

AGENDA ITEM 1

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 2

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 3

ITEM 3.a.

**MINUTES of
APRIL 13, 2016
SPECIAL PENSION
BOARD MEETING**

MINUTES
SPECIAL PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
WEDNESDAY, APRIL 13, 2016

1. CALL TO ORDER

Chair Shaw called the meeting to order at 2:13 p.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene (via telephone), Christopher Cassidy, Raquel Elejabarrieta, George Keller, Daniel Matlow (via telephone) and Richard Templeton. Also present: Pension Coordinator, Lisa Castronovo and Board Attorney James Linn (Lewis, Longman & Walker).

3. ADMINISTRATIVE ISSUES

a. Retirement Fund Attorney Contract Extension

Mr. Linn reported that the current contract between his firm, Lewis, Longman & Walker ("LLW"), and the City was signed in January 2013 and was effective for three (3) years with two (2) one-year extensions. Due to an oversight, the contract had not been extended for the current calendar year (2016). Mr. Linn continued that the City Attorney's office placed on the April 20, 2016 City Commission Agenda a resolution to approve a one-year extension of the City's contract with LLW along with a request to increase the amount that can be paid to LLW from the City's limit of \$50,000 to \$75,000, but before the City Commission could approve the contract extension and limit increase, the Board needed to recommend the contract be extended.

MOTION made by Mr. Templeton, seconded by Mr. Keller, to recommend to the City a one (1) year extension of the Lewis, Longman & Walker contract for Mr. Linn's legal services to the Board. In a voice vote by the members present, **Motion** passed 7-0.

b. Review, Evaluate and Rank Responses to City of Hollywood RFP for Retirement Fund Custodian (item taken out of order)

Mr. Ralph Dierks, City of Hollywood Procurement Manager, presented the Board with information from the five (5) respondents to the City's RFP for a custodian for the Fund. Mr. Dierks reported the five respondents were: 1) Fiduciary Trust International of the South, 2) Fifth Third Bank, 3) The Northern Trust Company, 4) U.S. Bank, N.A., and 5) Wells Fargo Bank, N.A.

After discussion and clarification, the Trustees independently completed evaluation sheets for each respondent after which Mr. Dierks tallied the results. Mr. Dierks reported the Trustees ranked the RFP respondents in the following order: 1) Wells Fargo Bank, N.A., 2) U.S. Bank, N.A., 3) The Northern Trust Company, 4) Fifth Third Bank, and 5) Fiduciary Trust International of the South.

MOTION made by Mr. Templeton, seconded by Mr. Keller, to recommend the City move forward with hiring Wells Fargo, N.A. as the custodian for the Fund. In a voice vote by the members present, **Motion** passed 7-0.

c. Ordinance Amendment Election (item taken out of order)

Ms. Castronovo informed the Board there were two proposed ordinance amendments placed for first reading on the City Commission's April 20, 2016 Agenda and she was notified of the City desire to put the amendments on the City Commission's May 18, 2016 Agenda for second reading. Ms. Castronovo continued by noting that before the amendments can be adopted by the Commission, the Fund's members must be allowed to vote on them. Further, per Board policy, the election for the amendments cannot be held any earlier than twenty-one (21) days from when election notifications are mailed. Ms. Castronovo stated she would like to hold one election for both proposed ordinances on May 17, 2016 and notify the members of the election by no later than April 22, 2016. Ms. Castronovo concluded by stating all members would be allowed to vote early and the retirees could alternatively vote via absentee ballot.

MOTION made by Ms. Elejabarrieta, seconded by Mr. Keller, to hold the election for two (2) proposed ordinances on May 17, 2016. In a voice vote by the members present, **Motion** passed 7-0.

Discussion arose regarding possible Board travel and expenditures. Ms. Castronovo stated she heard that due to the City's budget shortfall, the City Commission might implement a "no-travel" policy for all travel, including that done by board members. Mr. Keller added he was informed by the City Manager that travel for all employees had been halted effective immediately.

4. **ADJOURNMENT**

MOTION made by Vice-Chair Greene, seconded by Mr. Matlow, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 4:01 p.m.

Phyllis Shaw, Chair

Date

ITEM 3.b.

