

AGENDA ITEM 1

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 2

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 3

ITEM 3.a.

**MINUTES of
SEPTEMBER 22, 2016
REGULAR PENSION
BOARD MEETING**

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
SEPTEMBER 22, 2016**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:09 a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene (arrived at 9:30 a.m.), Chris Cassidy, Charles Howell (arrived at 9:12 a.m.), Mel Standley, George Keller, and Richard Templeton. Also present: Pension Coordinator Lisa Castronovo and Board Attorney James Linn (Lewis, Longman & Walker, via telephone).

Chair Shaw stated the Board should adopt the current meeting's Agenda prior to the start of the meeting. A brief discussion ensued.

MOTION made by Mr. Keller, seconded by Mr. Templeton, to approve the September 22, 2016 meeting Agenda as presented. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

3. CONSENT AGENDA

- a. August 25, 2016 Regular Meeting Minutes
- b. September 8, 2016 Special Meeting Minutes
- c. Excuse Chair Shaw and Trustee Standley from August 25, 2016 Regular Board Meeting
- d. Excuse Trustee Howell from September 8, 2016 Special Board Meeting
- e. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- f. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities

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

Chair Shaw explained there was a typographical error in the April 28, 2016 regular Board meeting minutes that required correction and Board approval.

MOTION made by Mr. Templeton, seconded by Mr. Keller, to correct and approve the April 28, 2016 minutes. In a voice vote by the members present, all members voted in favor. **MOTION** passed 6-0.

4. TREASURER'S REPORT (Ernest Acosta)

Mr. Acosta stated there was no Treasurer's Report for August as the September Board meeting was earlier in the month than usual and thus specific investment information and bank statements were pending.

5. INVESTMENT ISSUES (Keith Reynolds, Francois Otieno – Segal Rogerscasey)

- a. Brandes Investment Partners (Tom Mulligan)
Handout made part of these Minutes.

Mr. Mulligan reviewed his report on international equity money manager Brandes Investment Partners. Mr. Mulligan specifically noted that Brandes 1) was a small cap value manager headquartered in San Diego with \$27 billion in assets under management, 2) used a team approach with very little turn-over, 3) strived to find companies that were undervalued in the market and then purchased such companies at a discount, 4) utilized a three-step process when investing: analysis, valuation, and construction, 5) aimed to build portfolios with high margins of safety, and 6) specifically regarding the Fund, a) had consistently outperformed the benchmark since inception (May 1, 2015), b) the Fund's portfolio held up very well in the recent down markets which was not seen often in value investments, and c) some of the best performance had come from investments in emerging markets. Mr. Mulligan stated that in order to protect the interests of Brandes' current investors, they would likely soon close the small cap international equity to fund to future investors.

- b. Wellington Trust Company (Thomas Egan, Matt McKenna)
Handout made part of these Minutes.

Mr. Egan emphasized international equity money manager Wellington Trust Company 1) was a global investment firm headquartered in Boston with \$969 billion under management, and 2) had a strong culture of collaboration among its very stable team of investors.

Mr. McKenna emphasized regarding international opportunities, Wellington sought to outperform its respective benchmark by consistently over rolling 3-year periods by utilizing its experienced team, using a "return on capital" approach, and pursuing a balanced portfolio across a broad universe by having diverse holdings and economic exposures. Wellington's investment policy consisted of five beliefs: 1) the market focuses excessively on short-term earnings and growth, 2) market inefficiencies exist because investors narrowly focus on companies within a specific region or industry, 3) return on capital drives stock prices over time, 4) assets and capital allocation provide early insights into future returns, and 5) return on capital can be mispriced at the company, industry and macro levels.

Mr. McKenna noted that the returns experienced by the Fund for the past year and also year-to-date lagged behind the respective benchmark due specifically the first two quarters of 2016 and the volatility in international markets in 2016.

Once Mr. Egan and Mr. McKenna concluded their presentation, Chair Shaw asked Mr. Reynolds if the Board should do anything with its investment with Wellington due to Wellington's recent poor market performance. Mr. Reynolds

advised it would be best to not do anything immediately since year-to-year volatility was expected. Mr. Reynolds noted that Segal remained confident in Wellington and their performance especially considering recent volatility in international markets. The Board collectively agreed to bring Wellington back for a presentation at their February 2017 meeting since they want to keep a close eye on their performance.

8. ADMINISTRATIVE ISSUES (taken out of order)

- b. Fiduciary Liability Insurance (Katie Jackson, Gateway-Acentria Insurance & Christopher Goettelmann, R.T. Specialty ("RTS"))

Mr. Goettelmann reported the Board was significantly underinsured with \$3 million coverage and recommended that a better level of coverage was somewhere between \$10 and \$15 million. Mr. Goettelmann and Ms. Jackson stated they could obtain quotes for such levels of coverage and could have a proposal ready for Board discussion the next week.

Chair Shaw authorized a letter appointing Gateway-Acentria Insurance as the Fund's exclusive insurance agent and RTS as the broker effective September 22, 2016.

6. DISABILITY APPLICATION

- a. Timothy Irwin

Director of Human Resources Tammie Hechler reviewed her September 21, 2016 letter and attached timeline concerning Timothy Irwin's duty disability application. Discussion followed.

MOTION made by Mr. Templeton, seconded by Mr. Keller, to grant Mr. Irwin's work-related duty disability application retroactively to the date he filed his duty disability application, February 8, 2016.

Mr. Linn cautioned the Board that to his knowledge, granting a disability benefit retroactively to the date the application was filed would set a precedent for future disability applications. Vice-Chair Greene asked whether it would set precedent if the motion was made pertaining to the application immediately presented and that each other disability application would and should be analyzed based on its own merit. Mr. Linn responded by recommending an amendment be made to the current motion to include "based on the unique circumstances of this case."

AMENDED MOTION made by Mr. Templeton, seconded by Mr. Keller, based on the unique circumstances of Mr. Irwin's case, to grant a duty disability retroactive to February 8, 2016. In a voice vote by the members present, all members voted in favor. **MOTION** passed 7-0.

Mr. Linn said his office was working on a draft of procedure requirements for processing disability applications that would be presented at the next Board meeting.

5. INVESTMENT ISSUES (continued)

c. Flash Performance Report

Mr. Reynolds reported the Fund's market value was \$288.3 million on August 31, 2016. The Fund's rate of return, net of fees, for August 2016 was 0.31% vs. policy index of 0.16% and for the fiscal year-to-date was 9.70% vs. policy index of 9.14%. Mr. Reynolds noted that SMID cap domestic equity managers TSW and Frontier Capital had performed very well for the fiscal year-to-date, 15.91% and 20.40%, respectively. Mr. Reynolds continued that real estate managers Principal and Morgan Stanley continued to perform well for the Fund.

d. Fixed Income Structure Review (Keith Reynolds, Consultant & Francois Otieno, Director of Fixed Income, Segal Rogerscasey) Handout made a part of these Minutes.

Mr. Reynolds began his presentation on fixed income structure by noting the Fund's current allocation in fixed income was 42% in intermediate (with Neuberger Berman) and 58% in core plus (with Baird Advisors). The reason Mr. Reynolds made the presentation was to have the Board start thinking about ways they could get higher rates of return from the fixed income investments and could at the same time protect the Fund from future increases in interest rates by lowering interest rate sensitivity in the portfolio.

Mr. Reynolds stated the Board might consider investing up to 25% of its fixed income allocation (equal to 7.5% of the total Fund portfolio) into "opportunistic credit" fixed income which could include allocations to multi-sector fixed income (more aggressive than current allocation) or multi-sector and direct lending fixed income (more aggressive and more diversified). In both scenarios, assets would remain allocated to intermediate and core plus fixed income but at reduced percentages (37% and 38%, respectively).

Mr. Otieno explained that both multi-sector and direct lending fixed income assets add diversity to a portfolio and protection against loss of principal due to upticks in interest rates. Mr. Otieno addressed Mr. Templeton's concerns about investing in assets with BBB or BBB- quality ratings by stating the increased return from such diversification more than outweighs what is lost by the slight downgrade in quality. Mr. Otieno pointed out that not only does the yield increase from 1.7% in the current portfolio to a projected 3.1% (at the low end) in a scenario that includes both multi-sector and direct lending fixed income but the duration decreases from 4.9 years to 4.0 years which is a 20% decrease.

The presentation was summarized as follows:

Current fixed income portfolio:

- weighted average duration of 4.9 years, weighted average yield of 1.7%, average credit quality of AA
- in current conditions of low yield and low return environment, current fixed income portfolio structure could be improved to guard against rising interest rates by reallocating up to 25% of existing fixed income into a lower correlated/well diversified opportunistic credit offering(s)
- substitute the Neuberger Berman intermediate duration strategy for a passive fixed income mandate which should generate a net savings due to a decrease in management fees of up to 20 basis points

Decrease current fixed income portfolio to 37% intermediate/38% core plus and add multi sector "opportunistic credit"

- weighted average duration of 4.2 years, potential weighted average yield of 2.5% (decrease duration by 0.7 years, potentially increase yield by 80 basis points)
- add conservative long-only multi-sector manager with target return in mid to high single digits
- strategy would likely reduce fixed income portfolio's active risk while improving the return to risk measure

Decrease current fixed income portfolio to 37% intermediate/38% core plus and add multi sector and direct lending "opportunistic credit"

- weighted average duration of 4.0 years, potential weighted average yield of 3.1% (decrease duration by 0.9 years, potentially increase yield by at least 140 basis points)
- add conservative long-only multi-sector manager AND single direct lending manager who targets low double digit returns
- aggregate portfolio would have less exposure to the securitized sector and more exposure to private corporate credit
- result would be a less volatile fixed income portfolio due to diversification of investment styles across 4 strategies

Mr. Otieno explained that direct lending was for small companies who, due to federal regulations, cannot get funds in the traditional way from banks, so they seek investors to loan funds to them directly. In return, such investments can provide higher return yields.

