

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
TUESDAY, AUGUST 22, 2023 AT 9:00AM**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:10a.m.

**2. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Board Members present: Chair Phyllis Shaw, Vice Chair George Keller (exited 10:10am and returned at 10:25am), Secretary Robert Straus (exited at 11:13am and returned at 11:15am), Barbara Armand, Jeffrey Greene, and David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds, Felicia Ewell, Alan Kosan, Joey Mallon, Linda McDonald, and Francois Otieno of Segal Marco; and Ronald Cohen of Lorium Law.

Trustee Charles Howell was absent.

**A. August 22, 2023 Regular Board Meeting Agenda**

**MOTION** made by Trustee D. Keller, seconded by Trustee G. Keller, to adopt the August 22, 2023 Regular Board Meeting Agenda as presented. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

**3. CONSENT AGENDA**

- A. July 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

Ms. Bailey request an amendment to Consent Agenda Item 3a on page 2 under Item 6a. She advised that in the last sentence, "she" should be replaced with "Ms. Bailey" to read - Ms. Bailey noted that the total cost of the services needed should be under \$10,000.

**MOTION** made by Trustee D. Keller, seconded by Trustee Greene, 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 6-0.

**4. FINANCIAL**

**A. Financial Reports and Investment Summary**

Ms. Bailey provided the Board with the Preliminary July 2023 Financial Reports and Investment Summaries. Ms. Bailey also provided the Budget Variance Report as of July 31, 2023. In response to a question from Trustee Greene, Ms. Bailey advised that the building expenditures on the financial report were only the renovation costs of the new Pension Office. She advised that the Condominium fees and other charges were included in the administrative expenses on the report.

**5. INVESTMENT (Keith Reynolds – Segal Marco)**

**A. June 2023 Flash Performance Report**

Mr. Reynolds provided the Board with the Flash Performance Report for June 2023. He noted that the Fund's market value of assets as of June 30, 2023 increased to \$427.5 million. He also noted that the estimated return for the Fund was up 2.5% net of fees for the quarter ended June 30, 2023 and up 11.0% net of fees for the fiscal year to date.

**B. First Quarter Performance Review**

Mr. Reynolds reported the Fund's performance for the quarter ended March 31, 2023. He noted that the assets available for investments were \$426.3 million and performance was 3.6% net of fees for the quarter. He noted that the fiscal year to date performance was 8.5% net of fees.

**C. Private Markets Investment Opportunities**

Mr. Mallon presented the private markets commitment pacing analysis. He reviewed the methodology and assumptions used in the analysis. He and Ms. McDonald presented the private real estate results and advised that no action need be taken in this space at this time as the allocation was expected to grow during 2023.

Mr. Mallon and Mr. Kosan presented the private equity results. They noted that the allocation was expected to decrease over time. They recommended that the Board consider an additional capital commitment of \$60 million in the next year. In response to questions from Trustees, Mr. Mallon noted that the projected allocation was below the target allocation as the modeling method used was conservative and additional commitments beyond the \$60 million would be made in future years. He noted that the additional \$60 million would include distributions from current managers.

Mr. Mallon noted that there were two approaches to private equity investments. Option A – investing in fund of funds, secondaries and direct/co-investment funds or Option B – investing in strategy specific direct investment funds, eliminating fund of funds and secondaries. He presented the Pros and Cons of each option. The Board discussed the options and the number of investments. The Board requested that Segal consider Option B with four to six investments.

Mr. Mallon and Mr. Otieno presented the private debt results. They recommended an investment of approximately \$20 million in a capital solutions fund, an area of the market where return and leverage were more attractive. They recommended that the Board consider commitments to one or two managers. The Board discussed the proposed manager profiles and fees. In response to questions from Trustees, Mr. Otieno advised that the minimum investment and fees could be revisited with the managers.

The Board requested a special meeting for presentation from the proposed managers and hiring considerations. The also requested that the Special Board meeting be held before the September 26<sup>th</sup> Regular meeting.

**MOTION** made by Trustee D. Keller, seconded by Trustee G. Keller, to invite BC Partners, Brightwood, and Bayview at the recommendation of the consultants. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0. (Trustees Strauss was not present.)

D. 2023 Work Plan

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

6. **LEGAL (Ron Cohen – Lorium Law)**

A. Legal Update

Mr. Cohen noted that the amendment to the Core Concepts contract was complete.

B. New Litigation - Virginia Tisdale-Ferguson v. Blanche Pressley, and the Trustees of the City of Hollywood Employees' Retirement Fund

Mr. Cohen advised that Ms. Tisdale-Ferguson had again filed suit against the Fund. He advised that the insurance company had been notified. He noted that he could represent the Board in this matter with their permission.

**MOTION** made by Trustee Greene, seconded by Trustee Armand, to allow Mr. Cohen to represent the Board of Trustees in the litigation Virginia Tisdale-Ferguson v. Blanche Pressley, and the Trustees of the City of Hollywood Employees' Retirement Fund, including communications with the insurance company. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. Request for Executive Session to Discuss Pending Litigation

Mr. Cohen requested an Executive Session to discuss Pending Lawsuit Virginia Tisdale-Ferguson v. Blanche T. Pressley and the Board of Trustees of the City of Hollywood Employees' Retirement Fund.

**7. EXECUTIVE DIRECTOR'S REPORT**

**A. City Commission Communication**

The Board received the City Commission Communication.

**B. Communications from the Executive Director**

- Ms. Bailey advised all the life certificates for 2022 were received. She advised that four life certificates were outstanding for 2023 and those four retirees were suspended. She noted that one of the four had been received and that retiree's benefits had been reinstated.
- Ms. Bailey advised that 29 distributions remained for the FY2012 13<sup>th</sup> Check Settlement totaling \$161,035.52.
- Ms. Bailey advised that 4 distributions remained for the FY2021 13<sup>th</sup> Check Settlement totaling \$15,378.64.
- Ms. Bailey advised that the 52<sup>nd</sup> Annual Police Officers' and Firefighters' Pension Conference would be held in Orlando from September 26-28, 2023.
- Ms. Bailey advised that the Fund's presentation to the City Commission had been reschedule to October 2023.
- Ms. Bailey provided the Board with the DROP Participant List.

In response to a question, Ms. Bailey advised that the renovations are on schedule. She also advised that the Fund continues to work with the City to identify the data missing from the CPMS system.

**8. PUBLIC COMMENTS**


There were no public comments.

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

Trustee Shaw thanked the City staff for their assistance to the Fund, especially the Finance Department with CPMS and DCM with the renovations.

**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 6-0. The meeting adjourned at 11:45p.m.

  
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Phyllis Shaw, Chair

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Date

10/20/2023