**MINUTES of
APRIL 28, 2016
REGULAR PENSION
BOARD MEETING**

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
THURSDAY, APRIL 28, 2016**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:06 a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene, Christopher Cassidy, George Keller (arrived at 9:21 a.m.), Daniel Matlow (arrived at 9:07 a.m.) and Richard Templeton. Board member absent: Raquel Elejabarrieta. Also present: Pension Coordinator Lisa Castronovo; Board Secretary Tammie Hechler; and Board Attorney James Linn (Lewis, Longman & Walker).

3. CONSENT AGENDA

- a. February 25, 2016 Regular Meeting Minutes
- b. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- c. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities

MOTION made by Vice-Chair Greene, seconded by Mr. Templeton, to approve Consent Agenda Items 3.a-c. In a voice vote by the members present, **Motion** passed 4-0.

4. TREASURER'S REPORT

Item taken out of order

Interim Board Treasurer Mirtha Dziedzic reported that due to reporting delays from one real estate manager, she did not have an official Treasurer's Report to present. Ms. Dziedzic noted, however, that the Fund's assets had decreased from \$300.4 million on October 2, 2015 to \$292.9 million on April 25 2016, a decrease of 2.48%.

5. INVESTMENT ISSUES (Keith Reynolds, Segal Rogerscasey)

- b. IFM Investors Presentation

Item taken out of order

Mr. Reynolds introduced Hillary Ripley and May Soh from IFM Investors who specialize in global infrastructure investing.

Ms. Ripley and Ms. Soh discussed in general the concept of global infrastructure investing and specifically how IFM invests in infrastructure. Ms. Ripley explained that IFM specializes in core infrastructure investing (toll roads, energy pipelines) and currently only invest in North American and Europe. Ms. Soh emphasized that IFM's returns have historically been very stable with no large ups or downs and that IFM only invests in countries in which they, as investors, are very comfortable and which are not susceptible to take-over. Ms. Ripley noted that it typically takes 12-18 months for an investor to become invested with IFM but when the capital call is made it will be for the entire commitment.

Mr. Reynolds noted Segal Rogerscasey felt IFM Investors was a good fit for the Fund and was very comfortable recommending the Fund invest with them. Mr. Reynolds noted: 1) global infrastructure funds were more liquid than other alternative investment funds, 2) money can be pulled quarterly from global

infrastructure if needed, 3) IFM had been involved in global infrastructure investing for over 20 years, 4) there were no legal or regulatory issues associated with the investment, 5) the Board should not expect super high returns (or, conversely, super low returns) but rather a steady stream of income, and 6) IFM's fees were very competitive compared to other global infrastructure investors. Mr. Reynolds concluded by recommending the Fund invest \$10 million with IFM Investors with funding coming from US equity investments.

MOTION made by Vice-Chair Greene, seconded by Mr. Keller, based on Segal Rogerscasey's recommendation, to approve IFM Investors as the global infrastructure money manager with a \$10 million investment commitment.

Public comment was heard from Ron Bolton – 1150 NW 71st Avenue, Plantation, FL

In a voice vote by the members present, **Motion** passed 5-1 (Chris Cassidy opposed).

a. Flash Performance Review

Item taken out of order

Mr. Reynolds's reported the Fund's market value on March 31, 2016 was \$293.2 million with an estimated quarterly rate of return of 1.68% compared to the benchmark of 1.39%. Mr. Reynolds noted that a strong second half of the quarter made up for the very poor first half of the quarter. Mr. Reynolds noted how smid-cap growth manager Frontier Capital and small cap international manager Brandes significantly outperformed their respective benchmarks (7.10% vs. 1.05% and 9.33% vs. 6.16%, respectively).

Chair Shaw stated it was time for the Board to take a closer look at the performance of the Fund's fixed income managers, Baird and Neuberger Berman, with special attention directly at Neuberger Berman given their relative poor performance over the last several quarters.

6. **LEGAL ISSUES (James Linn)**

Item taken out of order

Mr. Linn reported that the 17th Judicial Circuit Court ordered an abatement of the City of Hollywood vs. the Board of Trustees of the Employees' Retirement Fund, et al. case regarding payment of supplemental pension distributions.