Discussion ensued. The Board expressed interest in obtaining more information about transferring the monies currently held by Neuberger Berman into a passively managed fund and about multi-sector and direct lending fixed income assets. Vice-Chair Greene asked if the Board would like to hear presentations from some fixed income "opportunistic credit" managers at an upcoming Board meeting. Mr. Reynolds said he would bring additional information regarding the "opportunistic credit" fixed income strategies to the Board's December meeting and, if the Board decided so desired, bring managers in for presentations at the Board's February meeting.

7. LEGAL ISSUES (James Linn)

a. RLI Notice to Close File on Claim re Frozen Benefit Vesting

Mr. Linn updated the Board regarding the City's civil action against the Board for its granting of retirement benefits to Fund members deemed vested solely as a result of benefits freezing on September 30, 2011 (or March 4, 2014). Since the City had not filed a claim in the twelve months since it opened the case, RLI, the Board's insurance carrier, was closing their file regarding the case with the provision that the claim could be reopened later if the City proceeded with legal action. Mr. Linn stated he was advised by the Deputy City Attorney their first RFP for legal services only received one response and they are issuing a second RFP. If they receive no response, it is possible the City Commission may not want to pursue the Claim.

b. September 13, 2016 letter from Florida Division of Retirement

Mr. Linn provided the Board with copy of a September 13, 2016 letter from Keith Brinkman with the Division of Retirement to Deputy City Attorney Alan Fallik. The letter was sent to put the City on notice that the Fund was "not State accepted" since the supplemental pension distribution ("SPD") had not been funded. When questioned by Mr. Linn, Mr. Brinkman informed him that the State was not going to take action against the City or the Board since there was pending litigation between them regarding payment of the SPD.

When asked by Mr. Templeton how much the Fund was underfunded, Mr. Acosta responded it was approximately \$160 million.

Chair Shaw noted that the time of adjournment noted in the September 8, 2016 minutes was incorrect.

MOTION made by Mr. Keller, seconded by Mr. Templeton, to pull Item 3.b. from the September 8, 2016 meeting minutes to correct the time of adjournment. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

8. ADMINISTRATIVE ISSUES

a. City Commission Communication

Ms. Castronovo provided the City Commission Communication memorandum for Board approval.

MOTION made by Vice-Chair Greene, seconded by Mr. Templeton, to accept the City Commission Communication. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

b. Fiduciary Liability Insurance

Ms. Castronovo was directed to schedule a special Board meeting for the following week for the Board to discuss fiduciary liability insurance proposals submitted by Gateway-Acentria Insurance.

Chair Shaw stated there was a City resolution that specified the amount that could be paid to Mr. Linn's firm could not exceed \$75,000.00 for the fiscal year ended September 30, 2016. Chair Shaw noted Mr. Linn's fees would likely exceed \$75,000 but since the Fund was totally responsible for the payment of the fees, she wanted the approved limit increased so that Mr. Linn could be paid in full.

MOTION made by Vice-Chair Greene, seconded by Mr. Templeton, to approve increasing the approved contract amount payable to Lewis, Longman & Walker from \$75,000.00 to \$80,000.00. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

MOTION made by Mr. Templeton, seconded by Vice-Chair Greene, to approve Lewis, Longman & Walker's contract amount not to exceed \$90,000.00 for FY 2016-17. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

9. PUBLIC COMMENTS

Public comment was made by: Ron Bolton - 1150 NW 71st Avenue, Plantation, FL

10. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Mr. Keller reported that the City's proposed budget for FY 2017, that was approved at first reading the previous week, included full funding of an excess benefit plan for those Fund members unduly affected by Internal Revenue Code Section 415. Mr. Keller noted the funding included money for the two prior years as well as money for future years.

Mr. Keller stated the City approved a 4-day/10-hour work schedule in which the City's annex building, City Hall, old library and several other buildings would be closed on Friday's and weekends for energy cost savings. Discussion followed regarding Pension Office hours and the Boards' desire to have the Pension Office to be open Monday – Friday.

Mr. Templeton wanted to move forward with moving the Pension office out of the annex building as soon as possible and to remove Ms. Castronovo as the lessee.

Mr. Howell asked what type of space and price range was needed for the new Pension office. It was agreed three offices, a conference room, two restrooms, storage area, plenty of parking, easily accessible (preferably on first floor) and not to exceed \$3,000/month.

Chair Shaw stated she was pleased with everyone pitching in to help with the transition to independence from the City. Chair Shaw complimented Mr. Keller on his presence and efforts to bring the Board and the City together. Mr. Keller thanked Chair Shaw and stressed the importance of a working relationship as good business practice. Chair Shaw thanked Ernie Acosta and his staff for the work he and his staff had done and would continue to do during the transition.

11. PENSION COORDINATOR'S REPORT (Lisa Castronovo)

Ms. Castronovo reported she had finished processing the DROP benefits for all DROP participants who retired June 1, 2016 – September 1, 2016 and that there were only a few active DROP members participating in the DROP. Ms. Castronovo noted she had provided each trustee with information regarding the upcoming FPPTA Fall Trustees School in Bonita Springs.

12. 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 7-0. Meeting adjourned at 12:43 p.m.

Phyllis Shaw, Chair

Date

ITEM 3.b.

**MINUTES of
SEPTEMBER 26, 2016
SPECIAL PENSION
BOARD MEETING**

**MINUTES
SPECIAL PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
MONDAY, SEPTEMBER 26, 2016**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 5:02 p.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene, Chris Cassidy, Charles Howell, Mel Standley, George Keller, and Richard Templeton. Also present: Pension Coordinator Lisa Castronovo and Board Attorney James Linn (Lewis, Longman & Walker, via telephone)

3. ADMINISTRATIVE ISSUES

a. Fiduciary Liability Insurance

The Board reviewed and discussed the Fiduciary Liability Commercial Insurance Proposal submitted by Katie Jackson from Gateway-Acentria Insurance, specifically the premiums for coverages ranging from \$3 million to \$15 million. The quoted premiums were \$66,500 for \$3 million coverage, \$86,100 for \$5 million coverage, \$131,100 for \$10 million coverage, and \$154,620 for \$15 million coverage. Discussion ensued.

MOTION made by Mr. Templeton, seconded by Mr. Standley, to go with \$10 million coverage as proposed by Gateway-Acentria.

Mr. Howell stated he would like to go with \$15 million coverage for an additional \$23,520. Mr. Howell continued that if the Board chose to go with \$10 million coverage now and increase to \$15 million later, the premium for such increase would be more than the \$23,520 currently quoted.

Vice-Chair Greene said he wanted to look into a payment plan for the premium with the hope that the cost would be very small or zero.

MOTION to go with \$10 million coverage was withdrawn by Mr. Templeton as was the second by Mr. Standley.

MOTION made by Mr. Templeton, seconded by Mr. Cassidy, to accept proposal from Gateway-Acentria to insure Board for \$15 million with a premium of \$154,620.

Roll call vote was taken:

Mr. Keller: No
Mr. Standley: No
Vice-Chair Greene: No
Mr. Cassidy: Yes
Mr. Howell: Yes
Mr. Templeton: Yes
Chair Shaw: Yes

MOTION passed 4-3.

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 7-0. Meeting adjourned at 5:44 p.m.

Phyllis Shaw, Chair

Date

ITEM 3.c.

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

PLAN DISTRIBUTIONS

EMPLOYEES' RETIREMENT FUND
Refunds and DROP Distributions
October 27, 2016 Regular Pension Board Meeting

Refunds of Contributions

<u>Name</u>	<u>Refund</u>
Schwaninger, Mark	\$ 2,131.91
Warner, Naubert	2,500.39
	<u>\$ 4,632.30</u>

DROP Distributions

Dierks, Ralph	\$ 338,063.16
	<u>\$ 338,063.16</u>

TOTAL: \$ 342,695.46

EMPLOYEES RETIREMENT FUND

Payment Requests Processed During the Period
September 1, 2016 through September 30, 2016

Manager Fees

Neuberger Berman (quarter ending 09/30/16)	\$ 26,211.04
Segal Rogerscasey (August 2016)	10,833.33
	<u>37,044.37</u>

Quarterly Custodian Fees

Wells Fargo Bank, N.A. (June 2016)	<u>2,569.37</u>
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Attorney Fees

Lewis, Longman and Walker, P.A. (August 2016)	<u>4,146.57</u>
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Pension Coordinator Fees

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

IFEBP Annual Conference (Orlando, Florida)	
Christopher Cassidy	1,045.00
FPPTA Trustees School (Lake Buena Vista, Florida)	
Raquel Elejabarrieta	346.87
FPPTA Trustees School (Bonita Springs, Florida)	
Phyllis Shaw	500.00
Richard Templeton	500.00
Charles Howell	500.00
George Keller	500.00
Jeffrey Greene	500.00
Lisa Castronovo	500.00
Christopher Cassidy	1,400.00
Mel Standley	1,400.00
	<u>7,191.87</u>

Miscellaneous

Sharp - Copier Lease Payment (09/01/16 - 09/30/16)	144.66
Office Depot - General Office Supplies	(295.02)
Office Depot - General Office Supplies	278.65
Office Depot - General Office Supplies	107.56
United Postal Service	24.49
United Postal Service	30.93
HostGator	10.95
	<u>302.22</u>

Total	\$ <u>64,427.73</u>
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ITEM 3.d.

