

AGENDA ITEM 1

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 2

ITEM 2.a.

AGENDA ADOPTION

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

DATE: June 12, 2017
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lec*
SUBJECT: Agenda for June 22, 2017 Regular Board Meeting

ISSUE:

Approval of Agenda for June 22, 2017 regular Board meeting

EXPLANATION:

At the start of each regular Board meeting, approval of such meeting's agenda should be acquired.

RECOMMENDATION:

Approve Agenda for June 22, 2017 regular Board meeting

**AGENDA
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
THURSDAY, JUNE 22, 2017 at 9:00 AM
CITY HALL ANNEX, ROOM 20, 2600 HOLLYWOOD BOULEVARD**

- 1. CALL TO ORDER**
- 2. ROLL CALL AND PLEDGE OF ALLEGIANCE**
 - a. Agenda Adoption
- 3. CONSENT AGENDA**
 - a. May 25, 2017 Regular Meeting Minutes
 - b. Excuse Chair Shaw and Trustee Keller from May 25, 2017 Regular Board Meeting
 - c. Ratification of Distributions (Contributions and DROP) and Plan Expenses
 - d. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities
- 4. TREASURER'S REPORT**
- 5. INVESTMENT ISSUES (Keith Reynolds – Segal Marco Advisors)**
 - a. Multi-Sector Fixed Income Investment Manager Interviews
 - 9:30 AM - Loomis, Sayles & Company – *Andrea DiCenso & John Meyer*
 - 10:00 AM - GoldenTree Asset Management – *Kathy Sutherland & Marina Mekhlis*
 - 10:30 AM - Crescent Capital Group – *Pete Mitchell & Jonathan Insull*
 - 11:30 AM - Follow Up Discussion
 - b. Flash Performance Review
- 6. LEGAL ISSUES (James Linn – Lewis, Longman & Walker)**
 - a. 13th Check Litigation Update
- 7. ADMINISTRATIVE ISSUES**
 - a. Board Attorney RFP
 - b. City Commission Communication
 - c. Fund Administration Transition
 - d. Benefit Verification
- 8. PUBLIC COMMENTS**
- 9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS**
- 10. PENSION COORDINATOR'S REPORT (Lisa Castronovo)**
- 11. ADJOURNMENT**

Persons with disabilities who require reasonable accommodation in order to participate at an Employees' Retirement Board Meeting may call the Pension Office five (5) business days in advance at (954) 921-3333 (voice). If an individual is hearing or speech impaired, please call 1-800-955-8771 (V-TDD).

Any person wishing to appeal any decision made by the Board with respect to any matter considered at such meetings will need a record of the proceedings, and for such purposes may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is made.

Two or more members of any other city board, commission, or committee, who are not members of the Employees' Retirement Fund Board may attend this meeting and may, at that time, discuss matters on which foreseeable action may later be taken by their board, commission, or committee.

**CITY OF HOLLYWOOD, FLORIDA
EMPLOYEES' RETIREMENT FUND**

2017 REGULAR BOARD MEETING SCHEDULE

DATES AND TIMES

Thursday, January 26 - 9:00 AM

Thursday, February 23 – 9:00 AM

Thursday, March 23 – 9:00 AM

Thursday, April 27 – 9:00 AM

Thursday, May 25 – 9:00 AM

Thursday, June 22 – 9:00 AM

Thursday, July 27 – 9:00 AM

Thursday, August 24 – 9:00 AM

Thursday, September 28 – 9:00 AM

Thursday, November 2 – 9:00 AM

Thursday, December 14 – 9:00 AM

January

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February

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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March

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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April

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23	24	25	26	27	28	29
30						

May

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28	29	30	31			

June

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25	26	27	28	29	30	

July

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23	24	25	26	27	28	29
30	31					

August

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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September

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23	24	25	26	27	28	29
30						

October

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	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December

S	M	T	W	T	F	S
						1
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

☉ = Holidays □ = Pay day FT employees receive 12 holidays and 1 Birthday Holiday per fiscal year. For 4-10 work week employees, if the holiday falls on a Friday, Saturday or Monday (FSM) and the FSM is the employee's normal day off, the employee will receive a floating holiday.

