

MINUTES
ANNUAL PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, DECEMBER 13, 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 (electronically, joined at 9:15am, exited at 9:17am). Secretary Robert Strauss, Barbara Armand, Jeffrey Greene, Charles Howell (electronically), David Keller. Also present: Executive Director Christine Bailey; Rosa Limas, and Felicia Ewell of Segal Marco; and Ronald Cohen of Lorium Law.

A. December 13, 2022 Annual Board Meeting Agenda

MOTION made by Trustee Greene, seconded by Trustee D. Keller, to adopt the December 13, 2022 Annual Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

B. Election of Chair, Vice Chair and Secretary

MOTION made by Trustee Strauss, seconded by Trustee Armand, to nominate Phyllis Shaw to the position of Chair. No other nominations were received. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

MOTION made by Trustee Strauss, seconded by Trustee Greene, to nominate George Keller to the position of Vice Chair. No other nominations were received. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

MOTION made by Trustee Armand, seconded by Trustee D. Keller, to nominate Robert Strauss to the position of Secretary. No other nominations were received. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

3. CONSENT AGENDA

- A. November 15, 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 Strauss, seconded by Trustee Greene, 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 Final June 30, 2022 Financial Operations and Investment Summaries. Ms. Bailey also provided the Budget Variance Report as of October 31, 2022.

Trustee Strauss inquired about the City's Annual Employer Contribution. Ms. Bailey advised that the contribution was made at the beginning of October 2022.

5. INVESTMENT (Felicia Ewell – Segal Marco)

- A. October 2022 Flash Performance Report
Ms. Ewell provided the Board with the Flash Performance Report for October 2022. She noted that the Fund's market value of assets as of October 31, 2022 increased to \$415.1 million. She also noted that the estimated return for the Fund was about 2.4% net of fees for the month of October 2022.

B. SMID Value Transition Update

Ms. Limas advised that the TSW Transition had begun. She stated that Segal was coordinating the transition, and that State Street and Earnest Partners were in preliminary discussions regarding in-kind transition of some of the assets. In response to a question from Trustee Greene, Ms. Limas stated that she did not anticipate any

issues and Segal would be having weekly calls with all the parties involved to ensure a smooth transition.

C. Custodian Fees Consideration

Ms. Limas stated that Principal sought a revision of their fee schedule as the Fund had increased the number of custody accounts. She advised that Principal stated that they, and its predecessor Wells Fargo, had not requested a fee increase in some time. The Board discussed the Proposed Fee Schedule.

MOTION made by Trustee Greene, seconded by Trustee Armand, to approve the new fee schedule and authorize entering into an agreement with Principal subject to Attorney review. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Trustee Shaw requested that Segal continue monitoring Principal and bring back a comparative analysis of the fees and follow up with Principal on the agreement. The Board discussed the proposed lock-in period of three years versus five years. It was noted that the agreement could be terminated at any time with a 60-day notice.

MOTION made by Trustee Armand, seconded by Trustee Greene, to allow Segal to negotiate a five-year lock-in rate. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

D. 2022 Work Plan

Ms. Ewell provided the Board with the review of the Fund's accomplishments in calendar year 2022. She advised that there were three items being carried over from this year: the Annual Investment Policy Review, the Emerging Manager Program Policy Discussion and the ESG Policy Discussion.

6. **LEGAL (Ron Cohen – Lorium Law)**

A. Update on Investment Contract

Mr. Cohen advised that he was currently working on three different service provider contracts with two different providers. He advised that the GTJZ contract had an extension to the present agreement and an agreement to provide assistance during the development of the member self-service program. He advised that the contracts had been drafted and would be sent to GTJZ.

He noted that the Segal contract had expired, and the Board had approved an extension. He advised that he has drafted the contracts and was awaiting a response from Segal's attorneys.

7. **EXECUTIVE DIRECTOR'S REPORT**

A. City Commission Communication

The Board received the City Commission Communication.

B. Pension Office Renovation

Ms. Bailey advised that the Department of Design and Construction Management (DCM) had reviewed the vendor edits to the draft contract and had advised the vendor of which edits would be accepted and which were rejected. She noted that the vendor's response had been expected but not yet received. She advised that DCM would reach out to the vendor and if an agreement could not be reached, DCM would begin negotiations with the next highest evaluated bidder.

C. CPMS Update

Ms. Bailey requested that the Board approve an additional \$9,180 for Highstreet which would be taken from the Contingency Reserve. She advised that during testing, additional payroll deduction elements were identified which required changes to the data conversion files and the new biweekly payroll feed. She noted that part of the cost

included the provision of documentation to ensure that if any additional payroll elements were found to be missing, City IT would be able to make the necessary adjustments.

MOTION made by Trustee Armand, seconded by Trustee Greene, to allow the Executive Director to access up to an additional \$10,000 from the Contingency Reserve for the CPMS Project. 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 allow the Executive Director to pay Highstreet an additional \$9,180. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Trustee Strauss inquired about the amount of work completed. Ms. Bailey advised that the project was approximately 50% complete. She explained that most of the design of the system was complete and the functionality of parts of the system was being tested. She advised that the most significant functionality that had not yet been designed and tested was the calculation and retirement functionality.

In response to a question, Ms. Bailey advised that any change to the payroll process may affect the new biweekly payroll feed. She also noted that in testing the system, processing times were significantly reduced.

D. COHERF 2023 Calendar

Ms. Bailey provided the Board with the proposed 2023 calendar of events, including proposed closures of the Pension Office.

MOTION made by Trustee Greene, seconded by Trustee Armand, as amended to accept the COHERF 2023 Calendar as presented and if the City changes the holiday structure, COHERF would follow suit. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

E. Communications from the Executive Director

- Ms. Bailey advised that final outstanding 2021 life certificate had been received. 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 trustees' FPPTA membership dues would be paid shortly.
- Ms. Bailey provided the Board with the DROP Participant List.

Ms. Bailey advised the Board that the City had requested that the Plan review a proposed ordinance change which would allow members to purchase credit for employment with the CRA. She advised that after review, the City was advised that, if adopted, the Plan could implement the proposed change.

Trustees expressed concerns about the proposed ordinance change and its financial impact on the Fund. The Board requested the communications and asked that such communications be provided to Trustees before a response is provided. Ms. Bailey noted that the proposed ordinance would require an impact statement which would identify the cost of the proposal.

Trustee Shaw requested that Trustees provide any questions, comments, and concerns to Ms. Bailey for discussion at the next meeting of the Board.

8. **PUBLIC COMMENTS**

There were no public comments.

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

Trustees expressed best wishes for the season. Trustee Shaw thanked Trustees for their work on the Board during the last year. She thanked the staff and expressed appreciation for the work that they had done. She thanked Mr. Cohen for his professionalism and his protection of the Plan. She thanked Segal for their investment and administrative services and looking out for the best interest of the Plan. She also thanked the Plan members for entrusting the Board with the governance of their future and monies. She is also committed to work for their best interests.

Trustee Strauss expressed appreciation for the cooperation of the Trustees, representing different demographics coming together and reaching consensus on actions on behalf of the people. Trustee Shaw also acknowledged the support of the plan sponsor, the City of Hollywood.

10. **ADJOURNMENT**

MOTION made by Trustee Greene, seconded by Trustee Strauss, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:15a.m.



Phyllis Shaw, Chair



Date