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

EMPLOYEES' RETIREMENT FUND

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

October 27, 2016 Regular Pension Board Meeting

October 2016

Dierks, Ralph - retirement (from DROP)	\$	4,650.51
Ferguson, William - beneficiary of employee Bryan Ferguson		2,464.03
Irwin, Timothy - duty disability retirement		3,116.15

Benefits Stopped

Levy, Adele - died 8/31/2016	\$	114.25
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AGENDA ITEM 4

CITY OF HOLLYWOOD, FLORIDA

EMPLOYEES RETIREMENT FUND

TREASURER'S REPORT

August 31, 2016

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance, October 1, 2015	\$ 286,269,704.92	\$ 262,602,326.02	\$ 23,667,378.90
Contributions and Payments:			
City Contributions		9,767,849.00	
Employee Contributions		2,749,488.99	
Pension Disbursements		(34,916,162.98)	
Administrative Expenses		(295,982.04)	
Net Contributions/Payments		<u>(22,694,807.03)</u>	
Investment Income:			
Dividends Received		2,336,243.31	
Interest Received - net		2,121,577.76	
Gain on Sales		4,644,789.13	
Commission Recapture		3,773.54	
Quarterly Investment Fees		(777,165.31)	
Net Investment Income		<u>8,329,218.43</u>	
Balance, August 31, 2016	<u>290,381,331.77</u>	<u>248,236,737.42</u>	<u>42,144,594.35</u>
Increase (Decrease) for the Period	\$ <u>4,111,626.85</u>	\$ <u>(14,365,588.60)</u>	\$ <u>18,477,215.45</u>

Unrealized Gain (Loss) Account

Composition of Increases (Decreases)

Thompson, Siegel & Walmsley	\$ 2,577,170.25
Frontier Capital Management	3,721,072.57
Wellington International	1,124,297.13
Northern Trust	6,904,443.07
Brandes Investment Partners	1,885,807.20
NB Crossroads	(152,109.99)
Total Equity Managers	<u>16,060,680.23</u>
Baird Advisors	1,154,870.36
Neuberger & Berman	554,104.14
Morgan Stanley	109,054.82
Principal Investors	598,505.90
	\$ <u>18,477,215.45</u>

Investment Return

Net Investment Income	\$ 8,329,218.43
Increase (Decrease) in Unrealized Gain/Loss	<u>18,477,215.45</u>
Total Investment Return for Period	\$ <u>26,806,433.88</u>
Beginning Market Value of Assets	\$ 286,269,704.92
Plus/(Less): Net Contributions/Payments	<u>(22,694,807.03)</u>
Assets Available for Investment	\$ <u>263,574,897.89</u>
Investment Return as a % of Assets Available for Investment	<u>10.17%</u>

AGENDA ITEM 5

ITEM 5.a.

FRONTIER CAPITAL MANAGEMENT PRESENTATION

(Backup provided at meeting)

ITEM 5.b.

THOMPSON, SIEGEL & WALMSLEY PRESENTATION

(Backup provided at meeting)

ITEM 5.c.

FLASH PERFORMANCE REVIEW

City of Hollywood Employees' Retirement Fund
Preliminary Market Value Update
as of September 30, 2016

	Market Value	Percent of Total Plan	New Target Allocation	Difference	Range
<u>Domestic Equity - Large Cap</u>	\$69,863,712	24.1%	20.0%	4.1%	15-30%
Northern Trust	\$69,863,712	24.1%			
<u>Domestic Equity - SMID Cap</u>	\$41,401,945	14.3%	10.0%	4.3%	7-15.5%
TSW	\$19,180,781	6.6%			
Frontier Capital	\$22,221,164	7.7%			
<u>International Equity</u>	\$60,092,227	20.7%	20.0%	0.7%	15-25%
Wellington	\$43,778,387	15.1%			
Brandes	\$16,313,840	5.6%			
<u>Fixed</u>	\$79,099,161	27.3%	30.0%	-2.7%	25-37.5%
Neuberger & Berman	\$32,283,911	11.1%			
Baird Advisors	\$46,815,250	16.1%			
<u>Real Estate</u>	\$35,471,550	12.2%	10.0%	2.2%	7-14%
Morgan Stanley	\$25,648,353	8.8%			
Principal	\$9,823,197	3.4%			
<u>Private Equity</u>	\$4,200,000	1.4%	7.5%	-6.1%	0-15%
Neuberger Berman Crossroads XXI*	\$4,200,000	1.4%			
HarbourVest Dover Fund IX	\$0	0.0%			
<u>Infrastructure</u>	\$0	0.0%	2.5%	-2.5%	0-5%
IFM Global Infrastructure	\$0	0.0%			
Total Fund	\$290,128,594	100.0%	100.0%		

*On September 20, 2016, \$1.2 million was wired to Neuberger.

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of September 30, 2016

	Quarter ended December 31, 2015	Quarter ended March 31, 2016	Quarter ended June 30, 2016	Quarter ended September 30, 2016	Fiscal YTD September 30, 2016	Market Value September 30, 2016	Percent of Total Plan September 30, 2016
Domestic Equity							
Northern Trust S&P 500	7.05%	1.30%	2.44%	3.86%	15.37%	\$69,863,712	24.1%
Northern Trust - net	7.04%	1.28%	2.43%	3.85%	15.34%		
S&P 500 Index	7.05%	1.35%	2.46%	3.86%	15.45%		
TSW							
TSW - net	2.04%	3.97%	3.67%	6.18%	16.78%	\$19,180,781	6.6%
Russell 2500 Value Index	1.83%	3.76%	3.47%	5.97%	15.98%		
	2.78%	3.34%	4.37%	6.18%	17.69%		
Frontier Capital	5.67%	1.73%	0.89%	13.31%	22.74%	\$22,221,164	7.7%
Frontier Capital - net	5.48%	1.54%	0.70%	13.11%	21.99%		
Russell 2500 Growth Index	3.81%	-2.66%	2.70%	6.98%	11.02%		
International Equity							
Wellington	3.89%	-1.96%	-1.39%	6.91%	7.37%	\$43,778,387	15.1%
Wellington- net	3.71%	-2.14%	-1.57%	6.72%	6.66%		
MSCI ACWI - ex US (net)	3.25%	-0.37%	-0.65%	6.91%	9.26%		
Brandes	5.28%	4.34%	-2.77%	6.98%	14.26%	\$16,313,840	5.6%
Brandes - net	5.04%	4.09%	-3.00%	6.73%	13.31%		
MSCI EAFE Small Cap (net)	6.79%	-0.59%	-2.60%	8.64%	12.33%		
Fixed							
Neuberger & Berman	-0.46%	2.08%	1.29%	0.20%	3.13%	\$32,283,911	11.1%
Neuberger & Berman - net	-0.53%	2.01%	1.21%	0.12%	2.83%		
Bimbg. Barclays Intermediate Gov't/Credit Index	-0.69%	2.45%	1.59%	0.15%	3.52%		
90 Day U.S. Treasury Bill	-0.69%	0.06%	0.06%	0.07%	0.18%		
Baird Advisors	-0.91%	3.50%	2.70%	0.87%	6.24%	\$46,815,250	16.1%
Baird Advisors - net	-0.98%	3.43%	2.63%	0.80%	5.96%		
Bimbg. Barclays Aggregate Index	-0.56%	3.04%	2.22%	0.46%	5.22%		
Real Estate							
Morgan Stanley*	3.30%	2.09%	2.59%	2.47%	10.80%	\$25,648,353	8.8%
Morgan Stanley - net	3.09%	1.88%	2.38%	2.26%	9.96%		
NCREIF ODCE (ew) Index	3.43%	2.44%	2.18%	2.13%	10.57%		
Principal*	7.06%	3.19%	3.83%	3.40%	18.41%	\$9,823,197	3.4%
Principal - net	6.73%	2.86%	3.50%	3.07%	17.11%		
NCREIF Property Index	2.91%	2.21%	2.03%	0.00%	7.32%		
Private Equity							
NB Crossroads XXI*	N/A	N/A	N/A	N/A	N/A	\$4,200,000	1.4%
Total Fund	3.34%	1.81%	1.50%	4.12%	11.12%	\$290,128,594	100.0%
Total Fund - net	3.21%	1.68%	1.37%	3.99%	10.59%		
Policy Index**	2.98%	1.29%	1.52%	3.51%	9.81%		

Note: Monthly performance is preliminary and provided by investment managers. The Total Fund return is a weighted average of the returns provided.

*Performance is calculated on a quarterly basis.

