AGENDA ITEM 1

NO BACKUP
FOR THIS SECTION

AGENDA ITEM 2

NO BACKUP
FOR THIS SECTION

AGENDA ITEM 3

ITEM 3.a.

MINUTES of
MARCH 17, 2016 REGULAR
PENSION BOARD MEETING

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
THURSDAY, MARCH 17, 2016

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:07 a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene (arrived at 9:13 a.m.), Christopher Cassidy, Raquel Elejabarrieta, George Keller (departed at 11:55 a.m.), Daniel Matlow (arrived at 9:21 a.m.) and Richard Templeton. 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 Ms. Elejabarrieta, seconded by Mr. Templeton, to approve Consent Agenda Items 3.a-c. In a voice vote by the members present, **Motion** passed 5-0 (Mr. Cassidy abstained from voting on Item 3.a. since he was not on the Board at that time; Item 3.a. passed 4-0).

4. TREASURER'S REPORT

Board Treasurer Matthew Lalla resigned from the City on Friday, March 11, 2016 and Interim Board Treasurer Mirtha Dziedzic was unavailable to attend the Board meeting. As a result, the February 2016 Treasurer's Report was accepted as presented in written format.

5. INVESTMENT ISSUES (Keith Reynolds, Segal Rogerscasey)

a. Flash Performance Review

Mr. Reynolds's reported the Fund's market value on February 29, 2016 was $284.8 million with a monthly rate of return of 0.53% compared to the benchmark of 0.02%. Mr. Reynolds noted that all six equity managers outperformed their respective benchmarks while the two fixed income managers underperformed their respective benchmarks.

b. Investment Policy Review

Mr. Reynolds reported he revised the Investment Policy to reflect the comments and items discussed at the February 2016 Board meeting.

MOTION made by Mr. Templeton, seconded by Vice-Chair Greene, to accept the Investment Policy as updated by Segal Rogerscasey. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

Ms. Castronovo noted the Fund would need available cash starting in June 2016 to cover several DROP account payouts to about 40 DROP participants set to retire in May, June and July 2016. Ms. Castronovo stated she would provide a list of upcoming payments to Mr. Reynolds so that he could advise the Board as to which investment accounts the needed funds could be drawn. Since the monies invested in real estate via Morgan Stanley remained over target allocation, Mr. Reynolds suggested the Board authorize a request for Morgan Stanley to redeem $2.5 million by June 30, 2016 to help meet the DROP cash payout requirements.

MOTION made by Mr. Keller, seconded by Mr. Templeton, to authorize Morgan Stanley to redeem $2.5 million and move such monies to the Retirement Fund's cash account by June 30, 2016. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

6. LEGAL ISSUES (James Linn)

Mr. Linn reported he had no updates regarding the pending litigation matter involving payment of Supplemental Pension Distributions other than the fact the initial judge assigned the case had recused herself.

a. Litigation Update
Mr. Linn reported the State had not done anything affecting local law retirement plans in its current legislative session.

Mr. Linn noted his fees were approaching the City's maximum allowed limit ($50,000) and that he would have to take steps to keeps fees and services to a minimum by attending future meetings via telephone rather than in person and having Mr. Thomas address some of the Fund's issues since his hourly rate was less than Mr. Linn's rate. The Board agreed to ask the City's legal department to seek City Commission approval for an increase in the allowable amount that could be paid to Lewis, Longman & Walker.

7. ADMINISTRATIVE ISSUES

b. October 1, 2015 Actuarial Valuation Report (Jeff Amrose, Gabriel Roeder Smith & Company ("GRS"), report made part of these minutes). Item taken out of order.

Highlights of the October 1, 2015 Actuarial Valuation Report as presented:

- The City's required contribution increased from $23.25 million for the 2015-16 fiscal year to $23.35 million for the 2016-17 fiscal year, but decreased as a percent of payroll from 72.40% to 66.07%.
- Pre-funding of the Supplemental Pension Distribution was done in accordance with the July 2014 letter from the Division of Retirement.
- The Report reflected the fact the City did not contribute the required amount as determined by the October 1, 2013 Actuarial Valuation Report.
- The investment return assumption was lowered from 7.90% to 7.80%, net of expenses. The investment return assumption will continue to decrease by 0.10% each year until it reaches 7.50%.
- There was a $3.1 million actuarial gain for the year meaning actual experience was more favorable than anticipated. The primary gain came from the recognized investment return being greater than the assumed rate of return of 7.90%.

- Since the investment return for fiscal year ending September 30, 2015 was less than 12.4%, a Supplemental Pension Distribution for the fiscal year was not payable.
- $110 million of the $190 million Unfunded Actuarial Accrued Liability (UAAL) will be paid off in 13 years.
- The funded ratio on October 1, 2015 was 58.1% (58.6% before investment return assumption change) compared to 55.6% on October 1, 2014.
- The market value of assets exceeds the actuarial value of assets by $2.1 million. The excess would gradually be recognized over subsequent years resulting in a decrease in the required contribution.

MOTION made by Mr. Keller, seconded by Mr. Templeton, to accept the October 1, 2015 Actuarial Valuation Report. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

a. Funding Policy (Jeff Amrose, Gabriel Roeder Smith & Company ("GRS"), report made part of these minutes). Item taken out of order.

Mr. Amrose reviewed the Funding Policy he drafted for the Fund noting that while a funding policy was not needed, it was a good idea to have. The goal of a funding policy is to provide a way to track and measure the progress of the funding of a retirement plan. Mr. Amrose added that sharing the funding policy with all interested parties was a good idea since it was a way for the Board to share its vision and strategies for the Fund with everyone.

The Board discussed decreasing the amortization period for future bases added to the unfunded actuarial accrued liability by a year each year for the next few years. Mr. Keller noted the City would not be agreeable to the idea for the bases added on October 1, 2015 due to the challenges facing the City in the upcoming fiscal year.

