

# **AGENDA ITEM 1**

**NO BACKUP  
FOR THIS SECTION**

## **AGENDA ITEM 2**

**NO BACKUP  
FOR THIS SECTION**

## **AGENDA ITEM 3**

**ITEM 3.a.**

**MINUTES of  
AUGUST 25, 2016  
REGULAR PENSION  
BOARD MEETING**

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
THURSDAY, AUGUST 25, 2016**

**1. CALL TO ORDER**

Vice-chair Greene called the meeting to order at 9:13 a.m.

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

Board Members present: Vice-Chair Jeffrey Greene, Chris Cassidy, Charles Howell (via telephone, joined at 9:19 a.m.), George Keller, and Richard Templeton. Board members absent: Chair Phyllis Shaw and Mel Standley. Also present: Pension Coordinator Lisa Castronovo and Attorney Glenn Thomas for Board Attorney James Linn (via telephone, representing Lewis, Longman & Walker).

**3. CONSENT AGENDA**

- a. July 28, 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 Mr. Templeton, seconded by Mr. Keller, to approve Consent Agenda Items 3.a.-c. In a voice vote by the members present, all members voted in favor. **Motion** passed 4-0.

**4. TREASURER'S REPORT (Ernest Acosta)**

Mr. Acosta stated there was no Treasurer's Report since statements for two managers had not been received. Discussion ensued regarding telling Wells Fargo, the Fund custodian, the Board's need to receive all quarter-end statements as soon as possible once finalized.

**6. LEGAL ISSUES (Glenn Thomas – Lewis, Longman & Walker, via telephone) – taken out of order**

In accordance with Sunshine Law Section 286.0118, Mr. Thomas informed the Board of the need to hold a special, closed meeting to address litigation filed by the City against the Board on Supplemental Pension Distributions. The Board discussed the date to hold the special meeting.

**MOTION** made by Mr. Keller, seconded by Mr. Templeton, to hold a special Board meeting on September 8, 2016 starting at 2:00 p.m. to address litigation. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

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

- a. June 30, 2016 Quarterly Performance Review  
Report made part of these Minutes

Mr. Reynolds reported the performance for the quarter ended June 30, 2016 was in line with the index for the total quarter. Mr. Reynolds directed the Board's attention to how each manager performed as compared to their respective peers. Based on the Board's investment policy, the attempt is for each manager, and the Fund as a whole, to be in the top half of performers as compared to the

respective peer groups. Specifically, for the fiscal year-to-date (October 1, 2015 – June 30, 2016), Northern Trust's large cap indexed S&P 500 fund performed in the top quartile of its peer group. SMID cap domestic equity active manager Thompson, Seigel & Walmsley underperformed their respective index but still was in the top 30% of their peer managers. The Fund's other SMID cap domestic equity manager, Frontier Capital Management, not only significantly outperformed their respective index (7.85% vs. 3.77%) but also was in the top 20 percent of their peers. International equity manager Brandes outperformed their respective index (6.82% vs. 3.39%) and was in the top 25% of their peer group. International equity manager Wellington underperformed when compared to its index (0.44% vs. 2.19%) and did not do well when compared to their peers.

There was discussion regarding Wellington's overall performance over the three years since they were brought on as one of the Fund's international equity managers. Mr. Reynolds stated Segal Rogerscasey remained confident in Wellington and was not concerned at this time with their performance especially in consideration of recent events in Europe, specifically Brexit.

Fixed income manager Baird Advisors performed well when compared to its benchmark (5.33% vs. 4.71%) and placed in the top quartile of its peers. Fixed income manager Neuberger Berman did not outperform to its benchmark (2.92% vs. 3.35%) and was ranked in the bottom 15% of its peers. Mr. Reynolds reminded the Board that Neuberger was used largely as a readily-available account from which to draw cash as needed for monthly retirement benefits. With such consideration, the Neuberger fund was returning better than if the needed funds were parked in a cash account. That being said, Mr. Reynolds reminded the Board he was bringing a fixed income review with him to the next regular meeting for the Board to review fixed income structures and strategies.

Mr. Reynolds concluded his quarterly review by noting that both real estate managers, Morgan Stanley and Principal Global Investors, continued to perform very well for the Fund.

b. Flash Performance Review

Mr. Reynolds reported that the Fund's market value was \$290.2 on July 31, 2016. The Fund's rate of return, net of fees, for the month of July 2016 was 2.85% vs. policy index of 2.71% and for the fiscal year-to-date return was 9.80% vs. policy index of 8.99%. Mr. Reynolds said he expected to see overall positive performance for the Fund for August 2016 and if the markets remained strong, the Fund would experience a very good return for fiscal year 2015-16.

**7. ADMINISTRATIVE ISSUES**

a. City Commission Communication

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



**MOTION** made by Mr. Templeton, seconded by Mr. Keller, to accept the City Communication. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**8. PUBLIC COMMENTS**

Public comment was heard from City of Hollywood Commissioner Patricia Asseff – 2600 Hollywood Blvd., City Hall, 4<sup>th</sup> Floor, Hollywood, FL

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

Vice-chair Greene and Trustees Keller and Templeton expressed their appreciation to Commissioner Asseff for her attendance at the Board meeting. They each addressed how the Board as a group had made strides in the past to improve the Retirement Fund and would continue to strive to do so in the future.

Mr. Templeton reported he had completed an RFP for the Pension Coordinator position and was ready to share it with the Board. Vice-chair Greene suggested holding off on the RFP until the Board decided how it wanted to handle the Pension Coordinator position – as an independent contractor hired by the Board or as an employee of the Board.

Mr. Templeton reported that he had not completed looking for new space for the pension office. Vice-chair Greene suggested using a realtor to do the initial legwork in finding acceptable office space with sufficient parking available.

Mr. Keller mentioned the City Manager's August 22, 2016 to the Board members of the City's three pension plans. The letter outlined the City Manager's request that each Board appoint one or two trustees, along with the plan's actuary and administrator, to a "pension task force" that will sit down at a series of pension workshops with City management in a joint effort to increase communication and understanding between all interested parties. Vice-chair Greene stated his desire to be one of the appointed trustees and suggested that Mr. Templeton serve as the other appointment considering the City Manager suggested that a retiree serve as one of the Board representatives.

**10. PENSION COORDINATOR'S REPORT (Lisa Castronovo)**

Ms. Castronovo reminded the Board about the FPPTA Fall Trustee School coming up in Bonita Springs September 25-28, 2016 and to let her know if they wished to attend. Ms. Castronovo provided information regarding Segal Rogerscaseys' upcoming annual educational summit and asked the trustees to let her know if they would like to attend

Ms. Castronovo pointed out she had provided each trustee with information received from Arthur J. Gallagher & Co. for fiduciary liability insurance and requested each Board member to review the information as a discussion of the insurance was on the agenda of the September 8, 2016 special Board meeting. Mr. Templeton stated he would like to see quotes provided by more than one broker. Vice-chair Greene pointed out that the Board agreed at their last meeting to seek quotes from only one broker since that broker would get quotes from more than one insurance company. Mr. Templeton said he would seek quotes via other brokers.

Ms. Castronovo reported that she, along with Vice-chair Greene and Trustee Keller, had met with staff of the City's Finance department to discuss the various tasks City staff did for the Retirement Fund on an on-going basis. Ms. Castronovo said she would provide specific details at the upcoming Board workshop on Fund administration.

**11. ADJOURNMENT**

**MOTION** made by Mr. Templeton, seconded by Mr. Cassidy, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. Meeting adjourned at 10:44 a.m.

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Phyllis Shaw, Chair

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Date

**ITEM 3.b.**

**MINUTES of  
SEPTEMBER 8, 2016  
SPECIAL PENSION  
BOARD MEETING**

**MINUTES  
SPECIAL PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
THURSDAY, SEPTEMBER 8, 2016**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 2:03 p.m.

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

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene, Chris Cassidy, George Keller (arrived at 2:10 p.m.), Mel Standley (arrived at 2:11 p.m.), and Richard Templeton. Board member(s) absent: Charles Howell. Also present: Pension Coordinator, Lisa Castronovo; Board Attorney, James Linn; Legal Counsel, Ronald Cohen; Court Reporter, Dale Floyd.

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

**a. Attorney/Client Meeting (closed)**

Attorney/Client session to discuss pending litigation (City of Hollywood vs. The Board of Trustees of the Employees Retirement Fund of the City of Hollywood, and the Board of Trustees of the City of Hollywood Firefighters Retirement System, and the Board of Trustees of the City of Hollywood Police Officers Retirement System).

Members of the public were instructed to leave the room at 2:04 p.m. so Mr. Linn could conduct a closed attorney-client session.

Meeting was reopened to the public at 3:07 p.m.

Meeting recessed at 3:07 p.m.

Meeting resumed at 3:14 p.m.

**4. 3:00 PM TIME CERTAIN ITEM(S)**

Disability Application – Timothy Irwin

Mr. Linn opened the discussion by reviewing the Ordinance and the Board's By-Laws and Operating Procedures as they pertain to applications for disability retirement.

Mr. Irwin addressed the Board detailing the circumstances surrounding his application for a disability retirement.

Discussion ensued regarding Mr. Irwin's situation and the City's ability to offer Mr. Irwin another City position in consideration of restrictions placed on him and the City's ability to accommodate those restrictions. Mr. Keller asked Mr. Irwin if he was receptive to accepting a City position to which Mr. Irwin responded that he was not a quitter and would accept another position within the City though he was concerned about putting other employees at risk due to his limited abilities to perform certain job functions.

**MOTION** made by Mr. Templeton, seconded by Mr. Cassidy, to approve a duty disability retirement for Mr. Irwin.

Discussion followed.

**MOTION** was withdrawn.

**MOTION** made by Mr. Keller, seconded by Mr. Templeton, for 1) Mr. Irwin to meet with the Director of Human Resources to review available City positions to determine if any would be a suitable fit for Mr. Irwin, and 2) the City to examine Mr. Irwin's current pay status and determine if any back pay is due him. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

Meeting recessed at 4:14 p.m.