** Policy Index: (May '15-current) 25% S&P 500, 12.5% Russell 2500, 15% MSCI ACWI ex US (net), 5% MSCI EAFE Small Cap (net), 7.5% NCREIF ODCE (ew), 2.5% NCREIF NPI (Nov 13-Apr 15) 30% S&P 500, 12.5% Russell 2500, 15% MSCI ACWI ex US (net), 32.5% Barclays Intermediate Aggregate, 7.5% NCREIF ODCE (ew), 2.5% NCREIF NPI (May 13-Oct 13) 32.5% S&P 500, 12.5% Russell 2000, 15% MSCI ACWI ex-US, 32.5% Barclays Intermediate Aggregate, 7.5% NCREIF ODCE (ew)

City of Hollywood Employees' Retirement Fund
Preliminary Performance Update
as of September 30, 2016

	Quarter ended March 31, 2016	Quarter ended June 30, 2016	Quarter ended September 30, 2016	Calendar YTD September 30, 2016
Domestic Equity				
Northern Trust	1.30%	2.44%	3.86%	7.77%
S&P 500 Index	1.35%	2.46%	3.86%	7.85%
TSW SMID	3.97%	3.67%	6.18%	14.45%
Russell 2500 Value Index	3.34%	4.37%	6.18%	14.51%
Frontier Capital	1.73%	0.89%	13.31%	16.30%
Russell 2500 Growth Index	-2.66%	2.70%	6.98%	6.94%
International Equity				
Wellington	-1.96%	-1.39%	6.91%	3.35%
MSCI ACWI ex-US Index	-0.37%	-0.65%	6.91%	5.82%
Brandes	4.34%	-2.77%	6.98%	8.53%
MSCI EAFE Small Cap (net)	-0.59%	-2.60%	8.64%	5.19%
Fixed				
Neuberger & Berman	2.08%	1.29%	0.20%	3.61%
Barclays Intermediate Gov't/Credit Index	2.45%	1.59%	0.15%	4.23%
90 Day U.S. Treasury Bill	0.06%	0.06%	0.07%	0.19%
Baird Advisors	3.50%	2.70%	0.87%	7.21%
Barclays Aggregate Index	3.04%	2.22%	0.46%	5.81%
Real Estate				
Morgan Stanley	2.09%	2.59%	2.47%	7.32%
NCREIF ODCE (ew) Index	2.44%	2.18%	2.13%	6.90%
Principal	3.19%	3.83%	3.40%	10.78%
NCREIF Property Index	2.27%	2.03%	0.00%	4.28%

City of Hollywood Employees' Retirement Fund
Investment Manager Fee Table
Period Ended September 30, 2016

Manager	Mandate	Market Value	Fee Schedule	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Northern Trust	Passive Large Cap Equity	\$ 69,863,712	3.5 bps on assets	\$ 24,452	0.04%
TSW	SMID Cap Value Equity	\$ 19,180,781	80 bps on assets	\$ 153,446	0.80%
Frontier Capital	SMID Cap Growth Equity	\$ 22,221,164	75 bps on assets	\$ 166,659	0.75%
Wellington	International Equity	\$ 43,778,387	71 bps on assets	\$ 310,827	0.71%
Brandes	International Small Cap Equity	\$ 16,313,840	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$ 154,981	0.95%
Neuberger & Berman	Intermediate Fixed Income	\$ 32,283,911	30 bps on first \$50MM, 20 bps on next \$50mm, 15 bps on balance	\$ 96,852	0.30%
Baird Advisors	Core Plus Fixed Income	\$ 46,815,250	30 bps on first \$25MM, 25 bps on next \$25MM, 20 bps on next \$20MM, 15 bps on balance	\$ 129,538	0.28%
Morgan Stanley	Real Estate	\$ 25,648,353	84 basis points base fee, plus a monthly accrued performance based fee equal to 5% multiplied by NAV multiplied by comparable property NOI growth for the month	\$ 215,446	0.84%
Principal ¹	Real Estate	\$ 9,823,197	130 bps on assets + incentive fee	\$ 127,702	1.30%
Neuberger Berman Crossroads XXI ²	Private Equity	\$ 4,200,000	25.8 bps on assets	\$ 10,836	0.26%
HarbourVest Dover Fund IX ³	Private Equity	\$ -	70 bps on assets	\$ -	-
IFM Global Infrastructure ⁴	Infrastructure	\$ -	77 bps on assets	\$ -	-
Investment Management Fees		\$ 290,128,594		\$ 1,390,739	0.48%
Segal Rogersoncasey	Investment Consulting		\$130,000 annual retainer	\$ 130,000	0.04%
Wells Fargo	Custodian	\$ 290,128,594	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$ 25,756	0.01%
TOTAL FEES				\$ 1,546,495	0.53%

¹Incentive fee is equal to 15% of the profits in excess of an 11% net IRR to investors.

²NB is aggregating commitments to provide best pricing for SRC clients, and as a result the City of Hollywood \$20 million is saving 10.5 bps; if the commitment had not been aggregated the fee would have been 36.3 bps.

³The fee for the Dover IX Fund is 75 bps, but the City of Hollywood is receiving a 5 bps fee discount.

⁴Incentive fee is equal to 10% of the profits in excess of an 8% per annum.

U.S. Economy

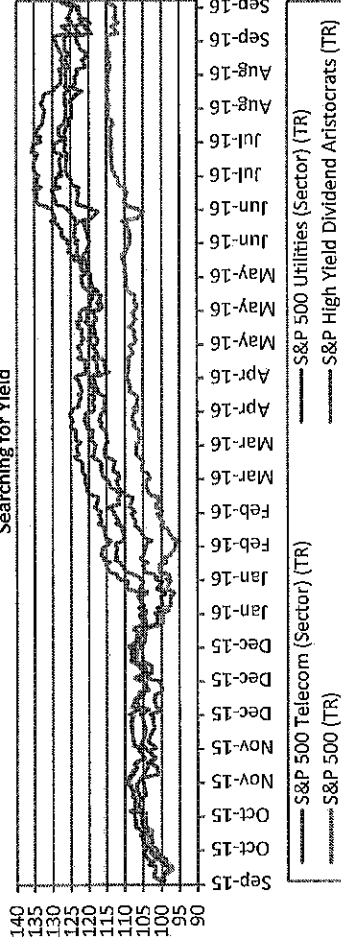
- The U.S. unemployment rate (5.0%) and the labor force participation rate (62.9%) each rose by 0.1% from August to September. Nonfarm payrolls grew by 156,000 jobs. July employment gains were revised downward and August's numbers were revised upward.
- The University of Michigan Consumer Sentiment Index rose from 89.8 in August to 91.2 in September. Views on present conditions declined while expectations improved.
- The Purchasing Manager's Index (PMI) ended September at 51.5, indicating that manufacturing growth occurred.

U.S. Equity

- The Russell style and size index returns:

	Value	Core	Growth
Large Cap	-0.2%	0.1%	0.4%
Mid Cap	0.4%	0.2%	-0.1%
Small Cap	0.8%	1.1%	1.4%
- The Russell 3000 Index (0.2%) gained in September. Size and style returns were mixed during the month. Growth outperformed value, except in the mid cap space, and small caps continued to outperform mid and large caps.
- Most sectors fell, with the exception of Energy (3.1%), IT (2.4%) and Utilities (0.4%). Financials (-2.7%) and Consumer Staples (-1.5%) posted the weakest returns.

Searching for Yield



Source: S&P Dow Jones Indices

Non-U.S. Equity

- The MSCI EAFE Index (1.3% USD; 0.3% local) was positive in September. Some areas of the market were stronger than others, as large cap growth (1.5%) outperformed large cap value (0.8%), and small cap growth (3.7%) posted the strongest performance of all.
- All regions gained, but Pacific ex-Japan (2.7%) increased the most. Country returns were differentiated, but mostly positive. Austria (5.3%) and Norway (4.3%) performed the best, while Denmark (-4.1%) and Israel (-3.9%) posted the weakest results.
- All sectors gained except Financials (-0.4%), Telecom (-0.3%) and Consumer Discretionary (0.0%). Materials (3.6%) and IT (2.8%) registered the strongest results in September and over the past 12 months.

	MSCI EAFE			MSCI EM		
	Value	Core	Growth	Value	Core	Growth
Large Cap	0.8%	1.1%	1.5%	0.8%	1.4%	2.1%
Mid Cap	2.1%	1.7%	1.4%	0.6%	0.6%	0.6%
Small Cap	2.2%	3.0%	3.7%	1.1%	1.3%	1.5%
						5

Emerging Markets Equity

(All returns in USD unless otherwise stated.)

- The MSCI EM Index (1.3% USD; 0.4% local) gained in September, mostly due to investors' search for high-returning assets. All style returns were positive. Growth outperformed value except in the mid cap space where there was no differentiation among style returns.
- EMEA (2.9%) was the best performing region, aided by gains in Russia (3.9%) and South Africa (5.9%). Asia (1.4%) posted a positive return as well, lifted by gains in China (2.6%) and Taiwan (3.0%). Latin America (-0.8%) fell, dragged down by losses in Mexico (-3.3%) and Colombia (-0.4%).
- Sector results were mixed during the month. IT (3.7%) and Energy (3.0%) posted the strongest returns, while Utilities (-3.0%) and Industrials (-1.4%) declined the most.