MOTION made by Mr. Templeton, seconded by Vice-Chair Greene, to adopt the funding policy as presented by GRS (with a minor revision noted) and to lower the amortization period by one (1) year each year for a few years with the date to start such decrease to be determined in the future. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

8. PUBLIC COMMENTS

Public comment was heard from: Michael McKinney – 3250 Hollywood Boulevard, Hollywood, FL

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Vice-Chair Greene stated the Board should start some preliminary planning in advance of becoming independent and self-sufficient. Vice-Chair Greene noted more staff would most likely be required to handle the increased workload and asked Ms. Castronovo to provide a layout of what she believed would be added to the Pension Coordinator's job responsibilities as a result of the Board's desire to become independent of the City. Chair Shaw agreed with Vice-Chair Greene and said she thought a workshop to discuss the situation was in order.

10. PENSION COORDINATOR'S REPORT (Lisa Castronovo)

Ms. Castronovo reviewed various items of her March 9, 2016 memorandum to the Board (memo made part of these minutes). Specific discussion items: 1) Ms. Castronovo briefly outlined the Code of Conduct for Public Pension Service Providers developed by the National Conference on Public Employee Retirement Systems (NCPERS) and explained that NCPERS urged all public plan boards to adopt the Code to assure that their service providers were free from conflicts of interest. 2) Regarding responses to the RFP for Retirement Fund custodian as received on March 11, 2016, Ms. Castronovo suggested the Board select a date on which to hold a special meeting to review the responses. Vice-Chair Greene asked Ms. Castronovo to provide a one-page summary of the responses in advance of the special meeting. The Board discussed dates, but a specific one was not selected.

11. ADJOURNMENT

MOTION made by Mr. Matlow, seconded by Ms. Elejabarrieta, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 12:02 p.m.

Phyllis Shaw, Chair

Date

ITEM 3.b.

RATIFICATION OF DISTRIBUTIONS (Contributions and DROP) and PLAN EXPENSES

PLAN DISTRIBUTIONS

EMPLOYEES' RETIREMENT FUND
Refunds and Distributions
April 28, 2016 Regular Pension Board Meeting

Refunds of Contributions

Name		Refund
Thrasher, Gail	$	14,467.83
	$	14,467.83

DROP Distributions

Owens, Lester	$	303,673.75
	$	303,673.75
	TOTAL: $	**318,141.58**

PLAN EXPENSES

EMPLOYEES RETIREMENT FUND

Payment Requests Processed During the Period
March 1, 2016 through March 31, 2016

Manager Fees		
Barid Advisors (quarter ending 12/31/15)	$	35,190.65
Segal Rogerscasey (January 2016)		10,833.33
Neuberger Berman (quarter ending 03/31/16)		29,641.98
Segal Rogerscasey (February 2016)		10,833.33
		86,499.29
Quarterly Custodian Fees		
Wells Fargo Bank, N.A. (quarter ending 12/31/15)		14,980.62
Attorney Fees		
Lewis, Longman and Walker, P.A. (January 2016)		10,001.19
Lewis, Longman and Walker, P.A. (February 2016)		8,466.36
		18,467.55
Pension Coordinator Fees		
LECastronovo Co., Inc. (March 2016)		13,173.33
Travel Advances/Expenses		
FPPTA Trustees School (Orlando, Florida)		
Ralph Dierks		240.31
Phyllis Shaw		309.76
Raquel Elejabarrieta		346.87
George Keller		708.34
		1,605.28
Miscellaneous		
Print Shop Charges (Pension Office Letterhead)		35.00
Sharp - Copier Lease Payment (01/01/16 - 01/31/16)		150.57
Sharp - Copier Lease Credit (02/01/16 - 02/29/16)		154.79
UPS		57.64
UPS		22.42
UPS		22.42
EDCO Awards & Specialities		148.31
Apex Reporting Group		546.00
HostGator		10.95
		1,148.10
Total	$	135,874.17

ITEM 3.c.

APPROVAL/RATIFICATION of NEW RETIREMENTS/DEATHS

EMPLOYEES' RETIREMENT FUND

New Retirement/DROP/Death/Vested Annuities - Monthly Amounts
April 28, 2016 Regular Pension Board Meeting

March 2016

Oldershaw, Robert - retirement (from Vested)	$	2,147.54
Singer, Robin - retirement (from Vested)		588.90

April 2016

Owens, Lester - retirement (from DROP)	$	4,168.22

Benefits Stopped

McKinney-Stewart, Catherine - died 3/10/2016	$	1,112.62
Sullivan, Walter - died 1/30/2016		1,526.36

AGENDA ITEM 4

CITY OF HOLLYWOOD, FLORIDA

EMPLOYEES RETIREMENT FUND
TREASURER'S REPORT
February 29, 2016

Investment Balances	**Market Value**	**Book Value**	**Unrealized Gain (Loss)**
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		1,188,717.19	
Pension Disbursements		(13,700,981.85)	
Administrative Expenses		(154,220.36)	
Net Contributions/Payments		(2,898,636.02)	
Investment Income:			
Dividends Received		750,851.25	
Interest Received - net		932,732.81	
Gain on Sales		235,501.08	
Commission Recapture		1,929.21	
Quarterly Investment Fees		(259,648.05)	
Net Investment Income		1,661,366.30	
Balance, February 29, 2016	284,470,038.35	261,365,056.30	23,104,982.05
Increase (Decrease) for the Period	$ (1,799,666.57)	$ (1,237,269.72)	$ (562,396.85)

Unrealized Gain (Loss) Account
Composition of Increases (Decreases)

Thompson, Siegel & Walmsley	$ (131,677.14)
Frontier Capital Management	(32,132.10)
Wellington International	(2,121,834.16)
Northern Trust	485,209.54
Brandes Investment Partners	142,159.20
Total Equity Managers	(1,658,274.66)
Baird Advisors	(182,900.23)
Neuberger & Berman	220,698.53
Morgan Stanley	588,549.88
Principal Investors	469,529.63
	$ (562,396.85)

Investment Return

Net Investment Income	$ 1,661,366.30
Increase (Decrease) in Unrealized Gain/Loss	(562,396.85)
Total Investment Return for Period	$ 1,098,969.45
Beginning Market Value of Assets	$ 286,269,704.92
Plus/(Less): Net Contributions/Payments	(2,898,636.02)
Assets Available for Investment	$ 283,371,068.90
Investment Return as a % of Assets Available for Investment	0.39%

AGENDA ITEM 5

ITEM 5.a.

