

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, APRIL 25, 2023 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, Jeffrey Greene, and Charles Howell (electronically joined 9:25a.m.). Also present: Executive Director Christine Bailey; Keith Reynolds and Felicia Ewell of Segal Marco; Ronald Cohen of Lorium Law; and Jack Ziegler of GTJZ Consulting.

Ms. Bailey advised that Trustee D. Keller had requested to be excused. **MOTION** made by Trustee Greene, seconded by Trustee Strauss, to excuse Trustee D. Keller's absence. In a voice vote by the members present, **Motion** passed 5-0. (Trustee Howell had not yet joined the meeting.)

A. April 25, 2023 Regular Board Meeting Agenda

MOTION made by Trustee Strauss, seconded by Trustee Greene, to adopt the April 25, 2023 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0. (Trustee Howell had not yet joined the meeting.)

3. CONSENT AGENDA

- A. March 28, 2023 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 G. Keller, 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/B. Trustee Greene, Pro-tem Chair of the Audit Committee, reported that the committee had no issues with the audited Draft Financial Statements for the Fiscal Year ended September 30, 2022. He stated that the committee had reviewed the statements and that they were accepted by the Committee as presented. Mr. Hermes Garzon of Marcum LLC reviewed the 2022 Financial Statements. He advised that Marcum issued an unmodified opinion. He noted that the audit did not identify any material weaknesses or significant deficiencies in the internal controls of the Fund. He also noted that there were no instances of non-compliance which would have required reporting. He noted that the Fund significantly outperformed other pension funds that they audited last year.

MOTION made by Trustee Armand, seconded by Trustee G. Keller, to accept the Draft Financial Statement as presented. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0. Trustees thanked the auditors and the staff.

Trustee Greene was appointed Chair Pro-tem for the 2023-2024 Audit Committee. Trustees Armand, D. Keller and Shaw were also appointed to the Committee, with Trustee Shaw servicing as an ex-officio member.

C. Ms. Bailey provided the Board with the Preliminary January 31, 2023. She advised that the outstanding reports would be provided at the next meeting. Ms. Bailey also provided the Budget Variance Report as of April 30, 2023.

5. INVESTMENT (Keith Reynolds – Segal Marco)

A. February 2023 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for February 2023. He noted that the Fund's market value of assets as of February 28, 2023 decreased to

\$419.8 million. He also noted that the estimated return for the Fund was down 1.9% net of fees for the month of February 2023 and up 6.6% net of fees for the fiscal year to date.

B. GoldPoint Update and Recommendation

Mr. Reynolds advised that in April 2022, GoldPoint integrated into Apogem Capital. He advised that the capital had already been invested and a new team would be managing the day-to-day operations and future distributions. He further advised that Apollo had offered to purchase all outstanding shares at ninety cents on the dollar. He advised that the Fund had to select one of three options by May 1, 2023. The first option was to sell the Fund's shares at ninety cents on the dollar; the second option was to roll 50% of the investment into the new vehicle and cash out 50% at ninety cents on the dollar; and the third option was to roll the current investment into the new vehicle with a reduction in fees from 100 basis point to 75 basis points and no performance fees. Mr. Reynold advised that Segal recommended that the Fund roll the investment in the new vehicle.

Trustees discussed the new vehicle and the new investment team. Mr. Reynolds advised that the head of the investment team from GoldPoint will remain with the new vehicle.

MOTION made by Trustee Strauss, seconded by Trustee Greene, to accept Segal's recommendation to stay with the Investment as is in the new vehicle, with a 25% discount in fees. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. 2023 Work Plan

Mr. Reynolds provided the Board with the 2023 Work Plan. The Board discussed increasing the investment agenda at two board meeting this year in lieu of separate Investment Committee meetings. The Board decided to increase the investment agenda at the June 2023 Regular Board meeting.

6. **LEGAL (Ron Cohen – Lorium Law)**

A. Legal Update

Mr. Cohen advised that the amendment to the Executive Director's Contract had been signed. Trustees discussed changing the Executive Director's evaluation period from a calendar year review to a fiscal year review. In response to a question, Ms. Bailey stated that she had no objection to such a change.

MOTION made by Trustee Greene, seconded by Trustee G. Keller, to change the evaluation period of the Executive Director from calendar year to fiscal year effective September 2023. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Mr. Cohen advised that he had reviewed the question regarding Trustee G. Keller's ability to serve as both City Manager and Trustee on the Board. He advised that the City Manager could service in both positions, and his position as a member of the Board of Trustees was specifically allowed under Section §33.025(R) of the City's Code of Ordinances. He stated that there was specific case law on this matter. He noted that in times where there might be conflicts, there were Florida statues that address those instances. In response to a question, Mr. Cohen confirmed that the City Manager would be a full voting member of the Board of Trustees.

