

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, JUNE 20, 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, Secretary Robert Straus, Barbara Armand, Jeffrey Greene, Charles Howell (electronically) and David Keller. Also present: Executive Director Christine Bailey; Felicia Ewell of Segal Marco; Jeffrey Arose of GRS; and Ronald Cohen of Lorium Law.

A. June 20, 2023 Regular Board Meeting Agenda

Trustee Shaw advised the Board of a change to the Agenda to remove Agenda Item 6b.

MOTION made by Trustee D. Keller, seconded by Trustee Strauss, to adopt the revised June 20, 2023 Regular Board Meeting Agenda. 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 Greene, to excuse the absence of Trustee G. Keller. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

3. CONSENT AGENDA

- A. May 23, 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 D. Keller, 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. Actuarial Valuation Report as of October 1, 2022

Mr. Jeffrey Amrose of GRS reviewed the Actuarial Valuation Report as of October 1, 2022. He advised that the Actuarially Determined Contributions were \$26,508,097, as of October 1, 2023, an increase of 1,002,451. He stated that the increase was primarily due to recognition of actuarial losses. He further stated that the conditions were not met for a supplemental pension distribution for Fiscal Year 2022.

Mr. Amrose noted that the Funded Ratio was 64.4% as of October 1, 2022, up from 64.1% a year earlier. He stated that this was considered low but noted that the Board had taken steps to improve the ratio. In response to a question, Mr. Amrose advised that GRS' Fort Lauderdale Office serviced approximately 130 municipal plans averaging a funded ratio in the mid-80s. He stated that the steps the Board had taken to improve the funded ratio included, lowering the assumption rate and shortening the amortization period.

Mr. Amrose suggested that the Board conduct an actuarial experience study in the near future as he noted that there were some variances in the current assumptions and what was actually happening. Trustee Strauss asked how the recent environment including COVID would affect the study. Mr. Amrose advised that the study would look at the last eight years that might be skewed but noted that the study also factors in the current assumptions which cover prior experiences.

In response to a question from Trustee Strauss, Mr. Amrose noted that while the Fund was in the process of lowering the amortization period to 25 years, he suggested that the Board consider continuing to reduce the amortization period until it got to 20 years. In response to a question from Trustee Armand, Mr. Amrose advised that FRS usually reviewed the mortality tables every five years or so and that he would expect another review in a year or two. He also noted that the Plan's assumptions were currently in the

realm of reasonableness and that if the Plan met its assumed rate of return, that the funding ratio should increase over the next six years.

Trustees discussed when it would be best to conduct the experience study.

MOTION made by Trustee Greene, seconded by Trustee Strauss, as amended to take the Actuary's recommendation to conduct an actuarial experience study and work with the City to implement the recommendations, subject to the Actuary, Attorney, and Executive Director, resolving an engagement letter. 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 Strauss, to accept the Annual Employer Contribution Report for the Fiscal Year Ending September 30, 2024. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0. (Trustee Howell was not available electronically.)

Mr. Cohen reminded the Board that Florida Statue required that the report be sent to the Department of Management Services, the City and the Consulting Actuary regarding certain investment assumptions and expectations.

B. Proposed Capital Budget for Fiscal Years 2023-2024

Ms. Bailey presented the Proposed Capital Budget Modification for Fiscal Years 2023-2024 in the amount of for \$9,180, an expenditure which the Board had previously approved and an additional \$44,180 in new needs.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, as amended to ratify the expenditures of GTJZ of 55 hours at a rate of \$225 per hour or \$12,375 for April and May 2023. 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 Greene, to approve an additional expense of \$59,625 in expenditures of GTJZ. 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 Greene, to approve an increase of \$44,180 in the CPMS Project Contingency to provide a total contingency of \$50,000. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. Financial Reports and Investment Summary

Ms. Bailey provided the Board with the Final December 2022, January 2023 and February 2023 Financial Reports and Investment Summaries. She also provided the Preliminary May 2023. Ms. Bailey also provided the Budget Variance Report as of May 31, 2023.

5. **INVESTMENT (Felicia Ewell – Segal Marco)**

A. April 2023 Flash Performance Report

Ms. Ewell provided the Board with the Flash Performance Report for April 2023. She noted that the Fund's market value of assets as of April 30, 2023 decreased to \$420.8 million. She also noted that the estimated return for the Fund was up 0.4% net of fees for the month of April 2023 and up 8.2% net of fees for the fiscal year to date.

B. Fiscal Year 2022 Manager Fee Detailed Schedule

Ms. Ewell presented the Fiscal Year 2022 Summary of Investment Management Fees as of September 30, 2022. She noted that the Summary would be provided on an annual basis.

Trustees reviewed the report and requested that an explanation of the variances from year to year be provided,

- C. 2023 Work Plan
Ms. Ewell provided the Board with the 2023 Work Plan.

6. **LEGAL (Ron Cohen – Lorium Law)**

- A. Legal Update
There were no legal updates.

Trustee Shaw requested that Mr. Cohen review the Telephone Participation Policy and any updates that might be needed.

7. **EXECUTIVE DIRECTOR'S REPORT**

- A. City Commission Communication
The Board received the City Commission Communication. Ms. Bailey advised that Fund's presentation to the Commission had been rescheduled to August.

- B. CPMS Update
Ms. Bailey requested that the Board approve an amendment to the GTJZ Contract to provide additional services to assist with new data conversion issues arising from missing Pay Elements in the original data, as well as certain Post Go-Live tasks.

MOTION made by Trustee D. Keller, seconded by Trustee Armand, to approve an amendment to the GTJZ contract by \$72,000 for the work that need to be done. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

- C. Communications from the Executive Director

- Ms. Bailey advised that of the two outstanding life certificates for 2022, one retiree was alive, as confirmed by the credit union, however the other passed away in August 2021. Ms. Bailey advised that going forward, if the life certificate was not provided timely, retirees would be stopped earlier. She advised that a final mailing would be sent out next week for the 2023 Life Certificates, and any retiree who does not respond would be stopped. She advised that approximately 119 Certificates were currently outstanding.

Trustee Strauss advised the Board that the Retiree Association's new website had been activated. He encouraged Trustees and members to visit the site at COHRAFL.org.

- 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 the Board that she will be out of office for a significant portion of July and August and would be unavailable. She requested that the Board approve assignment pay for the staff remaining in the office who would assume additional responsibilities during her absence when she would be absent for more than one day.

MOTION made by Trustee D. Keller, seconded by Trustee Armand, to give the Executive Director approval to implement an assignment pay of 15% when she is out of office for more than one day. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Trustee Shaw recommended that the Fund develop a Comprehensive Pay Plan for the Pension Office.

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

8. PUBLIC COMMENTS

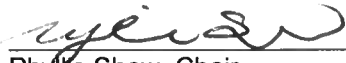
There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Greene thanked the Board for considering the recommendation of the actuary to shorten the amortization period. He stated that it was an excellent idea. Trustee Strauss encouraged everyone to visit the website and provide any feedback at COHRAFL.org. Trustee Shaw thank the Board for their work on behalf of the Fund. She also thanked the Actuary and Consultants for their efforts.

10. ADJOURNMENT

MOTION made by Trustee Greene, seconded by Trustee Armand, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:45a.m.



Phyllis Shaw, Chair
8/22/2023

Date