

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, SEPTEMBER 26, 2023 AT 11:15AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 11:50a.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 David Keller. Also present: Executive Director Christine Bailey; Keith Reynolds, Felicia Ewell, and Francois Otieno of Segal Marco; Matthew Jackson, Leighann Thilo and Jacon Pearce of Segal Select; and Ron Cohen of Lorium Law.

Trustee Charles Howell was absent.

A. September 26, 2023 Regular Board Meeting Agenda

Trustee Shaw requested that Agenda Item 5 be moved above Agenda Item 3. **MOTION** made by Trustee D. Keller, seconded by Trustee G. Keller, to adopt the September 26, 2023 Regular Board Meeting Agenda as amended. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

B. Absent and Excused

Ms. Bailey requested that Trustee Howell be excused from the August 22 Regular, the September 26 Special, and the September 26 Regular meetings of the Board of Trustees. The Board tabled this item until Trustee Howell could be present.

5. INVESTMENT (Keith Reynolds – Segal Marco)

New Investment Opportunities and Recommendations

(continued from Special Meeting - September 26, 2023 at 9:00am.)

The Board continued its discussion of new investment opportunities and recommendations from its Special meeting held earlier in the day. Mr. Reynolds reviewed the investment opportunities presented by Bayview Capital, BC Partners and Brightwood Capital Advisors.

Trustee D. Keller asked what was the minimum investment for each manager? Mr. Reynolds advised that the minimums were \$1 million for BC Partners, \$3 million for Brightwood and \$10 million for Bayview. He advised that Bayview would accept less than the minimum as they would take the investments of other Segal clients into account. Trustee D. Keller also asked about the closing dates of the investments. Mr. Reynolds advised that Brightwood was closing at the end of November, BC Partners at the end of the year, and Bayview in early 2024.

Mr. Reynolds advised that the estimated dollars available for these investments were approximately \$11 million. He recommended that the Board consider investing \$3 million EACH in Brightwood and Bayview, and investing \$5 million in BC Partners. Mr. Cohen advised that there might be issues related to state law which he would need to review. The Board noted that their investment decisions were made solely on pecuniary factors and that they did not consider any non-pecuniary factors.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to consider \$3 million Bayview, \$5 million in BC Partners and \$3 million in Brightwood, asking Segal and the Board's Attorney to begin with Brightwood due to their time constraint, subject to both their reviews of all three firms based on the pecuniary factors. In a voice vote by the members present, **Motion** passed 6-0.

A. July 2023 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for July 2023. He noted that the Fund's market value of assets as of July 31, 2023 increased to \$432.9 million. He also noted that the estimated return for the Fund was up 1.8% net of fees for the month of July 2023 and up 13.2% net of fees for the fiscal year to date.

B. 2023 Work Plan

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

C. Board Insurance Update

Mr. Matthew Jackson, Leighann Thilo, and Jacob Pearce represented Segal Select. Ms. Thilo reviewed the Commercial Insurance and Umbrella policies. She advised that Segal recommended that the Board renew the Commercial Insurance policy with Seneca and the Commercial Umbrella policy with Starstone. Ms. Thilo then reviewed the Public Official Bond and recommend that the Board renew the Bond.

In response to a question, Ms. Thilo noted that the Commercial policies would cover Trustees when they travelled. She noted that Trustees would not need to request liability coverage on car rentals but advised that Trustees should request physical damage coverage for a rental vehicle. In response to a question, Trustee Shaw advised that the Public Official Bond covered the Chair, Vice Chair, Secretary, Executive Director, and Pension Coordinator.

Mr. Jackson reviewed the Fiduciary Liability Insurance policies. He advised that Segal recommended that the Board renew the insurance policies. In response to a question regarding the changes in the Fund's investments, Mr. Jackson advised that the insurance coverage of \$15 million was supportable. He also advised that each Trustee would be required to pay a \$75 charge for a waiver of recourse, \$25 on each of the three policies.

Mr. Jackson reviewed the Employment Practices Insurance policy. He also reviewed the Workplace Violence and Assailant Coverage Insurance policy. He advised that Segal recommended that the Board renew the policies.

Mr. Jackson reviewed the Cyber Liability Insurance policy. He advised that, given the competitiveness of the Travelers proposal, Segal recommended that, the Board obtain insurance from Travelers rather than renewing the combination policies from Travelers and Coalition. In response to a question regarding the increase in the retention on the Travelers policy, Mr. Jackson advised that there were not many carriers offering a \$5 million policy and that both the premium and the retention were very competitive and well below the market averages. He noted that there were no changes in the policy coverages.

MOTION made by Trustee Greene, seconded by Trustee Armand, to accept all the policies as presented and recommended. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

3. **CONSENT AGENDA**

- A. August 22, 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 Armand, to approve Consent Agenda Items 3a, 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 August 2023 Financial Reports and Investment Summaries. Ms. Bailey also provided the Budget Variance Report as of August 31, 2023.

6. LEGAL (Ron Cohen – Lorium Law)

A. Legal Update

Mr. Cohen advised that in the Tisdale Ferguson case, the plaintiff had requested an extension of time. He stated that the Fund had filed a notice to dismiss. He noted that no decision had yet been made on either request. He noted that the insurance company has kept the previous claim open and would be treating these filings as a continuation of the same claim.