Meeting resumed at 4:18 p.m.

5. **3:30 PM TIME CERTAIN ITEM(S)**  
Disability Application – Ifatunbi Adefunmi

Mr. Linn opened the discussion by reviewing the information provided to the Board for Ms. Adefunmi.

Ms. Barbara Duffy introduced herself as counsel for Ms. Adefunmi.

Deputy City Attorney Alan Fallik, representing the City, stated the City requested a postponement of the initial disability hearing in order for the City to prepare for the initial hearing. Mr. Fallik continued that an additional reason for the request was the City wanted the Board to allow Ms. Adefunmi to be evaluated by another physician with the City having substantial input in the selection of the physician with the Board directing Ms. Adefunmi to cooperate in whatever manner necessary being seen by the second physician so the physician could properly evaluate her.

Ms. Duffy addressed the Board on behalf of Ms. Adefunmi by stating the City was not a party to the initial disability proceeding and the decision was to be made by the Board. Ms. Duffy said the City had no right to interject itself in any way into the Board's decision-making process. Ms. Duffy requested the Board to not grant any continuances and to consider the evidence before it and render a decision at the initial stage.

**MOTION** made by Mr. Keller, seconded by Vice-Chair Greene, for a continuance of the initial disability hearing for Ifatunbi Adefunmi in order for her to be evaluated by a psychiatrist selected by the Board (with the City's agreement) within forty-five (45) days from the date of this Special Board meeting.

Discussion ensued. Ms. Duffy stated she wholly objected to the City's interference and requested the Board to do its job and not allow the City to dictate how the Board would proceed.

In a voice vote by the members present, all members voted in favor. **Motion** passed 5-1 (Chris Cassidy voted in opposition).

Meeting recessed at 4:32 p.m.

Meeting resumed at 4:42 p.m.

The Board directed Ms. Castronovo to 1) select a psychiatrist by asking other local fund administrators who they use and/or seek recommendations from FPPTA, 2) work with Deputy City Attorney Alan Fallik in the selection process, 3) select a psychiatrist whose evaluations/recommendations have been "middle of the road," 4) provide each trustee a copy of the Ms. Adefunmi's 2013 non-duty disability application and back-up material, 5) obtain and provide a copy of any and all documents the City has on record regarding the allegations Ms. Adefunmi stated in her attachment to her duty disability application, and 6) obtain and provide a copy of Ms. Adefunmi's Workers' Compensation file.

**6. ADMINISTRATIVE ISSUES**

**a. Fiduciary Liability Insurance**

Mr. Templeton stated he would like to see quotes from brokers in addition to Arthur Gallagher. Vice-Chair Greene stated his concern regarding the time frame of getting more quotes considering the current coverage expired September 30, 2016 and that he didn't want the Trustees to be "left bare." The Board directed Ms. Castronovo to call other brokers to get additional quotes.

**7. ADJOURNMENT**

**MOTION** made by Vice-Chair Greene, seconded by Mr. Cassidy, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. Meeting adjourned at 10:44 a.m.

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Phyllis Shaw, Chair

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Date

**ITEM 3.c.**

**EXCUSE ABSENCE  
of  
CHAIR SHAW &  
TRUSTEE STANDLEY  
from  
AUGUST 25, 2016  
REGULAR MEETING**

**(No backup included for this Item)**

**ITEM 3.d.**

**EXCUSE ABSENCE  
of  
TRUSTEE HOWELL  
from  
SEPTEMBER 8, 2016  
REGULAR MEETING**

**(No backup included for this Item)**



**ITEM 3.e.**

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

# **PLAN DISTRIBUTIONS**

**EMPLOYEES' RETIREMENT FUND**  
**Refunds and DROP Distributions**  
**September 22, 2016 Regular Pension Board Meeting**

**Refunds of Contributions**

<b><u>Name</u></b>	<b><u>Refund</u></b>
Borges, Michael	\$ 13,203.37
Borras, Richard	3,365.41
Carter, Ricky	3,421.38
Margerum, Albert	15,833.66
	<u>\$ 35,823.82</u>

**DROP Distributions**

Brown, Sandra	\$ 3,166.88 *
Calhoun, Taylor	7,793.99 *
Corriveau, Alan	6,286.95 *
DeNapoli, Linda	3,158.10 *
Ebanks, Barbara	3,099.30 *
Epstein, Jaye	4,420.76 *
Koeppel, Barbara	3,336.15 *
Lambert, Donald	3,012.40 *
Macrae, Kathy	2,815.54 *
Malec, Diane	3,722.95 *
Riggins, Michael	1,978.37 *
Stewart, James	3,417.18 *
Strauss, Robert	7,525.60 *
Swackhammer, Victor	3,466.81 *
Wong, Nancy	3,504.87 *
Zabric, William	5,951.95 *
Campbell, Kathleen	89,374.60
Davis, Ellen	87,745.06
Garcia, Roberto	102,853.66
Lawson, David	302,602.91
Lemke, Patricia	155,334.95
Romeu, Gabriel	290,465.89
Turpin, John	129,483.28
	<u>\$ 1,224,518.15</u>

**TOTAL: \$ 1,260,341.97**

\* Payout of balance of DROP account

# **PLAN EXPENSES**

# EMPLOYEES RETIREMENT FUND

## Payment Requests Processed During the Period

August 1, 2016 through August 31, 2016

### Manager Fees

Wellington Mgmt (quarter ending 06/30/16)	\$ 73,901.26
Brandes International (quarter ending 06/30/16)	36,214.00
Thompson, Siegel & Walmsley (quarter ending 06/30/16)	39,901.30
Segal Rogerscasey (June 2016)	10,833.33
Baird Advisors (quarter ending 06/30/16)	33,947.29
Segal Rogerscasey (July 2016)	10,833.33
	<u>205,630.51</u>

### Quarterly Custodian Fees

Wells Fargo Bank, N.A. (April 2016)	4,914.26
Wells Fargo Bank, N.A. (May 2016)	4,859.28
	<u>9,773.54</u>

### Attorney Fees

Lewis, Longman and Walker, P.A. (June 2016)	4,208.85
Lewis, Longman and Walker, P.A. (July 2016)	2,884.00
Rice Pugatch Robinson Storfer & Cohen (January 2016 - June 2016)	2,000.00
Rice Pugatch Robinson Storfer & Cohen (Nov 2015 - Dec 2015)	9,346.14
	<u>18,438.99</u>

### Pension Coordinator Fees

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

FPPTA Annual Conference (Orlando)	
Lisa Castronovo	291.34
FPPTA Trustees School (Orlando, Florida)	
Raquel Elejabarrieta	365.35
	<u>656.69</u>

### Miscellaneous

Sharp - Copier Lease Payment (07/01/16 - 07/31/16)	172.95
Sharp - Copier Lease Credit (08/01/16 - 08/31/16)	155.55
Office Depot - General Office Supplies	295.02
Gil Lichtshein, MD, PA	3,000.00
Bactes Medical Records	7.68
P.E.P. Signs & Plaques	9.65
HostGator	10.95
	<u>3,651.80</u>

Total	\$ <u>251,324.86</u>
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**ITEM 3.f.**

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

# **EMPLOYEES' RETIREMENT FUND**

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

**September 22, 2016 Regular Pension Board Meeting**

## **September 2016**

D'Emilio, Cesare - beneficiary of Alice D'Emilio	\$	3,020.96
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## **Benefits Stopped**

Buell, Idella - died 9/3/2016	\$	348.50
D'Emilio, Alice - died 8/30/2016		3,020.96
Lopez, Jimmy - died 9/10/2016		3,571.73

## **AGENDA ITEM 4**



**CITY OF HOLLYWOOD, FLORIDA**

**EMPLOYEES RETIREMENT FUND  
TREASURER'S REPORT  
July 31, 2016**

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance, October 1, 2015	\$ 286,269,704.92	\$ 262,602,326.02	\$ 23,667,378.90
Contributions and Payments:			
City Contributions		9,767,849.00	
Employee Contributions		2,514,524.37	
Pension Disbursements		(32,354,216.89)	
Administrative Expenses		(280,550.27)	
Net Contributions/Payments		<u>(20,352,393.79)</u>	
Investment Income:			
Dividends Received		2,260,976.45	
Interest Received - net		1,863,062.78	
Gain on Sales		4,320,651.29	
Commission Recapture		3,515.24	
Quarterly Investment Fees		<u>(777,165.31)</u>	
Net Investment Income		<u>7,671,040.45</u>	
Balance, July 31, 2016	<u>291,652,396.35</u>	<u>249,920,972.68</u>	<u>41,731,423.67</u>
Increase (Decrease) for the Period	\$ <u>5,382,691.43</u>	\$ <u>(12,681,353.34)</u>	\$ <u>18,064,044.77</u>

**Unrealized Gain (Loss) Account**

Composition of Increases (Decreases)

Thompson, Siegel & Walmsley	\$ 2,517,020.15
Frontier Capital Management	3,104,739.33
Wellington International	1,192,612.80
Northern Trust	6,807,296.38
Brandes Investment Partners	1,745,643.45
NB Crossroads	<u>(152,110.00)</u>
Total Equity Managers	<u>15,215,202.11</u>
Baird Advisors	1,441,807.64
Neuberger & Berman	699,474.30
Morgan Stanley	109,054.82
Principal Investors	<u>598,505.90</u>
	\$ <u>18,064,044.77</u>

**Investment Return**

Net Investment Income	\$ 7,671,040.45
Increase (Decrease) in Unrealized Gain/Loss	<u>18,064,044.77</u>
Total Investment Return for Period	\$ <u>25,735,085.22</u>
Beginning Market Value of Assets	\$ 286,269,704.92
Plus/(Less): Net Contributions/Payments	<u>(20,352,393.79)</u>
Assets Available for Investment	\$ <u>265,917,311.13</u>
Investment Return as a % of Assets Available for Investment	<u>9.68%</u>

