

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

NEWSLETTER

JANUARY 2015

NOTE FROM YOUR PENSION COORDINATOR

Welcome to the City of Hollywood Employees' Retirement Fund Newsletter!

This Pension Office and Coordinator are working hard to better serve each and every one of you. As Pension Coordinator, it is my goal to provide you information on the pension matters that mean the most to you, whether you are still actively employed with the City of Hollywood or are now enjoying your retirement. I would like this newsletter to be a source of information that helps answer your questions regarding various Fund matters. I would like to produce a quarterly newsletter, but to do so I need your help: let me know a topic of interest you would like to see in the next Newsletter and I will see what I can do.

If you have any questions regarding the information contained herein or a matter specific to you, please call me to discuss or to schedule a convenient time to meet and discuss in person.

Sincerely,

Lisa Castronovo, Pension Coordinator

HOT TOPICS

What's going on right now that you want to know!

Supplemental Pension Distribution (the 13th Check)

At its meeting on April 24, 2014, the Board authorized payment of a supplemental pension distribution ("13th check") for the fiscal year ended September 30, 2012. At the same meeting, the Board authorized the Board attorney to contact the State of Florida's Division of Retirement to obtain their determination as to whether payment of a 13th check could be paid without violating Florida Statute 112.61. On July 3, 2014, the State responded and stated that payment of the 13th check, as proposed to be paid by the Board, violated Florida Statute 112.61 and as such could not be paid. However, the State continued, a 13th check could be paid if the City Commission approved the funding of such payment. On August 28, 2014, the Board's Chairperson forwarded to the Mayor and each City Commissioner a letter asking for their approval of the funding of the 13th check for fiscal year end September 30, 2012 and to grant such approval by October 1, 2014. As of the writing of this newsletter, the Board had not received a response from the City Commission.

GENERAL INFORMATION

Pension Office location:

2600 Hollywood Boulevard
City Hall Annex Room 20
Hollywood, FL 33020

Hours: 9:00 a.m. – 4:00 p.m.

(Appointments suggested and are available outside of walk-in hours)

Pension Office mailing address:

City of Hollywood Employees' Retirement
Fund

City Hall Annex, Room 20
PO Box 229045

Hollywood, FL 33022-9045

Phone: 954-921-3333

Fax: 954-921-3332

Website: www.hollywoodpension.com

Pension Coordinator: Lisa Castronovo

Administrative Assistant: Jeanne Piro

Webpage

Come and visit us on the web! Our new website is up and running so stop by for a visit, poke around, and let me know what you think!

www.hollywoodpension.com

BOARD INFORMATION

Board of Trustees

The Board of Trustees (the "Board") of the City of Hollywood Employees' Retirement Fund (the "Fund") is comprised of seven Trustees. Five of the trustees serve a 3 year term: two are active City of Hollywood general employees elected by fulltime City general employees (including DROP participants), two are City of Hollywood citizens appointed by the City Commission, and one is a Fund retiree elected by a vote of all retired members (excluding DROP participants). Two of the trustees do not have a term limit: one is the City Manager (or their designee) and one represents those employees not included in a collectively bargained unit.

Board of Trustees News

On June 25, 2014, the City Commission filled the two (2) City Commission-appointed Trustee positions for the 3 year term July 1, 2014 – June 30, 2017. The City Commission appointed Jeffrey Greene and Daniel Matlow.

The Board of Trustees as of January 1, 2015:
Chair Phyllis Shaw – employee-elected
Vice-Chair Jeffrey Greene – Commission appointed
Ralph Dierks – employee-elected
Raquel Elejabarrieta – City Manager designee
Matthew Lalla – non-bargained employee rep
Dan Matlow – Commission appointed
Richard Templeton – retiree-elected

Board Meetings

The Board typically meets the fourth (4th) Thursday of each month starting at 10:00 a.m. Upcoming 2015 Board meetings: January 22, February 26, March 19, April 23, and May 28. All meetings are public and anyone may attend. Meeting agendas are posted on the City's Sunshine Board and on the website (www.hollywoodpension.com) at least 72 hours in advance of each meeting.