FLASH PERFORMANCE REVIEW

(Backup material not available at the time of this printing)

ITEM 5.b.

IFM PRESENTATION – GLOBAL INFRASTRUCTURE

Manager Research Report

SUMMARY

INVESTMENT OPINION

The IFM Global Infrastructure Fund strategy (the "Strategy") managed by IFM is rated "Recommended". The key observations relating to our Seven Principles are summarized below:

- IFM has a unique ownership structure, being wholly-owned by 29 Australian pension funds. Given this structure, the firm is deeply aligned with the objectives of its investors. IFM's top priority is investor returns and it seeks to be highly transparent, to minimize fees and to provide high quality service.
- IFM has built a highly experienced, dedicated infrastructure team of 54 individuals. The senior investment individuals average 18 years of experience in industries critical to infrastructure investing, such as power generation, gas transmission, investment banks, rating agencies, government agencies, etc. While there was some turnover following the departure of the former CEO, it has since subsided.
- IFM implements a core infrastructure strategy through an open-end vehicle. IFM primarily targets investments in operating assets in OECD markets, making this a lower risk strategy, whereby a significant part of the return is expected to come from cash yield. The open-end structure IFM utilizes is conducive to achieving the Fund's investment objectives, as it is able to hold attractive cash flowing assets in perpetuity and does not have to invest capital during less appealing market environments.
- IFM has developed a clear and thorough investment and due diligence process through its 20+ years of experience investing in infrastructure. The process incorporates not only the senior members of the infrastructure team, but across the firm, through the utilization of the Investment Committee as well as potentially the Investor Board for very large investments. IFM's process is not a static one, as they have continued to enhance and improve it to ensure it is comprehensive and appropriate.
- IFM has a large, dedicated in-house Finance and Operations team, which consists of 67 individuals. The group is split across five distinct areas, each of which has its own well-documented responsibilities, processes and procedures.
- While performance has not met its long-term total return objectives, it should be noted that since inception and long term returns are generally in-line with the objectives of core infrastructure (approximately 8% net). Additionally, the Fund has never suffered a down year.
- Given IFM's ownership structure, the firm delivers funds that generally have market or more favorable terms. When compared to other infrastructure funds, GIF has lower fees as most funds charge more than 1.00%. Additionally, as they continue to raise assets, IFM will conduct a fee assessment, in order to ensure that fees are appropriate given its size. In the past, this has meant periods where it has rebated fees back to investors and going forward it will continue to assess the fee structure.

MANAGER ASSESSMENT

ORGANIZATION

Description: IFM Investors' track record dates back to 1990, when the Development Australia Fund was founded. The Development Australia Fund is a fund created by the Australian superannuation funds to invest in Australian private and public companies and infrastructure. In 1995, Industry Fund Services Pty Ltd ("IFS") assumed management of this fund with Development Australia Fund Management Limited serving as the trustee. IFM was created as a subsidiary of IFS in 2003 with the merger of IFS Private Capital Group (IFSPCG) with Development Australia Fund Management Limited. In January 2007, Industry Super Holdings Pty Ltd ("ISH"), the holding company for the Members Equity Bank group of companies, acquired 100% of IFS and IFM. ISH is wholly owned by 29 large Australian superannuation funds that are also significant investors in IFM funds. Brett Himbury serves as the CEO of IFM Investors, from when he joined in 2010. IFM also has a seven member independent Board of Directors.

IFM manages $47 billion in products covering infrastructure, private capital, publicly-traded equities and debt investing as of December 31, 2015. IFM has a total staff of more than 240 individuals, which includes 54 professionals dedicated to infrastructure. The firm has its headquarters in Melbourne, with offices in New York, London, Berlin, Tokyo, Sydney and Houston. The firm began investing in infrastructure in 1994 with their IFM Australian Infrastructure Fund. This fund is an open-end fund designed for their Australian investor base to invest in Australian infrastructure assets. It is available only to Australian investors. Currently, the fund has 18 investments with assets of approximately $8.3 billion. In 2004, IFM International Infrastructure Fund (IFMII) was created to provide access for their Australian client base to infrastructure assets outside Australia. In 2008, IFM created IFM Global Infrastructure as a successor fund to IFMII, which through a series of feeder funds opened up this product to outside investors from Europe and the U.S. IFMII transferred all of its assets and liabilities to the new fund in exchange for units of the fund. IFM Global Infrastructure currently consists of twelve investments and has an NAV of $10.6 billion. The firm manages infrastructure capital for a diverse global investor base that includes Multi-Employer Plans, Public Pensions, Taft Hartley/Industry Pensions, Corporate/Private Pensions and Endowment & Foundations.

Opinion: *IFM Investors is a uniquely structured investment manager, which is wholly investor owned by 29 Australian superannuation funds. Because of this ownership structure, there is a deep alignment of interests between the manager and investors and a strong focus on investor returns. IFM has a long tenure in the industry and in particular infrastructure, having been established more than 20 years ago.*

TEAM

Description: The Manager has a team of 54 dedicated infrastructure staff located primarily in four offices around the world: Melbourne, London, New York and Berlin. The infrastructure team is headed up by Kyle Mangini, Global Head of Infrastructure and member of the Investment Committee. The senior professionals average 18 years of experience in industries critical to infrastructure investing, including power generation, gas transmission, investment banks, rating agencies, government agencies, etc. Their previous experience has given the team expertise across multiple disciplines, including investment sourcing, operating partner selection, underwriting, due diligence, finance, structuring and asset management. They are supported by the resources of the broader firm such as the legal, tax & commercials, finance & operations and global investor relations teams. Additionally, IFM has created a global team of 16 senior advisors, which has extensive infrastructure experience on which they can rely. They are all "C-level" executives from large recognized infrastructure businesses and bring with them decades of experience and relationships to help with governance, acquisitions, due diligence and asset management.