**CITY OF HOLLYWOOD, FLORIDA**

**EMPLOYEES RETIREMENT FUND**

**TREASURER'S REPORT**

June 30, 2016

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance, October 1, 2015	\$ 286,269,704.92	\$ 262,602,326.02	\$ 23,667,378.90
Contributions and Payments:			
City Contributions		9,767,849.00	
Employee Contributions		2,210,537.40	
Pension Disbursements		(27,187,334.89)	
Administrative Expenses		(255,850.43)	
Net Contributions/Payments		<u>(15,464,798.92)</u>	
Investment Income:			
Dividends Received		2,206,321.02	
Interest Received - net		1,693,503.32	
Gain on Sales		4,186,816.03	
Commission Recapture		3,181.34	
Quarterly Investment Fees		(648,968.22)	
Net Investment Income		<u>7,440,853.49</u>	
Balance, June 30, 2016	<u>288,467,731.45</u>	<u>254,578,380.59</u>	<u>33,889,350.86</u>
Increase (Decrease) for the Period	\$ <u>2,198,026.53</u>	\$ <u>(8,023,945.43)</u>	\$ <u>10,221,971.96</u>

**Unrealized Gain (Loss) Account**

Composition of Increases (Decreases)

Thompson, Siegel & Walmsley	\$ 1,662,052.22
Frontier Capital Management	1,432,346.19
Wellington International	(549,133.14)
Northern Trust	4,326,319.16
Brandes Investment Partners	974,028.90
NB Crossroads	(152,110.00)
Total Equity Managers	<u>7,693,503.33</u>
Baird Advisors	1,178,138.98
Neuberger & Berman	642,768.93
Morgan Stanley	109,054.82
Principal Investors	598,505.90
	\$ <u>10,221,971.96</u>

**Investment Return**

Net Investment Income	\$ 7,440,853.49
Increase (Decrease) in Unrealized Gain/Loss	<u>10,221,971.96</u>
Total Investment Return for Period	\$ <u>17,662,825.45</u>
Beginning Market Value of Assets	\$ 286,269,704.92
Plus/(Less): Net Contributions/Payments	<u>(15,464,798.92)</u>
Assets Available for Investment	\$ <u>270,804,906.00</u>
Investment Return as a % of Assets Available for Investment	<u>6.52%</u>

## **AGENDA ITEM 5**

**CONTACT:**

Todd Kohlhepp  
[tkohlhepp@segalco.com](mailto:tkohlhepp@segalco.com)  
212.251.5087

**Segal Rogerscasey to Acquire Marco Consulting Group**  
*Combined entity will have investment advisory assets exceeding \$500 billion*

(NEW YORK) – **Joseph A. LoCicero**, President and CEO of The Segal Group, Inc., announced today that Segal Rogerscasey, the firm's SEC registered investment consulting business, has signed an asset purchase agreement to acquire the business of Marco Consulting Group (MCG) effective January 1, 2017. MCG is one of the premier investment consulting firms to multiemployer benefit plans in the U.S. The combined firm will be known as Segal Marco Advisors.

"The acquisition of Marco Consulting Group represents a significant enhancement to the already deep expertise of Segal Rogerscasey," commented Mr. LoCicero. "It is also a major move in The Segal Group's continuing commitment to its clients to provide the highest level of actuarial, retirement, health, investment, administration, compliance, communications, and HR and compensation consulting services."

Segal Marco Advisors will have a staff of more than 150 investment, consulting and research professionals serving more than 400 clients with advisory assets exceeding \$500 billion. **John DeMairo**, Segal Rogerscasey's President and CEO, will continue in the same role at Segal Marco Advisors. MCG co-founders, **Jack Marco** and **Tom Mitchell, Sr.**, will serve as advisors to the organization.

"The multiemployer market is a key market for Segal Consulting and Segal Rogerscasey, and the sole focus of MCG," commented Mr. DeMairo. "This combination will provide trustees with unprecedented resources and talent, and make us the undisputed leader for multiemployer investment consulting."

Mr. DeMairo continued, "In the many years we've competed with MCG, we have always been impressed with their people and investment solutions. Combining our strengths will not only be good for our clients, but will also make us more competitive in our chosen markets."

Mr. Marco added, "Segal Rogerscasey has industry-leading research capabilities, particularly in the areas of manager due diligence, alternative investments and asset-liability modeling. We look forward to working with their research teams and bringing those additional capabilities to our existing clients."

The actuarial expertise provided by Segal Consulting will also play a major role for clients of Segal Marco Advisors. "Today's multiemployer funds seek assistance managing their assets and liabilities to help ensure their participants' retirement readiness," said Mr. LoCicero. "Trustees will find Segal Marco Advisor's investment consulting and Segal Consulting's actuarial experience to be unmatched in the market."

"Coming together makes even more sense because both firms are privately held," noted Mr. Mitchell. "This allows the continuation of a laser-like focus on our clients not often seen in publicly held corporations. Client service will continue to be our first priority."

Segal Marco Advisors will be headquartered in New York, but will continue to have a significant presence in Chicago operating out of the current MCG office. In addition, it will have offices in Atlanta, Boston, Chicago, Cleveland, Darien (CT), Dallas, Denver, Los Angeles, Seattle, Toronto and Ireland.

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Segal Rogerscasey, a member of The Segal Group, is a leading global investment solutions firm that provides innovative, client-driven consulting advice and outsourcing solutions. The firm has been in operation for 47 years and is one of the largest U.S.-based investment consultants. Clients include corporations, non-profit organizations, endowments, foundations, state and local governments and joint boards of trustees administering benefit plans under the Taft-Hartley Act. The firm works with financial services firms through Rogerscasey, a Division of Segal Advisors, and with Canadian clients through Segal Rogerscasey Canada. The firm is also a founding member of the Global Investment Research Alliance.

## **ITEM 5.a.**

### **BRANDES INVESTMENT PARTNERS PRESENTATION**

**(Backup provided at meeting)**

## **ITEM 5.b.**

### **WELLINGTON TRUST COMPANY PRESENTATION**

**(Backup provided at meeting)**

## **ITEM 5.c.**

### **FLASH PERFORMANCE REVIEW**

**(Backup provided at meeting)**

## **ITEM 5.d.**

### **FIXED INCOME STRUCTURE DISCUSSION**



# City of Hollywood Employees' Retirement Fund Fixed Income Structure Review

**September 22, 2016**

Keith Reynolds, Vice President & Senior Consultant  
Francois Otieno, Director, Fixed Income

★ Segal Rogerscasey

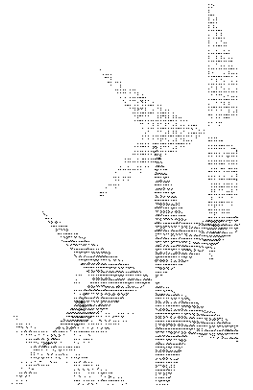
## **Table of Contents**

- Section I: Current and Proposed Fixed Income Portfolio
- Section II: The “Opportunistic Credit” Opportunity Set
- Section III: Example of Potential Managers and Conclusion

