

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, MAY 23, 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 (electronically), Barbara Armand, Jeffrey Greene, Charles Howell (electronically), and David Keller. Also present: Executive Director Christine Bailey; Dana Nelson of the City of Hollywood Department of Design and Construction Management; Keith Reynolds of Segal Marco; and Ronald Cohen of Lorium Law.

A. May 23, 2023 Regular Board Meeting Agenda

Trustee Shaw advised the Board of requested changes to the Agenda, changing Agenda Item 3a to read April 25, 2023 Regular Meeting Minutes and withdrawing Agenda Item 4b.

MOTION made by Trustee D. Keller, seconded by Trustee G. Keller, to adopt the amended May 23, 2023 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

3. CONSENT AGENDA

- A. April 25, 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 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. Proposed Budget Modification for Fiscal Year 2023

Ms. Bailey presented the Proposed Budget Modification for Fiscal Year 2023. She requested an additional \$67,100 for investment fees and an additional \$37,200 for administrative expenses, for a total modification of \$104,300.

MOTION made by Trustee Greene, seconded by Trustee G. Keller, to accept the Proposed Budget Modification for Fiscal Year 2023 as presented. In a roll call vote of the members present, all members voted in favor. **Motion** passed 7-0.

B. Proposed Budget for Fiscal Year 2024

Ms. Bailey presented the Proposed Budget for Fiscal Year 2024 for \$1,991,530. She requested that the Board approve \$537,700 in Investment Fees paid by the Fund. (She noted that there would be additional estimated Investment Fees not paid directly by the Fund of \$3,488,100). She also requested that the Board approve \$1,233,830 in Administrative Expenses and a Contingency Reserve of \$220,000.

The Board discussed anticipated audit, relocation and technology expenses, hardware and software as well as expected changes to the Capital Budget.

MOTION made by Trustee Greene, seconded by Trustee D. Keller, to accept the Proposed Budget for Fiscal Year 2024 as presented. In a roll call vote of the members present, all members voted in favor. **Motion** passed 7-0.

C. Financial Reports and Investment Summary

Ms. Bailey provided the Board with the Preliminary April 30, 2023 Financial Report and Investment Summary. Ms. Bailey also provided the Budget Variance Report as of April 30, 2023.

5. INVESTMENT (Keith Reynolds – Segal Marco)

A. March 2023 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for March 2023. He noted that the Fund's market value of assets as of March 31, 2023 increased to \$421.8 million. He also noted that the estimated return for the Fund was up 1.1% net of fees for the month of March 2023 and up 7.8% net of fees for the fiscal year to date.

B. Fourth Quarter Performance Review

Mr. Reynolds reported the Fund's performance for the quarter ended December 31, 2022. He noted that the assets available for investments were \$420.0 million and performance was 4.7% net of fees for the quarter. He noted that the Fund outperformed its peers across the one-, three-, five-, seven-, and ten-year periods.

Mr. Reynolds noted that Brightwood had requested an extension of their Closing Date from June 24, 2023 to April 30, 2024 to accommodate investors who would not be able to close. Mr. Cohen noted that Mr. Reynolds had approved Brightwood's request from a business perspective and he had no legal concerns but advised that it required the approval of the Board.

MOTION made by Trustee Greene, seconded by Trustee D. Keller, to approve the new Closing Date for Brightwood from June 24, 2023 to April 30, 2024. In a voice vote of the members present, all members voted in favor. **Motion** passed 7-0.

The Board discussed its concerns regarding the current Debt Ceiling limitations and its possible impact on investments. Mr. Reynolds noted that the Fund's diversification would help and that the active managers would be able to respond and mitigate any potential negative impacts.

C. 2023 Work Plan

Mr. Reynolds provided the Board with the 2023 Work Plan. He noted that the Fiscal Year 2022 Detailed Manager Fees would be presented at the June meeting. He requested that the Investment focused Board meeting be moved to July to allow Alan Kosan to attend in person.

6. LEGAL (Ron Cohen – Lorium Law)

A. Legal Update

Mr. Cohen advised that documents to roll the GoldPoint investment into the new vehicle were completed and submitted by the May 1st deadline. He noted that the Fund would be a rolling limited partner with less fees than the current investment.

B. Legislative Update

Mr. Cohen reviewed his memorandum dated May 18, 2023 regarding the recent important Public Pension Legislation. He advised that on May 2, 2023 the governor signed Chapter 2023-28 into the Laws of Florida. He noted that the new law would take effect on July 1, 2023, was related to government and corporate activism, and aimed to eliminate the consideration of any factor in investment decisions other than pecuniary factors. He discussed the requirement of the law, noting that the Fund would now be required to file annual comprehensive reports related to the requirements of the new law.

7. EXECUTIVE DIRECTOR'S REPORT

A. City Commission Communication

The Board received the City Commission Communication.

B. CPMS Update

Ms. Bailey advised that, with the implementation of CPMS, it was discovered that the Fund was not provided with the full list of data elements necessary to properly operate the system for active members. She advised that missing data had resulted in significant added manual operations that must now be undertaken to add the missing data to the system and ensure that each member's record was current.

Ms. Bailey advised that she had asked GTJZ to assist in managing the tasks necessary to ensure that all the missing data would be retrieved and properly recorded in CPMS. She advised that GTJZ stated that they would not be able to extend their discounted fee for this additional work. She advised that GTJZ had already begun work on these tasks and requested that the Board approve these, and any additional hours required to complete these tasks. The Board acknowledged that GTJZ would continue performing these tasks until the next meeting where Ms. Bailey would have and provide additional details on the level of effort needed to accomplish the tasks.

C. Pension Office Renovation Update

Mr. Dana Nelson presented the status of the Pension Office Renovation. He provided a timeline of the project with an expected completion date of October 16, 2023. He outlined the work to be done including the mechanical, electrical, and plumbing upgrades.

D. Communications from the Executive Director

- Ms. Bailey advised that 2 retirees remained stopped for nonreceipt of their 2022 Life Certificates. She advised that approximately 140 2023 Life Certificates were currently 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 \$15,378.64.
- Ms. Bailey advised that she might request a special meeting if the Actuarial valuation was received before the next regularly scheduled Meeting.
- Ms. Bailey discussed some of the Fund's accomplishments since 2017 and advised that a more detailed list would be provided at the next meeting.
- Ms. Bailey advised that the City Attorney had responded to the Board's concerns regarding purchasing service credit for previous CRA employment. She advised that the City Attorney confirmed the Board's interpretation that only City Employees with previous CRA service would be allowed to purchase service credit under the proposed ordinance.
- Ms. Bailey advised that the Commission Meeting presentation had been postponed to June 7, 2023. Trustee G. Keller advised that the presentation might be further delayed. Mr. Cohen advised recommended that the meeting be noticed as more than one trustee expressed interest in attending.
- Ms. Bailey provided the Board with the DROP Participant List.

8. **PUBLIC COMMENTS**

Mr. Gerald Jones provided public comments.


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

Trustee G. Keller provided information on the upcoming transition of the CRA operations to the City and the decision to allow only the CRA employees who become City employees of the City as this decision seemed the most fair and equitable option.

Trustee Strauss acknowledged the positive return of the Fund. He thanked Mr. Cohen for the legislative update. He encouraged retirees to attend 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 11:45a.m.



Phyllis Shaw, Chair

September 5/2023

Date