Turnover on the team, particularly within the senior team, has been relatively benign after peaking in 2010, following the departure of the CEO, Damian Moloney. Since that time, the firm restructured the team and brought in new individuals. On a senior level, there have only been three departures since 2010.

The Infrastructure Sub-Committee consists of Kyle Mangini (Chair), Julio Garcia, Christian Seymour and Michael Hanna. The Investment Committee is responsible for all private market investment transactions. This committee consists of six people including Kyle Mangini. Other members of the committee include Robin Miller (Global Head of Debt Investments and Chair of IC), Judith Smith (Deputy Chair of IC and former Head of Private Equity), Joshua Lim (Executive Director of Commercial Group), Neil Carter (Executive Director, Listed Equities) and Susan Oliver (Independent Investments Committee member). There is also a Board Investment Committee, which approves all acquisitions greater than A$500 million. On this committee, there is Murray Bleach, a non-Executive Director with 30 years of experience in the finance industry and at least one other IFM Investors' Board Director.

Carried interest from the Fund is split 60% between the team and 40% firm. All infrastructure professionals at the Executive Director and Investment Director level will participate in the performance fee, while some at the Vice President level may also participate. The performance fee represents a large proportion of senior individuals' compensation and therefore provides a high level of alignment between these individuals and the success of the Fund.

Opinion: *IFM built a large and highly experienced infrastructure team with a global presence. The team of 54 individuals is one of the largest when compared to its peers. Individuals come from a variety of backgrounds that pertain to infrastructure investing. This group, with their deep knowledge base in diverse areas, collectively provides an impressive, well-rounded team with the necessary expertise for infrastructure investing. The senior individuals average 18 years of experience. The team is led by Kyle Mangini, who joined the firm in 2007 and took over as head in 2010, when the prior head, Damian Moloney, left the firm. He has extensive infrastructure experience both within Australia and abroad. While the team experienced some significant turnover when Moloney left, this has since subsided, with three senior departures since 2010.*

STRATEGY

Description: IFM Global Infrastructure Fund is an open-end fund, which seeks to achieve a globally diversified portfolio with a high cash yield. As this was an existing fund, initially designed to give IFM's Australian client base access to infrastructure markets outside of Australia, this fund will not include Australian assets. The fund will focus predominantly on brownfield projects, primarily in the developed economies of Europe and North America. Specifically, the team targets markets with established regulatory environments and strong rule-of-law that have investment grade, long-term credit ratings. IFM will target investments in the following sub-sectors: electricity generation, transmission and distribution (includes renewable energy); gas transmission, distribution, processing and storage; toll roads; rail infrastructure; seaports; airports; water and waste water; pipelines and related infrastructure; telecommunications infrastructure; and social infrastructure, which is primarily backed by government cash flow. IFM has limited its borrowing on the fund level to 10% of the value of the Partnership in addition to undrawn commitments, measured at the time of the borrowing. On an asset level, there are no set outlines for leverage. IFM assesses each asset individually based on its investment characteristics and risk profiles at the time of purchase to determine prudent levels of gearing. The current average weighted leverage of the fund is 43.5% (debt/enterprise value). As a global fund, the fund will be exposed to currency risk, which the Fund has historically not hedged. However, given that currency has introduced significant volatility to returns in the past, going forward IFM will employ a comprehensive hedging policy, whereby they will hedge 100% of the NAV with forwards and options. Due to its open-end nature, IFM concentrates on long term returns rather than short term IRRs and therefore will not target short-term distributions in order to boost IRRs. The Fund has a 10% net return objective over a three-year rolling period, with a focus on cash yield (6-8%).

The fund will actively invest in Europe and North America, while taking an opportunistic approach in other countries. These opportunistic investments will usually involve additional factors being considered, such as currency exchange issues and geographical specific risks (i.e. weather, political climate, ownership rights, etc...). IFM will seek broad diversification across the infrastructure sub-sectors, but due to the open-end, long-term structure, the fund will have time to achieve this. The maximum exposure the fund will have to any specific sub-sector cannot exceed 50% of the value of the total portfolio plus undrawn commitments (determined at the time an investment is made). The exception to this rule is for the social infrastructure sub-sector, which will be limited to 30% of the value of the portfolio in addition to undrawn commitments. No individual project can exceed 25% of the value of the total portfolio plus undrawn commitments, while no investment can be smaller than US$20 million. Despite a concentration on brownfield assets, IFM allows for exposure to greenfield projects. IFM believes that the portfolio will be predominantly brownfield investments with no more than 20% in greenfield assets. IFM Global Infrastructure Fund currently consists of twelve assets with a value of $10.6 billion as of December 31, 2015.

50 Hertz
Anglian Water Group
Arqiva
Colonial Pipeline
Conmex
Duquesne Light Holdings
Essential Power

Freeport LNG
Indiana Toll Road
MAG
Veolia
Vienna International Airport

Opinion: *IFM's Global Infrastructure Fund employs a core investment strategy, which falls in the lower end of the risk spectrum. The Fund will primarily invest in operating assets in OECD markets. IFM targets a 10% net return, of which a significant component comes from yield. The utilization of an open-end structure helps IFM achieve its investment objectives, as the Fund is able to hold core, cash flowing assets instead of selling them at the end of the life of the Fund. Additionally, due to its evergreen nature, there is no set investment period during which capital must be committed and therefore IFM can invest capital at more suitable times. Moreover, given competition in the core infrastructure space, this structure may help the team execute on deal flow, as governments and regulatory authorities may prefer them to a private equity buyer who will have to sell the asset within the next 10 years. Recently, IFM added a currency hedging component to its strategy to mitigate the volatility of foreign currency and help preserve the characteristics of core infrastructure.*

INVESTMENT PROCESS

Description: IFM employs an open-end structure for their Global Infrastructure Fund, which provides investors with the possibility of liquidity as well as the potential for a long-term holding period of the underlying assets. IFM is most familiar with this type of structure as it is what they have historically used with their Australian clients for their previous funds (Australian fund and International fund). IFM focuses on building a diversified portfolio over the long term primarily with high cash yielding, mature assets, but will also consider new construction projects under the right circumstances. The manager is able to construct and diversify the portfolio in the way it feels is best, as IFM does not have a time barrier or a set investment period, which is associated with closed ended funds. Hence, if opportunities in a specific sector or geography do not exist at a certain time, the portfolio will be able to acquire them at a later time when they become available at the appropriate price.