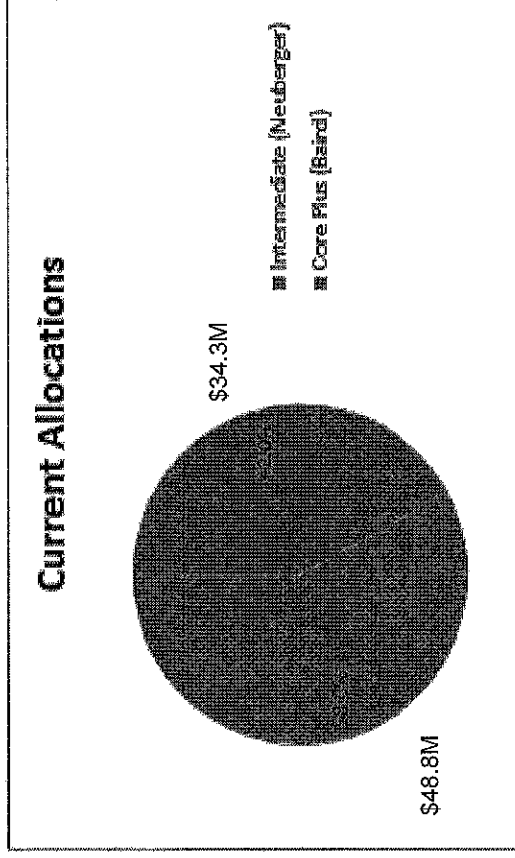


# Section I

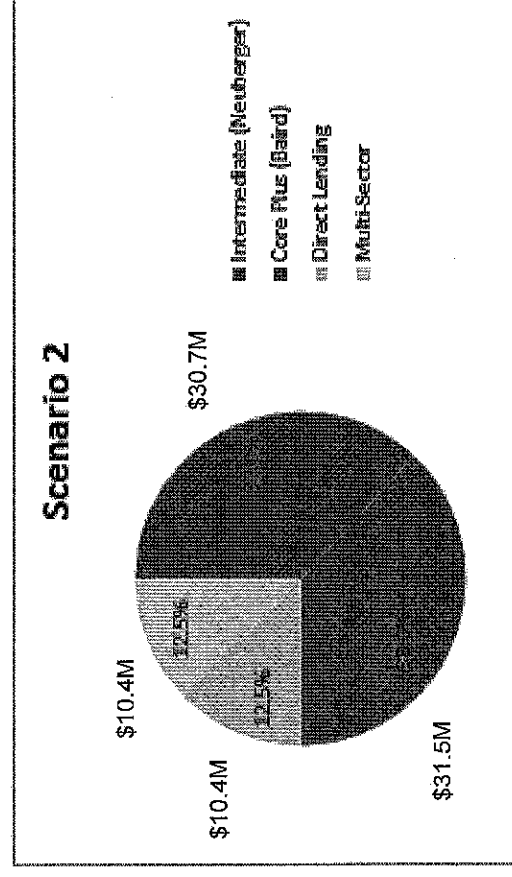
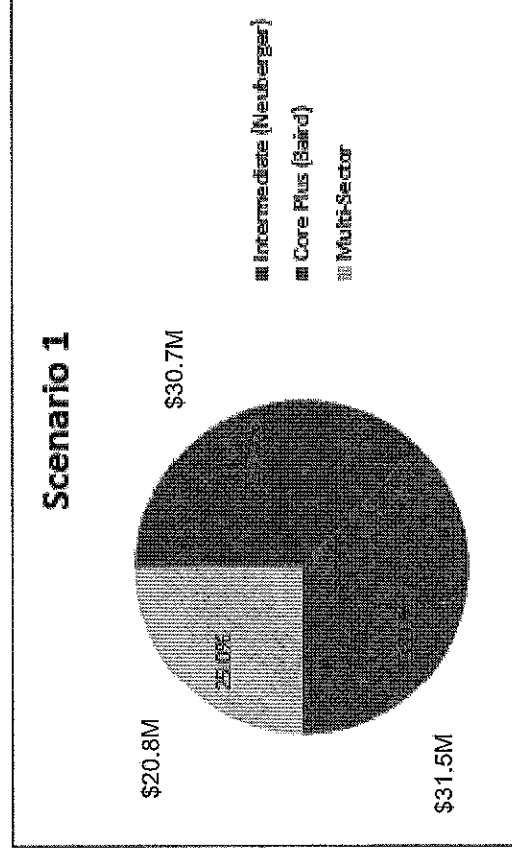
## Current and Proposed Fixed Income Portfolio



# Current and Proposed Fixed Income Portfolio



- > The market value of the Fixed Income Portfolio was \$83.0 million as of 07/31/16
- > The Target allocation is split equally between Baird Advisors Core Plus strategy and Neuberger Berman's Intermediate Government/Credit strategy
- > In 2015, the Board approved SRC's recommendation to tactically overweight Baird
- > Presented below are two Potential Scenarios for consideration, which reallocate 25% of the Fixed Income Portfolio into "Opportunistic Credit" strategies



# Current and Proposed Fixed Income Portfolio

Current Allocation	Yield	Quality	Duration
Baird Core Bond	1.9%	AA	5.5 Years
Neuberger Int Gov/Credit	1.4%	AA	4.0 Years
<b>Total</b>	<b>1.7%</b>	<b>AA</b>	<b>4.9 Years</b>

Potential Allocation: Scenario One	Yield	Quality	Duration
Baird Core Bond	1.9%	AA	5.5 Years
Neuberger Int Gov/Credit	1.4%	AA	4.0 Years
Multi-Sector – One Manager	6.5%	BB+	2.4 Year
<b>Total</b>	<b>2.5%</b>	<b>BBB+/BBB</b>	<b>4.2 Years</b>

Potential Allocation: Scenario Two	Yield	Quality	Duration
Baird Core Bond	1.9%	AA	5.5 Years
Neuberger Int Gov/Credit	1.4%	AA	4.0 Years
Multi-Sector – One Manager	6.5%	BB+	2.4 Years
Direct Lending - One Manager	8.0%	BB-/B	1.0 Year
<b>Total</b>	<b>3.1%</b>	<b>BBB/BBB-</b>	<b>4.0 Years</b>

# Key Observations

## Current Fixed Income Portfolio

- The current portfolio has a weighted average duration of 4.9 years, a weighted average yield of 1.7%, and an average credit quality of AA.
- In today's low yield and low return environment, we believe that the Current Fixed Income Portfolio structure could be improved to guard against rising rates. As a result, we propose that the Board consider reallocating a portion (25%) of your existing Fixed Income Portfolio into a lower correlated/well diversified opportunistic credit offerings.
- Further, we believe indexing a portion of the Fixed Income Portfolio could be advantageous to the Plan.
- Specifically, the Neuberger Berman Intermediate duration strategy could be substituted for a passive fixed income mandate. This should generate a net savings on management fees of around 20 basis points, which could then be applied towards higher yielding Opportunistic Fixed Income Strategies.

## Scenario One:

- Consider adding **one** "Opportunistic Credit" strategy to the Fixed Income Portfolio. In doing so, the Fixed Income Portfolio could potentially earn approximately 80 basis points of incremental yield, while reducing duration by 0.7 years.
- Under this scenario, we would propose a conservative long-only Multi-Sector manager to be added. This strategy is not managed against a market benchmark, instead, it will typically target mid to high single digit returns. This addition should reduce the overall Fixed Income Portfolio's active risk while improving the Sharpe ratio (Return to Risk measure).

## Scenario Two:

- Consider adding **two** distinct "Opportunistic Credit" strategies to the Fixed Income Portfolio. In doing so, the Fixed Income Portfolio could potentially earn approximately 140 basis points of incremental yield, while reducing duration by 0.9 years.
- Under this scenario, we would propose adding to Scenario One a single Direct Lending manager that targets a low double digit returns. The aggregate portfolio would have less exposure to the securitized sector and more exposure to private corporate credit.
- In addition, the Fixed Income Portfolio should exhibit less volatility -- as compared to Scenario One - due to the diversification of investment styles across the two new strategies.



# Implementation Considerations

## Specialized Approach

## Multi-Strategy Approach

Specialized Approach		Multi-Strategy Approach	
Positives		Positives	
Primary focus and expertise of the firm and critically important to its overall business.		Ability to make quick tactical adjustments to portfolio structure in order to take advantage of market opportunities as they present themselves Incentive fees are paid at the aggregate portfolio level.	
Competitive advantage in sourcing deals.		Incentive fees are paid at the aggregate portfolio level.	
Greater likelihood of generating stronger returns for this specific sleeve.		Better suited for smaller clients or clients that do not have the internal resources to conduct due diligence on a large number of managers.	
Negatives		Negatives	
This narrowly focused area of the credit opportunity set may be out of the favor at a particular time during the economic and market cycle, hence, hindering performance.		It can be very challenging to identify managers with strong expertise across the full credit spectrum.	
With a specialized manager program, a client will pay incentive fees to the best performer(s) in spite of the fact that other specialist managers within the program may have performed poorly.		Risk of strategy teams defecting.	

# Implementation Considerations

	Vehicle Types and Fee Structure					
	SMA	Mutual Funds	CF	PE/LP	HF	Hybrid (PE & HF)
Minimum Investment (in millions)	\$100	\$0.25	\$1 to \$5	\$0.5 to \$10	\$5	\$5
Mgt Fee Ranges	0.45% to 1.50%	0.85%	0.45% to 0.75%	0.75% to 1.50%	0.60% to 1.50%	1.45%
Hurdle Rate	0% to 3%	N/A	0% to 3%	0% to 6%	5% to 6%	0%
Incentive Fees	0% to 15%	N/A	0% to 15%	0% to 15%	15% to 20%	20%
Lock Up provisions	N/A	N/A	N/A	3 to 5 years	N/A	18 months
High Water Mark	N/A	N/A	N/A	N/A	Yes	Yes
Liquidity Terms	N/A	Daily	30 to 90 Days*	N/A	60 to 120 days	180 days

\* Generally with 30 to 60 days notice

- The majority of Opportunistic Credit strategies, regardless of whether they are a specialty or a multi-strategy mandate, are managed across a wide range of vehicles, including open ended mutual fund, closed end commingled fund, limited partnership fund, hedge fund structures, and separately management accounts.
- The underlying vehicles and fee structures will generally dictate where the investment resides within a broader asset allocation framework.





# Section II

## The “Opportunistic Credit” Opportunity Set



# The Opportunistic Credit Universe

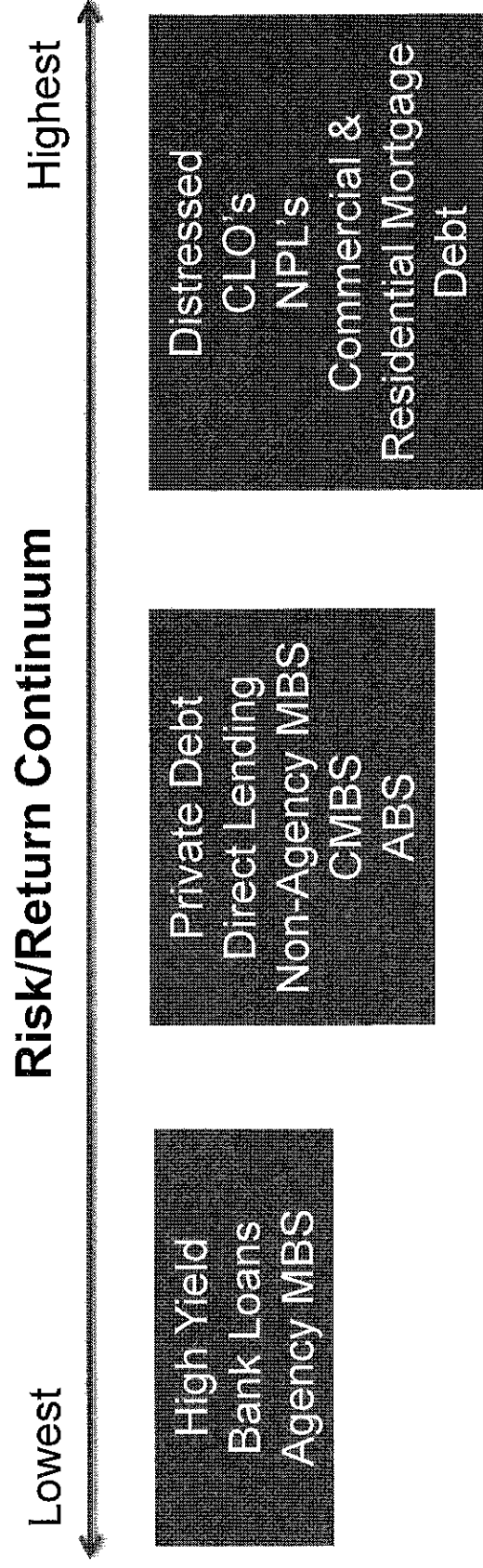
Corporate Debt	Securitized & Mortgage Debt
High Yield	Agency MBS
Bank Loans	Non-Agency MBS
Private Debt	Asset-Backed Security (ABS)
Direct Lending	Commercial Mortgage-Backed Security (CMBS)
Nonperforming Loans (NPL) & Reperforming Loans (RPL)	Collateralized Loan Obligations (CLO's)
Distressed	Commercial & Residential Mortgage Debt
<ul style="list-style-type: none"> <li>• These bonds are typically rated below investment grade (more volatile/higher yields)</li> <li>• In the event these bonds are not rated, they would still exhibit the characteristics of below investment grade companies (limited revenue/earnings record, balance sheet issues, questionable capacity to service debt)</li> </ul>	<ul style="list-style-type: none"> <li>• Securitized bonds are backed by a pool of debt instruments while mortgage debt is simply an underlying loan related to private commercial and residential properties</li> <li>• Managers are primarily looking for opportunities in the junior tranches (below investment grade) of the securitized segment of the market.</li> </ul>