At their special meeting on April 13, 2016, the Board decided to recommend to the City that the City sign a new contract for Fund custodial services with Wells Fargo as soon as possible. Mr. Linn reported his understanding that the City's legal department recommended holding off on presenting the resolution to the City Commission since the proposed ordinance giving the Board more administrative powers would likely be adopted by the Commission on second reading at its May 18, 2016 meeting after which the Board could sign the contract with Wells Fargo.

7. ADMINISTRATIVE ISSUES

a. City Commission Communication

Item taken out of order

Chair Shaw shared with the Board a sample communication she had from the City of Fort Lauderdale General Employees' Retirement System that she would like the Board to start doing for the City Commission and other interested parties.

MOTION made by Mr. Templeton, seconded by Mr. Keller, to send regular communications in the form of an executive summary of the meeting minutes to the City Commissioners, City Manager, and Assistant City Managers. In a voice vote by the members present, **Motion** passed 6-0.

b. Fund Administration, Preplanning

Item taken out of order

Chair Shaw stated the Board needed to start preparing for the transition from the City making many of the Fund's administrative decision to the Board making such decisions. Discussion ensued. The Board collectively requested Ms. Castronovo put together a list of administrative items that need to be done on a regular basis. Mr. Matlow suggested that City staff who do work for the Fund prepare a list of things they specifically do. Mr. Templeton suggested the Board schedule a workshop for the Board to sit down and start discussing. Ms. Castronovo will coordinate accordingly.

c. Travel Policy

Item taken out of order

Mr. Keller briefed the Board on the City's situation in which they were faced with a \$20 million shortfall in their 2016-17 budget. Mr. Keller stated that due to the situation, the City was urging the cessation of travel by all City employees. Mr. Keller did not know if the same request would be made of members of the City's various boards.

Chair Shaw stated she would like to see all Fund invoices approved in advance of payment rather than after the fact. Chair Shaw presented a sample Approval of Payment form for Board consideration. There was Board consensus that advance approval of payments would be preferable.

MOTION made by Vice-Chair Greene, seconded by Mr. Keller, for the Chair (or Vice-Chair should the Chair be unavailable) to assist in approving in advance the payment of all invoices effective immediately. In a voice vote by the members present, **Motion** passed 6-0.

8. PUBLIC COMMENTS

There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Mr. Keller reported the City had included in its 2016-17 fiscal year budget monies to fund an excess benefit plan for the retirees adversely affected by IRS Section 415. Mr. Keller added that to date, even with the reported shortfall in the City's 2016-17 budget, the monies were expected to be contributed.

10. PENSION COORDINATOR'S REPORT (Lisa Castronovo)

Ms. Castronovo reviewed various items of her April 21, 2016 memorandum to the Board (memo made part of these Minutes). Specific discussion items Ms. Castronovo addressed: 1) an election date of May 17, 2016 had been established for a vote on the two proposed ordinances passed by the City Commission on first reading on April 20, 2016; 2) securities litigation firm Saxena White notified her that after further investigation and review of public information they did not believe it would benefit the Fund to pursue litigation against Apollo Education Group; and 3) to let her know if anyone wanted to attend the annual FPPTA conference in late June 2016 in Orlando, FL.

11. ADJOURNMENT

MOTION made by Mr. Matlow, seconded by Mr. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 12:27 p.m.

Phyllis Shaw, Chair

Date

ITEM 3.c.

**MINUTES of
MAY 10, 2016
SPECIAL PENSION
BOARD MEETING**

MINUTES
SPECIAL PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, MAY 10, 2016

1. CALL TO ORDER

Chair Shaw called the meeting to order at 5:14 p.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene, Christopher Cassidy, Raquel Elejabarrieta, George Keller, and Richard Templeton (via telephone). Board Member absent: Dan Matlow. Also present: Pension Coordinator Lisa Castronovo, Board Secretary Tammie Hechler, and Board Attorney James Linn (Lewis, Longman & Walker, via telephone).

3. ADMINISTRATIVE ISSUES

a. Fund Administration, Preplanning

The special meeting was held in order for the Board to begin discussions on how they would transition the Fund from being administered in part by the Board and the City to wholly administered by the Board. Topics discussed: 1) Requests for Proposals, 2) purchase of fiduciary insurance and other necessary insurance coverage, 3) internal control procedures, 4) how other cities and boards administer their respective plans, 5) establishment of an operating expense budget, 6) how and where to keep data and financial records, 7) pension coordinator's responsibilities, 8) pension coordinator's contract for services, and 9) how to start the transition process in general.