IFM accesses deal flow through proprietary sources, investment banks, consortium partners, operating companies, industry contacts and auction processes. To screen incoming deals, IFM professionals undertake a high-level, fundamental review of the opportunity. This consists of reviewing the merits and risks, the expected returns and the likely impact this asset would have on the portfolio. Many of these projects are quickly dismissed, as they do not have the characteristics needed for inclusion in the fund. However, for those opportunities that appear to be compelling and an adequate fit for the fund, a "green paper" is completed and presented to IFM Infrastructure Investments Sub-Committee. This summary is a preliminary review and analysis, which includes an assessment of the company's management, competitive position, financial fundamentals and capital expenditure requirements. This review also considers the fundamental view of the sub-sector's prospects, the asset's effect on the portfolio, the growth prospects relative to other comparable opportunities; the contracted terms of operation of the investment; conflicts of interest amongst proponents, advisors, constructors and operators; forecast return on assets; financial structure, leverage and risk relative to the certainty of the proposed income stream; and forecast net IRR. The Sub-Committee meets fortnightly (or more often, if needed) and decides whether to devote resources to the opportunity. If so, then due diligence costs are requested from the IFM Investment Committee ("IC").

A team is put together to conduct the in-depth due diligence phase. Outside consultants are often used for their technical expertise relevant to the sector. The reports produced by these experts are further analyzed by IFM during the diligence process. As part of this process, financial characteristics are confirmed, enterprise value is calculated and a bidding strategy is determined. The financial due diligence is an integral component of the procedure. It includes all of the other information obtained throughout the due diligence process to forecast the financial return that is likely to be obtained from the investment. The financial model that is used to determine much of this information is subjected to a full review by the infrastructure team as well as a third party model auditor. Typically, the outside auditor could be either an accounting or actuarial firm depending on the nature and origin of the asset. IFM takes a conservative, long-term view in their modeling. The team usually models out assets for 20-30 years, with each component of an asset being considered separately. The Manager takes a bottom up approach in order to understand the fundamental financial drivers and sensitivities of an asset. This process generally incorporates an examination and analysis of revenue, expenses, return on assets, leverage, financing structure and internal rate of return. The team believes in achieving their returns from value added to the asset rather than financial engineering. Additionally, their long-term focus as well as their conservative nature means that IFM uses moderate assumptions for their debt. This evaluation will also include a review of all the commercial aspects of the asset such as the management team, regulatory regime, etc... as well as the risks associated with the investment, such as the capital structure, legal and tax considerations. Additional factors will also be considered depending on each investment and the sub-sector it falls in. Each deal team has an Investment Director assigned solely to identifying and analyzing risks in the transaction as well as the Director of Sustainability and Responsible Investment who reviews the asset in terms of ESG considerations during the due diligence period. With the findings from the due diligence process an Investment Review submission is prepared. This submission is subject to an internal peer review by a separate team within the infrastructure team prior to being presented to the IC.

Following the extended due diligence and peer review, the team prepares a formal submission to the IC for review and a decision on whether to proceed with a bid or an offer. For bids less than A$100 million, the IFM Infrastructure sub-committee (senior professionals of the team) can make the decision. However, usually the IC is involved with the review of the investment proposal, participation of strategic partners, bid terms and conditions, and plans for governance of the business. An investment decision is approved by a majority vote; however, the Chair of the IC retains the right to veto the decision. If a deal exceeds A$500 million, then the investment must also be approved by the IFM Board Investment Committee ("BIC"). Investments are typically presented to the IC and BIC (where relevant) multiple times during the investment process, so that early feedback can be incorporated during the process. Once an investment proposal has been approved, any conditions that were identified in the proposal or put in place by the IC need to be satisfied before further steps are taken. Legal documentation is then completed, and prior to execution and funding, the infrastructure team will ensure all conditions have been met. Additionally, relevant legal, tax, accounting and other approvals are obtained, reviewed and signed off by IFM's Commercial Group before execution and funding of the acquisition.

Once the decision is made to purchase an asset, a business plan and governance is established for the company. After the purchase of an asset, there is constant monitoring and reviewing of the individual assets as well as the portfolio as a whole. There is a formal six and twelve month report provided to the IC and BIC on the transition of the asset and any new or unexpected information that has impacted the performance of the asset. Additionally, there is a formal annual review of the asset. After acquiring an asset, each investment is independently valued quarterly by an independent valuation firm. Valuation firms are rotated every three years to ensure the independence and accuracy of asset valuations. This valuation process allows for a continuous review of the portfolio and individual assets, which is important in determining the appropriate time for divestment of the individual assets. While the strategy as a whole focuses on a long-term hold of assets, should the appropriate conditions exist for divestment; the fund will sell an asset. Reasons for sale include significant overvaluation by listed markets of investments relative to their underlying asset valuations or the view that an asset or sector is not performing as originally envisaged. Similar to the acquisition of an asset, divestment of an asset requires a majority vote of the IC, which can be vetoed by the Chair.

During the investment process, IFM utilizes their proprietary methodology, InFRAME, for portfolio construction and analysis to assess the current risk profile as well as for any prospective acquisitions. InFRAME provides a bottom up analysis of the portfolio looking at five key qualities to analyze the portfolio: monopoly characteristics, concession length, certainty of cash flows, inflation protection and leverage to economic growth. InFRAME utilizes multiple approaches for this analysis:
A portfolio risk profiling approach, which classifies key cash flow streams at the asset level and analyzes their underlying risk characteristics. This is a key element of InFRAME, which leads to the identification of common risk factors and risk concentrations across the portfolio.