# The Opportunistic Credit Universe

Public Debt		Private Debt	
High Yield		Private Debt	
Bank Loans		Direct Lending	
Distressed		NPL's & RPL's	
Agency MBS		Commercial & Residential Mortgage Debt	
Non-Agency MBS			
ABS/CMBS			
CLO's			
<ul style="list-style-type: none"> <li>The majority of these securities are publicly traded and function in a more robust secondary market with low bid-ask spreads and generally considered more liquid.</li> <li>Very diverse buyer base (pension funds, mutual funds, hedge funds, asset managers, insurance companies) which enhances secondary market liquidity</li> </ul>		<ul style="list-style-type: none"> <li>These are privately negotiated deals with unique and bespoke terms (customized with lender-driven objectives re: collateral, covenants, maturity, rate, etc.) and generally considered less liquid.</li> <li>Narrowly syndicated and very thin secondary market for some of these deals and non-existent for others.</li> </ul>	

# The Opportunistic Credit Universe

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- The above depicts the risk/return profile of each underlying sub-sector.
- The lesser the liquidity of the underlying instruments, the higher the return potential (illiquid and more complex securities tend to trade at yield premium spread to more easily traded securities)

# Current Opportunities Within Corporate Debt Sector

	Description of the Opportunity	Market Size	Liquidity (High/Med/Low)	Yield	Expected Range of Return over the next 3 to 5 years
High Yield	Exploit various opportunities in this bifurcated market. Spreads remain relatively wide compared to historical average.	\$1.3 Trillion	High	6.2%	6-10%
Bank Loans	Invest in broadly syndicated floating rate instruments in anticipation of rising rates in both first and second lien. Spreads remain relatively wide compared to historical average.	\$900 Billion	High	5.5%	4-7%
Private Debt	Invest primarily in first and second lien/mezzanine and unitranche debt of middle market companies with annual EBITDA ranging from \$50 and \$150 million. These deals may also be PE backed. Ability to transact in the secondary market. In addition, club deals are not atypical in this space. These companies are generally not rated but based on their financial metrics, they would generally carry ratings that are at the lower end of the rating spectrum (low single B/COCs). Typical floating rate instruments but there are some fixed rate deals. Lenders typically drive the terms.	\$400 to \$500 Billion	Medium/Low	9-10%	6-13%
Direct Lending	Very similar characteristics as Private Debt but there are a few nuances. Direct Lending opportunities tend to be smaller in size, as measured by lower EBITDA (typically \$25 to \$50 million) and lower enterprise values. In addition, there are no club deals and virtually no secondary market for these types of deals.	\$200 to \$300 Billion	Low	10-15%	8-16%*
Distressed	Purchase debt securities of stressed and distressed companies trading at 50 cents on the dollar (or below) or with spreads greater than 1000 basis points. Focus on industries in dislocation or companies in need of restructuring.	\$200 to \$400 Billion	Medium/Low	10-15%+	12-20%
NPLs	Focus on NPL portfolios across many geographies including Europe and Australia from bank balance sheets. Opportunities can be found across corporate debt and real estate (through the debt).	\$1 to \$2 Trillion	Low	8-15%+	15-20%*

\* These return targets can vary widely dependant upon the use of leverage

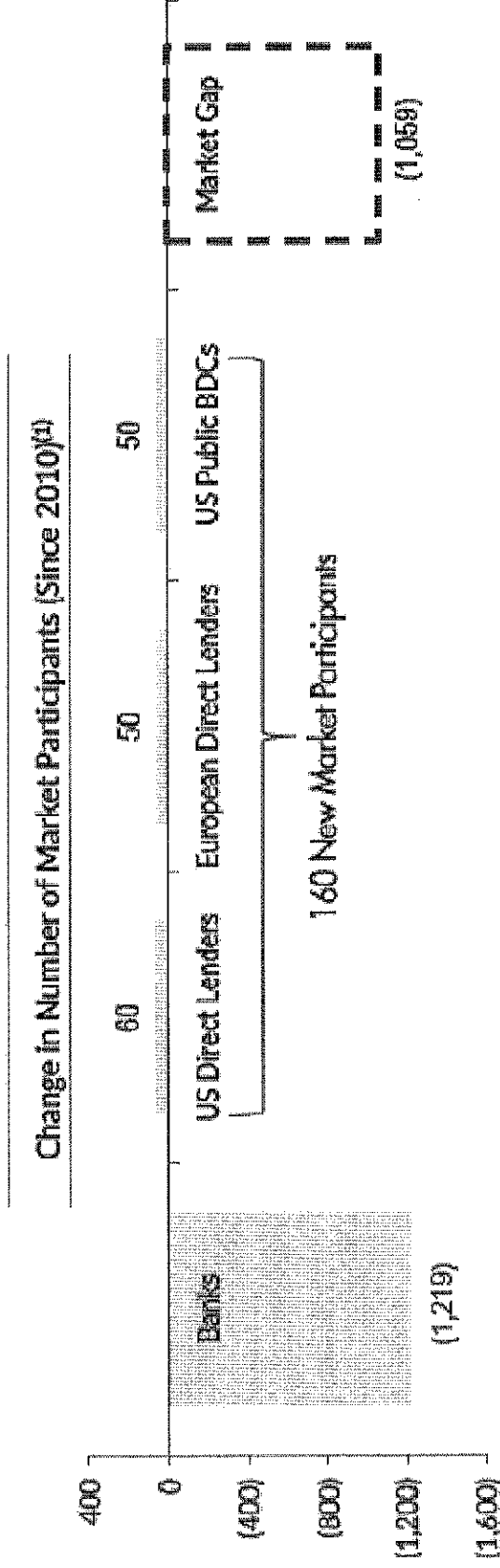
# Current Opportunities Within the Securitized Sector

	Description of the Opportunity	Market Size	Liquidity (High/Med/Low)	Yield	Expected Range of Return over the next 3 to 5 years
Agency MBS	Agency MBS have the full backing of the US Government. However, some managers may opportunistically allocate to this sector for hedging and liquidity purposes. In addition, los, inverse floaters and Z-tranche CMOs may be employed as an alpha generation strategy.	\$6.3 Trillion	High	4 - 5%	4 - 5%
Non-Agency MBS	There has not been any issuance since the 2008 financial crisis and this market continues to shrink at a rate of approximately 15% per year. There are ample of attractive opportunities across the following segments of this market: Prime, Alt A and Sub-prime, and Hybrid ARMs.	\$300 Billion	Medium/Low	5 - 8%	5 - 8%
ABS	Significant opportunities in the growing student loan segment of this market. Additionally, many managers find great opportunities in the exotic/less liquid areas of this market such as Peer to Peer, Cell Towers, Aircrafts, Timeshare etc...	\$150 to \$200 Billion	High/Medium	6 - 11%	6 - 11%
CMBS	Focus on AM and AJ tranches of CMBS structures of legacy vintages. Some managers are taking advantage of the volatility created by forced sellers and buying at these securities at depressed levels.	\$600 Billion	High/Medium	7 - 15%	7 - 15%
Collateralized Loan Obligations (CLOs)	Managers have identified compelling opportunities globally, mainly in the secondary market in the junior/mezzanine tranches of CLOs 2.0 and in some cases in the equity tranche.	\$550 Billion	Medium/Low	CLO Debt: 11 - 14% and CLO Equity: 15%+	CLO Debt: 8 - 13% and CLO Equity: 10 - 16%+
Commercial and Residential Real Estate	Focus on NPL portfolios across many geographies including Europe and Australia from bank balance sheets. Opportunities can be found across corporate debt and real estate (through the debt). In addition, RPLs could be part of the investable universe.	\$1 to \$2 Trillion	Medium/Low	6 - 11%	6 - 11%



# Overview of Direct Lending

- Regulatory change has resulted in the exit of roughly 1,200 banks, while only 160 new lenders have entered the direct lending marketplace.
- As the number of participants have dwindled, spreads have blown out, making pricing more attractive.
- Diminished competition has resulted in more negotiable deals.