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TRUSTEE/STAFF LIST
(Updated June 2017)

Board of Trustees (seven):

Phyllis Shaw, MBA, Chair
Utilities Accounting Supervisor
City of Hollywood
Department of Public Utilities
1621 N. 14th Avenue
Hollywood, FL 33020
(954) 921-3930
pshaw@hollywoodfl.org
Term: 3/1/2015 – 2/28/2018

Christopher Cassidy
Utility Shift Supervisor-Wastewater
City of Hollywood
Department of Public Utilities
1621 N. 14th Avenue
Hollywood, FL 33020
(954) 921-3288
knightowlcorp@gmail.com
Term: 3/1/2016 – 2/28/2019

Jeffrey Greene, CPA, PA, Vice-Chair
4601 Sheridan Street, Suite 210
Hollywood, FL 33021-3432
(954) 963-2500
cpagreene@aol.com
Term: 7/1/2017 – 6/30/2020*

Ronald Bolton
1150 NW 71 Avenue
Plantation, FL 33313
(954) 593-3823
Ronald_bolton@davie-fl.org
Term: 4/27/2017 – 10/31/2017

George Keller
Assistant City Manager/Finance & Administration
City of Hollywood
2600 Hollywood Boulevard
Hollywood, Florida 33020
(954) 921-3250
gkeller@hollywoodfl.org
Term: None

Charles Howell, CPA
3330 Hayes Street
Hollywood, FL 33021
(954) 559-8556
tax@iraking.com
Term: 5/27/2016 – 6/30/2018*

Mel Standley
Assistant City Manager/Public Safety
City of Hollywood
2600 Hollywood Boulevard
Hollywood, FL 33020
(954) 921-3250
mstandley@hollywoodfl.org
Term: None

* Per City of Hollywood Ordinance O-2009-34, the term ends on the last day of appointment for each Trustee appointed by the City Commission. Such appointed Trustee must then take a one (1) year break before seeking reappointment to the Pension Board.

Staff, Consultants & Others

Lisa Castronovo (Pension Coordinator)
City Hall Annex, Room 20
2600 Hollywood Boulevard
PO Box 229045
Hollywood, FL 33022-9045
(954) 921-3333; (954) 921-3332 fax
lcastronovo@hollywoodfl.org

Keith Reynolds (Investment Consultant)
Segal Rogerscasey
400 Galleria Parkway Suite 1700
Atlanta, GA 30339-5953
(770) 541-4826; (770) 234-5051 fax
kreynolds@segalrc.com

Marlon Kimpson, Esq. (Securities Litigation)
Motley Rice, LLC
600 Third Avenue, Suite 2101
New York, NY 10016
(212) 577-0041; (212) 577-0054 fax
mkipson@motleyrice.com

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Grant & Eisenhofer, PA
123 Justison Street
Wilmington, DE 19801
(302) 622-7000; (302) 622-7100 fax
ssaccaro@gelaw.com

Marijane Angels (Securities Litigation)
Scott + Scott
156 South Main Street
Colchester, CT 06415
(860) 531-2627
mangels@scott-scott.com

Wells Fargo Bank (Fund Custodian)
Customer Service: (877) 877-1219

James W. Linn (Board Attorney)
315 S. Calhoun Street
Suite 830
Tallahassee, FL 32301-1872
(850) 222-5702; (850) 224-9242 fax
jlinn@llw-law.com

Jeffrey Amrose (Board Actuary)
Gabriel, Roeder, Smith & Company
One E. Broward Blvd., Suite 505
Ft. Lauderdale, FL 33301
(954) 527-1616 ; (954) 525-0083 fax
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Boca Raton, FL 33486
(561) 869-1013; (888) 446-9994 fax
msaxena@saxenawhite.com

Jennifer Fabiszewski (Commission Recapture)
Cowen Execution Services LLC
599 Lexington Avenue, 20th Floor
New York, NY 10022
(646) 562-1010
jennifer.fabiszewski@cowen.com

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND MONEY MANAGERS

June 2017

Large Cap - Indexed

Northern Trust Global Investments
50 South La Salle Street
Chicago, IL 60603
James Dominguez
(312) 557-3391
(312) 451-4281 FAX
Jd131@ntrs.com

Small-Mid Cap - Value

Thompson, Siegel & Walmsley, Inc.
6806 Paragon Place, Ste 300
Richmond, VA 23230
Tracy Musser
(804) 521-6414
(804) 213-4949 FAX
tmusser@tswinvest.com

Small Cap - Growth

Frontier Capital Management Company
99 Summer Street
Boston, MA 02110
Sarah Jankowski
(617) 261-0777 ext. 136
(617) 428-0040 FAX
sjj@frontiercap.com

