

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

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:13 a.m.

**2. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene, Ralph Dierks, Raquel Elejabarrieta, George Keller, Daniel Matlow (arrived at 9:23 a.m.) and Richard Templeton. Also present: Pension Coordinator, Lisa Castronovo; Board Secretary, Tammie Hechler; Board Treasurer, Matthew Lalla; and Board Attorney, James Linn (Lewis, Longman & Walker).

**3. CONSENT AGENDA**

- a. December 17, 2015 Regular Meeting Minutes
- b. Excuse Trustee Dan Matlow from December 17, 2015 Board Meeting
- c. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- d. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities

**MOTION** made by Mr. Dierks, seconded by Mr. Templeton, to approve Consent Agenda Items 4.a - d. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

**4. TREASURER'S REPORT (Matthew Lalla)**

Mr. Lalla reported a decrease in the Fund's assets of \$2.94 million/0.9% (net of disbursements) from \$300.44 million on October 2, 2015 to \$297.5 million on January 15, 2016.

**5. INVESTMENT ISSUES (Keith Reynolds, Segal Rogerscasey)**

- a. HarbourVest Presentation (Fran Peter & Brett Gordon)

Mr. Reynolds introduced Mr. Gordon and Mr. Peter from HarbourVest who in turn discussed their report (Report made part of these minutes) on global secondary market private equity investment opportunities and specifically an investment in HarbourVest's Dover Street IX. Mr. Gordon emphasized the benefits of secondary investing included J-curve mitigation, near-term liquidity, faster capital deployment, immediate diversification, and compelling returns with lower risk. Mr. Gordon stated that secondary market investments typically deliver better performance than other alternatives and beats them in down markets. Mr. Peter emphasized HarbourVest's differentiated approach to investments focusing on less efficient segments of the market and building diversified portfolios. Mr. Peter stated that HarbourVest specialized in complex transactions that yielded greater value and larger returns.

Discussion ensued regarding a Fund investment in HarbourVest's Dover Street IX.

**MOTION** made by Mr. Templeton, seconded by Vice-Chair Greene, based on Segal Rogerscasey's recommendation, to approve HarbourVest as the secondaries money manager with a \$10 million investment commitment.

Vice-Chair Greene requested additional information and withdrew the second of the Motion.

**MOTION** by Mr. Templeton, seconded by Mr. Keller, based on Segal Rogerscasey's recommendation, to approve HarbourVest as the secondaries money manager with a \$10 million investment commitment. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0 (Vice-Chair Greene had stepped out of the meeting as he felt he did not have sufficient information to make an informed vote).

Discussion followed regarding where the monies would come from within the Fund. Mr. Reynolds referred to the December 31, 2015 Flash Report and noted that domestic equities (currently at a 37.5% target allocation) and fixed income (currently at a 32.5% allocation) would both be moved down to 30% target allocations and the real estate investment was being brought back to its target allocation of 10% with a sell off of \$2.5 million from Morgan Stanley on March 31, 2016. Therefore, the monies needed for a capital call for HarbourVest's Dover Street IX would come from those sources. Mr. Reynolds added that Segal Rogerscasey would look at the markets to determine which funds were overweight and then make recommendation to the Board for approval before any allocation changes were made.

Vice-Chair Greene requested Mr. Reynolds to review the Fund's Investment Policy to confirm that it allowed one money manager to be used as the manager for more than one asset class.

b. Flash Performance Review

The Fund's market value on December 31, 2015 was \$298.2 million with December's rate of return at -0.82% compared to the benchmark of -1.12%. The preliminary rate of return for the quarter ended December 31, 2015 was 3.31% compared to the policy index of 2.93%. Mr. Reynolds noted the markets were strong in October, slower in November and then negative in December. Mr. Reynolds stated he would forward to the Board a Segal Rogerscasey article addressing the current market and how China affected the global markets. Mr. Reynolds noted Segal Rogerscasey did not believe there would be another recession at this time.

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

a. Segal Rogerscasey Contract

Mr. Linn briefed the Board on the highlights and terms of Segal Rogerscasey's contract.

**MOTION** made by Mr. Templeton, seconded by Mr. Keller, to accept the contract as presented. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

10. **PENSION COORDINATOR'S REPORT (Lisa Castronovo) – Taken out of order**

Ms. Castronovo referred to her January 22, 2016 memorandum to the Board in which she detailed the immediate need facing the Retirement Fund for pension administration software. Ms. Castronovo recommended the Board proceed with immediately posting an RFP or hire a pension software IT consultant to help with a needs assessment and then the hiring, contracting, developing and implementing the software.

**MOTION** made by Mr. Templeton, seconded by Mr. Dierks, to hire an IT consultant. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

Ms. Castronovo will obtain three (3) quotes including references and will provide a one-page summary of the three proposals to the Board at the next meeting.

Ms. Castronovo reviewed various items of her January 22, 2016 memorandum to the Board (memo made part of these minutes). Specific discussion items: 1) Ms. Castronovo was to draft a memorandum to the City Manager via Matt Lalla requesting another 90 day extension of the City's contract with Wells Fargo for Retirement Fund custodian services; and 2) Ms. Castronovo was instructed to contact the City's Human Resources department and the administrators of the City's Police and Fire retirement funds to get a list of the physicians they use for disability applications.

**6. LEGAL ISSUES (James Linn) - Taken out of order**

b. Litigation Update

Regarding the City's lawsuit with the Board regarding the supplemental pension distributions, Mr. Linn reported the only thing that had happened since the last Board meeting was a request had been submitted to reassign the judge and the City was doing whatever was necessary to move forward with the dispute resolution procedures.

c. Pension Ordinance Amendment

Mr. Linn reviewed proposed changes to the pension Ordinance amendment. Discussion ensued specifically regarding the removal of language from the Ordinance stating the Board must hire an independent contractor as the pension coordinator.

Ms. Elejabarrieta recommended holding a special Board meeting in the next few weeks to discuss/approve the amendment.

**7. ADMINISTRATIVE ISSUES**

There were no Administrative Issues for discussion.

**8. PUBLIC COMMENTS**

Public comment was heard from: Ronald Bolton - 1150 NW 71 Avenue, Plantation, FL

**9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS**

Mr. Keller advised the City would address the IRC Section 415 issue as it was not included in the recent collective bargaining process.

Mr. Matlow reported he sold his home in Hollywood and requested the Board to replace him on the Board as soon as possible. Mr. Matlow was advised to submit his resignation from the Board to the City effective June 30, 2016.

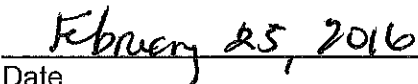
Chair Shaw stated her opinion that the City Commission Trustee appointments be staggered like the employee-elected Trustee positions so that both positions are not filled at the same time. Vice-Chair Greene agreed. Ms. Elejabarrieta suggested Mr. Linn draft amendment language regarding this and forward it to her

so she could forward Deputy City Attorney Alan Fallik to incorporate with other Ordinance changes he would be working on.

11. **ADJOURNMENT**

**MOTION** made by Mr. Keller, seconded by Ms. Elejabarrieta, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 12:13 p.m.

  
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Phyllis Shaw, Chair

  
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Date