

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, JULY 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, Secretary Robert Straus, Barbara Armand, Jeffrey Greene, Charles Howell (electronically), and David Keller (arrived 11:23a.m). Also present: Executive Director Christine Bailey; Keith Reynolds and Felicia Ewell of Segal Marco; Ronald Cohen of Lorium Law; and Jeffrey Amrose of GRS.

A. July 25, 2023 Regular Board Meeting Agenda

MOTION made by Trustee Greene, seconded by Trustee Strauss, to adopt the July 25, 2023 Regular Board Meeting Agenda as presented. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

B. Absent and Excused

Ms. Bailey advised that Trustee G. Keller would be absent and requested to be excused. She also advised that Trustee D. Keller would be absent and requested to be excused, though he would try to attend late if he was able.

MOTION made by Trustee Greene, seconded by Trustee Strauss, to excuse the absence of Trustee G. Keller and Trustee D. Keller. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

3. CONSENT AGENDA

- A. June 20, 2023 Regular Meeting Minutes**
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses**
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities**

Trustee Shaw noted a request to amend Consent Agenda Item 3a to reflect that there were no public comments at the June 20, 2023 regular meeting.

MOTION made by Trustee Greene, seconded by Trustee Strauss, to approve Consent Agenda Items 3a as amended. 3b and 3c. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

4. FINANCIAL

A. Actuarial Experience Study Fee Proposal

Ms. Bailey requested that the Board approved the actuarial experience study fee proposal provided by GRS at a cost of \$27,000. The Board discussed the expectations of the study.

MOTION made by Trustee Greene, seconded by Trustee Armand, to go forward with the actuarial experience study. The Board discussed the cost of the study. Mr. Cohen noted that there should be a more formal engagement letter. The Motion was withdrawn. Ms. Bailey advised that the Actuary was expected to join the meeting and the Item was tabled until the actuary would be able to join.

B. Financial Reports and Investment Summary

Ms. Bailey provided the Board with the Final March, April and May 2023 Financial Reports and Investment Summaries. Ms. Bailey also provided the Budget Variance Report as of June 30, 2023. In response to a question from Trustee Strauss, Ms. Bailey advised that the actual expenditures for the fiscal year were higher than reported due to the lag time in invoicing and payment of expenditures, especially those related to the investment manager fees.

A. Actuarial Experience Study Fee Proposal (continued)

Mr. Amrose joined the meeting and detailed the activities related to the experience study and its expected outcomes. In response to questions from Trustee Greene and Trustee

Strauss, Mr. Amrose provided the estimated GRS hourly rates for the study. He noted that the fee proposal was based on expected effort to complete the study. He proposed that the engagement letter could include a breakdown of the proposed hourly rates with a fixed \$27,000 not to exceed amount.

MOTION made by Trustee Greene, seconded by Trustee Armand, to accept the actuarial experience study fee proposal with the amendments as indicated with a maximum of \$27,000 in an engagement letter outlining the hourly rates and priced accordingly. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0.

5. INVESTMENT (Keith Reynolds – Segal Marco)

A. May 2023 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for May 2023. He noted that the Fund's market value of assets as of May 31, 2023 decreased to \$418.9 million. He also noted that the estimated return for the Fund was down 0.7% net of fees for the month of May 2023 and up 7.8% net of fees for the fiscal year to date.

B. Capital Markets Modeling

Mr. Reynolds reviewed the Private Capital Markets. He reviewed the current market environment, the target asset allocation, and compared it to other allocations including those with more private capital, no asset lock ups, and with lower risk. He also reviewed the expected returns the risk of various allocations options and the probability of achieving the Fund's 7% assumed rate of investment return in the long term.

Trustee Greene proposed that the Board consider a separate Investment Committee meeting to allow for address investment items.

C. 2023 Work Plan

Mr. Reynolds provided the Board with the 2023 Work Plan.

