

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, FEBRUARY 27, 2024 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 Barbara Armand; Secretary Robert Strauss, Jeffrey Greene; David Keller; and George Keller (exited at 11:23am and reentered at 11:30am). Also present: Executive Director Christine Bailey; Keith Reynolds and Felicia Ewell of Segal Marco; and Ron Cohen of Lorium Law.

A. February 27, 2024 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee Armand, to adopt the February 27, 2024 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

3. CONSENT AGENDA

- A. January 23, 2024 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 through 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 January 2024 Financial Report and Investment Summaries. Ms. Bailey also provided the Budget Variance Report as of January 31, 2024.

5. INVESTMENT (Keith Reynolds – Segal Marco)

A. December 2023 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for December 2023. He noted that the Fund's market value of assets as of December 31, 2023 increased to \$455.1 million. He also noted that the estimated return for the Fund was up 3.0% net of fees for the month of December 2023, and up 6.3% net of fees for the fiscal year to date.

In response to a question, Mr. Reynolds explained that the October and November Private Real Estate returns were 0.0% as the returns on those investments were reported quarterly. He advised that the returns reported in the December Flash report were for the quarter ended December 31, 2023. Trustees requested that a note be added to explain the 0.0% returns for those months.

In response to a question from Trustee Strauss, Mr. Reynolds noted that Affiliated Housing invested in a successful niche of the market and that Angelo Gordon's returns were strong overall. He noted that the one-year return reflected the market and the negative returns were significantly lower than the average Private Real Estate investment which lost 12% during that period.

B. Presentation by Loomis Sayles

Messrs. Joseph Beauparlant, Levi Dwyer, and Dimitri Raberov of Loomis Sayles provided the Board with an update of the Fund's SMID Cap Growth Investment with Loomis Sayles. Mr. Beauparlant noted that the absolute returns on the investment were good but that the investment underperformed its peers. The representatives proceeded to explain the sources of the underperformance.

In response to questions from Trustees, Mr. Raberov noted that the capacity of the Fund was \$3 billion. He noted that the capacity was influenced by the size of the SMID Cap Growth market. He advised that the attribution of the portfolio varied but in the long-term,

the investment had outperformed its benchmark. Mr. Beauparlant advised that Loomis was optimistic about future returns and, would discuss the provision of additional information to the Board with Segal.

C. Presentation by Angelo Gordon

Mr. Christopher Monsif of Angelo Gordon provided the Board with an update of the Fund's AG Realty Value Fund X. He reviewed the positions held in the investment. In response to a question, Mr. Monsif stated that Angelo Gordon had called, and the Fund had invested, \$9.4 million in the investment. He noted that, of that amount, \$5.4 million has already been returned to the Fund.

Mr. Monsif discussed AG Realty Value Fund XI. He advised that the Investment sought to raise \$3.75 billion and, to date, had raised approximately \$2.6 billion. He noted that the next close was expected to be at the end of March under similar terms to Fund X.

The Board discussed both presentations. The Board requested that Loomis Sayles be reviewed later in the year after their September 30, 2024 returns were achieved. Trustees also requested that at that time, Loomis Sayles advise of any adjustment they would make, if any, should their 2024 returns underperform.

The Board discussed the AG Realty Value Fund XI. Trustee Strauss motioned to discuss the AG Realty Value Fund XI further at the next meeting. The Chair noted that a motion was not required as the item was still being discussed. Mr. Reynolds noted that the Board could invest in Fund XI and his recommendation would be to re-up for \$10 million in Fund XI.

MOTION made by Trustee Greene, seconded by Trustee Armand, as amended, to go with the consultant's recommendation to re-up in Fund XI if all things work out accordingly. In a roll call vote of the members present, all members voted in favor. **Motion** passed 5-0 (Trustee G. Keller exited the meeting briefly).

D. 2024 Work Plan

Mr. Reynolds reviewed the 2024 Work Plan.