Specifics agreed: 1) Vice-Chair Greene and Mr. Keller would meet with the administrators of the City's Police and Fire plans to find out specifics of how those plans are administered, 2) Chair Shaw and Mr. Keller would meet with Mr. Ernest Acosta in the City's Finance Department to determine the various things he does for the Fund, 3) Vice-Chair Greene, Mr. Keller and Mr. Templeton would meet as a sub-committee to continue reviewing and revising the Board's By-laws and Operating Procedures, 4) Mr. Linn would provide information on how other cities administer their plans, and 5) Ms. Castronovo would contact Gabriel, Roeder, Smith & Company to get names of administrators at other cities who she could in turn contact to determine how they administer their respective plans.

4. ADJOURNMENT

MOTION made by Vice-Chair Greene, seconded by Mr. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. Meeting adjourned at 6:48 p.m.

Phyllis Shaw, Chair

Date

ITEM 3.d.

**EXCUSE ABSENCE
of TRUSTEE ELEJABARRIETA
from
APRIL 28, 2016
REGULAR MEETING**

(No backup included for this Item)

ITEM 3.e.

**EXCUSE ABSENCE
of TRUSTEE MATLOW
from
MAY 10, 2016
SPECIAL MEETING**

(No backup included for this Item)

ITEM 3.f.

**RATIFICATION OF
DISTRIBUTIONS
(Contributions and DROP)
and
PLAN EXPENSES**

PLAN DISTRIBUTIONS

DROP DISTRIBUTIONS

EMPLOYEES' RETIREMENT FUND
Refunds and Distributions
May 26, 2016 Regular Pension Board Meeting

Refunds of Contributions

<u>Name</u>	<u>Refund</u>
	\$
	\$ 0.00

DROP Distributions

Anuar, Moshe	\$ 185,589.16
Bullard, Pamela	263,222.73
Cadet, Jules	91,528.27
Capps, Doreene	320,739.48
Drum, Donald	324,382.35
Dunson, Joyce	102,497.18
Grace, Mike	226,160.53
Hector, Gabriel	184,628.40
Kersten, Mike	241,213.25
Lettieri, Steve	201,736.23
McDaniel, Ken	317,151.28
Micale, Pete	172,006.57
Osment, William	101,008.78
Owens, Cliff	205,053.90
Pettit, Les	208,905.19
Puskarcik, Carl	223,595.32
Robinson, Quinnie	80,824.61
Schneider, Ben	160,251.96
Sojka, Nancy	236,030.18
Valdes, Miguel	135,400.18
Walker, Beverly	298,407.96
Weidlich, Ed	208,456.66
	\$ 4,488,790.17

TOTAL: \$ 4,488,790.17

PLAN EXPENSES

EMPLOYEES RETIREMENT FUND

Payment Requests Processed During the Period

April 1, 2016 through April 30, 2016

Manager Fees

Thompson, Siegel & Walmsley (quarter ending 03/31/16)	\$	38,487.92
Segal Rogerscasey (March 2016)		10,833.33
Northern Trust Company (quarter ending 03/31/16)		6,423.48
		<u>55,744.73</u>

Attorney Fees

Lewis, Longman and Walker, P.A. (March 2016)		<u>7,220.28</u>
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Pension Coordinator Fees

LECastronovo Co., Inc. (April 2016)		<u>13,173.33</u>
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Travel Advances/Expenses

NCPERS Annual Meeting (San Diego) Christopher Cassidy		<u>298.73</u>
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Miscellaneous

Print Shop Charges (Envelopes)		25.00
Sharp - Copier Lease Payment (03/01/16 - 03/31/16)		155.13
UPS		26.68
UPS		38.06
P.E.P. Signs & Plaques		9.85
HostGator		10.95
		<u>265.67</u>

Total	\$	<u><u>76,702.74</u></u>
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ITEM 3.g.

