

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, AUGUST 25, 2020 AT 9:00AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:00a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

All attendees participated telephonically. Board Members: Chair Phyllis Shaw, Vice Chair George Keller, Secretary Robert Strauss (joined 9:12a.m.), Christopher Cassidy, Jeffrey Greene, and Charles Howell. Also present: Executive Director Christine Bailey; Keith Reynolds and Felicia Ewell of Segal Marco; Diane McNally of Segal; Sally Corbin and Leighann Thilo of USA Union Services Agency; and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

Adam Reichbach was absent and excused.

a. August 25, 2020 Regular Board Meeting Agenda

Ms. Bailey withdrew Agenda Item 4b.

MOTION made by Trustee Cassidy, seconded by Trustee Keller, to adopt the August 25, 2020 Regular Board Meeting Agenda with the removal of Item 4b. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

3. CONSENT AGENDA

- A. July 28, 2020 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 Cassidy, seconded by Trustee Keller, to approve Consent Agenda Items 3a and 3c. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

Trustee Cassidy requested details on the Segal Invoice Numbered 388511 in Item 3b. Ms. Bailey advised that this amount represented the cost of the administrative service provided by Segal. She noted that the Fund anticipated taking over those responsibilities in Fiscal Year 2021.

MOTION made by Trustee Greene, seconded by Trustee Keller, to approve Consent Agenda Items 3b. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

4. FINANCIAL

- a. Ms. Bailey provided the Board with the Preliminary July 31, 2020 Summary. She also provided the Budget Variance Report as of July 31, 2020. Ms. Bailey advised the Board that the proposed budget for fiscal year 2020 should be available at the September meeting.

5. INVESTMENT (Keith Reynolds – Segal Marco)

- a. July 2020 Flash Performance Report
Mr. Reynolds provided the Board with the Flash Performance Report for July 2020. He noted that not all managers had reported their performance. He noted the Fund's market value of assets as of July 31, 2020 increased to \$343.4 million, up 3.29% for the month of July, and up 4.30% for the fiscal year to date.

Mr. Reynolds noted this return was expected to be higher as the private market returns were not included in the Flash Report. He also noted that the differences between the targeted and actual allocations of assets was the temporary transfer of assets from Brandes to the large-cap index fund. In response to a question on transition, Mr. Reynolds advised that his office, together with Mr. Cohen and Ms. Bailey, was working on finalizing the paperwork. He noted that funds were being transitioned from Brandes to the new emerging markets manager, to be selected at this meeting.

b. First Quarter Performance Review

Mr. Reynolds provided the Board with the First Quarter Performance Review. He noted that while the performance was negative due to the market downturn in the first quarter, the Fund had since recovered with strong performance in the second quarter and in the Month of July.

c. Emerging Market Presentations

Melville Bucher and Paul Sloane of Martin Currie presented their emerging market investment opportunity. In response to questions, Martin Currie representatives advised that they have a registered office in New York which services their US clients. They advised that they did not have any Florida based plans but managed funds for many US plans. They advised that the investment could be accessed through their mutual fund or comingled fund. They advised that their mutual fund operated under US law and the comingled trust was also a US investment. They noted that the mutual fund was open-ended and priced daily.

Phillipe Langham, Donald Sanya, Alissa Howard, and Zeena Dahdaleh of RBC Global Asset Management presented their emerging market investment opportunity. In response to questions, RBC representatives advised that they have both a mutual fund product and a separate account. They noted that there was a comingled account but that vehicle was currently closed to new investors.

RBC Global Asset Management also advised that their mutual fund was not traded on an exchange but was priced daily. They advised that the Royal Bank of Canada does not provide any guarantees on these investments. They advised that there were a number of Florida funds invested in the strategy.

In response to questions, Mr. Reynolds advised that the investment was a 5% allocation to emerging markets or approximately \$17 million. He noted that both managers had a growth bias. He also advised that the all-in fee for each manager was 85 basis points for Martin Currie's mutual fund and 81 basis points for their comingled trust, and 88 basis points for the RBC investment.

