2022.

5. INVESTMENT (Keith Reynolds – Segal Marco)

A. June 2022 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for June 2022. He noted that the Fund's market value of assets as of June 30, 2022, decreased to \$413.4 million. He also noted that the estimated return for the Fund was down 8.3% net of fees for the quarter ended June 30, 2022, and down 7.2% 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, 2022. He noted that the assets available for investments were \$449.9 million and performance was down 3.6% for the quarter. He noted that the Fund ranked between the top 15-39% of its peer in the 1-, 3-, 5-, 7-, and 10-year periods.

Trustee G. Keller questioned Segal's expectations of a recession in the coming year. Mr. Reynolds noted that inflation was trending downward, and that the general consensus was, if there was a recession, it would not be as long, or as deep, as it was in 2008.

Trustee Shaw noted that the Fund was a long-term investor and asked Mr. Reynolds to explain how the markets would affect a retiree's pension. Mr. Reynolds noted that the market fluctuations would have no impact on a retiree's pension. He stated that the more important concern was the funding level. He noted that the Board reduced the Investment Return Rate Assumption down from 7.3% to 7.0%, and that the ultimate goal was to get and keep the funding level up by building a diverse investment portfolio.

C. 2022 Work Plan

Mr. Reynolds provided the Board with the 2022 Work Plan. Mr. Reynolds advised that Entrust would provide an update of the Blue Ocean Fund and would discuss opportunities in the Market at the September meeting.

D. Board Insurance Program Update

Ms. Diane McNally and Ms. Sally Corbin presented the renewal proposals for Fiduciary Liability, Fiduciary Bond, Cyber Liability, Employment Practices Liability, Commercial Package and Umbrella, Workplace Violence, and Public Officials Bond Insurance Policies. The Cyber Liability Excess policy quotes were not yet available.

Ms. McNally noted that the Workplace Violence policy, which covered the workplace and additional coverage for off premises, currently had a limit of liability of \$2 million. She provided options which would increase the limit of liability to \$3, \$4, and \$5 million. The Board discussed increasing the coverage.

MOTION made by Trustee Greene, seconded by Trustee Armand, to accept the policies as recommended. In response to a question, Ms. McNally advised that the recommendation was to renew the policies at the levels recommended, except for the Cyber Liability Excess, where the Option costs were not yet available. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

Ms. McNally advised that she would return with additional information on the Cyber Liability Excess options. She will also obtain the pricing of adding the new offices to the Workplace Violence Policy Options.

6. **LEGAL (Ron Cohen – Lorium Law)**

A. Legal Updates

Mr. Cohen advised that he reviewed the bidding documents provided by the Department of Design and Construction Management. He noted that he provided suggestions but noted that he advised DCM that COHERF would be relying on their expertise.

He advised that State Street had advised that the work authorizations of its employees were verified through E-Verify system but that the task was performed by a third party. Mr. Cohen noted that this did not follow the letter of the statute. He advised that there was no case law to provide direction but that he believed the sufficiency of the verification by a third party was defensible. The Board discussed seeking the Attorney General's opinion. Mr. Cohen requested that he be allowed to do some preliminary work before requesting the Attorney General's Opinion. The Board agreed.

Mr. Cohen advised that he would be moving forward to complete the EARNEST Partners and State Street contracts.

- B. 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 noted that Ms. Tisdale-Ferguson filed a petition for certiorari in the 4th District Court of Appeal, seeking review of the lower court's decision. He noted that the Court might order a reply from the Fund but that the Court had requested additional documents be provided by Ms. Tisdale-Ferguson.
- C. 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
Ms. Bailey provided the City Commission Communication for the month of August 2022.
- B. Communications from the Executive Director
- Ms. Bailey advised that only one 2021 life certificate remained outstanding. She advised that 75 of the 2022 life certificates remained outstanding.
 - Ms. Bailey advised that 29 distributions remained for the FY2012 13th Check Settlement totaling \$161,035.52.
 - Ms. Bailey advised that 27 distributions remained for the FY2021 13th Check Settlement totaling \$122,127.11.
 - Ms. Bailey advised of a slight change to the floor plan due to spacing issues, with two seats being lost in the main office. She noted that contractor bids had been requested for the renovation and were due back by September 7, 2022.
 - Ms. Bailey advised that the Florida Department of Management Services would hold their Annual Conference from September 26-28, 2022 in Orlando.
- Trustee Keller advised that City had received communications regarding a proposed ordinance to create a Chapter 175 share plan in the Fire Fund.
- Ms. Bailey provided the Board with the DROP Participant List. She advised that there were currently no Planned Retirement Participants.

8. PUBLIC COMMENTS

There were no Public Comments.

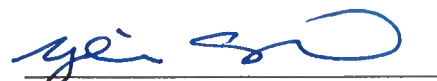
9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Strauss thanked the Board for their work. Trustee Greene expressed his excitement about being back on the Board and assisting with the retirees, doing all that he could to make sure that the Plan was truly well funded, and retirees and disabilities were appropriately handled. He noted that this was his opportunity to give back to the City, as the employees have made the City such a wonderful place for him and his family to live.

Trustee Shaw thanked the Trustees, advisors, and staff for the work that they had done. She noted that we expect to see the markets come around and reminded Plan members that the Plan was a long-term investor.

10. ADJOURNMENT

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. The meeting adjourned at 11:05a.m.



Phyllis Shaw, Chair
9/27/2022

Date