U.S. Fixed Income

- The Barclays U.S. Aggregate Index (-0.1%) declined in September. Treasuries returned -0.1%, while spread sectors generated mixed excess returns on a duration-matched basis: Corporate (-3 bps), CMBS (-35 bps), ABS (14 bps), MBS (18 bps), and Agencies (9 bps). In particular, long Treasuries underperformed (-1.6% and -1.0%, respectively), while TIPS rose 0.6%.
- Spreads also finished the month with mixed performance: Corporates (+3 bps to 138 bps), CMBS (+6 bps to 84 bps), ABS (-4 bps to 555 bps), MBS (-1 bp to 14 bps), and Agencies (-1 bp to 21 bps). The Barclays U.S. Corporate High Yield Index performed well (0.5%) as spreads declined by 24 bps to 466 bps.
- The U.S. Treasury yield curve modestly steepened: 1-3 year (-1 bp), 3-5 year (-3 bps), 5-7 year (-2 bps), 7-10 year (1 bp), 10-20 year (6 bps), and 20+ year (11 bps).

Non-U.S. Fixed Income

- In Global, the Citigroup WGBI Index rose 0.7% on an unhedged basis, while the index returned -0.1% on a hedged basis. Emerging markets debt generated strong returns during the month as the JPM GBI-EM returned 2.0% and the JPM EMBI Index returned 0.4%.

Commodities

- The Bloomberg Commodity Index (3.1%) and the S&P GSCI (3.8%) gained due to strong returns in Agriculture (4.2% BCOM; 4.3% GSCI), Industrial Metals (5.2% BCOM; 4.4% GSCI) and Energy (4.2% BCOM; 5.4% GSCI). Livestock (-13.2% BCOM; -8.6% GSCI) was the only sector that fell.
- The price of crude oil rose from \$45/barrel in August to \$48/barrel in September, and the price of gold increased from \$1,309/troy ounce to \$1,316/troy ounce.

Hedge Funds

- The HFRI Fund Weighted Composite Index (0.6%) increased in September.
- The HFRI Fund of Funds Composite Index (0.6%) also gained.
- All of the major hedge fund strategies posted positive returns except Macro.

	Month	YTD
HFRI Equity Hedge Index	1.1%	4.2%
HFRI Relative Value Index	0.9%	5.9%
HFRI Event-Driven Index	0.7%	6.7%
HFRI Emerging Markets Index	0.8%	8.0%
HFRI Macro Index	-0.3%	1.8%

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: October 26, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lcc*
SUBJECT: City Commission Communication

ISSUE:

Regular communication with City Commissioners and other interested parties

EXPLANATION:

Attached is proposed City Commission Communications for the September 22, 2016 regular Board meeting and the September 26, 2016 special Board meeting.

RECOMMENDATION:

For review and discussion

CITY COMMISSION COMMUNICATION
for the
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES' SEPTEMBER 22, 2016 REGULAR MEETING

Board's Communication to City Commission

Items Requiring City Commission Action

- Attend Board of Trustees' regular meeting in the Pension Office starting at 9:00 AM, Thursday, December 15, 2016

Items of Interest to the City Commission

- None

Items Submitted for City Commission Consideration

- None

Summary of September 22, 2016 Regular Board Meeting:

Board Members present:	Chair Phyllis Shaw Vice-Chair Jeffrey Greene Christopher Cassidy Charles Howell (via telephone) George Keller Mel Standley Richard Templeton
Board member absent:	N/A
Also present:	Pension Coordinator Lisa Castronovo Board Attorney James Linn (via telephone)

INVESTMENT MATTERS:

The Board heard presentations from their two international equity money managers, Brandes Investment Partners and Wellington Trust Company. The Board voiced its concern regarding Wellington Trust Company's recent under performance. Keith Reynolds, the Board's investment consultant representing Segal Rogerscasey, recommended holding off on doing anything immediately regarding the recent under performance since year-to-year volatility was expected and Segal Rogerscasey remained confident in Wellington's performance in the long term.

Mr. Reynolds reported the Fund's market value was \$288.3 million on August 31, 2016 with a rate of return, net of fees, for August 2016 of 0.31% vs. the policy index of 0.16% and a rate of return for the fiscal year-to-date of 9.70% vs. the policy index of 9.14%.

Mr. Reynolds, along with Francois Otieno, a fixed income expert with Segal Rogerscasey, made a presentation regarding fixed income strategies. The reason for the presentation was to educate the Board on ways higher rates of return from the fixed income investments could be achieved while at the same time protecting the Fund from future increases in interest rates by lowering interest rate sensitivity in the fixed income portfolio. Two fixed income alternative investments discussed were multi-sector and direct lending investments. Mr. Otieno explained that both multi-sector and direct lending fixed income assets add diversity to a portfolio and protection against loss of principal due to upticks in interest rates.

The Board stated they would like to receive more information about transferring the fixed income assets currently held by Neuberger Berman into a passively managed fixed income fund and about multi-sector and direct lending fixed income assets. Mr. Reynolds said he would bring additional information regarding the "opportunistic credit" fixed income strategies to the Board's December meeting and, if the Board decided so desired, bring managers in for presentations at the Board's February meeting.

DISABILITY APPLICATION:

The Board approved a duty disability benefit for Timothy Irwin based on submitted medical evidence.

LEGAL MATTERS:

Mr. Linn reported he had been advised by Deputy City Attorney Alan Fallik that the City's RFP for legal representation for the City's civil action against the Board for its granting of retirement benefits to Fund members deemed vested solely as a result of benefits freezing on September 30, 2011 (or March 4, 2014) received one response which was later retracted. Mr. Linn continued the City was likely going to issue a second RFP, but if no responses were received the City Commission might not pursue the claim.

Mr. Linn shared with the Board a letter from the Division of Retirement to Deputy City Attorney Alan Fallik in which the Division put the City on notice that the Fund was "not State accepted" since the supplemental pension distribution ("SPD") had not been funded.

ADMINISTRATIVE MATTERS:

The Board heard from representatives of Gateway-Acentria Insurance and R.T. Specialty that they were significantly under-insured with the \$3 million coverage currently held. The Board agreed to engage both firms to obtain quotes from other insurers for increased coverage amounts.

The Board agreed to increase to \$80,000 the amount that could be paid to Board Attorney James Linn's law firm, Lewis, Longman & Walker, for fees incurred in fiscal year 2015-16. The Board further agreed to approve a total not-to-exceed contract amount of \$90,000 for Lewis, Longman & Walker for fiscal year 2016-17.

The Board continued its discussion regarding administration of the Fund in consideration of its move to independence from the City. Specifically, in the immediate, the Board would like to move forward as quickly as possible with relocating the Pension Office off City premises and making the Board the lease holder rather than the Pension Coordinator. The Board decided the Pension Office will be open Monday - Friday, rather than follow the City's modified schedule of Monday - Thursday.

CITY COMMISSION COMMUNICATION
for the
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES' SEPTEMBER 26, 2016 SPECIAL MEETING

Board's Communication to City Commission

Items Requiring City Commission Action

- Attend Board of Trustees' regular meeting in the Pension Office starting at 9:00 AM, Thursday, December 15, 2016

Items of Interest to the City Commission

- Board approved increased fiduciary liability coverage

Items Submitted for City Commission Consideration

- None

Summary of September 26, 2016 Special Board Meeting:

Board Members present:	Chair Phyllis Shaw Vice-Chair Jeffrey Greene Christopher Cassidy Charles Howell (via telephone) George Keller Mel Standley Richard Templeton
Board member absent:	N/A
Also present:	Pension Coordinator Lisa Castronovo Board Attorney James Linn (via telephone)

ADMINISTRATIVE MATTERS:

After reviewing and discussing fiduciary liability commercial insurance proposals submitted by Katie Jackson from Gateway-Acentria Insurance, the Board agreed to increase its fiduciary liability insurance coverage from \$3 million to \$15 million at an annual premium of \$154,620.

ITEM 7.b.

CITY/PENSION TASK FORCE



CITY of HOLLYWOOD, FLORIDA

Office of the City Manager

2600 Hollywood Blvd. • P.O. Box 229045 • Hollywood, Florida 33022-9045
Phone (954) 921-3201 • Fax (954) 921-3314 • www.hollywoodfl.org

Wazir A. Ishmael, Ph.D.
City Manager

October 13, 2016

Ms. Lisa Castronovo, Pension Coordinator
Board of Trustees of the City of Hollywood
Employees' Retirement Fund
City Hall Annex, Room 20
2600 Hollywood Boulevard
Hollywood, Florida 33020

Re: Pension Task Force Meetings

Dear Ms. Castronovo:

Thank you again for your positive response to my earlier request to establish a working Pension Task Force. I believe it is an important step and is much appreciated. I also believe that all three of the Pension Plans Boards of Trustees have addressed the subject of identifying their four recommended representatives: one trustee, one administrator, one actuary, and one retiree. With that in mind, we should now proceed and begin meeting to address our issues of mutual concern, understanding we are all desirous of financially healthy and viable pension plans to deliver appropriate benefits in the future.

Since each of the Pension Plans have their own unique experiences and issues, it will be most productive to have separate meetings for each, directly with those of us representing the City. In order to get organized and establish a regular meeting schedule and initial agenda; would you please provide the following:

1. The names and contact information for your selected representatives
2. The days and timeframes each month for regular meeting calendars
3. My suggestion is to hold meetings on the second or fourth week of the month at City Hall in Room 215. The meetings could be any day Monday-Thursday at 3:00 p.m.
4. Any preferred approaches to conducting meetings
(The City will provide support staffing for meetings if desired)
5. Agenda topics/issues to be addressed, I offer the following as potential ones:
 - Actuarial Assumptions, Rates, Demographics, Timing
 - Pension Fund Investment Policies/Management
 - Pension Ordinance Amendments

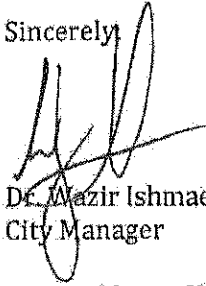
Our Mission: We are dedicated to providing municipal services for our diverse community in an atmosphere of cooperation, courtesy and respect.
We do this by ensuring all who live, work and play in the City of Hollywood enjoy a high quality of life.