Real Estate - Core

Morgan Stanley
1585 Broadway, 37th Floor
New York, NY 10036
Lidia Novak
(212) 761-6424
(212) 507-4981 FAX
Lidia.novak@morganstanley.com

Real Estate - Value-Added Growth

Principal Global Investors
14755 N. Outer Road
Suite 108
Chersterfield, MO 63017
David Brandt
(636) 536-4270
(636) 536-4749 FAX
Brandt.david@principal.com

Core-Plus Fixed Income

Baird Advisors
777 E Wisconsin Avenue
Milwaukee, WI 53202-5391
Richard Whittow
(888) 792-9813
(414) 298-1063 (direct)
(414) 298-1078 FAX
rwhittow@rwbaird.com

Intermediate Fixed Income

Neuberger Berman
605 3rd Avenue
New York, NY 10158
William Wallace
(212) 476-5513
(646) 537-4898 FAX
william.wallace@nb.com

International Equity

Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Thomas Egan
(617) 289-3194
(617) 289-5194 FAX
tgegan@wellington.com

International Equity - Small Cap

Brandes Investment Partners
11988 El Camino Real, Suite 600
San Diego, CA 92130
Michael Israel
(800) 237-7119
(858) 755-0916 FAX
michael.israel@brandes.com

Private Equity

Neuberger Berman
605 3rd Avenue
New York, NY 10158
William Wallace
(212) 476-5513
(646) 537-4898 FAX
william.wallace@nb.com

Global Infrastructure

IFM
114 W. 47th Street
26th Floor
New York, NY 10036
Susan Gorman
(212) 784-2276
susan.gorman@ifminvestors.com

**Private Equity Fund of
Funds/Secondaries**

HarbourVest
One Financial Center
Boston, MA 02111
W. Fran Peters
(617) 348-3615
fpeters@harbourvest.com

Direct Lending

Angelo, Gordon & Co.
245 Park Avenue
New York, NY 10167
Rebecca Darcy
(212) 692-2000
rdarcy@angelogordon.com

MANAGER FEES

June 2017

Northern Trust (Domestic Equity)

Account: ****1900
.035% on first \$100 million
.03% on balance

Frontier Capital Management (Domestic Equity)

Account: ****1901
.75% on total portfolio

Brandes Investment Partners (Int'l Equity)

Account: ****1904
.95% on first \$25 million
.90% on next \$25 million
.80% on balance

Neuberger Berman (Fixed Income)

Account: ****0795
.30% on first \$50 million
.20% on next \$50 million
.15% on next \$100 million
.10% on next \$200 million
and .075% on balance

Principal Global Investors (Real Estate)*

Account: ****1903
1.4% on first \$5 million
1.3% on \$5 million up to \$10 million
1.2% on \$10 million up to \$50 million
1.1% on \$50 million up to \$100 million
1.0% on \$100 million up to \$150 million
.85% on balance

HarbourVest (Global Secondaries)

Account: ****1905
.75% on total portfolio**

Wells Fargo Bank (Custodian)

Investments -
.003% on total portfolio
\$2.50 per purchase & sale transaction
Benefit payments - Periodic -
\$1.50 per check/ACH plus postage

Thompson Siegel & Walmsley (Domestic Equity)

Account: ****0759
.80% on total portfolio

Wellington Management Co. (International Equity)

Account: ****1902
.75% on first \$25 million
.65% on next \$25 million
.55% on balance

Baird Advisors (Fixed Income)

Account: ****2105
.30% on first \$25 million
.25% on next \$25 million
.20% on next \$50 million
.15% on balance

Morgan Stanley (Real Estate)*

Account: ****2374
.90% of NAV minimum
up to .45% Incentive Fee

Neuberger Berman (Private Equity)

Account ****1906
.363% on total portfolio**

IFM (Global Infrastructure)

Account: ****1907
.77% on total portfolio
10% fee for performance over 8%/annum

Angelo, Gordon & Co. (Direct Lending)

Account: ****1908
.25% of cost basis of investments

Segal Rogerscasey (Investment Consultant)

\$130,000 annually effective 1/1/16

* These are mutual or commingled funds whose investment earnings are posted net of fees.

** Blended rate with extensions

*** Average past 14 years with extensions

AGENDA ITEM 3

ITEM 3.a.