6. **LEGAL (Ron Cohen – Lorium Law)**

A. Legal Update

Mr. Cohen advised that he had requested additional information from Segal and had also sent a proposed side letter to the BC Partners Special Opportunity Fund and was awaiting responses. Trustee Shaw requested the procedure for withdrawing an approved motion on an investment. Mr. Cohen noted that part of the delay with the BC Partners contract was a delay caused by the issues with the Brightwood agreements. He noted that the Bayview agreement was to be worked on next but because of the time limit on the new Angelo Gordon investment, he would work on BC Partners Special Opportunities Fund and Angelo Gordon in an attempt to make both closings. After that, he would work on the Bayview contract.

Mr. Cohen advised that the GTJZ agreement was completed.

Mr. Cohen advised that there was a 100% response and approval by State's Department of Management Services of the new required comprehensive reports filed with the by Florida pension funds.

B. Request for Executive Session to Discuss Pending Litigation

Mr. Cohen requested an Executive Session to discuss the 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. CPMS Update

Ms. Bailey advised that the Member Self Service (MSS) module was available for preliminary testing. She also advised that she had retained the services of an editor for the review and maintenance of the webpages of the MSS Portal through Go-Live. She provided the Board with the retention agreement and requested that they ratify the agreement.

MOTION made by Trustee Greene, seconded by Trustee D. Keller, to ratify the agreement with Eileen Connelly. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

C. Communications from the Executive Director

- Ms. Bailey advised that three distributions remained for the FY2021 13th Check Settlement totaling \$8,253.47.
- Ms. Bailey advised that the Fund had begun archiving documents through the City's Records and Archives Department. She noted that the department had not maintained the Fund's past records.
- Ms. Bailey advised that the Financial Statements were almost complete.
- Ms. Bailey advised that the Community Redevelopment Agency (CRA) had provided a response to the Fund's letter to the City Attorney regarding purchase of service credit in the Fund for employment with the CRA. Ms. Bailey stated that the only policy related to the Fund require a vote of the membership after the union had ratified their contract. She advised that she would be proposing an updated policy at a future meeting.

The Board discussed the CRA's response. Trustees noted that the Fund could not act on a general request for future benefits for employees of the CRA and could not evaluate the request without a specific request for exactly what was being sought. They noted that this information could then be provided to the actuary for analysis of impact, cost, and structure, which would then lead to the language of a proposed ordinance, that could be considered or evaluated. The Board requested that Ms. Bailey provide the CRA with a response outlining the steps from the perspective of the Fund which were clearly listing the benefits that they are seeking, which would then be delivered and costed out by an actuary at their expense, then sent to the City Attorney for a proposed ordinance to be drafted. Trustees agreed that the CRA should be directed to the City Attorney.

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

MOTION made by Trustee G. Keller, seconded by Trustee D. Keller, to extend the meeting until complete. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

- Ms. Bailey requested the approval of Trustee Greene's attendance at the CapSource Conference from May 5-8, 2024 in Pebble Beach, California. She noted that the estimated cost of the conference was \$1,800-\$2,000 per Trustee.

MOTION made by Trustee Armand, seconded by Trustee G. Keller, as amended, to allow any Trustee to attend the CapSource Conference from May 5-8, 2024 in Pebble Beach, California. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

- Ms. Bailey advised that there were lingering issues with the contractor, and it would be best to separate from the contractor and have an alternate contractor complete the project.

8. **PUBLIC COMMENTS**


There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Greene expressed appreciation for additional information by the investment managers who presented that went beyond the Flash Report. Trustee G. Keller noted that during the City' fiscal kickoff there was discussion of changes to pension benefits for new hires. Trustee Armand discussed the user acceptance testing of the MSS Portal and advised that it was going well. Trustee Shaw noted that based on her testing to date, the MSS portal was an excellent and robust product.

10. ADJOURNMENT

MOTION made by Trustee Greene, 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 12:32p.m.



Phyllis Shaw, Chair

4/10/24

Date