Professional Service Providers

Board Attorney – James Linn
Fund Actuary – Jeffrey Amrose, Gabriel, Roeder, Smith & Comp.
Fund Custodian – Wells Fargo, N.A.
Investment Consultant – John DeMairo/Keith Reynolds, Segal Rogerscasey

Investment Managers

Domestic Equity Large Cap, Indexed – Northern Trust
Domestic Equity Small/Mid Cap, Growth – Frontier Capital Management
Domestic Equity Small/Mid Cap, Value – Thompson, Siegel & Walmsley
International Equity – Wellington Management
Core Fixed Income – Baird Advisors
Intermediate Fixed Income – Neuberger & Berman
Core Real Estate – Morgan Stanley
Value-added Real Estate – Principal Global Investors

RETIREMENT FUND INFORMATION

Financial Information

On November 30, 2014, the net asset value of the Fund was \$304.4 million and was comprised of the following investment mix:

Domestic equities	47.6%
International equities	14.0
Fixed Income	28.0
Real Estate	10.3

In general, the Fund's money managers have outperformed their respective benchmarks. The Fund's rate of return for fiscal year October 1, 2013 – September 30, 2014 was 11.19%, gross of fees, compared to the policy index of 9.80%.

Fund Member Demographics

On September 30, 2013, Fund membership consisted of:

810	Retirees/beneficiaries receiving benefits
134	DROP participants
50	Disability retirees
97	Members entitled to future benefits
432	Vested active members
<u>84</u>	Non-vested active members
516	Total active members

ORDINANCE AMENDMENTS

Ordinance O-2013-25

On December 16, 2013, the Fund members, via a membership election, approved Proposed Ordinance PO-2013-26. On December 18, 2013, the approved ordinance was adopted and made effective. The Ordinance eliminated from all IRC Section 415 maximum retirement benefit calculations the initial inclusion of the Fund's COLA, thus allowing affected retirees to keep more of their earned pension.

Ordinance O-2014-02

On March 4, 2014, the Fund members, via a membership election, approved Proposed Ordinance PO-2014-01. On March 5, 2014, the approved proposed ordinance was adopted and made effective. Ordinance O-2014-02 made the following changes to the Fund:

- Made applicable to non-general fund members on March 5, 2014 the following changes:
 - Pensionable earnings will only include base pay and longevity pay
 - Average final compensation will be based on highest consecutive 130 pays
 - Benefit multiplier for service after March 4, 2014 is 2.5% per year
 - For members with less than 10 years of service on March 5, 2014, the normal retirement date is age 65 with 7 years of service, age 62 with 25 years of service, or age 60 with 30 years of service
 - No COLA for benefit accrued after March 4, 2014
 - Vesting period is 7 years
 - Accrued deferred benefits start at age 65
 - DROP was eliminated
 - Benefit accrued on March 4, 2014 was frozen
 - Members eligible for retirement prior to March 5, 2014 will be grandfathered under the prior pension provisions except they will not be allowed to enter the DROP
- Increased benefit multiplier for general fund members for credited service after September 30, 2011 to 2.5% per year
- Added Planned Retirement for members hired before July 15, 2009
- Decreased member contribution rate to 8%
- Added Partial Lump Sum Distribution option as an optional form of benefit payment

EMPLOYEE AND RETIREE UPDATE

Employees who retired in 2014:

