

**MINUTES**  
**REGULAR PENSION BOARD MEETING**  
**CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**  
**TUESDAY, SEPTEMBER 27, 2022 AT 9:00AM**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:15a.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 (electronically), and David Keller. Also present: Executive Director Christine Bailey; Zindy Agredo, Karen Sashi, and Dana Nelson of the Department of Design and Construction Management; Keith Reynolds and Felicia Ewell of Segal Marco; Diane McNally, Matthew Jackson and Sally Corbin of Segal Select; and Ron Cohen of Lorium Law.

Trustee Jeffery Greene was absent.

**A. September 27, 2022 Regular Board Meeting Agenda**

**MOTION** made by Trustee D. Keller, seconded by Trustee Strauss, to adopt the September 27, 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. August 23, 2022 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 D. Keller, seconded by Trustee Strauss, to approve Consent Agenda Items 3a through 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 August 2022 Draft Financial Operations and Investment Summaries. She also provided the Budget Variance Report as of August 31, 2022.

**5. INVESTMENT (Keith Reynolds – Segal Marco)**

- A. Blue Ocean Update and Outlook

Representatives of Entrust, Svein Engh, Sofia Mullen, and Jeffrey Marano, presented an update on the Blue Ocean Onshore Fund. Mr. Engh noted that the Fund had done better than expected and was able to reinvest distributions rather than calling capital. He noted that the Fund currently had about 25 positions.

Ms. Mullen presented an overview of current opportunistic investments and recommended strategies to access those opportunities. She advised that Entrust sought opportunistic investment by targeting equity and fixed income instrument of certain public and private market companies with situations where there would be a specific anticipated event path to value creation.

In response to a question, Mr. Reynolds noted that, at the March 2023 meeting, the fund would review its investment portfolio, looking at exposures and opportunities. He stated that the Board would then consider commitments to the opportunities available and how much funds would be available for new commitments.

Trustee Shaw noted that Fund V was expected to launch in the fourth quarter of 2022. She asked when it was expected to close and what was the expected duration of the Fund. Ms. Mullen noted that the launch date had not yet been determined but expected

it to be by year-end. She noted that each underlying investment would not be more than two to five years and that the duration of the structure was a three-year investment.

B. July 2022 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for July 2022. He noted that the Fund's market value of assets as of July 31, 2022, increased to \$415.8 million. He also noted that the estimated return for the Fund was up 3.5% net of fees for the month of July 2022, and down 3.6% net of fees for the fiscal year to date. He noted that the diversification of the Fund, into investments that protected the assets in down markets, resulted in the Fund outperforming its peers.

C. 2022 Work Plan

Mr. Reynolds provided the Board with the 2022 Work Plan. The Board agreed to move the ESG policy discussion to its December meeting for discussion with the annual investment policy review.

D. Board Insurance Program Update

Ms. Diane McNally and Matthew Jackson discussed the Workplace Violence and Cyber Liability Insurance policies. Mr. Jackson presented the proposed Cyber Liability policies. He noted that the Fund had a total limit of liability coverage of \$5 million. He noted that the cost of the coverage increased significantly but was market competitive as costs have increased overall. He noted that Segal recommended that the Board renew the Cyber Liability policies.

Ms. McNally noted that the Workplace Violence policy was approved at a limit of liability of \$2 million. She noted that the Board could increase its limit of liability from \$2 million to \$3 million for an additional cost of \$721. She advised the Board that the new pension office location could be included in the policy at no additional premium. The Board discussed the addition of the new pension office and increasing the coverage.

**MOTION** made by Trustee D. Keller, seconded by Trustee Strauss, to add the permanent property at renewal and increase the liability limit from \$2 million to \$3 million based on the recommended dollar amount. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

**MOTION** made by Trustee D. Keller, seconded by Trustee Armand, to accept Segal's recommendation to renew the \$5 million program with Travelers as the Primary and Coalition as the Excess insurers. 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 he reviewed Earnest Partners Trust documents and that they were ready for signature along with a side letter. He noted that the State Street documents were also completed and signed.

Mr. Cohen advised that there has been a new standard for the statement of accounts and that Marcum submitted changes to their engagement letter. He noted that he was working with Marcum on the revisions.

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 writ of certiorari in the 4<sup>th</sup> District Court of Appeal, seeking review of the lower court's decision. He noted that the Appeal Court denied Ms. Tisdale-Ferguson petition. He noted that this might not be the end as there were other things that the petitioner could do but noted that the Board could only wait to see if the petitioner proceeded.

7. **EXECUTIVE DIRECTOR'S REPORT**

A. City Commission Communication

Ms. Bailey provided the City Commission Communication for the month of September 2022.