"An Equal Opportunity and Service Provider Agency"

- Pension Administration/Costs
- Member Contribution Percentages
- Benefits Options/Restructuring
- Pension Plan Mergers/Migrations/Alternatives
- 13th Check Distributions
- Communication, Relationship Building, Conflict Resolution

Thank you again for your interest and cooperation. If you would please provide this information and feedback as soon as possible, we will get underway. I look forward to making progress toward improved working relationships and fiscally healthy pension plans, under mutually beneficial conditions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mazir Ishmael', written over the printed name and title.

Dr. Mazir Ishmael
City Manager

c: Mayor, Vice Mayor, and City Commissioners
City Attorney

ITEM 7.c.

DISABILITY APPLICATION PROCESSING PROCEDURES

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

DATE: October 26, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lec*
SUBJECT: Disability application procedures

ISSUE:

Establish disability application procedures

EXPLANATION:

Glenn Thomas with Lewis, Longman & Walker drafted procedures for disability application processing and hearing procedures.

RECOMMENDATION:

For review, discussion and revision

**** DRAFT ****

**DISABILITY APPLICATION
PROCESSING AND HEARING
PROCEDURES**

Draft Disability Application Processing and Hearing Procedure

1. DISABILITY RETIREMENT APPLICATION

A. An application for disability benefits shall be made in writing on a form provided by the Board in the Pension Office and signed by the member (Claimant) or a duly authorized representative. The application shall include the Claimant's name, address, employing department, nature, date, cause, extent and duration of disability, name and address of attending physician(s), and any medical treatment received during the five years preceding the disability. Applications shall be accompanied by a report of the attending physicians including the date of the first and last examination, the cause and nature of disability, information regarding surgery or laboratory tests, prognosis, an estimate of the probable length of disability, and if the claim is for a job-related disability benefit, a statement of maximum medical improvement. An application will not be complete until the Claimant submits all required documentation. Completed Applications are considered to be filed with the Board when received by the Pension Coordinator at the Pension Office, located at:

Pension Office Address

B. Within thirty (30) days of receipt of a complete Application, the Pension Coordinator will instruct the Claimant to be examined by a physician or physicians designated by the Board, at the Board's expense. At the Board's discretion, investigation services may be employed to determine the extent and duration of disability on which a claim is based. Upon receipt of all records and reports outlined herein, the Pension Coordinator will prepare a disability pension file (File) to include all materials relevant to the Application.

C. Within three (3) days following receipt of the report by the designated physician, the Pension Coordinator shall provide the Human Resources Director with the Application and the File.

D. The Human Resources Director shall review the Application and File and determine whether the Claimant is able to perform the specific duties of his or her position. If the Claimant is unable to perform the specific duties of his or her position, the City may offer the member, with no change in salary or benefit level, a newly created modified duty position or a vacant position which the member is capable and qualified to perform. If a new position is offered to the Claimant, the Human Resources Office will notify the Pension Coordinator of its decision and provide position description for each position offered to the Claimant. The Pension Coordinator will instruct the Claimant to be examined by the Board-designated physician to determine whether the Claimant is able to perform the specific duties of any or all of the newly offered positions. The results of the examination shall be submitted to the Human Resources Director. The Human Resources Department shall notify the Claimant and the Board of its determination.

E. If the Human Resources Director determines that the Claimant is unable to perform the specific duties of his or her position and no position is offered to the Claimant, or if the Claimant is unable to perform the functions of a newly offered position, the Board shall schedule an Initial Hearing, to be conducted within forty-five (45) days of the determination by Human Resources, to determine:

(1) Whether the disability occurred by reason of injuries sustained while in the performance of an act of duty as an active employee of the City, or

(2) Whether additional information is required.

It shall be the function of the Pension Coordinator and Board legal counsel, throughout the application procedure, to assist the Board in the discovery and presentation of evidence in order to assure that the Board receives all relevant information prior to the Board's decision. Together with the Application and File, the Pension Coordinator will provide the Board with the member's job description, date of birth, credited service date and years of credited service, normal retirement date and an estimate of the member's monthly disability benefit at least twenty (20) days prior to the Initial Hearing.

F. Claimant shall have the right to be represented by counsel at all times during the application process. If represented, all communications and correspondence will be through the Claimant's legal counsel or representative.

G. Board legal counsel and the Claimant may stipulate to one extension of time not to exceed sixty (60) calendar days. Additional extensions shall require Board approval.

2. INITIAL HEARING OF THE APPLICATION

A. At the initial hearing, the Board shall consider only the documentary evidence contained in the File. The Board may also hear live testimony from the treating physician(s) to clarify medical records and/or the personal physician report. The request for live testimony by the treating physician(s) may be made by the Board at the initial hearing at which time the initial hearing will be continued and rescheduled at a time mutually convenient to the physician(s) and the Board.

B. Other than answers to questions from the Board Trustees or from Board legal counsel, the Board will take no additional evidence at the initial hearing, although the Claimant or the Claimant's legal counsel or representative may make a presentation not to exceed fifteen (15) minutes in length, limited to comments and/or arguments as to the evidence or information already contained in the File, including physician report(s) and any live testimony from the treating physician(s) given at the initial hearing.

C. Upon completion of the review of the Application at the initial hearing, the Board shall enter an Order setting forth its findings and conclusions on the Application. The written Order shall be provided to the Claimant within thirty (30) days of the initial hearing. The Order shall include:

- (1) The specific findings and conclusions of the Board, including specific references to pertinent provisions of the Plan on which such conclusions are based;
- (2) A description of any additional material or information that the Board may deem necessary for the claimant to perfect the claim, together with the reasons why such materials or information is necessary; and
- (3) An explanation of the right to a full hearing on the claim and the time limit in which a full hearing must be requested in writing.

D. The decision of the Board at the initial hearing shall not be final as outlined below (unless the Application is approved as requested) until after the time has expired to request a full hearing. The Board may extend the time for entering the order at an initial hearing for an additional forty-five (45) days if it determines such time is necessary for full discovery and adequate review.

3. FULL HEARING

A. Any Claimant may request a full hearing on the issues presented to the Board at an initial hearing and upon which the Board has entered an Order. The Claimant shall bear the burden of proof at full hearing to show entitlement to the benefits sought.

B. A full hearing must be requested in writing by the Claimant within thirty (30) calendar days following receipt of the Board's Order. The Board's Order will be deemed received by the Claimant three (3) business days following the date it is mailed to the Claimant at the address provided to the Board by the Claimant.

C. Upon receipt of the written request for a full hearing the Board shall set a date for the full hearing and cause notice to be given to the Claimant. The full hearing shall be held within ninety (90) calendar days from the receipt of the request from the Claimant unless additional time is agreed to by the claimant and the Board.

D. Copies of all documents to be offered into evidence at the full hearing, and a complete witness list with names and addresses of witnesses expected to be called, shall be furnished to the Board at least twenty (20) days prior to the full hearing. Documents not furnished to the Board within the prescribed time limit may be excluded from evidence at the full hearing, and witnesses not disclosed within the prescribed time limit may be excluded from testimony, if a reasonable explanation is not provided for the delay in providing the documents.

E. The Claimant or the Board Legal Counsel may obtain discovery by deposition and/or interrogatories prior to the full hearing. Written notice of any depositions and/or interrogatories shall be provided to Board Legal Counsel and the Claimant or Claimant's legal counsel or representative.

F. All costs of discovery initiated by the Claimant or Claimant's legal counsel or representative, including compensation of the Claimant's witnesses, shall be borne by the Claimant.

G. Testimony may be submitted in the form of a deposition. If provided in accordance with these procedures, transcripts of depositions shall be made part of the disability pension file. Transcripts, or any portions thereof, may be read into the record by any party and may be referred to in argument.

H. The claimant shall be responsible for the appearance of any witnesses at the hearing.

I. Irrelevant and unduly repetitious evidence may be excluded.

J. Should a claimant requesting an initial or full hearing decide to appeal any decision made by the Board, with respect to any matter considered at such hearing, the claimant will need a record of the proceeding and may need to assure that a verbatim record of the proceeding is made. The Claimant will be responsible for obtaining a court reporter or otherwise making a record of the proceedings before the Board.

K. Any person who knowingly gives false testimony is guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or 775.083, Florida Statutes.

L. The file maintained by the Board, including but not limited to various medical reports therein, is part of the record before the Board at the full hearing.

M. All proceedings of the Board shall be conducted in public in accordance with ch. 287, Fla. Stat.

N. Decisions of the Board after a full hearing shall be final and binding, subject to judicial review.

O. Except as to those records which are exempted from the provisions of Chapter 119, Florida Statutes, Florida's Public Records Law, records maintained by the Board are open for inspection and/or copying during normal business hours at a reasonable cost for the copying.

P. Within thirty (30) days after making a decision at the full hearing, the Board shall enter a final order setting forth its findings and conclusions, and a copy of the final order shall be provided to the claimant.