**APPROVAL/RATIFICATION of
NEW RETIREMENTS/DEATHS**

EMPLOYEES' RETIREMENT FUND

New Retirement/DROP/Death/Vested Annuities - Monthly Amounts

May 26, 2016 Regular Pension Board Meeting

April 2016

Drum, Donald - retirement (from DROP)	\$	4,431.12
Dunson, Joyce - retirement (from DROP)		1,400.13
Lettieri, Steve - retirement (from DROP)		2,817.27

May 2016

Puscarcik, Carl - retirement (from DROP)	\$	3,052.89
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June 2016

Anuar, Moshe - retirement (from DROP)	\$	2,554.22
Bullard, Pamela - retirement (from DROP)		3,620.98
Cadet, Jules - retirement (from DROP)		1,261.45
Capps, Doreene - retirement (from DROP)		4,412.20
Grace, Mike - retirement (from DROP)		3,111.14
Hector, Gabriel - retirement (from DROP)		2,539.81
Kersten, Mike - retirement (from DROP)		3,318.21
McDaniel, Ken - retirement (from DROP)		4,362.84
Micale, Pete - retirement (from DROP)		2,366.18
Osment, William - retirement (from DROP)		1,389.51
Owens, Cliff - retirement (from DROP)		2,820.79
Pettit, Les - retirement (from DROP)		2,873.77
Robinson, Quinnie - retirement (from DROP)		1,111.85
Schnieder, Ben - retirement (from DROP)		2,204.48
Sojka, Nancy - retirement (from DROP)		3,246.91
Valdes, Miguel - retirement (from DROP)		1,862.61
Walker, Beverly - retirement (from DROP)		4,105.00
Weidlich, Ed - retirement (from DROP)		2,867.60

Benefits Stopped

Flatley, Robert - died May 3, 2016	\$	1,044.88
Glovan, Carole - died April 12, 2016		3,551.11
Miller, William - died April 27, 2016		1,251.51

AGENDA ITEM 4

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 5

ITEM 5.a.

**BAIRD ADVISORS
PRESENTATION**

(Backup to be provided at meeting)

ITEM 5.b.

**NEUBERGER BERMAN
PRESENTATION**

(Backup to be provided at meeting)

ITEM 5.c.

**MARCH 31, 2016
QUARTERLY PERFORMANCE
REPORT**

ITEM 5.d.

FLASH PERFORMANCE REVIEW

(Backup to be provided at meeting)

AGENDA ITEM 6

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 7

ITEM 7.a.

**CITY COMMISSION
COMMUNICATION**

**CITY OF HOLLYWOOD, FLORIDA
PENSION COORDINATOR
MEMORANDUM TO THE PENSION BOARD**

DATE: May 19, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lee*
SUBJECT: City Commission Communication

ISSUE:

Regular communication with City Commissioners and other interested parties

EXPLANATION:

At the April 28, 2016 Board meeting, the Board moved to send regular communications to the City Commission, City Manager and Assistant City Managers. To that end, I have drafted the attached communication regarding the last two Board meetings.

RECOMMENDATION:

For review and discussion

**CITY OF HOLLYWOOD, FLORIDA EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES APRIL 28, 2016 REGULAR MEETING**

Board's Communication to the City Commission

Items Requiring City Commission Action

- None

Items That May Be of Interest to the City Commission

- In a 5-1 vote, the Board moved to approve a \$10 million investment in global infrastructure via global infrastructure money manager IFM Investors

Items Submitted for City Commission Consideration

- None

Summary of April 28, 2016 Regular Board Meeting:

Chair Shaw called the meeting to order at 9:06 a.m.

Board Members present: Chair Phyllis Shaw
Vice-Chair Jeffrey Greene
Christopher Cassidy
George Keller
Daniel Matlow
Richard Templeton

Board member absent: Raquel Elejabarrieta

Also present: Lisa Castronovo, Pension Coordinator
Tammie Hechler, Secretary
James Linn, Board Attorney

CONSENT AGENDA:

The Consent Agenda, consisting of the February 25, 2016 Regular Board meeting Minutes, ratification of distributions and plan expenses, and approval of new retirement annuities, was approved unanimously.

TREASURER'S REPORT:

Interim Board Treasurer Mirtha Dziedzic reported that the Fund's assets had decreased from \$300.4 million on October 2, 2015 to \$292.9 million on April 25 2016, a decrease of 2.48%.