MOTION made by Trustee Cassidy, seconded by Trustee Keller, to make an investment in RBC Global Asset Management. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

d. Investment Policy Statement - Draft

Mr. Reynolds provided the Board with the final draft Investment Policy Statement 2020, including the updates resulting from the ALM study. Trustees postponed the approval of the Statement to the September meeting.

e. Work Plan 2020

Mr. Reynolds provided the Board with the 2020 Work Plan.

f. Board Insurance Update

Ms. McNally of Segal and representatives of USA Union Services Agency presented information on the 2020 renewal of the insurance policies, Cyber Liability Insurance, Employment Practices Liability Insurance, Fiduciary Liability, and Workplace Violence and Assailant Coverages.

MOTION made by Trustee Strauss to renew the insurance policies at approximately \$14,000. The Motion was not seconded. Motion died.

The Board discussed the policies and noted that there were nominal changes in the cost of coverage. Ms. McNally noted that the increase in the Workplace Violence and

Employment Practices Liability Insurance coverage was due to the annualization of the initial five month policy.

MOTION made by Trustee Strauss, seconded by Trustee Keller, to approve the four policies presented, Employment, 2 Cyber and Workplace at the same levels of coverage with renewal fees for this year. Ms. McNally noted that the policies being considered were Cyber Liability - \$6,392, with a primary carrier cost of \$3,482 and an excess carrier cost of \$2,910; Employment Practices - \$4,028; and Workplace Violence - \$3,536 plus \$175.80 in fees and taxes. In response to a question about the Employment Practices coverage, Ms. McNally noted that cases of discrimination such as under the ADA were covered. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

Ms. McNally noted that the Fiduciary Liability policy had an option to renew at the same costs with no changes in carriers, retention, or terms. She noted that the carriers agreed to the automatic renewal of the policy at the same cost of \$128,295.

MOTION made by Trustee Strauss, seconded by Trustee Greene, to renew the Fiduciary Policy at the same level of coverage and the same level of premium as presented at this meeting. In a roll call vote of the members present, all members voted in favor. **Motion** passed 6-0.

6. LEGAL (Ron Cohen – Rice Pugatch Robinson Storfer & Cohen)

a. Private Credit Contract Updates

Mr. Cohen advised the Board that he completed the Nuveen TALF contract. He noted that he was in communication with Brightwood and had begun work on their contract and side letter. He noted that there were still open issues on the EnTrust Blue Ocean side letter.

MOTION made by Trustee Keller, seconded by Trustee Cassidy, to extend the meeting for 30 minutes. In a voice vote of the members present, **Motion** passed 5-1. Trustee Greene opposed the motion stating he had another appointment shortly.

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 Board with draft of the election process for an employee trustee. She requested the Board's opinion on the location of early voting and voting for the election, with a recommendation that both be held outdoors at the Pension Office. The Board concurred.

c. Communications from the Executive Director

- Ms. Bailey advised the Board that 79 retirees had not yet returned their 2020 Life Certificates to date.
- Ms. Bailey advised the Board that 38 distributions remained for the FY2012 13th Check Settlement totaling \$225,980.28. Ms. Bailey advised that the majority of the remaining distributions were payments due to estates and it was anticipated that additional payments would be made once documentation was received.
- Ms. Bailey advised that the Benefit Statements and the DROP Statements were sent to members. In response to a question, Ms. Bailey advised that the statements were sent interoffice to the administrative assistants in each department.
- Ms. Bailey advised that there were two members who retired where the incorrect actuarial option factor was used in the calculation of their Post Frozen Benefits. She noted that they were not yet age 65, and therefore the incorrect benefits were never paid but that the members would be notified of the correction.

- Ms. Bailey advised that she had contacted a realtor to identify possible sites for relocation, considering lease and purchase options. She advised that the current timing of the relocation was March 2021.
- Ms. Bailey provided the Board with the DROP and Planned Retirement Participant Lists.
- Ms. Bailey advised that Mr. Lalla had repaid the overpayment to him in full. She also advised that a member had applied for duty disability retirement.

8. PUBLIC COMMENTS

There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustees acknowledged and thanked the staff of the City and Pension Office for their work under these difficult circumstances. Trustee Shaw thanked the attorney, consultants and staff for their effort in supporting the Fund.

Trustee Howell discussed the possibility of Trustees participating online educational programs offered by the International Foundation.

10. ADJOURNMENT

MOTION made by Trustee Greene, seconded by Trustee Keller, to adjourn the meeting. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0. The meeting adjourned at 12:25p.m.



Phyllis Shaw, Chair

September 22, 2020
Date