

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, NOVEMBER 15, 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 (electronically), Barbara Armand, Jeffrey Greene (electronically), Charles Howell (electronically), and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds and Felicia Ewell of Segal Marco; and Ron Cohen of Lorium Law.

A. November 15, 2022 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to adopt the November 15, 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 Armand, to excuse the absence of Trustee Greene from the September 27, 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. September 27, 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 Greene, seconded by Trustee D. Keller, to approve Consent Agenda Items 3a through 3c. 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 September 2022 Draft Financial Operations and Investment Summaries. She also provided the Budget Variance Report as of September 30, 2022.

5. INVESTMENT (Keith Reynolds – Segal Marco)

- A. August and September 2022 Flash Performance Reports
Mr. Reynolds provided the Board with the Flash Performance Report for August and September 2022. He noted that the Fund's market value of assets as of September 30, 2022, decreased to \$383.0 million. He also noted that the estimated return for the Fund was down 3.0% net of fees for the month of September 2022, and down 10.0% net of fees for the fiscal year.

B. Second Quarter Performance Review

Mr. Reynolds reported the Fund's performance for the quarter ended June 30, 2022. He noted that the assets available for investments were \$413.1 million and performance was down 8.2% net of fees for the quarter. He also noted that performance was down 7.1% for the fiscal year to date. Mr. Reynolds advised that the Fund outperformed its peers with similar equity exposures and was within the top decile of reported returns for the quarter. He noted that the Fund's returns were in the top quartile for the 1-, 3-, 5-, 7- and 10-year periods. He noted that these returns were generated with less risk than the median return.

In response to a question from Trustee G. Keller on market trends and opportunities, Mr. Reynolds advised that all down markets are not the same and that the Fund had done a good job of protecting the assets in the down market. In response to a question from Trustee D Keller on developing and emerging markets, Mr. Reynolds and Ms. Ewell noted that Fund currently overweighted India.

- D. Investment Fee Schedule Reporting Update.
Mr. Reynolds noted that Segal was preparing a report of actual fees for fiscal year 2022 and hope to provide that information to the Board annually each spring. In response to a question from Trustee Shaw, he advised that estimated fees would be provided quarterly.
- C. Custodian Update
Mr. Reynolds advised that, as the Fund continued to diversify, the Custodian, Principal had advised that they were seeking a new fee structure. He advised that Rosa Lima would review the proposal and would advise the Board on the feasibility of the proposal.
- E. Work Plan
Mr. Reynolds provided the Board with the 2022 Work Plan. He advised that the Annual Investment Policy Review, the Emerging Manager Program Policy Discussion and the ESG Policy Discussion would be moved to the 2023 Work Plan.

6. LEGAL (Ron Cohen – Lorium Law)

- A. Legal Updates
Mr. Cohen advised that the Earnest Partners Trust documents have been signed. He also advised that the Marcum engagement letter was complete.
- 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 advised that the 4th District Court of Appeal had denied the petition for writ of certiorari, seeking review of the lower court's decision. He noted that the deadline for further appeal had passed and therefore he believed the case was over. He stated that he had notified the insurance carriers.
- C. Blue Ocean Onshore Fund LP Amendment to Limited Partnership Agreement
Mr. Cohen advised that the Blue Ocean Fund sought some technical modifications to the partnership agreement. He advised that both he and Mr. Reynolds saw no problems with the requested amendment and advised that no action was required on the Board's part unless they object to the amendment. There were no objections.

7. EXECUTIVE DIRECTOR'S REPORT

- A. City Commission Communication
Ms. Bailey provided the City Commission Communication for the month of November 2022. Trustee Shaw requested that the communication be reviewed to determine if the information provided is relevant to the Commission. Trustee G. Keller noted that there would be a new Commissioner in November.
- B. Pension Office Relocation
Ms. Bailey advised that Vercetti Enterprises had reviewed the draft contract and made proposed edits. She advised that the staff at the Department of Design and Construction Management were currently reviewing the proposed edits and will continue negotiations with the Contractor.
- C. CPMS Update
Ms. Bailey advised that there were additional deductions codes that were used by the City which were still enabled in the Oracle system and would require additional services from Highstreet. She advised that the Staff was conducting testing on the Refund and DROP designs of the system,
- D. Proposed Board Meeting Dates 2023
Ms. Bailey provided the proposed Board meeting dates for calendar year 2023,

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to accept the proposed Board meeting schedule for Calendar Year 2023. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

Trustee Shaw proposed that the Board adopt its Calendar beginning in 2023 to ensure that the members are aware of the Pension Office's schedule.

Trustee Shaw requested that all Trustees attend Board meetings in person. She requested that Trustees provided as much notice as possible to the Pension Office when they know that they would not be able attend the meeting in person.

E. Credit Card Policy Update

Ms. Bailey requested that the Credit Card Policy be updated to increase the limit on the Credit Card assigned to the Chair. She also requested that the Board reaffirm their approval of the limit on the Credit Card assigned to the Executive Director.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to increase the Chair's Credit Card limit to \$10,000. In a roll call vote of the members present, all members voted in favor. **Motion** passed 7-0.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to confirm the credit card increase of the Executive Director's Credit Card limit to \$16,000. In a roll call vote of the members present, all members voted in favor. **Motion** passed 7-0.

F. Communications from the Executive Director

- Ms. Bailey advised that only one 2021 life certificate remained outstanding. She noted that Trustee Strauss had provided a new contact for the retiree. She advised that 34 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 4 distributions remained for the FY2021 13th Check Settlement totaling \$22,383.95.
- Ms. Bailey advised that the Florida Department of Management Services' Annual Conference had been rescheduled to December 13 through 15, in Orlando.
- Ms. Bailey advised that in addition to the annual report, the City Commission is requesting a presentation of their reports at an upcoming meeting of the Commission.
- Ms. Bailey advised that Marcum had begun the Fiscal Year 2022 Financial Audit.
- Ms. Bailey provided the Board with the DROP Participant List.

8. **PUBLIC COMMENTS**

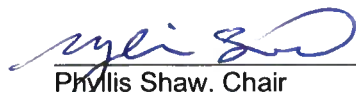
There were no Public Comments.

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

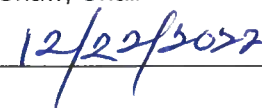
Trustee Keller advised of a current lawsuit against the Fire Pension Fund. He noted that a new commission would be sworn in on November 30th and that there were anticipated changes in the City. Trustee Strauss thanked the Pension Office staff for their work in preparing materials for the Board meetings.

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 10:40a.m.



Phyllis Shaw, Chair



Date