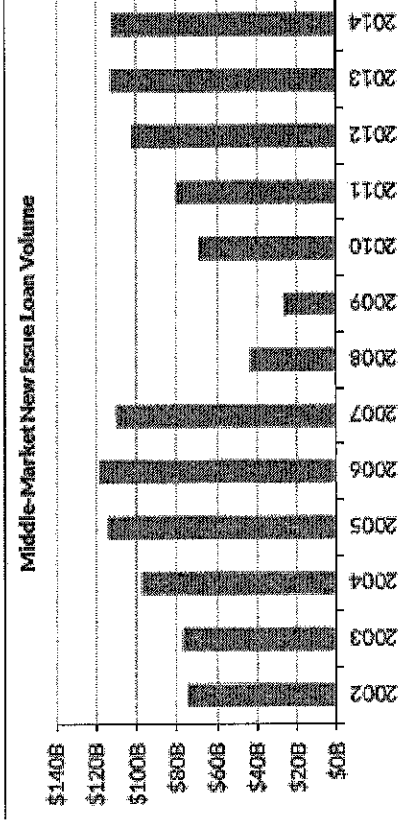
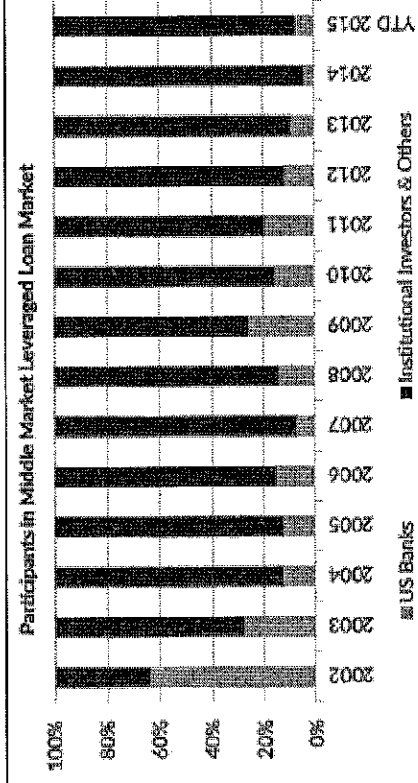


Overall, new participants in the market still lag the number of banks who have exited

# Overview of Direct Lending

- Why have banks retreated from the middle-market lending space?

Regulatory Changes	Consequences for the Banks
Dodd-Frank/Volcker Rule	Increased regulatory restrictions, reporting/audits, and enforcement.
Basel III	Increased capital ratios and liquidity required.
Stress Tests (annual & mid-year)	Reduced leverage and increased costs lead to lower ROE.
FDIC assessment fees	Restrictions on lending activities including more stringent underwriting criteria.
Leveraged lending guidelines/Shared National Credits Program	



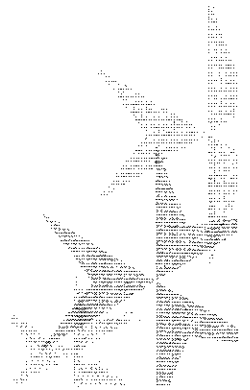
Source: Tennenbaum Capital Partners





# **Section III**

## **Example of Potential Managers and Conclusion**



# Example of Potential Managers

Multi-Sector Proposed Manager	Goldentree
<b>Areas of Focus within Credit:</b> The Multi-Sector Fund dynamically invests across leveraged loans, high yield bonds and structured products primarily in North America and Europe to capture the most attractive risk adjusted returns in the market. • Loans: over \$1 trillion outstanding across North American and European issuers. Multi-Sector fund will focus primarily on 1st Lien, 2nd Lien, Revolver and Mezzanine loans. • Bonds: over \$2 trillion outstanding across North American and European issuers. Multi-Sector fund will focus primarily on Senior Secured, Senior Unsecured and Subordinated bonds with flexibility to opportunistically invest in Emerging Market bonds. • Structured Products: over \$3 trillion outstanding across North American and European issuers. Multi-Sector fund will focus primarily on CLO Debt, RMBS, ABS CDOs and Student Loans.	
<b>Fund Key Terms:</b>	
Fund Name (Commingled vehicle):	Goldentree Multi-Sector Fund
Fund Type:	Commingled vehicle
Fund Size/Target	\$250 million
Inception date	8/1/2015
Minimum Investment	\$1 million
Management Fees	0.75%
Incentive Fees	N/A
Preferred Rate:	N/A
Leverage	N/A
Return Target (Net)	5-8%
Liquidity (redemptions)	Quarterly with 90 days notice

Direct Lending Proposed Manager	Golub Capital
<b>Areas of Focus within Middle Market:</b> Upper Middle Market (\$50 to \$100mm in EBITDA) Mid Middle Market (\$25 to 50mm in EBITDA) Lower Middle Market (\$5 to 25mm in EBITDA) PE Sponsored deals Non-Sponsored PE deals Capital Structure Focus: First Lien/Senior Secured Second Lien Unitranche	
<b>Fund Key Terms:</b>	
Fund Name:	GCP 10
Fund Type:	PE Style
Fund Size/Target	\$1.2 billion
Minimum Investment	\$1 million
Management Fees	1.25%
Incentive Fees	20%
Preferred Rate:	8%
Leverage	2.5X
Return Target (Net)	10-12%
First Close	7/1/2015
Next Close	9/30/2016
Last Close	12/31/2016

\* 20% to 25% of the portfolio is also invested in broadly syndicated loans

# Conclusion

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- From a top down perspective, the Opportunistic Credit landscape is diverse and spans across two broad categories, namely, corporate debt as well as securitized and mortgage debt.
- The liquidity profile of each underlying asset class also varies tremendously. It ranges from highly liquid/tradable securities to complex privately negotiated structures.
- From a bottom-up point of view, the expected returns across the sub-sectors within the two broad categories ranges anywhere from 4% to 20%. Note that the higher end of these return targets would be achieved through the use of leverage in most cases. Additionally, the liquidity of each underlying instruments as well as market size of each opportunity, will significantly drive return expectations.
- Recent market volatility and uncertainty regarding the global economy, coupled with increased regulation on banks, have created immense opportunities within the broader credit market – especially in below investment grade securities.
- From an implementation standpoint, we have observed that there is no strategy in today's marketplace that captures the full breadth of the opportunity set. That stems from the fact that managers only maintain a competitive advantage in certain areas of the market and not in others.
- Managers competing in this "so-called" Opportunistic Credit arena range from traditional long-only fixed income managers to credit hedge funds as well as private equity firms. Vehicle types and Terms will also vary from one manager to another, depending on the strategy's focus area and liquidity of underlying instruments.
- When implementing an Opportunistic Credit strategy, clients should take into consideration their liquidity needs, risk tolerance as well as other factors that are specific to their circumstances – such as their existing fixed income portfolio exposure.
- The Opportunistic Credit options to consider include the following: 1) hire a specialist manager with a narrowly focused mandate, 2) hire a single Multi-Strategy manager that possesses strong capabilities across a wide spectrum of asset classes, or 3) hire both a specialist and a Multi-Strategy manager. There are advantages and disadvantages to all three approaches.

## **AGENDA ITEM 6**

## **ITEM 6**

# **DISABILITY APPLICATIONS**

**ITEM 6.a.**

**TIMOTHY IRWIN – DUTY**

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

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**DATE:** September 1, 2016  
**TO:** Board of Trustees of the Employees' Retirement Fund  
**FROM:** Lisa Castronovo, Pension Coordinator *lec*  
**SUBJECT:** Duty Disability Application from **TIMOTHY IRWIN**

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**ISSUE:**

Timothy Irwin's duty disability retirement application

**EXPLANATION:**

Timothy Irwin's date of birth is January 4, 1969; he is 47 years old. Mr. Irwin began working fulltime for the City of Hollywood on November 21, 2005. As of today's date, September 1, 2016, he is credited with 10 years, 7 months of service for pension benefit purposes. Mr. Irwin is currently on unpaid leave and has been since his last paid day with the City (January 19, 2016). His most recent employment position with the City was as a repairman in the meter shop at Underground Utilities. As of the date of his injury/disease onset (August 3, 2013), however, he was a Mechanic 1 in Wastewater Treatment. Mr. Irwin's normal retirement date to receive the Frozen Accrued Benefit is January 4, 2024 (his 55<sup>th</sup> birthday) and the normal retirement date to receive the benefit accrued after March 4, 2014 is January 4, 2034 (his 65<sup>th</sup> birthday). If Mr. Irwin were to continue to work for the City, he would be able to receive the benefit he accrues after March 4, 2014 on his 62<sup>nd</sup> birthday (January 4, 2031) since he will have worked 25 years at that time.

Copies of the following are included for your review: Mr. Irwin's signed Medical Release, application for duty disability and accompanying physicians' reports (2), attendance record for the last year, and most recent performance review. Also included are copies of job descriptions for Wastewater Treatment Mechanic 1, Stores Clerk, and Maintenance Technician, letters from Board-hired physicians Dr. Richard Reines (general internist) and Dr. Gil Lichtshein (psychiatrist), and a letter from Director of Human Resources Tammie Hechler.

If a Duty Disability benefit is granted, Mr. Irwin's monthly disability benefit, based on the "normal" option and his current hourly rate of pay of \$25.70, would be \$3,341.00 ( $= \$25.80 \times 2080 = \$53,456.00 \times 75\% = \$40,092.00 / 12$ ). Mr. Irwin will be able to elect to receive his benefit as a "Joint and Equal" or "Joint and Half" optional form of benefit and consequently take an actuarial reduction in the benefit.

**RECOMMENDATION:** Consider Mr. Timothy Irwin's disability retirement application.

EMPLOYEES' RETIREMENT FUND, CITY OF HOLLYWOOD, FLORIDA  
APPLICATION FOR DISABILITY RETIREMENT

1. Timothy S. Irwin (print name), currently employed by the  
Public Utilities (Office/Department/Division) of the City of Hollywood,  
do hereby submit the following information for consideration for disability retirement (check one of  
following): job related X or non-job related \_\_\_\_\_.

Date of Injury or Onset of Disease: 8-3-13

Cause of Disability (description): ~~NOCRTIA~~ Nocardia infection,  
disseminated with brain abscesses

Nature and Extent of Disability: Headaches and balance problems

Probable Duration of Disability: unknown, but probably for several years

Attending Physician(s):

1. Roger Spitzer MD 4420-A Sheridan St 954-962-0040  
(Name) (Address) (Telephone)

2. \_\_\_\_\_  
(Name) (Address) (Telephone)

I understand that this document must be preceded by the attainment of Maximum Medical Improvement (MMI) when filing for a job-related disability, and accompanied by a report(s) of the attending physician(s) which includes a statement that I am totally and permanently disabled in relation to my job duties, limitations of other duties I can perform, the dates of the first and last examination, cause and nature of disability, medical records (including surgery notes, lab tests and x-rays) prognosis, and estimate of the probable length of the disability. I may also be asked to include a summary of all medical treatment received within the five year period prior to the disability. I understand that in considering this application, the Board of Trustees (i.e. Pension Board) may discuss my medical condition at a public meeting.