**MINUTES of
MAY 25, 2017
REGULAR PENSION
BOARD MEETING**

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
THURSDAY, MAY 25, 2017**

1. CALL TO ORDER

Vice-Chair Greene called the meeting to order at 9:05 a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Vice-Chair Jeffrey Greene, Ronald Bolton (arrived at 9:08 a.m.), Christopher Cassidy, Charles Howell and Mel Standley. Board Members absent: Chair Phyllis Shaw and George Keller. Also present: Pension Coordinator Lisa Castronovo and Glenn Thomas for Board Attorney James Linn (Lewis, Longman & Walker).

- a. Adoption of Agenda

MOTION made by Mr. Standley, seconded by Mr. Howell, to adopt the May 25, 2017 regular Board meeting Agenda as presented. In a voice vote by the members present, all members voted in favor. **Motion** passed 4-0.

Vice-Chair Greene announced he was re-appointed by the City Commission to serve on the Board for three more years.

3. CONSENT AGENDA

- a. April 27, 2017 Regular Meeting Minutes
- b. Excuse Trustee Standley from April 27, 2017 Regular 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. Standley, seconded by Mr. Cassidy, to approve Consent Agenda Items 3.a.-d. In a voice vote by the members present, all members voted in favor. **Motion** passed 4-0.

4. TREASURER'S REPORT

No one was available from the City's Finance Department to present the Treasurer's Report but Ms. Castronovo directed the Board's attention to the draft April 30, 2017 provided by the Finance Department for their review.

Vice-Chair Greene suggested instead of having the money managers present at the Board's regular meetings over the course of the year to have one annual meeting at which each money manager would make their presentation (similar to what Miami does).

ACTION REQUIRED:

Ms. Castronovo – add to June's regular Board meeting Agenda discussion about annual all-day meeting for money manager presentations.

ACTION REQUIRED:

Ms. Castronovo – talk to Dave Williams at Police Retirement Fund about if and/or how their money managers help pay for trustees to attend various conferences.

5. INVESTMENT ISSUES (Keith Reynolds – Segal Marco Advisors)

- a. March 31, 2017 Quarterly Performance Review - Performance Report made part of these Minutes.

Mr. Reynolds reported the Fund experienced a very strong performance for quarter end March 31, 2017 with the year-to-date, one-year, three-year and five-year rates of return above their respective benchmarks.

- b. Flash Performance Review

Mr. Reynolds reported the Fund's market value was \$312 million April 30, 2017 with a net rate of return just shy of 6.0% for the current fiscal year.

6. LEGAL ISSUES (Glenn Thomas for Board Attorney James Linn – Lewis, Longman & Walker)

- a. Legislative Update

Mr. Thomas provided a brief update on the State's current legislative session noting that public plans came out fairly unscathed in the recent legislative session just concluded.

7. ADMINISTRATIVE ISSUES

- a. City Commission Communication

Ms. Castronovo provided the Board with a draft of the City Commission Communication for the April 27, 2017 regular Board meeting. Mr. Howell suggested adding to the Communication information about the annual conferences in October 2017 sponsored by Segal Marco Advisors and the International Foundation of Employee Benefit Plans.

ACTION REQUIRED:

Ms. Castronovo – add information to the City Commission Communication about the October conferences sponsored by Segal Marco Advisors and the International Foundation of Employee Benefit Plans.

- b. Fund Administration Transition

Mr. Howell reported he had seen available office space at the Regions Bank building at 450 N. Park Road that might be suitable for the Pension Office. Several Trustees stated they would try to stop by to look at it.

- c. Benefit Verification Communication

Ms. Castronovo noted she had provided the Trustees a memorandum along with sample letters regarding how the Board could pursue acquiring retirees' verification of their continued eligibility to receive retirement benefits. Ms. Castronovo summarized that benefit verifications could be done by doing regular benefit verification mailings, by relying on the decedent search provided by Wells Fargo in their monthly check registers, or by requesting an outside vendor to perform regular decedent searches for a fee of approximately \$200 per search.

The Board agreed they would like to use the services of an outside vendor since it would not be intrusive to the retirees.

ACTION REQUIRED:

Ms. Castronovo – get fee quote from an outside vendor regarding independent decedent searches for Fund members receiving retirement benefits.

8. PUBLIC COMMENTS

Robert Strauss – 2638 Jackson Street, Hollywood, FL

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

The Trustees collectively agreed they would like to add to the Agenda for the June 13, 2017 special meeting a discussion regarding the Pension Coordinator position.

