

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
THURSDAY, OCTOBER 27, 2016**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:04 a.m.

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

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene (via telephone, arrived at 10:30 a.m.), Chris Cassidy, Charles Howell, George Keller (departed at 12:02 p.m.), and Richard Templeton. Board member absent: Mel Standley. Also present: Pension Coordinator Lisa Castronovo and Board Attorney James Linn (Lewis, Longman & Walker).

**MOTION** made by Mr. Howell, seconded by Mr. Keller, to approve the October 27, 2016 meeting Agenda as presented. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**3. CONSENT AGENDA**

- a. September 22, 2016 Regular Meeting Minutes
- b. September 26, 2016 Special Meeting Minutes
- c. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- d. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities

**MOTION** made by Mr. Howell, seconded by Mr. Templeton, to approve Consent Agenda Items 3.a.-d. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**4. TREASURER'S REPORT**

Mr. Acosta stated there was no Treasurer's Report for September 2016 as his office was waiting to receive financial statements from real estate manager Principal which would not come in until mid-November 2016.

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

- a. Frontier Capital Management Presentation (Chris Premock)  
Handout made part of these minutes.

Mr. Premock emphasized Frontier Capital 1) was a bottom-up, fundamental SMID-cap domestic equity manager who concentrated on stock selection over sector selection, 2) did not want or need to be the top performer but rather positioned itself to perform better than 75% of its peers, 3) worked diligently to find good, undervalued companies with strong management and balance sheets, and 4) had a higher cash position than some other similar investment firms have because they remained committed to their discipline and would not invest simply for investment sake.

- b. Thompson, Siegel & Walmsley, Inc. Presentation (Tracy Musser)  
Report made part of these minutes.

Ms. Musser emphasized TSW 1) had not changed the portfolio's managers in many years, 2) looked to buy undervalued stocks with room for growth but would sell such undervalued stock once it hit its top growth, 3) was not designed to add value in roaring markets but would definitely add value in less than ideal markets, 4) was proud that it provided good returns with less risk, and 5) set its primary goal to exceed its benchmark over a 3-5 year period rather than over a shorter one year period.

- c. Flash Performance Review

Mr. Reynolds reported the Fund's value was \$290.1 million on September 30, 2016 with a projected net rate-of-return for fiscal year ended September 30, 2016 of 10.6% vs. policy index of 9.8%.

Mr. Reynolds stated he would provide more detailed, plan-specific information regarding fixed income strategies and alternative investments at the Board's regularly scheduled January 2017 meeting. Mr. Reynolds also noted he would review the Fund's investment policy in early 2017 and provide revisions as needed.

**6. LEGAL ISSUES (James Linn – Lewis, Longman & Walker)**

Mr. Linn notified the Board that the mediation conference regarding the City's lawsuit against the Board for payment of supplemental pension distributions was scheduled for Tuesday, November 29, 2016, 10:00 AM, in City of Hollywood City Hall, Room 215.

**7. ADMINISTRATIVE ISSUES**

- a. City Commission Communication

Ms. Castronovo provided the Board with drafts of City Commission Communications for the September 22, 2016 regular Board meeting and the September 26, 2016 special Board meeting for approval. The Board shared opinions on how the Communication could be improved and consolidated.

- b. City/Pension Task Force

The City asked the Board for four representatives to serve on a working Pension Task Force. The Board selected Chair Shaw to serve as the trustee, Mr. Templeton to serve as the retiree, Pension Coordinator Castronovo to serve as the administrator and Jeffrey Amrose with Gabriel, Roeder, Smith & Company to serve as the actuary. The Board further decided they would like the Task Force to regularly meet on the 4<sup>th</sup> Thursday of each month at 3:00 PM.

- c. Disability Application Processing Procedures

Mr. Linn said he would provide revised Procedures in the next few days for the Board's review and discussion at its December meeting.

d. Disability Retiree Follow-up Medical Examinations

Chair Shaw said the Fund ordinance states that disability retirees are subject to periodic investigations and medical examinations after they start receiving disability benefits but to her knowledge no such investigations or medical exams had ever been done. After discussion on the matter, Chair Shaw asked Mr. Linn to add to his draft of the "Disability Application Processing Procedures" procedures for the Board to follow regarding investigations and/or medical examinations of disability retirees.