INVESTMENT MATTERS:

Hillary Ripley and May Soh from IFM Investors who specialize in global infrastructure investing discussed in general the concept of global infrastructure investing and specifically how IFM invests in infrastructure. Ms. Ripley explained that IFM specializes in core infrastructure investing (toll roads, energy pipelines) and currently only invest in North American and Europe. Ms. Soh emphasized that IFM's returns have historically been very stable with no large ups or downs and that IFM only invests in countries in which they, as investors, are very comfortable and which are not susceptible to take-over. Ms. Ripley noted that it typically takes 12-18 months for an investor to become invested with IFM but when the capital call is made it will be for the entire commitment.

Keith Reynolds, representing Segal Rogerscasey, the Board's investment consultant, noted that Segal Rogerscasey felt IFM Investors was a good fit for the Fund and was

very comfortable recommending the Fund invest in global infrastructure with them. Mr. Reynolds noted: 1) global infrastructure funds were more liquid than other alternative investment funds, 2) money can be pulled quarterly from global infrastructure if needed, 3) IFM had been involved in global infrastructure investing for over 20 years, 4) there were no legal or regulatory issues associated with the investment, 5) the Board should not expect super high returns (or, conversely, super low returns) but rather a steady stream of income, and 6) IFM's fees were very competitive compared to other global infrastructure investors. Mr. Reynolds concluded by recommending the Fund invest \$10 million with IFM Investors with funding coming from US equity investments.

Motion made by Vice-Chair Greene, seconded by Mr. Keller, based on Segal Rogerscasey's recommendation, to approve IFM Investors as the global infrastructure money manager with a \$10 million investment commitment. Motion passed 5-1 (Chris Cassidy opposed).

Mr. Reynolds's reported the Fund's market value on March 31, 2016 was \$293.2 million with an estimated quarterly rate of return of 1.68% compared to the benchmark of 1.39%. Mr. Reynolds noted that a strong second half of the quarter made up for the very poor first half of the quarter. Chair Shaw stated it was time for the Board to take a closer look at the performance of the Fund's fixed income managers, Baird and Neuberger Berman, with special attention directly at Neuberger Berman given their relative poor performance over the last several quarters.

LEGAL MATTERS:

Mr. Linn reported that the 17th Judicial Circuit Court ordered an abatement of the City of Hollywood vs. the Board of Trustees of the Employees' Retirement Fund, et al. case regarding payment of supplemental pension distributions.

ADMINISTRATIVE MATTERS:

Chair Shaw shared a sample communication that she would like the Board to start doing for the City Commission and other interested parties.

Motion made by Mr. Templeton, seconded by Mr. Keller, to send regular communications in the form of an executive summary of the meeting minutes to the City Commissioners, City Manager, and Assistant City Managers. Motion passed 6-0.

Chair Shaw stated the Board needed to start preparing for the transition from the City making many of the Fund's administrative decisions to the Board making such decisions. The Board collectively requested Ms. Castronovo to put together a list of administrative items that need to be done on a regular basis. Mr. Matlow suggested that City staff who do work for the Fund prepare a list of things they specifically do. Mr. Templeton suggested the Board schedule a workshop for the Board to sit down and start discussing.

Mr. Keller briefed the Board on the City's situation in which they were faced with a \$20 million shortfall in their 2016-17 budget. Mr. Keller stated that due to the situation, the City was urging the cessation of travel by all City employees. Mr. Keller did not know if the same request would be made of members of the City's various boards.

Chair Shaw stated she would like all Fund invoices approved in advance of payment rather than after the fact. Chair Shaw presented a sample Approval of Payment form for Board consideration. There was Board consensus that advance approval of payments would be preferable.

Motion made by Vice-Chair Greene, seconded by Mr. Keller, for the Chair (or Vice-Chair should the Chair be unavailable) to assist in approving in advance the payment of all invoices effective immediately. Motion passed 6-0.

PUBLIC COMMENTS:

None

TRUSTEE COMMENTS:

Mr. Keller reported the City included in its 2016-17 fiscal year budget monies to fund an excess benefit plan for the retirees adversely affected by IRS Section 415. Mr. Keller added that to date, even with the reported shortfall in the City's 2016-17 budget, the monies were expected to be contributed.

PENSION COORDINATOR'S REPORT:

Ms. Castronovo noted that an election date of May 17, 2016 had been established for a vote on the two proposed ordinances passed by the City Commission on first reading on April 20, 2016.