A scenario analysis approach that assesses the impact of various macroeconomic scenarios on portfolio investments using detailed analytical techniques.

Strategic asset allocation for infrastructure, based on a stochastic optimization method, which ensures minimum return hurdles are met under various macroeconomic scenarios.

With InFRAME, IFM seeks to provide investors with a portfolio construction methodology that utilizes a superior risk framework and a deep understanding of the risk profile within the overall portfolio.

Opinion: *IFM has developed a clear and thorough investment and due diligence process through its 20 years of experience investing in infrastructure. The process incorporates not only the senior members of the infrastructure team, but across the firm, through the utilization of the IC as well as potentially the Investor Board for very large investments. During that time, the firm has improved and enhanced this process to ensure a robust, extensive and consistent investment approach. Changes include the introduction of their* *proprietary methodology, InFRAME, which helps provide a framework for assessing risk across the portfolio by examining revenue streams and their sensitivities. IFM Investors developed this methodology in conjunction with individuals from Macquarie University as it became apparent after the Global Financial Crisis that a more comprehensive risk analysis and portfolio construction approach was needed.*

OPERATIONS

Description: IFM has a large in-house Finance and Operations team, which consists of more than 65 individuals and is overseen by Executive Director Finance and Operations, Philip Dowman. This group covers five broad service lines:

Fund Accounting and Administration
Fund Performance and Reporting
Corporate Accounting
Product Development and Strategy
Information Technology

The firm has invested in new IT capabilities and new systems in the last four years, to continue to improve in their quality. IFM has formalized comprehensive processes across the different functions and utilizes both internal and external resources to ensure thorough and appropriate operation processes.

Opinion: *IFM has a large, dedicated in-house Finance and Operations team, which consists of more than 65 individuals. The group is split across five distinct areas, each of which has its own responsibilities and processes and procedures. These processes and procedures are comprehensive and well documented and in line with the market.*

PERFORMANCE

Description: With a since inception return of 7.0%, IFM has not achieved its targeted net return of 10%. On a net basis, the fund has generated a 5.0% one year return, 4.2% for three-years and 6.3% for the five-years. The fund has generated positive returns over each calendar year.

Opinion: *While performance has not met its long-term total return objectives, a significant driver of this has been exposure to non-USD currency, which IFM historically did not hedge. Recently, the firm decided that it will be introducing a hedged vehicle, which existing investors can opt to participate in, but will be the only option for all new investors. This currency hedging should mitigate some of the volatility and losses that the Fund has faced historically. Furthermore, while returns have lagged IFM's target, it should be noted that the since inception return is not significantly below general objectives of core infrastructure (approximately 8% net). Additionally, the Fund has never suffered a negative calendar year, however, given its inception of 2009, did not experience the significant write downs of 2008.*

TERMS

Description: Target Assets: No target - Open-end fund
Minimum Commitments: $10 million, with additional contributions of $1 million or more, subject to the discretion of the General Partner
Assets Raised: N/A
Initial Close: N/A
Projected Final Close: None, perpetually open
Investment Goal: 10% Net IRR, with an annual cash yield of 6-8%
General Partner's Commitment: None
Investment Period: Continuous
Term Perpetual
Preferred Return: 8%
Carried Interest: 10%
Catch-up: Yes; 33.3%
Clawback: N/A
Management Fee: 0.77% per annum based on NAV for commitments less than $300M
0.65% per annum based on NAV for commitments $300M and above

Opinion: *Given IFM's ownership structure, the firm delivers funds that generally have market or more favorable terms. When compared to other infrastructure funds, GIF has lower fees as most funds charge more than 1.00%. Additionally, as they continue to raise assets, IFM will conduct a fee assessment, in order to ensure that management fees are appropriate given their size. In the past, this has meant periods where they have rebated fees back to investors.*

NOTES

- The senior team experienced significant turnover in the 2009/2010 period. In that time, the Chief Executive of the firm and Chair of the IC retired, the Head of Infrastructure in North America and Europe departed and two Investment Directors resigned. The firm has since hired a Chief Executive from the outside, promoted from within to round out the senior professionals. However, since that time, turnover has abated.
- With these departures, the IC lost two members of the previous committee who both had significant amounts of infrastructure experience. The IC now consists of six members, of which only one has any substantial infrastructure expertise.
- Although IFM has had a U.S. team and presence since 2007, they have lacked the same kind of strength, experience and knowledge base as their other regional teams. In 2014, the Head of North America, Alec Montgomery, transitioned to a new role, Global Head of Capital Markets and IFM moved one of their senior individuals, Julio Garcia, from Australia to New York, as Head of North America.
- Due to Australian prudential regulation prohibiting individual investment in pooled superannuation trusts, IFM professionals have not been allowed to directly invest into its funds. Therefore, to remain consistent with past practice, IFM does not plan on allowing its staff to invest personally in their vehicles outside of Australia. This may be a problem if IFM employees are lured to other companies that offer this kind of incentive to their employees.

BIOS

Kyle Mangini joined IFM as Senior Investment Manager – Infrastructure in May 2007 and is located in the Melbourne office. He was appointed Head of Infrastructure and Specialized Funds in July 2007, which made him responsible for managing all aspects of the Australian infrastructure product. Mr. Mangini was then promoted to the Head of Infrastructure in the beginning of 2010, when the previous Chief Executive, Mr. Damian Moloney, retired. The responsibilities of this position include leading the entire infrastructure team and all investments in both products. Mr. Mangini has over 20 years of experience in investment banking, including senior roles with Credit Suisse and SBC Warburg. He also has extensive infrastructure experience both in Australia and abroad. This includes acting as an advisory director to the Flinders Group; playing a role in selling Victoria's electricity and gas assets while at Credit Suisse, a divesture valued in excess of $35 billion; as well as acting as the lead banker in the restructure of the Build – Operate – Transfer (BOT) system of Napacor, one of the largest BOT programs in the world, while at SBC Warburg.