Mr. Cohen advised that the Change Order to the construction contract had been signed. He thanked all the staff of the City and Pension office for their work on the change order and specifically Jose Cortes, Director of the Department of Design and Construction Management (DCM) for his intervention to get everything finalized. Trustee Shaw reiterated Mr. Cohen's comments and emphasized the invaluable assistance provided by Mr. Cortes and his team, noting that they had recently received the City's Diamond Service Team Award.

Mr. Cohen advised that House Bill 3 had passed the Florida Senate and the Florida House of Representatives, and had been sent to the Governor for signature. He noted that if signed there would be certain requirements of the Fund. He noted that the bill did not only affect Pension Funds but also added requirements for cities in other areas.

Trustee Strauss asked if the bill had been challenged in court as it appears to directly involves the freedom of citizens to spend money in their prudent manner. Mr. Cohen stated that he was not aware of any challenges.

In response to a question Mr. Cohen noted that the bill did not preclude any investment but noted that any such investment should only be considered on its pecuniary values.

B. Report on the Survivor Benefits of Joseph Bowman

Mr. Cohen reviewed the Board's decision on the survivor benefits of Joseph Bowman to recoup the overpayment before any payments are made to beneficiaries. He noted that the Board's ability to make a claim on Mr. Bowman's estate would expire in May 2023. He advised that based on the opinion of Fassett, Anthony & Taylor, he recommended that the Board not make a claim on the estate and continue on the current course. In response to a question, Mr. Cohen noted that the beneficiaries could sue the Fund but while he did not know what would happen, he believed that there were sufficient defenses to such an action.

7. EXECUTIVE DIRECTOR'S REPORT

A. City Commission Communication

The Board received the City Commission Communication.

B. CPMS Update

Mr. Ziegler presented an update on the status of the Comprehensive Pension Management System (CPMS) project. He advised that the system was operational, it went live on April 24, 2023 as scheduled. He advised that the universe of individuals in the system was established with all actives, vested, retirees and beneficiaries as of October 1, 2021, a total of 1,934 individuals. He noted that no member who terminated, and no retiree who died before this date, would be included in the system. He further noted that any additional hires and new beneficiaries had been added to the system, and that there were currently 2,011 actives, vested, retirees and beneficiaries as of March 31, 2023.

He discussed the data conversion process and the various tasks undertaken by PTG, the City, and the staff of the Pension office to create CPMS. He noted that COHERF now had historical data available for all active members. He advised that the system would now be able to calculate retirement benefits, estimates, and beneficiary benefit; calculate service credit; maintain DROP accounts; track 13th check eligibility; and other features. He advised that there were additional tasks remaining to be completed manual.

Trustee Strauss asked if there would be documentation of the design of the system. Mr. Ziegler advised that documentation existed within the design specifications which provided all the details of how each part of the system worked. Trustee Armand questioned the process for making changes to the system. Mr. Ziegler advised that changes to the system would be made through the system integrator PTG. He recommended that design changes that would require revisions to the system by PTG should require documentation, update of the specifications, testing, and signoff before being put into production.

Trustee Shaw congratulated Mr. Ziegler and the Pension staff on the successful implementation of the system. She thanked the City staff for the assistance they provided in the development of the System.

Mr. Ziegler noted that the design and development of the member self service portion of the system would begin next month.

C. Pension Office Renovation Update

Ms. Bailey advised that the demolition began on April 18, 2023. She advised that this is expected to be a six-month project.

D. Communications from the Executive Director

- Ms. Bailey advised that 3 retirees remained stopped for nonreceipt of their 2022 Life Certificates. She advised that the 2023 Life Certificates were due on April 1, 2023 and a report would be provided at the next meeting.
- Ms. Bailey advised that 29 distributions remained for the FY2012 13th Check Settlement totaling \$161,035.52.
- Ms. Bailey advised that 5 distributions remained for the FY2021 13th Check Settlement totaling \$23,130.82.
- Ms. Bailey advised that the Koried Global Summit would be held in July in Coral Gables and requested that the Board approve the attendance of any interested Trustee and the Pension Staff.
- **MOTION** made by Trustee Greene, seconded by Trustee Armand, to approve the attendance of any interested Trustee and the Pension Staff at the Koried Global Summit. 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**

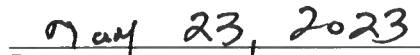
Trustee Greene, Trustee Strauss and Trustee Shaw each expressed their appreciation to the Trustees, counsel and staff for the major milestones that have been accomplished together. Trustee Strauss advised that the Retirees' Association would soon be unveiling its new website. Mr. Cohen and Ms. Bailey also expressed their thanks to the Trustees for their work on behalf of the Fund. They noted that the Fund's success was due to the leadership and guidance provided by the Trustees.

10. **ADJOURNMENT**

MOTION made by Trustee Greene, 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 11:30a.m.



Phyllis Shaw, Chair



Date