ADJOURNMENT:

The meeting adjourned at 12:27 p.m.

CITY OF HOLLYWOOD, FLORIDA EMPLOYEES' RETIREMENT FUND BOARD OF TRUSTEES MAY 10, 2016 SPECIAL MEETING

Board's Communication to the City Commission

Items Requiring City Commission Action

- None

Items That May Be of Interest to the City Commission

- The Board began discussions on how to take over all administrative aspects of the Retirement Fund

Items Submitted for City Commission Consideration

- None

Summary of May 10, 2016 Special Board Meeting:

Chair Shaw called the meeting to order at 5:14 p.m.

Board Members present: Chair Phyllis Shaw
Vice-Chair Jeffrey Greene
Christopher Cassidy
Raquel Elejabarrieta
George Keller
Richard Templeton

Board member absent: Dan Matlow

Also present: Lisa Castronovo, Pension Coordinator
Tammie Hechler, Secretary
James Linn, Board Attorney

ADMINISTRATIVE MATTERS:

The special meeting was held in order for the Board to begin discussions on how they would transition the Fund from being administered in part by the Board and the City to wholly administered by the Board. The topics discussed included RFP's, purchase of fiduciary insurance and other necessary insurance coverage, internal control procedures, inquiries regarding how other cities and boards administer their respective plans, establishment of an operating expense budget, how and where to keep data and financial records, the pension coordinator's responsibilities and contract, and how to start the transition process.

Vice-Chair Greene and Mr. Keller agreed to meet with the administrators of the City's Police and Fire plans to find out specifics of how those plans are administered, Chair Shaw and Mr. Keller agreed to meet with Ernie Acosta in the City's Finance Department to find out what he does for the Fund, Vice-Chair Greene, Mr. Keller and Mr. Templeton agreed to meet as a sub-committee to continue reviewing and revising the Board's By-laws and Operating Procedures, Mr. Linn stated he would provide information on how other cities administer their plans, and Ms. Castronovo said she would contact Gabriel, Roeder, Smith & Company to get names of administrators at other cities who she could in turn contact to determine how they administer their respective plans.

ADJOURNMENT:

The meeting adjourned at 6:48 p.m.

ITEM 7.b.

FUND ADMINISTRATION

**CITY OF HOLLYWOOD, FLORIDA
PENSION COORDINATOR
MEMORANDUM TO THE PENSION BOARD**

DATE: May 19, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lcc*
SUBJECT: Fund Administration, Preplanning

ISSUE:

Preparing for self-administration of the Fund

EXPLANATION:

At its May 18, 2016 meeting, the City Commission passed on second reading Proposed Ordinance PO-2016-09 which changes the way the Fund is administered.

Items to be addressed immediately:

- Selection of Board Secretary
Jim Linn's opinion: I concur that the Board should select a secretary in accordance with 33.025(S)(1)
- Review/revise contracts with Board attorney, Board actuary, and Board investment consultant to transfer same from agreement between service provider and City to service provider and Board of Trustees
Jim Linn's opinion: The Board is authorized to engage "such actuarial, accounting, legal and other services as required to transact the business of the Fund." As a practical matter, I suggest the Board review and (if acceptable) adopt the existing contracts for actuarial and legal services between those service providers and the City, to provide a continuing basis for approving payment for those services. During the next several months the Board may wish to consider negotiating new contracts for legal and actuarial services, or going out to RFP for these services.
- Adopt Board of Trustees' authorization form for payment of Fund benefits and disbursements
Jim Linn's opinion: The Board may want to consider adopting some type of form for approving payment of invoices for professional services.
- Communicate with City's Department of Finances that all Fund expenses effective immediately are to be paid from the Fund, not the City's general expense fund
Jim Linn's opinion: Going forward, all expenses for the administration and operation of the Fund as approved by the Board shall be paid by the Fund. It would seem reasonable that expenses previously paid by the City for services rendered prior to the effective date of the Ordinance should be paid by the City; and services rendered on or after the effective date of the Ordinance should be paid by the Fund.