2-8-2016  
(Today's Date)

Timothy S. Irwin  
(Signature of applicant)

1311 N. W. 6 AVE Hollywood FL 33021 954-2920434  
Address of Applicant Phone Number

State of Florida County of Broward

Before me this day personally appeared Timothy S. Irwin who  
deposes that he/she is the same who signed this application for a disability retirement under the (General)  
Employees' Retirement Fund, and that the statements made are true. \_\_\_\_\_ Personally known or  
Identification produced FLDL #1650-817-69-004-0

Witness my hand and official seal this 8<sup>th</sup> day of February, 2016.

Shane A. Piro  
(Notary Public)



## **TREATMENT PLANT MECHANIC I**

**DEPT: PUBLIC UTILITIES**

**CODE: 5452**

**PAYGRADE: 24**

### **CHARACTERISTICS OF THE CLASS**

This is skilled and semi-skilled work in the maintenance and repair of water and wastewater plants and equipment. Employees in this class are responsible for assuring the efficient and safe mechanical operation of equipment and machinery at large utilities operations. Repair work is performed in accordance with established schedules, with special assignments resulting from periodic inspection or from reports from plant operations personnel and supervisors. Work may involve an element of personal danger and exposure to adverse weather conditions and toxic substances. Work is inspected by a skilled supervisor while in process and upon completion for quality of results. Functional supervision may be exercised over unskilled and semi-skilled employees.

### **EXAMPLES OF ESSENTIAL FUNCTIONS**

1. Repairs and maintains plant equipment necessary for the flow and treatment of water or wastewater.
2. Repairs small, gasoline-fueled engines, pumps, and other equipment; replaces bearings, wheels, and pulleys.
3. Assists in the installation of new equipment.
4. Performs brazing and soldering, and non-skilled level painting, plumbing and carpentry in the maintenance of plant and equipment.
5. Positions and connects chlorine cylinders; check cylinders for leaks.
6. Performs/completes generator inspection, preventative maintenance and the preventative maintenance check list.
7. Performs related work as required for this position description only.

### **REQUIREMENTS**

#### **A. Training and Experience:**

Graduation from high school or GED, plus two (2) years of experience in mechanical maintenance and repair, or an equivalent combination of training and experience. Must obtain a CDL Class "B" license within six (6) months of hire.

**B. Knowledge, Abilities and Skill:**

Knowledge of the methods, practices, tools, materials, and principles of operation of utilities equipment.

Knowledge of the practices and tools utilized in general maintenance work.

Knowledge of the hazards and safety precautions of the mechanical trades and work with toxic substances.

Some knowledge of the principles, practices, and safety precautions of welding.

Skill in the operation of a dump truck, crane truck, vactor to clean wells, and sewer cleaning equipment.

Skill in the use and care of hand and power tools.

Ability to work from sketches, specifications, and brief oral instructions.

Ability to establish and maintain effective working relationships with superiors and fellow employees.

Ability to diagnose operating anomalies and effect necessary repair.

Ability to maintain and compile work records.



## JOB DESCRIPTION

*To perform this job successfully, an individual must be able to perform the essential job functions satisfactorily. Reasonable accommodations may be made to enable individuals with disabilities to perform the primary job functions herein described.*

<b>Job Title:</b>	<b>MAINTENANCE TECHNICIAN</b>
-------------------	-------------------------------

<b>Department:</b>	Public Works
<b>Reports To:</b>	Public Works Supervisor
<b>Supervises:</b>	N/A
<b>Pay Grade:</b>	16
<b>EEO Class:</b>	7A
<b>Class Code:</b>	6236
<b>FLSA:</b>	Non-exempt
<b>Benefit Code:</b>	General

### **JOB SUMMARY:**

This is semi-skilled and sub-journey level skilled work in building, grounds and equipment maintenance. Incumbents in this class are responsible for the installation, operation, maintenance and repair of building exteriors and interiors, power and manually-operated equipment, and grounds maintenance. Work includes the performance of painting, graffiti removal, masonry/carpentry repairs, asphalt repairs, de-littering and debris removal for City parks, roadways and right-of-ways, installation of signage and trash receptacles, and a minor degree of small engine repair and maintenance. Functional supervision may be exercised over semi-skilled and unskilled workers assisting in particular tasks. General supervision is exercised by a skilled supervisor who reviews work in progress on a moderately frequent basis, and upon completion.

### **ESSENTIAL JOB FUNCTIONS AND RESPONSIBILITIES:**

- Performs routine maintenance on leaf blowers, some small engine equipment, to include lubrication of bearings, cleaning and replacement of filters; etc.
- Applies paint by brush or spray gun; will also address graffiti removal.
- Prepares and maintains records of time and materials utilized.
- Installs and alters playground and sports facility equipment; attaches appurtenances.
- Performs debris removal and ensures the cleanliness of City parks, roadways and right-of-ways.
- Performs related work as required for this position description and also that of a groundskeeper position.

### **EDUCATION/EXPERIENCE:**

To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

**Required:**

Graduation from an accredited high school , vocational school or GED program, plus two years' experience in the general construction or maintenance and repair of buildings, grounds and equipment,. Possession of a valid State of Florida driver's license is required.

Additional education and experience or an equivalent combination of training and experience may be substituted for the above requirements

**CERTIFICATES, LICENSES, REGISTRATIONS:**

- Valid Driver's License
- Background Check: Must have an acceptable background record
- Driving Abstract: Must have an acceptable driving record

**KNOWLEDGE, SKILLS, ABILITIES:**

Knowledge of the practices, tools, materials and equipment utilized in the mechanical and building maintenance trades.

Knowledge of the occupational hazards of the work and of necessary safety precautions.

Skill in the use and care of hand and power tools and equipment.

Skill and ability in the use and care of a variety of hand tools, power tools and shop tools used in working with wood and associated materials.

Ability to establish and maintain effective working relationships with fellow employees.

Ability to diagnose, locate and correct defects in building fixtures and equipment.

Ability to perform simple building maintenance repairs.

Ability to diagnose, locate and correct defects in City parks, roadways, and right-of-ways, sidewalks, and building exteriors.

Ability to operate heavy-duty pressure cleaner/light equipment (i.e. chipper, jackhammer, forklift, skid steer)

Ability to provide vendor management, which may include the development of project specifications, vendor meetings, reviews of project scopes, quality control/inspections

Ability to read and interpret drawings and specifications.

Ability to read and work from blueprints and sketches.

Ability to read and interpret engineering drawings and simple wiring diagrams.

Ability to understand and follow oral and written instructions assigned via email, work orders, radio and/or telephone.

Ability to maintain records and prepare simple reports on City-issued notebook device.

Ability to conduct daily vehicle inspections.

Ability to lift 50 lbs.

Ability to support maintenance functions and protective measures for storms, hurricanes, sandbag distribution, etc.

**PHYSICAL DEMANDS:**

The physical abilities described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. While performing the duties of this job, the employee is regularly required to walk, sit, write, hear, speak and be required to exert up to 50 pounds of force occasionally and/or negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects. May require fingering: picking, pinching, typing, or otherwise working, primarily with fingers rather than with the whole hand as in handling. Specific vision abilities required by this job include close and distance vision, peripheral, and depth perception. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

**WORK ENVIRONMENT:**

Work is performed primarily in an office environment that requires the employee to be sensitive to change and responsive to changing goals, priorities, and needs.

**COMMENTS:**

I have received a copy of this job description, which is a guideline, or summary of the duties I am to perform. The description is intended to describe the essential job functions, the general supplemental functions and the essential requirements for the performance of this job. I have read and understand the contents of this description.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Printed Name

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Date



## JOB DESCRIPTION

*To perform this job successfully, an individual must be able to perform the essential job functions satisfactorily. Reasonable accommodations may be made to enable individuals with disabilities to perform the primary job functions herein described.*

<b>Job Title:</b> Stores Clerk
--------------------------------

<b>Department:</b>	Police
<b>Reports To:</b>	Storekeeper Supervisor
<b>Supervises:</b>	N/A
<b>Pay Grade:</b>	G7
<b>EEO Class:</b>	6A
<b>Class Code:</b>	1120
<b>FLSA:</b>	Non-Exempt
<b>Benefit Code:</b>	General

### **JOB SUMMARY:**

Under the general supervision of a Departmental Supervisor, performs routine inventory work in the receipt, storage, and issuance of various commodities and the maintenance of control records in a supply area. Incumbent is responsible for operating a storeroom or assisting in the operation of a large central facility. Work is reviewed through observation and for adherence to established policies and procedures.

### **ESSENTIAL JOB FUNCTIONS AND RESPONSIBILITIES:**

Checks deliveries by vendors against requisitions for correctness and completeness; answers inquiries concerning materials in stock.

Maintains varied stock records such as inventory cards, invoices, purchase requests received, and the status of requisitions; identifies and codes stock items.

Gathers bid information; contacts vendors for quotes and availability information; schedules deliveries.

Operates a variety of tools and equipment in the receipt, storage, and disbursement of supplies and materials.

Assists in inventory activities; performs a variety of clerical and maintenance duties in a supply area.

Must effectively and positively represent the City in delivering and performing work with colleagues and clients, irrespective of gender, race, religion, age, disability, political affiliation or belief, or sexual orientation.

Must establish and maintain effective and professional relationships with work colleagues, supervisors and managers.

Performs related work as required for this position description only.