Christian Seymour is located in the U.K. office, was appointed as the Head of Europe for the infrastructure team in March 2010. Prior to this, he was an Executive Director on the team. Mr. Seymour joined IFM in March 2004 as an Investment Manager. His responsibilities include infrastructure investment, marketing and client management activities in Europe for IFM. Mr. Seymour has a background in energy marketing, project development, project management and technical engineering management for energy and related infrastructure developments. Over a 20-year period, Mr. Seymour worked for companies such as Duke Energy, Santos, BHP Billiton, Bechtel and Woodside on medium to large-scale projects, leading multi-disciplinary project teams, including marketing, legal, technical, financial analysis and construction, to completion. Mr. Seymour has 21 years of infrastructure experience.

Julio Garcia is currently located in the New York office and in 2014 became the Head of Infrastructure – North America. Prior to this role, Mr. Garcia was an Executive Director covering Australia. Mr. Garcia joined IFM Investors in January 2008 and is responsible for sourcing, evaluating, executing and managing investments. Prior to joining the firm, Mr. Garcia held positions with Viant Capital, Bank of America, Robertson Stephens and Gemini Consulting. Mr. Garcia has 21 years of experience of which 6.5 years have been in infrastructure.

Michael Hanna is located in the Melbourne office and in 2011 was promoted to the Head of Australia for the infrastructure team. Prior to this he was an Executive Director for the team. Mr. Hanna joined the firm in July 2006. His responsibilities include evaluating, implementing and managing Australian infrastructure investments and for managing the Melbourne team. Prior to joining IFM, Mr. Hanna worked for the Victorian Department of Treasury and Finance. Mr. Hanna has 21 years of infrastructure experience.

Brett Himbury is located in the Melbourne office and joined IFM in April 2010 as Chief Executive of the firm. He is responsible for developing and executing the firm's strategy. Mr. Himbury also acts as Chair of the IC. Prior to joining IFM, Mr. Himbury was a Managing Director of Tyndall Investment Management. Before Tyndall, Mr. Himbury was the Chief Operating Officer of Promina and headed up the financial planning and advice services of Westpac. Mr. Himbury has more than 30 years of experience in the financial services.

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: April 21, 2016

TO: Board of Trustees of the Employees' Retirement Fund

FROM: Lisa Castronovo, Pension Coordinator lec

SUBJECT: City Commission Communication

ISSUE:

Effective communication with City Commission

EXPLANATION:

At a recent Board meeting, Chair Shaw stated her desire for more open lines of communication with the City Commission regarding various issues the Board works on throughout the year. In order for the lines of communication to open, the Board needs to consider the best ways to communicate its activities and decisions to the Commission.

RECOMMENDATION:

Discussion item

ITEM 7.b.

PLAN ADMINISTRATION, PREPLANNING

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

DATE: April 12, 2016

TO: Board of Trustees of the Employees' Retirement Fund

FROM: Lisa Castronovo, Pension Coordinator LC

SUBJECT: Plan Administration, Preplanning

ISSUE:

Preparing for self-administration of the Fund

EXPLANATION:

At its April 20, 2016 meeting, the City Commission passed at first reading Proposed Ordinance PO-2016-09 which changes the way the Fund is administered. As you know, the Board needs to establish the processes it wishes to adopt and follow. It has been suggested that a "field trip" be set to meet with the administrators of the Police and Fire funds sooner rather than later. I suggest the "field trip" be extended to meet with Dawn Gruber in the Finance Department since she does all of the financial and accounting work for the Fund as well as pay all invoices. Finally, it would likely be worthwhile to meet with administrators from Ft. Lauderdale and Pompano Beach to review their administration practices.

RECOMMENDATION:

Discussion item

ITEM 7.c.

TRAVEL POLICY

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

DATE: April 12, 2016

TO: Board of Trustees of the Employees' Retirement Fund

FROM: Lisa Castronovo, Pension Coordinator LC

SUBJECT: Upcoming Travel

ISSUE:

Upcoming travel by Trustees and staff

EXPLANATION:

Per current Travel Policy, it is understood that trustees and staff are required to become educated in order to carry out their responsibilities to the Fund. It is also understood that trustees and staff are fiduciaries of the Fund and as such their expenses must pass scrutiny by the public and members of the Fund. Further, in the upcoming months, the Board will be developing an annual budget which will, in part, address trustee and staff travel expenses. Therefore, the current Travel Policy should be reviewed and revised to meet the current and future needs of the Board but be structured to adhere to the Fund's annual budget.

RECOMMENDATION:

Discussion item

CITY OF HOLLYWOOD, FLORIDA
EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES

TRAVEL POLICY
Updated February 2015

PHILOSOPHY

This policy sets forth the guidelines that will be followed when a Board trustee or staff member travels on Board business. Staff members covered hereunder include the Secretary, the Treasurer and the Pension Coordinator.

It is understood that trustees and staff are required to become educated in order to carry out their responsibilities to the fund and this policy is intended to establish fair and reasonable reimbursement of expenses in order to encourage such education. However, it is also understood that trustees and staff are fiduciaries of the fund and that their expenses must pass scrutiny by the public and the members of the fund.

It is further understood that trustees and staff may extend a business related event for personal reasons at their own expense. As a result, this policy is designed to preclude reimbursement for any expenses related to such personal extension of the travel event.

If a person covered hereunder feels that there are extenuating circumstances that justify an exception to the policy, he/she must bring it to the attention of the Board and request approval of the exception prior to departure for the trip. Failure to do so will result in strict adherence to this policy.

However, if an event occurs during the course of the trip, such as a flight cancellation or severe illness, over which the traveler has no control and which prevents the traveler from returning on the scheduled date, then the Board can approve additional reasonable expenses resulting from that event. This exception does not apply when a member was already planning to extend the trip for personal reasons.

It is a recognized fact that conferences and seminars are commonly held in locations that can accommodate and attract a large number of attendees. The usual venues tend to be resorts at popular tourist destinations. It is also a recognized fact that sponsor organizations rotate their functions to different locations in order to accommodate all their members at various times. The Board also recognizes that the sponsor organization bargains for the best accommodation rates available. Since these are facts of life, the location, in and 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 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.