10. PENSION COORDINATOR'S REPORT (Lisa Castronovo)

Ms. Castronovo inquired if the Trustees would be interested in her establishing for each of them an email account to be used exclusively for emails regarding the Board and Fund. The Trustees collectively agreed they did not want another email account at which they would have to remember to look. Mr. Bolton suggested establishing one email account as a "read" only account that could be reviewed by all Trustees.

Ms. Castronovo stated she met with a Battea Class Action Services representative, was impressed with the service offered, and thus would like to add to a future Agenda a presentation from the representative as she thought the services provided were worth the Board's review. In brief, Battea offers class action settlement award recovery services offered on a contingency basis. The Trustees agreed they would like to see a presentation at a future meeting.

ACTION REQUIRED:

Ms. Castronovo – ask Chair Shaw if a presentation by Battea Class Action Services can be added to a future Board meeting.

11. ADJOURNMENT

MOTION made by Mr. Keller, seconded by Mr. Howell, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. Meeting adjourned at 10:30 a.m.

Phyllis Shaw, Chair

Date

ITEM 3.b.

**EXCUSE ABSENCE
of
CHAIR SHAW & TRUSTEE KELLER
from May 25, 2017 Regular Meeting**

(No backup included for this Item)

ITEM 3.c.

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

PLAN DISTRIBUTIONS

EMPLOYEES' RETIREMENT FUND
Refunds and Distributions
June 22, 2017 Regular Pension Board Meeting

Refunds of Contributions

<u>Name</u>	<u>Refund</u>
	\$
	\$ <u>0.00</u>

Planned Retirement Distributions

Whittingham, Judith	\$ 215,581.53
	\$ <u>215,581.53</u>
	\$ <u>215,581.53</u>

DROP Distributions

Campbell, Gregory	\$ 8,010.27 *
	\$ <u>8,010.27</u>

TOTAL: \$ 223,591.80

* Payout of balance of DROP account

EMPLOYEES RETIREMENT FUND

Payment Requests Processed During the Period

May 1, 2017 through May 31, 2017

Manager Fees

Baird Advisors (quarter ending 03/31/17)	\$	36,159.04
Brandes International (quarter ending 03/31/17)		42,113.00
Segal Marco Advisors (March 2017)		10,833.33
Segal Marco Advisors (April 2017)		10,833.33
Wellington Management (quarter ending 03/31/17)		79,625.10
		<u>179,563.80</u>

Quarterly Custodian Fees

Wells Fargo Bank, N.A. (quarter ending 03/31/17)		<u>7,683.91</u>
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Attorney Fees

Lewis, Longman and Walker, P.A. (March 2017)		12,054.80
Lewis, Longman and Walker, P.A. (April 2017)		5,616.39
Rice Pugatch Robinson Storfer & Cohen (February 2017)		1,475.00
		<u>19,146.19</u>

Actuarial Fees

Gabriel, Roeder, Smith & Company (through 4/30/17)		<u>5,484.00</u>
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Pension Coordinator Fees

LECastronovo Co., Inc. (May 2017)		<u>13,173.33</u>
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Miscellaneous

Sharp - Copier Lease Payment (04/01/17 - 04/30/17)		165.64
The Berwyn Group		9.50
The Berwyn Group		4.75
P.E.P. Signs & Plaques		9.65
HostGator		10.95
Wells Fargo Business Card Interest		1.00
		<u>201.49</u>

Total	\$	<u><u>225,252.72</u></u>
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ITEM 3.d.

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

EMPLOYEES' RETIREMENT FUND

New Retirement/DROP/Death/Vested Annuities - Monthly Amounts
June 22, 2017 Regular Pension Board Meeting

May 2017

Guise, Carol - beneficiary of Jack Guise	\$	305.43
Mehrmann, Judith - retirement (from Vested)		2,061.58
Templeton, Lee - beneficiary of Richard Templeton		1,601.32

Benefits Stopped

Flauto, Gilbert - died 5/22/2017	\$	2,879.19
Guise, Jack - died 4/22/2017		610.85
Levengood, Jack - died 6/2/2017		1,954.98

AGENDA ITEM 4

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 5

ITEM 5.a.

MULTI-SECTOR INVESTMENT MANAGER INTERVIEWS

9:30 AM – LOOMIS, SAYLES & CO.