B. Pension Office Relocation

Mr. Dana Nelson presented the renovation proposals submitted in response to the Board's request for bids. He stated that it was the recommendation of DCM that, of 11 contractors who submitted proposals, the Board should consider a short list of three proposers who met the requirements of the request for bids, and had the lowest cost proposals. The proposers were Vercetti Enterprises, Encop, Inc. and Waypoint Contracting, Inc.

**MOTION** made by Trustee Strauss, seconded by Trustee D. Keller, to accept the short list as recommended. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Mr. Nelson proceeded with a detailed presentation of the three proposers, including a bid price analysis of each proposer. He advised that each proposer was asked if the proposal was inclusive of all scope within the contract drawings and specifications, and each responded in the affirmative. He further advised that each was asked if there were conditions within contract drawing that were not clear and concise at the time of pricing. He advised that they all responded no.

Mr. Nelson advised the Board that Vercetti Enterprises had both the best proposal and the lowest cost. He noted that even if the Board implemented a contingency budget of 30%, which was 20% greater than the standard 10% applied to the other proposers, Vercetti would remain the lowest bidder.

**MOTION** made by Trustee Strauss, seconded by Trustee D. Keller, to authorize the Board Attorney, DCM, and the Executive Director to negotiate a contract with Vercetti Enterprises and if they are unable to negotiate, authorize the Board Attorney, DCM, and the Executive Director to negotiate a contract with the next lowest responsive bidder. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. CPMS Update

Mr. Bailey provided the Board with an updated CPMS Project Plan, she noted that the new effective Go Live date would be April 24, 2023 for the Administration System and August 28, 2023 for the Member Self Service System. Ms. Bailey advised that the extension of the Go Live date would require additional resource and she requested that the Board approve Capital Budget modifications totaling \$108,670. She reviewed the proposed modification of \$93,720 in the GTJZ Consulting Contract which covered the extension and project management services during the development of Member Self Service; and the proposed modification of \$7,380 in the Highstreet Contract to complete data conversion and the new Biweekly Payroll Feed.

Ms. Bailey noted that, if the proposed modifications were approved, the CPMS Project would have \$105,820 in contingency funds remaining in the capital budget.

**MOTION** made by Trustee D. Keller, seconded by Trustee G. Keller, to approve a budget modification of \$108,670, of which \$100,000 will be placed in the CPMS contingency reserve. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

**MOTION** made by Trustee D. Keller, seconded by Trustee G. Keller, to approve a modification in the GTJZ consulting contract of \$93,720 and a modification in the

Highstreet contract of \$7,380. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

D. Personnel Considerations

Ms. Bailey advised that the Pension staff both received exceptional performance reviews. She requested that they be granted salary increases at a rate of at least \$5%. She noted that the annual CPI for South East Florida for August of 10.7%.

**MOTION** made by Trustee G. Keller, seconded by Trustee Strauss, to increase the salaries of Veron Sibble and Yvonne Narayan by 5%, or by 4% with a \$1,000 lump sum payment net of income taxes for employees earning under \$100,000, whichever is more beneficial. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Mr. Reynolds noted that the Segal Marco 2023 Client Conference would be held from March 23 to 26, 2023 in Las Vegas, Nevada. He encouraged Trustees, especially new Trustees, to consider attending as the conference would be focusing on innovative ideas and thoughts from the Segal research group, would provide discussions on the financial markets, and additional insights.

E. Communications from the Executive Director

- Ms. Bailey advised that only one 2021 life certificate remained outstanding. She advised that 45 of the 2022 life certificates remained outstanding.
- Ms. Bailey advised that 29 distributions remained for the FY2012 13<sup>th</sup> Check Settlement totaling \$161,035.52.
- Ms. Bailey advised that 8 distributions remained for the FY2021 13<sup>th</sup> Check Settlement totaling \$48,741.20.
- Ms. Bailey advised that the Florida Department of Management Services' Annual Conference scheduled for September 26 to 28, in Orlando had been postponed due to the approach of Hurricane Ian.
- Ms. Bailey provided the Board with information on the Koried Plan Sponsor Educational Institute and the Context365 Conferences scheduled for 2023.

**MOTION** made by Trustee D. Keller, seconded by Trustee Strauss, to allow the staff or any trustee to attend the Koried Plan Sponsor Educational Institute and the Context365 Miami Conference. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

- Ms. Bailey provided the Board with the DROP Participant List.

8. **PUBLIC COMMENTS**

There were no Public Comments.

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

Trustee Keller provided an update on the hurricane and hoped that we all stay safe.

10. **ADJOURNMENT**

**MOTION** made by Trustee D. Keller, seconded by Trustee Armand, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:25a.m.

  
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Phyllis Shaw, Chair

11/18/2022  
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Date