RECOMMENDATION:

Discussion item

AGENDA ITEM 8

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 9

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 10

**CITY OF HOLLYWOOD, FLORIDA
PENSION COORDINATOR
MEMORANDUM TO THE PENSION BOARD**

DATE: May 20, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lec*
SUBJECT: Pension Coordinator Report

ISSUE:

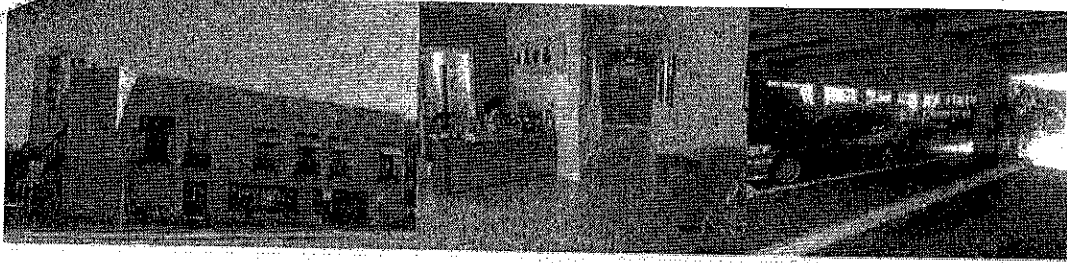
Items of interest from the Pension Coordinator

EXPLANATION:

- 1) On May 17, 2016 the members of the Retirement Fund passed Proposed Ordinance PO-2016-07 (which changes the retirement age for employees and provides for coordination of DROP benefits for firefighters who were previously employed as general employees) by a vote of 390 to 76 and passed Proposed Ordinance PO-2016-09 (which changes the way the operation and expenses of the Retirement Fund are administered) by a vote of 378 to 91.
- 2) On May 18, 2016, the City Commission passed on second reading both Proposed Ordinances.
- 3) The annual FPPTA conference will be held in Orlando from June 26 – June 29, 2016. Please let me know if you wish to attend so that I can register you accordingly.
- 4) A couple of weeks ago, I found out the CRA is moving its offices out of the City of Hollywood Chamber of Commerce and as a result the office space is available for lease. I visited the space and was very impressed with how it could very comfortably accommodate the Pension Office. The space I was most interested in leases for \$2,350/month.

RECOMMENDATION:

For your information and discussion



Locate your offices in the...
**GREATER HOLLYWOOD
 CHAMBER OF COMMERCE**
in Downtown Hollywood!

The Chamber has ~900 business members and you will be at the heart of Hollywood's business community! You will have use of the building's conference room and more!

**2 GREAT EXECUTIVE SUITES
 AVAILABLE JULY 1ST, 2016**

Full service executive office, including one large office with small conference area, 2 small offices and one cubicle office. Also includes new carpet & paint job!

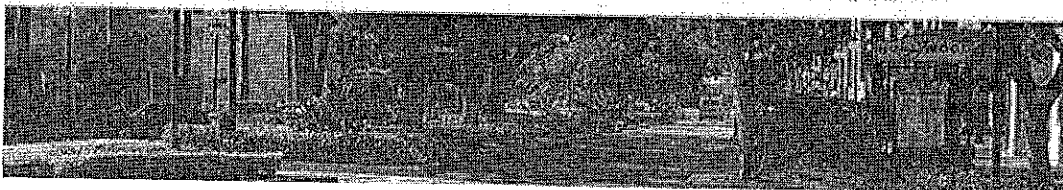
\$2,000/mo.

Full service executive office, including one large office with small conference area, 3 small offices and one desk reception area. Also includes new carpet & paint job!

\$2,350/mo.

Both include: One reserved covered parking and one reserved parking. Amenities include kitchen area, 50 people conference/training room, free WiFi, free parking; Lobby area with receptionist desk. Gross lease including water, electricity, garbage, pest control, insurance, elevator, building maintenance and janitorial services.

IF YOU ARE INTERESTED IN GETTING ONE OF THESE SUITES, PLEASE CALL 954.923.4000 OR EMAIL ANNE@HOLLYWOODCHAMBER.ORG!



Thank you,
Cyndi Marrero
 Director of First Impressions
Greater Hollywood Chamber of Commerce
 330 North Federal Highway
 Hollywood, FL 33020
 P: (954) 923-4000 / F: (954) 923-8737
cyndi@hollywoodchamber.org



AGENDA ITEM 11

**NO BACKUP
FOR THIS SECTION**