**EDUCATION/EXPERIENCE:**

To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

**Required:**

High School diploma or GED equivalent; supplemented by six (6) months of experience in general clerical or stores work.

**Preferred:**

An Associate's degree; supplemented by two (2) years of experience in general clerical or stores work.

Additional education and experience or an equivalent combination of training and experience may be substituted for the above requirements.

**CERTIFICATES, LICENSES, REGISTRATIONS:**

- Valid Driver's License: With proof of automobile insurance
- Background Check: Must have an acceptable background record
- Driving Abstract: Must have an acceptable driving record

**KNOWLEDGE, SKILLS, ABILITIES:**

Knowledge of methods, practices, tools and equipment commonly used in inventory control and storeroom operations.

Knowledge of rules and regulations of the Department of assignment.

Ability to identify, order and issue stock with speed and accuracy.

Ability to understand and follow instructions, written and oral.

Ability to establish and maintain effective working relationships.

Ability to respond to inquiries with tact and courtesy.

Ability to keep accurate records.

Ability to establish and maintain effective and professional relationships with work colleagues, supervisors, managers and the public.

Skill in the use of a variety of warehouse and related equipment.

Skill in the use of modern office machines, such as, telephone, copier, calculator, typewriter, computer terminal and printer.

**PHYSICAL DEMANDS:**

The physical abilities described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. While performing the duties of this job, the employee is regularly required to walk, sit, write, hear, speak and be required to exert up to 10 pounds of force occasionally and/or negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects. May require fingering: picking, pinching, typing, or otherwise working, primarily with fingers rather than with the whole hand as in handling. Specific vision abilities required by this job include close and distance vision, peripheral, and depth perception. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

**WORK ENVIRONMENT:**

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\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Printed Name

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Date



## **AGENDA ITEM 7**

**ITEM 7.a.**

**RLI CLOSING FILE on CLAIM re  
FROZEN BENEFIT VESTING**

## Lisa Castronovo

---

**From:** Susan Hess <Susan.Hess@rlicorp.com>  
**Sent:** Friday, September 09, 2016 10:27 AM  
**To:** 'Jim Linn'; Lisa Castronovo  
**Cc:** 'nicole\_davila@rpsins.com'; 'kathy\_hill@ajg.com'  
**Subject:** Closing notice - Pension Freeze Vesting Issue - RLI claim 00413210

**Insured:** City of Hollywood Employees' Retirement Fund  
**RLI Policy:** EPG0016716 (10/1/14 – 10/1/15)  
**Coverage:** Governmental Plans Fiduciary Liability  
**Limits:** \$1 million x \$25,000 retention  
**RLI Claim:** 00413210  
**Matter:** Resolution passed on July 8, 2015 by the City Commission of the City of Hollywood, FL, authorizing the City Attorney to file a civil action against the Retirement Fund Board for granting pensions to individuals deemed vested solely as a result of the ordinance freezing the prior plan in 2011.

Dear Mr. Linn and Ms. Castronovo:

RLI Insurance Company acknowledged receipt of the above-referenced matter as a notice of circumstance which could lead to a future Claim under the Policy, in a letter dated July 22, 2015. As it appears that no Claim has been made to date, we are closing our file at this time. If you believe there is any reason for us to keep our file open, or if there is ever a reason to reopen our file, please advise us immediately.

Regards,

Susan M. Hess  
RLI/Mt. Hawley Insurance Co.  
9025 N. Lindbergh Drive  
Peoria, IL 61615  
1-800-444-0406 x. 5539  
1-866-692-6796 (fax)  
[Susan.Hess@rlicorp.com](mailto:Susan.Hess@rlicorp.com)

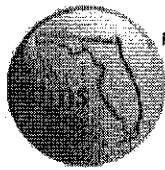
**\*\*RLI Correspondence Tracking Token: Please do not alter or remove\*\***

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**\*\*End of Token\*\***

**ITEM 7.b.**

**SEPTEMBER 13, 2016 from  
FLORIDA DIVISION of  
RETIREMENT**



FLORIDA DEPARTMENT OF MANAGEMENT SERVICES

**retirement**

We serve those who serve Florida

Bureau Local Retirement Systems

P.O. Box 9000

Tallahassee, FL 32315-9000

Tel: 850-486-2784 | Fax: 850-921-2161 | Toll-Free: 877-738-5622

Rick Scott, Governor

Chad Poppell, Secretary

September 13, 2016

Mr. Alan Fallik  
Deputy City Attorney  
City of Hollywood  
2600 Hollywood Blvd.  
Hollywood, Florida 33022-9045

Re: City of Hollywood General Employees' Retirement Plan (Plan)

Dear Mr. Fallik:

This letter follows up on my attached letters of July 3, 2014, and June 18, 2015, outlining the issues of noncompliance with Part VII of Chapter 112, Florida Statutes, for the above referenced Plan regarding the payment of a Supplemental Pension Distribution. These letters provided guidance on the additional information and/or corrections that are required to determine that the Plan is in compliance with section 112.61, F.S. To date, the additional information and/or corrections have not been received. Therefore, the plan has been determined to be **not state accepted** pursuant to Part VII of Chapter 112, F.S.

It appears that a supplemental distribution was paid out to retirees in 2015, based on results for the fiscal year ending September 30, 2013. Based on the Plan's unfavorable net actuarial experience accumulated from all sources of gains and losses, if the actuarial accrued liability created by this benefit is not funded through additional contributions, this distribution would not comply with Part VII of Chapter 112, F.S.

Based on our discussions with the Plan actuary, the pre-funding for future supplemental distributions is now being included in the actuarially determined contributions. In order to approve the payment of the 2015 supplemental benefit for compliance with Part VII of Chapter 112, F.S., please provide verification of the City of Hollywood's (City) commitment to fulfilling the pre-funding requirements in full for the supplemental benefit paid in 2015, and thereafter. The pre-funding component of the actuarially determined contribution will be reviewed periodically for adequacy as part of the actuarial review process in s. 112.63, F.S.

NOTE: Section 112.63(4), F.S., provides that if a satisfactory response to this request is not received within a reasonable period of time, the Department of

Mr. Alan Fallik  
Page 2  
September 13, 2016

Management Services may notify the Departments of Revenue and Financial Services to withhold any funds payable to the plan sponsor (not pledged for the satisfaction of bond debt service), until the additional material information or corrections have been received by this office.

Please let me know if you have any questions or if the Division can be of further assistance.

Sincerely,



Keith E. Brinkman, Chief  
Bureau of Local Retirement Systems

cc: Jim Linn, Esq.  
Jeff Amrose, Actuary  
Tammie Hechler, Administrator

attachments

## **AGENDA ITEM 8**

**ITEM 8.a.**

**CITY COMMISSION  
COMMUNICATION**



**CITY COMMISSION COMMUNICATION**  
**for the**  
**CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND**  
**BOARD OF TRUSTEES' AUGUST 25, 2016 REGULAR MEETING**

**Board's Communication to City Commission**

Items Requiring City Commission Action

- Attend Board of Trustees' regular meeting in the Pension Office starting at 9:00 AM, Thursday, October 27, 2016

Items of Interest to the City Commission

- None

Items Submitted for City Commission Consideration

- None

**Summary of August 25, 2016 Regular Board Meeting:**

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

**INVESTMENT MATTERS:**

Kelth Reynolds, representing Segal Rogerscasey, the Board's investment consultant, presented the Fund's June 30, 2016 quarterly performance report. Mr. Reynolds highlighted each money manager's performance when compared to their peers noting that per the Board's Investment policy, the idea is to hire money managers who consistently perform in the top half of their respective peer group. Specifically, for fiscal year-to-date (October 1, 2015 – June 30, 2016), the Fund's large cap domestic equity fund performed in the top 33% of its peer group as did both of the Fund's small-to-mid cap domestic equity funds. One of the Fund's international equity managers performed in the top quartile of its peer group while the other performed in the lower half. Further, one of the Fund's fixed income managers placed in the top quartile of its peers while the other one ranked in the bottom 15%. Regarding the underperforming international equity manager, Mr. Reynolds said Segal Rogerscasey remained confident in them given recent events in Europe. Regarding the underperforming fixed income manager, Mr. Reynolds reminded the Board of his upcoming presentation to them regarding fixed income structures and strategies.

Mr. Reynolds concluded by reporting that the Fund's market value on July 31, 2016 was \$290.2 million. The Fund's rate of return for the fiscal year-to-date was 9.80% vs. the policy index of 8.99% and that Segal Rogerscasey expected overall positive performance for the Fund for August 2016 and if the markets remained strong, the Fund would experience a very good return for fiscal year 2015-16.

**ADMINISTRATIVE MATTERS:**

The Board briefly discussed fiduciary liability insurance and a few items regarding administration of the Fund in consideration of its move to independence from the City.

**ITEM 8.b.**

**FIDUCIARY LIABILITY  
INSURANCE**

## **AGENDA ITEM 9**

**NO BACKUP  
FOR THIS SECTION**

## **AGENDA ITEM 10**

**NO BACKUP  
FOR THIS SECTION**

## **AGENDA ITEM 11**

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

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**DATE:** September 15, 2016  
**TO:** Board of Trustees of the Employees' Retirement Fund  
**FROM:** Lisa Castronovo, Pension Coordinator  
**SUBJECT:** Pension Coordinator Report

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**ISSUE:**

Items of interest from the Pension Coordinator

**EXPLANATION:**

- 1) As of today, I have processed all paperwork and payment of benefits and DROP distributions for all DROP participants who retired June 1, 2016 – September 1, 2016. There are now only 20 participants in the DROP. Of the remaining 20, only 11 are continuing to be credited with monthly deposits and quarterly earnings. The other 9 participants are no longer credited with monthly deposits or quarterly earnings but have a DROP account balance because they are continuing to work for the City beyond the date their DROP participation period ended.

**RECOMMENDATION:**

For your information



## **AGENDA ITEM 12**

**NO BACKUP  
FOR THIS SECTION**