10:00 AM – GOLDENTREE ASSET MANAGEMENT

10:30 AM – CRESCENT CAPITAL GROUP

ITEM 5.b.

FLASH PERFORMANCE REVIEW

(Backup will be provided when received)

AGENDA ITEM 6

ITEM 6.a.

13th CHECK LITIGATION UPDATE

(No backup)

AGENDA ITEM 7

ITEM 7.a.

BOARD ATTORNEY RFP

No Backup

ITEM 7.b.

**CITY COMMISSION
COMMUNICATION**

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

DATE: June 12, 2017
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lec*
SUBJECT: City Commission Communication

ISSUE:

Regular communication with City Commissioners and other interested parties

EXPLANATION:

Attached is proposed City Commission Communication for the May 25, 2017 regular Board meeting.

RECOMMENDATION:

For review and discussion

CITY COMMISSION COMMUNICATION
from
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND'S
BOARD OF TRUSTEES
regarding
MAY 25, 2017 REGULAR MEETING

Board's Communication to City Commission

Items Requiring City Commission Action

- Attend Board of Trustees' July 27, 2017, 9:00 AM regular meeting (in Pension Office conference room)

Items of Interest to the City Commission

- Florida Public Pension Trustees Association Fall Trustees School in Tampa, FL October 8 - 11, 2017 (informational brochure and agenda will be provided when received)
- Segal Marco Advisors Annual Education Summit in Orlando, FL October 18 - 21, 2017 (informational brochure and agenda will be provided when received)
- International Foundation of Employee Benefit Plans in Las Vegas, NV October 22 - 25, 2017 (informational brochure and agenda will be provided when received)

Items Submitted for City Commission Consideration

- None

May 25, 2017 Regular Board Meeting Summary:

Board Members present: Vice-Chair Jeffrey Greene
Ronald Bolton
Chris Cassidy
Charles Howell
Mel Standley

Board Members absent: Chair Phyllis Shaw & George Keller (excused absence)

Vacancy: None

Also present: Pension Coordinator Lisa Castronovo
Attorney Glenn Thomas for Board Attorney James Linn

Retirement Fund Investments (Keith Reynolds, Segal Marco Advisors, investment consultant):

- Mr. Reynolds presented the Fund's March 31, 2017 quarterly performance report noting the Fund's overall total net rate of return for the quarter end was 4.10% compared to the policy index of 3.96%
- Mr. Reynolds presented the Fund's April 2017 flash performance report noting the Fund's market value on April 30, 2017 was \$311.8 million with a net rate of return for the month of April of 1.03% compared to the policy return of 1.09%.

Legal:

- Attorney Glenn Thomas provided a brief update on legal matters

Administrative:

The Board discussed:

- Moving the Pension Office to Regions Bank office building on N. Park Road
- Different methods to verify retirees' continued eligibility to receive retirement benefits ultimately deciding they would like to utilize the services of an independent vendor who provides decedent searches for a fee
- Seeing a presentation by a company that provides class action settlement award recovery services (on a contingency basis)

ITEM 7.c.

FUND ADMINISTRATION

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

DATE: June 13, 2017
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lec*
SUBJECT: Fund Administration

ISSUE:

Fund administration

EXPLANATION:

Continue discussions regarding the transition from City administration to independent administration of the Fund.

RECOMMENDATION:

Discuss/provide updates re: transition

City of Hollywood Employee Retirement Pension

Transition- as of June 1, 2017

PRIORITIES AS OF JUNE 1, 2017:

1. Pension Coordinator and Pension Office staff: what is the need of the Pension Board? Independent contractor, TPA, hybrid, employees?
2. Select Board Attorney
3. Budget: City's Finance Department to assist; George to discuss with Finance Department
4. Scan files in Pension Office
5. Technology: George to follow-up with IT Director Raheem Seecharan to review his February 8th discussion with Lisa

Rental/Lease/Lessee - location/amount/ownership

- Search for office space including Broward Shrine Club on Taylor Street, business office suites such as that provided by Regus, executive office space in a building on east side of Dixie Highway near Johnson Street; provide all gathered information to Lisa
- Trustee Howell to provide to Lisa information regarding available office space as reported to him by realtors he reached out to
- For information and comparison purposes, contact Sun Credit Union, Hollywood Chamber of Commerce, administrators of the Police and Fire Funds and AFSCME reps to gather information on what is paid for office space in Hollywood; unassigned

Software/hardware requirements:

- Implementation of pension software; on hold
- IT Director Raheem Seecharan will make himself available to work with the Board regarding all electronic needs (cost, space, independent server, DRP, etc.)
- Find out what Police and Fire are using for computer system including server; unassigned
- Internet for Pension Office; Lisa to call internet service providers to obtain quotes

Telephone System:

- Trustee Howell to bring back an IT idea; completed
- Lisa will ask IT about phone system including keeping the current phone number; completed

Accounting: currently done by City. Hire accounting firm (all, some, bookkeeper)?