Beth Adams, Ernesto Adames, Robin Alfonso, Alison Arlotta, Phyllis Baron, Dorothy Barrows, Grace Brown, Vincent Canosa, Mark Charlton, Joe Cirincione, Daryl Cotton, Marcy Decker, Velhomme Dorvilus, Moneus Elysee, Danny Feacher, John Feaster, Fritz Fevry, Cynthia Forrester, Robert Furslew, Steve Ganis, Tim Gardner, Harry Georges, Patrick Gill, Linda Goberna, Susan Goldberg, Barbara Greenfield, John Gregory, Helene Grillo, Jose, Hernandez, Gregory Hill, Barbara Hresko, Micheline Hudon, Donavin Hultgren, Shirley Jackson, Susan Jacobs, Jean Joseph, Ellen Kelly, Denise Langella, Tony Lee, Vera Levin, Willie Lewis, Kimberly Luria, Elizabeth Mathers, Roy McConnell, Wagner Mejia, James Mortel, Deborah Mosley, Ilia Ortiz, Oscar Petty, Jeanne Piro, Lisa Powell, Gail Reinfeld, Lucerne Reyes, Gerard Roger, Jonathan Rollins, Joanie Sloyer, Linda Sweeting, Anthony Tiru, Jose Vazquez, George Williams, Patricia Williams, Clifton Wilmott, Christine Woodward, and Denise Yoezle

Members who died in 2014:

David Ashley, John Barnard, John Bell, Brady Blackmon, Bruce Brown, Ronald Collins, Maxine Garrigan, William Glisson, James Hall, David Horney, Barbara Ketten, Eddie King, Kathleen McDonald, Sylvia Mitchell, Nancy Myers, Johnny Nesbitt, Robert Radosevich, Carol Ricci, Ezra Robertson, Evelyn Rosa, Charles Sindelar, George Staley, James Stringer, William Thomas, and Russell Whitford

Retirement Death Benefits

Did you know that if you die while actively employed by the City, your beneficiary is entitled to a death benefit on your behalf? If you are not vested when you die, your beneficiary will receive a refund of the contributions you made to the Fund, plus 4% interest. If you are vested, your beneficiary will be able to choose to receive either 1) a refund of the contributions you made to the Fund, plus 4% interest, or 2) benefit payments for their life equal to the benefit payments you would have received had you retired on your date of death and elected to receive your benefit as a Joint & Equal benefit.

Designating a Beneficiary

Who is your designated beneficiary? Have you recently gotten married, had a baby, adopted a child, experienced a death in the family, gotten divorced? If you answered "I don't know" to the first question or "Yes" to any part of the second question, then it's time you checked to find out who you have designated as your beneficiary for retirement benefit purposes. If your beneficiary designation is not up-to-date in your pension file, then the wrong person may end up receiving your retirement benefits!

A simple phone call or visit to the Pension Office can confirm who you have currently as your designated beneficiary. If you wish to verify your current designation or request the form used to update your designation, call the Pension Office. You may also print out a blank Designation of Beneficiary form from the Fund's website (www.hollywoodpension.com). In order for your beneficiary designation to be valid, the Pension Office must have the original Designation of Beneficiary form on file.

NOTE TO RETIREES AND BENEFICIARIES:

1. As a reminder, your monthly retirement benefit check is paid on the 25th of each month (except December when it is paid on the 24th). If you receive your monthly benefit via direct deposit, when the 25th falls on a weekend or a holiday, your check should be credited to your account on the first business day following the weekend/holiday.
2. If you do not already utilize direct deposit, but would like to do so, contact the Pension Office or visit the Fund's website (www.hollywoodpension.com) to print out the "Direct Deposit Authorization" form you need to complete and submit to the Pension Office in order to initialize direct deposit.
3. It is very important that you keep the Pension Office up-to-date with your correct address. If you have recently moved, request a "Change of Address" form from the Pension Office or print one out from the Fund's website (www.hollywoodpension.com) and then submit the updated form to the Pension Office.
4. If you wish to change your federal tax withholding, you must complete a Form W-4P which can be obtained from the Pension Office or the Fund's website (www.hollywoodpension.com).
5. All direct deposit authorizations, changes of address, and changes to federal tax withholding should be completed and mailed to the Pension Office, not Wells Fargo. Once received at the Pension Office, the Pension Coordinator will notify Wells Fargo on your behalf of your requested change. If you notify Wells Fargo directly, please provide the Pension Office a copy of your change so that it can be noted in your pension file and confirmed with Wells Fargo.