

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, APRIL 23, 2024 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 Barbara Armand; Secretary Robert Strauss (Electronically), Jeffrey Greene; David Keller; and George Keller. Also present: Executive Director Christine Bailey; Keith Reynolds of Segal Marco; Ron Cohen of Lorium Law; and Karl Hutchinson of Principal Financial.

A. April 23, 2024 Regular Board Meeting Agenda

MOTION made by Trustee D. Keller, seconded by Trustee Armand, to adopt the April 23, 2024 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

B. Absent and Excused

MOTION made by Trustee Greene, seconded by Trustee Armand, to excuse the absence of Trustee G. Keller at the April 11, 2024 Special Meeting of the Board of Trustees. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

3. CONSENT AGENDA

- A. March 26, 2024 Regular Meeting Minutes
- B. April 11, 2024 Special Meeting Minutes
- C. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- D. 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 3d. 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 March 2024 Financial Report and Investment Summaries. She also provided the Budget Variance Report as of March 31, 2024.

5. INVESTMENT (Keith Reynolds – Segal Marco)

A. February 2024 Flash Performance Report

Mr. Reynolds provided the Board with the Flash Performance Report for February 2024. He noted that the Fund's market value of assets as of February 29, 2024 increased to \$459.3 million. He also noted that the estimated return for the Fund was up 2.1% net of fees for the month of February 2024, and up 8.4% net of fees for the fiscal year to date.

Mr. Hutchinson provided an update of the services provided by Principal Financial. He advised that Principal would be making new services available to the Fund.

B. 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 completed the BC Partners Special Opportunity Fund and Angelo Gordon agreements.

B. Pension Office Renovation

Ms. Bailey advised that after reviewing the renovation tasks to be completed with the Department of Design and Construction Management, the quote provided by the replacement contractor had increased to \$60,000, including a \$6,000 contingency. She

requested that the Board approve the additional funds needed to complete the renovation.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to increase the budget for State Contracting and Engineering Corporation to \$60,000. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Mr. Cohen advised that he continued to seek advice on the recoupment of costs to complete the renovation. Mr. Cohen also advised that the Fund did not have a particular debarring processes but advised that language in the ordinance likely gave the Board the authority to debar. He advised that he would reach out to the City Attorney to discuss the City's process and its application to the Fund.

C. DROP Distributions

Mr. Cohen stated that DROP participants were allowed to remain employed at the end of their DROP. He noted that in order to receive a DROP distribution, participants must exit the DROP and terminate City employment. He noted that the definition of employee in the Code included "all employees hired on or after the effective date of this subchapter whose services are compensated on a contractual basis."

Mr. Cohen advised that the ordinance could be changed to allow in-service DROP distributions but that the current ordinance did not allow such distributions. He noted that a change could be made to allow these distributions if the participant was over age 59½ as there were tax consequences if the participant were under that age.

D. 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. In response to a question, Mr. Cohen advised that he would be filing an answer to the Court in the coming week and would be seeking discovery to show the court the Fund's position.

Trustee Shaw requested that Mr. Cohen provide the Board with an overview on the filing procedures for Form 1.

7. **EXECUTIVE DIRECTOR'S REPORT**

A. City Commission Communication

The Board received the City Commission Communication with amendments.

B. Communications from the Executive Director

- Ms. Bailey advised that 86 of the 2024 life certificates had not been received and the benefits for those members would be stopped if their certificates were not received in time for the May 2024 benefit payments. Ms. Bailey advised that the office would make every attempt to reach these members in the coming weeks. In response to a question, Ms. Bailey advised that the overseas retirees were not an issue as those members usually responded timely. The Board emphasized the importance of the Life Certificate process in protecting the retirees as well as the assets of the Fund used to pay those benefits.
- Ms. Bailey advised that 2 distributions remained for the FY2021 13th Check Settlement totaling \$6,996.09.
- Ms. Bailey stated that the Board's physician had advised that in his opinion a disability applicant was not totally and permanently disabled. Ms. Bailey advised that the disability policy was silent on the next step. The Board noted that they would not go against its own physician. The Board requested that the procedures be amended to include next steps in this scenario. Trustee Strauss suggested that in developing the steps, prior cases where this may have occurred before be reviewed.

- Ms. Bailey advised that the City of Hollywood had requested the use of the Board's Actuary to run calculations related to the Fund and Fund benefits. Trustee D. Keller advised that the request was related to City's need to look at future options and scenarios that could be offered. He noted that the City was required to determine the cost any future options which may be agreed on. Trustee G. Keller noted that the request was because the Board's Actuary, who knows the Fund's data the most, would be expected to provide the most accurate analysis. In response to a question from Trustee Armand, Trustee G. Keller noted that one of the scenarios would be for new hires not to have an option for a defined benefit. He noted that there may be other options that might be considered as contract negotiations commenced.

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to approve GRS to work with the City on multiple scenarios at the City's expense. In a roll call vote of the members present, the **Motion** passed 5-1. Trustee Armand opposed the motion.

- Ms. Bailey advised that the Actuarial Valuation would be completed and presented at the May 28, 2024 Regular Board meeting.
- 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 noted that the funding level for governmental plans was going up. Ms. Bailey advised that the funding level had been continuously increasing and that she expected it to increase further with the upcoming valuation. Trustee G. Keller asked if there had been any activity on filling the current vacancy on the Board. Ms. Bailey advised that the City had requested applications for the position and she anticipated that an appointment might be made in June.

10. ADJOURNMENT

MOTION made by Trustee D. Keller, seconded by Trustee Greene, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. The meeting adjourned at 11:00a.m.



Phyllis Shaw, Chair


Date