Q. Judicial review of decisions of the Board shall be in the manner prescribed by law.

4: MISCELLANEOUS

A. Initial hearings and full hearings will be held during regular Board meetings as a part of the regular agenda. The Board, on an exception basis, may authorize the Pension staff to schedule a special meeting. No Claimant has the right to demand or receive a special appearance before the Board.

C. Applications will generally be heard in the order filed. However, in some cases a later-filed Application will be ready for hearing before an earlier-filed Application. In such a case, the Application first ready to be heard will be heard first. The Board may limit the number of full hearings heard on any single agenda.

E. All time periods and procedures may be modified by the Board or a continuance of the hearing may be granted by the Board. Any modification or continuance shall be based upon good cause being shown.

**** CURRENT ****
OPERATING PROCEDURES

CITY OF HOLLYWOOD
EMPLOYEES' RETIREMENT FUND
OPERATING PROCEDURES

A. BASIC RECORDS AND ACCOUNTS

1: MEMBERSHIP RECORD

Every member shall be required to execute a membership record with respect to date of birth, beneficiary, and any other information necessary for the effective operation of the fund.

2: CLAIMS RECORDS

Annuity and refund claims shall record the type of claim, amounts paid, and other essential facts.

3: ACCOUNTING

Each member's contributions to the Fund shall be separately accounted, and other pertinent data shall be maintained in a form specified by the actuary as necessary for an accounting of contributions and for required calculations and valuations.

4: GENERAL BOOKS OF ACCOUNT

Proper books of account accurately reflecting the income of the Fund, disbursements, and investments made by the Board, shall be established and maintained in accordance with the laws creating and governing the Fund, and recognized accounting standards and techniques.

5: STATISTICS

Records providing statistical and operations data required for the annual actuarial valuation and periodic analyses of the Fund shall be created and maintained.

6: Prior service credit

Any member claiming prior service credit shall file with the Secretary or, if designated by the Board, the Pension Coordinator, a written statement detailing the periods of service rendered. If no records are available, confirmation of prior service may be made by affidavit of a person(s) in the employ of the City who has knowledge of the rendition of service claimed. The claim shall be confirmed in writing by the department in which the employee rendered the service or by records maintained by the Human Resources Division.

B. FILING OF CLAIMS

1: SERVICE RETIREMENT

Members claiming a service retirement benefit shall file an application on a form provided by the Board. The application, along with the membership record, verified credited service, and other pertinent participant information, shall form the basis for the allowance of the benefit.

2: DISABILITY RETIREMENT

A. All applications for disability benefits shall be in writing on a form provided by the Board.

B. A member claiming disability benefits shall file an application on a form provided by the Board. The application shall include the member's name, address, employing department, nature, date, cause, extent and duration of disability, name and address of

attending physician(s), and any medical treatment received during the five years preceding the disability. Applications shall be accompanied by a report of the attending physicians including the date of the first and last examination, the cause and nature of disability, information regarding surgery or laboratory tests, prognosis, an estimate of the probable length of disability, and if the claim is for a job-related disability benefit, a statement of maximum medical improvement.

C. Every applicant for disability benefit shall be examined by a physician or physicians designated by the Board, at the Board's expense. Examinations may be required at the direction of the Board thereafter during the period of disability until the employee's attainment of age 55, if hired prior to July 15, 2009, or age 57 with 25 years of credited service or age 60 with 7 years of credited service if hired on or after July 15, 2009, the frequency of which and their scope, to be governed by the individual circumstances of each case. Investigation services may be employed to determine the extent and duration of disability on which a claim is based.

D. Based on the available medical information, the Human Resources Director shall make the final determination regarding the ability of the member to perform the specific duties of his or her position.

E. If the Human Resources Director determines that the member is unable to perform the specific duties of his or her position, the Board shall review the application for disability benefits and other relevant documents and determine, based on the available evidence, whether the disability occurred by reason of injuries sustained while in the performance of an act of duty as an active employee of the City.

F. The Pension Coordinator shall provide the Board, at a minimum, the following information prior to the disability hearing: the member's job description, attendance records, performance appraisals and/or memorandum of performance by supervisor of director, date of birth, credited service date and years of credited service, normal retirement date and an estimate of the member's monthly disability benefit.

3: DEATH BENEFIT

A member may designate a beneficiary(ies) and contingent beneficiary(ies) to receive the death benefits provided by the Plan. If no beneficiary is designated, the member's surviving spouse shall receive such benefit or refund of contributions as provided in the Plan. If there is no surviving spouse, the benefit or refund of contributions shall be paid to the member's estate, as provided in the Plan. Any person claiming a benefit on account of the death of a member shall file an application on a form provided by the Board, accompanied by a copy of the death certificate or other public record of death. Any person applying for a death benefit shall furnish such proof of identification, relationship and/or dates of birth as specified by the Board.

4: REFUND OF CONTRIBUTIONS

Any former employee or beneficiary eligible to receive a refund of contributions may make a written request therefore on a form provided by the Board. Failure to make a written request will not prevent the Board from issuing a refund pursuant to any policy adopted by the Board.

C. HEARING PROCEDURES

1: GENERAL PROCEDURES.

A. The Board of Trustees may grant a hearing upon receipt of a written request ("Claim"), on any matter that affects the substantial rights of any person, including members, active or retired, beneficiaries, or any person affected by a decision of the Board.

B. The Board shall review the claim at an initial hearing and enter an order within thirty days following the initial hearing. The Board may extend the time for entering the order at an initial hearing for an additional forty-five (45) days if it determines such time is necessary for full discovery and adequate review. The Board attorney and the claimant may stipulate to further extensions of time.

C. It shall be the function of the Board attorney, throughout the hearing process, to assist the Board in the discovery and presentation of evidence in order to assure that the Board receives all relevant information prior to the Board's decision.

D. Proceedings involving the forfeiture of a member's retirement benefits under Section 112.3173, Florida Statutes, shall be governed by that statute and not by these by-laws.

2: INITIAL HEARING.

A. At the initial hearing, the only evidence to be considered by the Board shall be documentary evidence contained in the pension file, including but not limited to, correspondence, medical records and reports of treating physicians and/or examining physicians, and evidence received from the claimant.

B. Other than questions from Board members or the Board attorney, there will be no taking of additional evidence at the initial hearing, except that the claimant and/or his representative will be afforded fifteen (15) minutes to make a presentation, which shall be limited to comments and/or arguments as to the evidence or information already contained in the pension file, including the report of the examining physician.

C. Upon completion of the review of the Claim at the initial hearing, the Board shall enter an order setting forth its findings and conclusions on the Claim. The written order shall be provided to the claimant. The order shall include:

- (1) The specific findings and conclusions of the Board, including specific references to pertinent provisions of the Plan on which such conclusions are based;
- (2) A description of any additional material or information that the Board may deem necessary for the claimant to perfect the claim, together with the reasons why such materials or information is necessary; and
- (3) An explanation of the right to a full hearing on the claim and the time limit in which a full hearing must be requested in writing.

D. The decision of the Board at the initial hearing shall not be final until after the time has expired to request a full hearing or, if a full hearing is requested, until the Board makes a decision at the conclusion of the full hearing.

3: FULL HEARING.

A. Any claimant may request a full hearing on the issues presented to the Board at an initial hearing and upon which the Board has entered an order as provided in subsection 2.C. above.

- B. A full hearing must be requested by the claimant within thirty (30) days following receipt of the Board's order. The order will be deemed received three (3) days following the date it is mailed to claimant at the address provided to the Board by the claimant.
- C. Upon receipt of the request for a full hearing, the Board shall establish a date for the full hearing and cause notice to be given to the claimant. The full hearing shall be held within ninety (90) days following receipt of the request from the claimant, unless additional time is agreed to by the claimant and the Board.
- D. Copies of all documents to be offered into evidence at the full hearing, and a complete witness list with names and addresses of witnesses expected to be called, shall be furnished to the Board at least twenty (20) days prior to the full hearing. Documents not furnished to the Board within the prescribed time limit may be excluded from evidence at the full hearing, and witnesses not disclosed within the prescribed time limit may be excluded from testimony, if a reasonable explanation is not provided for the delay in providing the documents.
- E. The claimant shall be responsible for the appearance of any witnesses at the hearing.
- F. At the hearing, irrelevant or unduly repetitious evidence or testimony shall be excluded.
- G. Any person who knowingly gives false testimony is guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or 775.083, Florida Statutes.
- H. The file maintained by the Board, including but not limited to various medical reports therein, is part of the record before the Board at the full hearing.
- I. All proceedings of the Board shall be conducted in public.

J. In cases concerning an application for pension benefits, including applications for disability retirement benefits, the burden of proof, except as provided by law, shall be on the claimant seeking to show entitlement to such benefits.

K. Except as to those records which are exempted from the provisions of Chapter 119, Florida Statutes, Florida's Public Records Law, records maintained by the Board are open for inspection and/or copying during normal business hours at a reasonable cost for the copying.

L. Should a claimant requesting an initial or full hearing decide to appeal any decision made by the Board, with respect to any matter considered at such hearing, the claimant will need a record of the proceeding and may need to assure that a verbatim record of the proceeding is made. The claimant will be responsible for obtaining a court reporter or otherwise making a record of the proceedings before the Board.

M. The decision of the Board after the requested full hearing shall be final and binding.

N. Within thirty (30) days after making a decision at the full hearing, the Board shall enter a final order setting forth its findings and conclusions, and a copy of the order shall be provided to the claimant.