B. Update on House Bill 3

Mr. Cohen advised that the Department of Management Service (DMS) had issued an information release on the Implementation of House Bill 3. He noted that the DMS was expected to issue rules that would provide guidance and instructions on the reporting expectations.

C. Executive Director Evaluation

Mr. Cohen advised that Ms. Bailey had been asked if there was a requirement that her evaluation be in writing. He advised that Ms. Bailey's contract did not require that her evaluation be in writing. Trustees agreed, since Ms. Bailey was evaluated at the beginning of the year, this evaluation would be verbal, but going forward the annual evaluation would continue to be in writing.

The Board discussed the Executive Director's evaluation and compensation and tabled the conversation to later in the meeting.

D. 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. Proposed Employee Election Process

Ms. Bailey provided the proposed employee election procedures, dates and deadlines.

MOTION made by Trustee Greene, seconded by Trustee D. Keller, to approve the chronological order on events for the election of an Employee Trustee. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. Pension Office Renovation Update

Ms. Bailey advised that there was a delay in the completion of the renovations due to intrusions from other units which had now been repaired by the landlord. She advised that this repair and its inspection had resulted in the delay.

Ms. Bailey provided the Board with quote for furniture for the new offices totaling \$48,524.12.

MOTION made by Trustee Greene, seconded by Trustee D. Keller, to accept the furniture quote. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

D. CPMS Update

Ms. Bailey advised that despite a few minor setbacks, the corrections necessary for the biweekly payroll feed file for the missing pay elements have been successfully tested. She further advised that the GTJZ contract would expire on September 30, 2023 but the Member Self-Service (MSS) would not be completed until 2024 and requested a time

only extension on the contract as sufficient funds remained on the contract to complete the MSS tasks in fiscal year 2024.

Ms. Bailey provided a proposal from GTJZ to assist with Post-Go Live tasks that needed to be completed in Fiscal Year 2024 and requested approval of a contract for GTJZ to provide project management services for these Post-Go Live tasks.

The Board discussed the requests, and Ms. Bailey will confirm with Mr. Cohen, whether Board approval is still required.

E. Summary Plan Description Update 2023

Ms. Bailey provided a proposed Summary Plan Description Supplement – September 2023. She noted that a review of the Summary Plan Description was required every two years, and as there were only a minor correction and updated statistical information, the supplement would be provided in conjunction with the Summary Plan Description updated through 2021.

F. Personnel Considerations

Ms. Bailey advised that the evaluations of the Pension Office staff had been completed and noted that the staff were exceptional examples of public servants. She noted the accomplishments of the staff over the past year, including the service provided to the membership, as well as the expectations for the staff in coming year. She requested that the Board consider providing the staff with an increase in compensation of 3% effective October 1, 2023 and a longevity increase of 5% effective on their 5-year anniversary.

MOTION made by Trustee Armand, seconded by Trustee G. Keller, to approve the recommendation of the Executive Director for salary increases to staff. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Trustee Shaw requested that a comprehensive pay plan be established for the Pension Office. Trustees also acknowledge the work of the staff on behalf of the Fund and the members.

Trustees provided their evaluation of Ms. Bailey. They noted her work on the new CPMS system and relocation effort, her professionalism, responsiveness, work ethic and demeanor. They acknowledged the work that she had accomplished with the Fund in the last 5 years.

MOTION made by Trustee D. Keller, seconded by Trustee Armand, to approve the same salary increase for the Executive Director as that approved for staff, a 5% longevity Increase retroactive to the first full payroll period after January 22, 2023 and a 3% increase from the first full payroll after October 1, 2023. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

G. Independent Auditors for the Fiscal Year Ending September 30, 2023

Ms. Bailey advised that she had spoken with the majority of the audit committee members individually regarding expediting the request to retain Marcum LLP by bringing the request directly to the Board. She advised that there were no objections. She provided the Board with a contract extension proposal from Marcum to conduct the independent audit of the Fund's financial statement for the period ended September 30, 2023.

MOTION made by Trustee Greene, seconded by Trustee Armand, to extend Marcum's Contract for the Fiscal Year 2023 audit. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Trustee Shaw requested that Ms. Bailey ensure that the Fund's audit does not delay the City's audit.

H. Communications from the Executive Director

- Ms. Bailey advised that all but one of the 2023 life certificates were received. She advised that the individual could not be located, and both his member and survivor benefits had been stopped.
- Ms. Bailey advised that 29 distributions remained for the FY2012 13th Check Settlement totaling \$161,035.52.
- Ms. Bailey advised that a disability application had been received and was being processed.
- Ms. Bailey provided the Board with information regarding the operation of the Pension office including membership statistics, accomplishments, and upcoming projects.
- Ms. Bailey advised that the legacy Pension Management System (PMS) would be decommissioned at the end of September 2023.
- Ms. Bailey provided the Board with the DROP Participant List.

8. **PUBLIC COMMENTS**

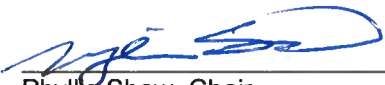
There were no public comments.

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

Trustee G. Keller advised that the City had passed a budget that included additional resources for security. He offered the City's assistance in addressing any cyber concern that the Board might have. Trustee Shaw advised that she had been selected by FPPTA to be a mentor for new Trustees. Trustees congratulated her on her appointment.

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 2:05p.m.



Phyllis Shaw, Chair

11/14/2023

Date