6. LEGAL (Ron Cohen – Lorium Law)

A. Legal Update – Core Concepts Contract Amendment Request

Mr. Cohen noted that the Core Concepts contract did not include administration and issues had arisen during the renovation which required discussion and input from Core Concepts. He noted that the Executive Director and the staff of the Department of Design and Construction Management (DCM) had requested an amendment to the Core Concepts contract that would allow the staff of DCM to have Core Concepts address any questions related to their drawings and the actual physical environment. Ms. Bailey noted that the total cost of the services needed should be under \$10,000.

MOTION made by Trustee Strauss, seconded by Trustee Armand, to approve the short form of agreement as prepared by Mr. Cohen as an amendment to the Core Concepts contract in the amount of \$10,000.

Trustees discussed the addendum, and the Chair requested the following changes: that Core Concepts provide updated insurance, that a final signoff on work effort estimates be done by the Executive Director and not DCM, and any adding that and additional addendum would require the approval of the Board of Trustees, and that the payment should follow the Florida Statute including the removal of the 3% interest charge.

MOTION was amended by Trustee Strauss, seconded by Trustee Armand, to approve the short form of agreement as prepared by Mr. Cohen as an amendment to the Core Concepts contract in the amount of \$10,000 including the changes articulated by the Chair in relation to Item 5 being approved by the Trustees; that the Executive Director approve any change order between DCM and Core Concepts; that in Item 6 the interest charges be removed and the payments follow Florida Statute; and that Core Concepts provide updated insurance. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

B. Attendance and Telephone Participation Policy

Mr. Cohen recommended that the Board begin to follow the Attendance and Telephone Participation Policy more scrupulously beginning in August 2023. He reviewed the policy and the history of the changes to the policy.

Trustee Strauss noted that as a retiree who resided in Pennsylvania, he was at the meetings in person doing his due diligence as the only representative of 75% of the stakeholders in the Fund and felt a strong commitment to be present. He noted that he did want to participate but expected there would be times when he would have to be at his Pennsylvania residence.

Trustee Strauss requested that Mr. Cohen provide him with clarification on certain terms in the policy after the meeting. Mr. Cohen noted that if the Board approved the attendance of a trustee telephonically, it would not be considered or counted as an absence.

MOTION made by Trustee Armand, seconded by Trustee Strauss, that beginning in August, the Board move forward with complying with the Attendance Policy. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

7. **EXECUTIVE DIRECTOR'S REPORT**

A. City Commission Communication

The Board received the City Commission Communication.

B. Credit Card Policy Update

Ms. Bailey requested that the Board approve changes to the Credit Card Policy to increase the overall credit limit to \$32,000, with the credit limit for the Chair being set at \$7,000 and the credit limit of the Executive Director being set to \$25,000.

MOTION made by Trustee Greene, seconded by Trustee Armand, to accept the recommendation of the Executive Director to set the credit limits at the limits stated. 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 there was one life certificate outstanding for 2022 and that certificate should be completed shortly so that the benefits could be restated. She advised that a final mailing was sent out with a final due date of July 31, 2023. She recommended that the payments be stopped in August if the forms are not returned timely. Trustees agreed to discontinuing benefit payments to retirees and beneficiaries who do not return their 2023 life certificates timely.

Trustees recommended that a timeline be set for future mailing so that retirees and beneficiaries can become familiar with the deadlines being at the same time each year.

MOTION made by Trustee Armand, seconded by Trustee Strauss, to extend the meeting for an additional 15 minutes. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

- 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 the paperwork necessary to enrolled with Principal for online access to the Fund's accounts was completed (the previous enrollment was with Wells Fargo).

- Ms. Bailey advised that the city had implemented a ban on plastic and foam containers on City property and requested that the meetings and events of the Fund be plastic and foam free.
- 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 Shaw reminded Trustees to finalize their educational events and highlighted the benefits of these events. Trustee Greene noted that he appreciated the different perspectives provide at these educational events. He thanked the staff for their work on behalf of the members.

10. ADJOURNMENT

MOTION made by Trustee D. Keller, seconded by Trustee Armand, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 12:15p.m.



Phyllis Shaw, Chair

Date

9/19/2023