O. Judicial review of decisions of the Board shall be sought by the filing of a timely petition for writ of certiorari with the Clerk of the Circuit Court, in the appropriate county.

4: CONDUCT OF THE FULL HEARING.

A. The Chair shall preside over the hearing and shall rule on all evidentiary, procedural, and other legal questions that arise during the hearing. The Chair's rulings

shall stand unless overruled by all other Board members present. The Chair shall open the full hearing by explaining the procedures to be followed.

B. The claimant shall have the right to be represented by counsel or other representative. The Board attorney shall advise the Board.

C. The claimant shall be allowed to make an opening statement not to exceed ten (10) minutes.

D. Testimony of witnesses shall be under oath or affirmation. Depositions or affidavits shall be admissible if agreed upon by the claimant and the Board or the Board attorney.

E. The Chair, any Board member, the Board attorney, the claimant or the claimant's counsel, upon recognition by the Chair, may direct questions to any witness during the proceedings.

F. The claimant and the Board attorney shall have the right to present evidence relevant to the issues, to cross examine witnesses, to impeach witnesses and to respond to the evidence presented.

G. The claimant shall be permitted a closing argument not to exceed fifteen (15) minutes.

H. The Board shall deliberate and make a decision following closing argument, and thereafter enter an order as provided in subsection 2.C., above.

ITEM 7.d.

DISABILITY RETIREE FOLLOW-UP MEDICAL EXAMINATIONS

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

DATE: October 26, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lcc*
SUBJECT: Disability Retirement Investigation

ISSUE:

Periodic investigations of disability retirement benefit recipients

EXPLANATION:

Since I have been the Pension Coordinator (September 2010), no disability benefit recipient has been investigated to determine if they remain entitled to receive the disability benefits they are receiving. Per City Ordinance Section 33.025(L)(7):

"Members receiving disability retirement benefit shall be subject to periodic investigations and medical examinations as deemed necessary by the Board and the city. The Board shall prescribe rules and regulations governing the payment of the disability benefits herein provided, including prescribing the requirement for such periodic investigations and medical examination in the interest of an effective and efficient administration of these benefits."

RECOMMENDATION:

Consider implementing rules and regulations for periodic investigation and medical examination of disability benefit recipients

ITEM 7.e.

CONFERENCES

- 1. Expenses incurred after conclusion of conference**
- 2. Mandatory Attendance**

EXPENSES INCURRED

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

DATE: October 18, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lec*
SUBJECT: Expenses incurred for travel following conclusion of conference

ISSUE:

Reimbursement for expenses incurred for travel after conclusion of conference

EXPLANATION:

Phyllis, George, Jeff and myself attended Segal Rogerscasey's 22nd Annual Educational Client Summit in Scottsdale, AZ Wednesday, October 19 – Saturday, October 22, 2016. Per the Board's Travel Policy (see attached page 2), attendance at this conference has advance standing approval.

Per page 3 of the Travel Policy, "[Fund] covered stay will start the day preceding the first educational session and end on the last day of the registered event. In no event will the hotel room be covered the night following the last educational session unless approved in advance by the Board based on location and availability of flights." The Summit ended at noon on Saturday. The only flights available Saturday afternoon/evening have us returning to Ft. Lauderdale any time from 12:00 p.m. to after 6:00 p.m. on Sunday afternoon. Board approval for the Fund to pay for the hotel room for Saturday night (the 22nd) is requested due to the location of the Summit and (un)availability of return flights.

RECOMMENDATION:

Approve for the Fund to pay for expenses incurred Saturday night (October 22nd) and Sunday (October 23rd) for those who stayed Saturday night (the 22nd) due to the location of the Summit and (un)availability of return flights

of itself, will not preclude attendance. However, if the Board determines that the total cost for traveling to a particular location is excessively more than the average cost for a similar event, it may withhold or withdraw approval.

The Board believes in the value of networking and recognizes that this is an important function of attending educational sessions. Since this benefit of the educational process is limited when attendees must commute, the cost of the hotel is an authorized travel expense, regardless of the location.

At all times the interests of the fund supersedes the interests of the individual trustees and staff members. By adoption of this policy, the Board directs the Pension Coordinator to ensure that the policy is enforced as written unless the Board has approved an exception to it.

Adoption of this policy supersedes any previously adopted policies. Hereafter, this document will solely determine the reimbursement policy for all travel related expenses.

ATTENDANCE

In accordance with Section 10.01(18)(a) of the City Charter and Section V.H. of the Investment Policy and Guidelines, all trustees shall be required to attend two (2) pension-related seminars during their first year of service on the Board and at least one (1) pension-related program per year thereafter. Appropriate staff members must attend educational programs on a rotating basis. All trustees and staff are encouraged to complete the two-part Certificate of Achievement in Public Plan Policy (CAPPP) sponsored by the International Foundation of Employee Benefit Plans (IFEBP).

Trustees and staff have standing approval to attend conferences and other educational functions sponsored by the Florida Public Pension Trustees Association (FPPTA), the National Conference of Public Employee Retirement Systems (NCPERS) and the International Foundation of Employee Benefit Plans (IFEBP). Events sponsored by any other educational organizations require advance approval by the Board.

In addition, trustees have standing approval to attend seminars sponsored by the Board's investment consultant and money managers. However, state ethics and gift laws must be considered in determining how much of the cost may be assumed by the sponsor.

REGISTRATION

All registration fees will be paid or reimbursed by the Fund. When possible, a City check will be issued or the fee will be charged to the Board's credit card.

When a registrant makes a direct payment, he/she shall submit the appropriate form to request reimbursement.

Because cancellation fees are normal, all travelers should consider their availability prior to registering for an event. When a registrant cannot attend an event and a cancellation fee will be incurred, an attempt will be made to substitute someone else.

COVERED STAY

The term "covered stay" refers to the period of time for which expenses for an event will be covered.

The covered stay will start the day preceding the first educational session and end on the last day of the registered event. In no event will the hotel room be covered the night following the last educational session unless approved in advance by the Board based on location and availability of flights. All attendees are expected to make a reasonable effort to return the day the event ends unless extending travel for personal reasons, in which case covered expenses end at the conclusion of the last session. The Board may consider the travel plans of all attendees in determining the reasonableness of the same day return.

Reimbursement for parking, rental cars, hotels, meals and the maximum airfare amount will be based on a covered stay as herein defined.

Notwithstanding the above, if it can be documented that purchasing an airline ticket for an extended stay will result in savings that exceed the cost of the hotel and other expenses for the additional covered day(s), the Board may approve the extended stay.

TRANSPORTATION

Mode At all times, each traveler must use the most economical mode of transportation.

Tolls Tolls will be reimbursed at actual cost with presentation of a valid receipt.

Note: Sunpass accounts can be accessed on the internet and printed.

Parking Long-term airport and hotel self-parking fees will be reimbursed during the period of a covered stay. If a traveler parks in short-term parking, the difference between short-term and long-term rates will be paid by the traveler. If self-parking is available but a traveler chooses to valet park, the additional fee/gratuity will be at his/her own expense. If only valet parking is available, the actual cost will be reimbursed. If the parking charges do not show up on the hotel bill, then a receipt will be required.

MANDATORY ATTENDANCE

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

DATE: October 26, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lee*
SUBJECT: Attendance at conferences

ISSUE:

Session attendance at conferences

EXPLANATION:

Chair Shaw would like to establish a policy on session attendance at conferences attended by the Trustees and Board staff.

RECOMMENDATION:

For discussion

ITEM 7.f.

FUND ADMINISTRATION TRANSITION

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

DATE: October 18, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lc*
SUBJECT: Fund Administration

ISSUE:

Fund administration

EXPLANATION:

Chair Shaw would like the Trustees to continue discussions regarding the transition from the City meet to the Board's independent administration of the Fund.

RECOMMENDATION:

Be prepared to discuss transition items assigned to you at the Board's September 8, 2016 workshop

AGENDA ITEM 8


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AGENDA ITEM 9

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 10

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

DATE: October 26, 2016
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator 
SUBJECT: Pension Coordinator Report

ISSUE:

Items of interest from the Pension Coordinator

EXPLANATION:

- 1) As of October 1, 2016, the Board was covered with \$15 million fiduciary liability insurance.
- 2) The City contributed \$8,360,624.14 to the Retirement Fund on October 11, 2016. Per Keith Reynold's direction, \$7.5 million will be placed with fixed income manager Baird Advisors in the very near future (approx. November 1, 2016).
- 3) Ifatunbi Adefunmi has an appointment with an independent psychiatrist on Thursday, October 27, 2016. The selected psychiatrist was approved by the City's legal department.
- 4) The International Foundation of Employee Benefit Plans (IFEBP) 63rd Annual Conference will be in Las Vegas, NV October 22-25, 2017, preceded by pre-conference certification programs October 21-22, 2017. If you wish to attend the conference and want the best chance to be placed in your first choice hotel, complete the conference registration form I placed at your seat and return to me before Friday, November 4, 2016 so that I can submit it to IFEBP on your behalf at their conference next month.

NOTE: Segal Rogerscasey's 23rd Annual Client Research & Educational Summit will be at Disney's Yacht & Beach Club in Orlando, FL October 18-21, 2017.

RECOMMENDATION:

For your information

AGENDA ITEM 11

**NO BACKUP
FOR THIS SECTION**