Mileage Mileage for a personal car will be reimbursed at the published IRS mileage rate. When travel is by air, mileage between the traveler's home and the airport will be reimbursed. When air travel is not involved, mileage will be reimbursed for twice the number of miles from the travelers' home to the destination. If transportation is required to get from the hotel to the conference facility, that mileage in a personal car will be reimbursed. Otherwise, mileage used while at the destination is not reimbursable. No mileage will be reimbursed if a City employee uses a City vehicle or receives a car allowance from the City. In addition, mileage will not be reimbursed if the distance to the conference facility is less than the attendee's normal commute to his/her workplace.

Gas If a City employee uses a City vehicle or receives a car allowance, gas will be reimbursed with receipts.

Taxis Travelers may take a taxi to and from their home if that is less expensive than long-term parking. At the event destination, travelers will be reimbursed at the lesser of the actual cost of transportation between the airport and the hotel or the advertised hotel shuttle rates. At the event destination, travelers will be reimbursed for the actual cost of taxi transportation in the event such transportation is required. Receipts are required.

Rental Cars Although using a rental car should be discouraged, it is understood that at times it is necessary and may be more economical than using a personal car or taxi. When driving a rental car, reimbursement will only be made for the covered stay period. If the use of the rental car extends beyond the time necessary for the business-related travel, the costs attributed to the extra time or mileage will not be reimbursed. Travelers will be responsible for the cost of the insurance on a rental car and the fund will not be responsible for any accident damage or liability. Receipts are required.

Airfare Airfare should be booked by the Pension Coordinator and purchased using the Board's credit card. If a traveler purchases his/her own ticket, he/she should find the lowest fare available for a coach ticket. Any costs associated with an extended stay, a traveling companion or upgrades, will be the personal responsibility of the traveler. When booking a ticket for an extended stay, rates for the covered stay should be submitted with the actual ticket receipt. The lower of the two fares will be reimbursed. Use of frequent flier miles for business travel will not be eligible for any type of reimbursement.

HOTELS

Reimbursement for a hotel room will be made at the lesser of actual cost or the published price of a single room as negotiated by the hosting organization. The traveler will be personally responsible for upgrades due to his/her own convenience, traveling with companions or not making timely reservations. A timely reservation is one made no later than the conference registration.

Mandatory daily rates charged by hotels for their amenities (usually referred to as resort fees) are covered expenses.

Sales taxes will be covered expenses when the City's tax-exemption is not honored. The tax-exempt certificate will be provided to each traveler prior to departure and it will be his/her responsibility to present the certificate at time of check-in and ensure that the tax adjustment is made prior to check-out.

MEALS

Meals will be reimbursed based on the published GSA rates for the event location.

No reimbursement will be made for any meals, regardless of whether or not the traveler partakes of them, that are included in the airfare, registration fee or are otherwise offered complimentary unless a dietary, medical or religious restriction applies. This includes a continental breakfast, as opined by the Attorney General, and meals provided by vendors.

Subject to the above restrictions, meal reimbursements for travel days will be determined as indicated below. When the mode of transportation is by airplane, the assumed departure time will be two (2) hours before the flight time and the assumed return time will be one (1) hour after the flight lands.

Departure Date

There will be no breakfast allowance on the day a traveler departs for the event unless travel begins before 6:00 a.m. and extends beyond 8:00 a.m. An allowance for lunch and dinner will be made if the departure time is before 11:30 a.m. An allowance for dinner only will be made if the departure time is between 1:00 p.m. and 6:00 p.m.

Return Date

An allowance for breakfast will be made on the morning following the last night of the authorized hotel stay. A lunch allowance will be made if the traveler returns home between 1:00 and 5:00 p.m. A lunch and dinner allowance will be made if the traveler returns home after 7:00 p.m. No meals will be reimbursed following the end of the last educational session if a member extends the trip for personal reasons.

Phone calls

Travelers will be reimbursed, with receipts, for one personal call home each day and all business calls. There will be no reimbursement for calls made from the traveler's cell phone.

GRATUITIES

It is understood that gratuities are a way of life. A normal and customary rate of 15% will be added to the reimbursement costs of meals, taxis or shuttles and valet parking (where covered). In addition, reasonable and customary gratuities paid to hotel staff will be reimbursed when added to the expense reimbursement request.

EXPENSE REPORTS

The Pension Coordinator will present each traveler with a partially completed expense report prior to the travel event. During the event, the traveler must complete the report and attach all required receipts. The signed report and receipts must be returned to the Pension Coordinator within one (1) week after the conclusion of the trip.

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: April 21, 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) On April 20, 2016 the City Commission passed on first reading two proposed ordinances affecting the Retirement Fund. Proposed Ordinance PO-2016-07 changes the retirement age for employees and provides for coordination of DROP benefits for firefighters who were previously employed as general employees. Proposed Ordinance PO-2016-09 changes the way the operation and expenses of the Retirement Fund are administered.
2) Election Day for the two Proposed Ordinances will be Tuesday, May 17, 2016. Notification of the election was mailed to all eligible retirees on Thursday, April 21, 2016 and emailed to employees on Friday, April 22, 2016. All eligible members can vote on Election Day or during Early Voting (Monday, May 9 – Friday, May 13, 2016 from 9:00 am - 4:00 pm each day). Retirees can also vote via absentee ballot which must be returned to the Pension Office no later than Friday, May 13, 2016. ,
3) At the February regular meeting, the Board voted to follow the advice of Saxena White, a securities monitoring law firm contracted by the Board, to become a participant in a lawsuit regarding Apollo Education Group. On April 14, 2016, Mr. Linn and I were notified by Saxena White that, after further investigation and review of public information not available at the time they originally presented the action to the Board, they do not believe it would benefit the Fund to file a lawsuit against Apollo Education and its board of directors at this time. Then, Mr. Linn's direction, I notified TSW that they could lift the litigation hold on the Apollo Education stock.

RECOMMENDATION:

For your information and discussion.

AGENDA ITEM 11

NO BACKUP
FOR THIS SECTION