Chair Shaw stated she wanted the sub-committee formed to work on the Board's By-laws and Operating Procedures to find a way to meet again to continue work on what was started earlier in the year. Ms. Castronovo suggested the sub-committee work on the Board's Travel Policy also.

e. Conferences

1. Expenses Incurred

Due to the unavailability of flights from Phoenix, AZ to Ft. Lauderdale arriving before midnight on the Saturday after Segal Rogerscasey's annual educational summit, Ms. Castronovo requested Board approval for Fund payment of hotel expenses for Chair Shaw and herself for Saturday night and per diem meal expenses for Sunday.

**MOTION** made by Mr. Templeton, seconded by Vice-Chair Greene, to approve payment of hotel expenses for Saturday night and per diem meal expenses for Sunday for Chair Shaw and Ms. Castronovo. In a voice vote by the members present, **Motion** passed 3 (Vice-Chair Greene, Mr. Howell, Mr. Templeton) to 2 (Mr. Cassidy, Mr. Keller). Chair Shaw abstained from the vote.

2. Mandatory Attendance

Chair Shaw reiterated her desire that each person attending educational conferences paid for with Fund money should be held accountable and attend the sessions.

Chair Shaw stated when she submitted her travel request for approved leave to attend IFEBP's annual conference in Orlando, FL in November, 2016, she was informed that Assistant City Manager Keller had a policy that employees could not travel and under the policy she needed approval from the Assistant City Manager or City Manager to travel.

**MOTION** made by Mr. Templeton, seconded by Mr. Keller, to have Ms. Castronovo prepare a letter to the City Manager from Chair Shaw requesting approval of time off for the four (4) employee trustees to attend the IFEBP annual conference in Orlando, FL November 12-16, 2016. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0 (Vice-Chair Greene was unavailable).

f. Fund Administration Transition

Ms. Castronovo reported on her meeting with a commercial realtor who had shown her available property for lease at 2021 Tyler Street, directly behind Fred Lippman Center. Ms. Castronovo noted the space was approximately 1400 square feet, about \$3,000 per month (at \$25 per square foot), needed some build-out but was sufficient for the Pension Office's needs though she still would like to see additional available properties. Chair Shaw stated she did not want the Fund to spend any money on building out someone else's property and thus she was more interested in finding space that was "turn-key" ready.

There was a brief discussion regarding the need to continue working toward independence since the Board had less than one year until it became totally independent of the City.

8. PUBLIC COMMENTS

There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

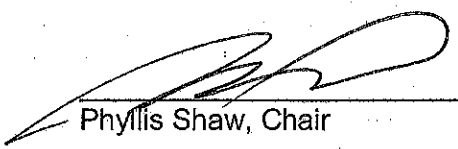
Comments were made by Mr. Cassidy, Mr. Templeton and Mr. Howell.

10. PENSION COORDINATOR'S REPORT (Lisa Castronovo)

Ms. Castronovo noted items of interest to the Board, specifically: 1) as of October 1, 2016, the Board was covered with \$15 million fiduciary liability insurance, 2) the City contributed \$8.3 million to the Retirement Fund in mid-October; \$7.4 million of the contribution would be transferred to fixed income manager Baird Advisors in the next few days, 3) duty disability applicant Ifatunbi Adefunmi was scheduled for an independent medical examination with a psychiatrist approved by the City's legal department, and 4) the 63<sup>rd</sup> IFEBP Annual Conference would be in Las Vegas in 2017 immediately following Segal Rogerscasey's 23<sup>rd</sup> annual educational summit in Orlando, FL.

11. ADJOURNMENT

**MOTION** made by Mr. Howell, seconded by Vice-Chair Greene, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 12:20 p.m.

  
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Phyllis Shaw, Chair

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Date

10/15/2016