- Set up new Sunbiz; unassigned
 - Need to make sure it still meet tax exempt under City of Hollywood – Lisa to request federal tax ID
 - Should it be a DBA – not needed
 - Find out how Police and Fire are set up on Sunbiz and if they are legally done? Unassigned
- Bank Reconciliation – follow the process we deem Unassigned
- Payments Unassigned
- What process (i.e. Police, Fire, etc.)? Board should see all payments prior to paying; continue to follow the current review process (establish an administrative policy) Unassigned
- Budget – OMB (first budget FY 2018 / Oct 1, 2017). Lisa to request from Police & Fire administrators a copy of the Excel spreadsheet each uses for budget purposes; she will provide to each trustee via email

Signatory Authority: who/what/when/how

- Chair/Vice-Chair/Secretary (two signatures for all documents)
- Chair Shaw reported an operating account can be set up with Sun Credit Union

Payment of Vendors:

- What degree of involvement from Board? City will assist but Pension staff must take over these tasks

City's ongoing involvement:

- What level of involvement?
- RFP/RFQs – City is currently preparing RFPs for Board Attorney and Pension Coordinator

Contracts in Place: all contracts should to be in Board's name from now on

- Actuary – RFP to be done in early 2017; unassigned
- Investment Consultant – complete current investments
- Auditors – not needed for fiscal year 2016-17 as it is part of City's contract for audit services; RFP for fiscal year 2017-18 and beyond will be needed; unassigned
- Custodian – Open for discussion in early 2017; unassigned

ITEM 7.d.

BENEFIT VERIFICATION

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

DATE: June 13, 2017
TO: Board of Trustees of the Employees' Retirement Fund
FROM: Lisa Castronovo, Pension Coordinator *lsc*
SUBJECT: Benefit Verification

ISSUE:

Benefit Verification

EXPLANATION:

Per the Board's direction, I contacted The Berwyn Group to acquire price quotes for death audits. The Berwyn Group recommends that death audits be performed on at least a monthly basis by all plans with more than 600 retirees since typically, for every 600 retirees, one dies each month. The Berwyn Group recommends the Fund purchase an annual license for their software application that would allow us to perform on-demand death audits as often as we like - daily, weekly, monthly, quarterly. The annual license fee for the software is \$2,632. If the Board would like The Berwyn Group to perform the audit on a less regular basis, they can do so for \$895 per audit.

RECOMMENDATION:

For your information

Lisa Castronovo, CEBS, CPPT
Pension Coordinator
City of Hollywood Employees' Retirement Fund

For over 24 years, our clients have relied on The Berwyn Group's tools to help meet regulatory requirements, maintain fiduciary responsibilities, improve bottom-line performance and increase work efficiency. Today, our 600 clients span the financial industry – single and multi-employer retirement plans, state and municipal pensions, TPAs, banks, brokerage firms, mutual funds, and insurance companies.

Reliable Death Data

The Berwyn Group maintains one of the most (if not the most) complete commercially available death data sets in the industry. Entrants to the death auditing marketplace post November 2011 will never be able to obtain a death data set as comprehensive as that of the Berwyn Group. The reason for this is the SSA deleted records from its' Numident file that are no longer available to new 'users' of this data. In addition, historical state, DOD, and rail road retirement board death data which is no longer available to new 'users' will never be available to new entrants.

The Berwyn Group rigorously pursues new data sources and has been working with many, now closed, state vital statistics departments to re-open access to these files. The Berwyn Group has been able to re-acquire records from several previously closed states. Currently the Berwyn Group Death Data contains over 50 million records more than the SSDMF or over 143 million records.

Death Audit Systems' Search Logic

The Berwyn Group has been providing death audit services for over 24 years. Within this time frame the Berwyn Group has developed a core set of algorithms and reporting modules that are able to reliably identify decedents within our Master Death File even if certain data elements from the customer file do not match 100% with the data in our Master Death File.

Our core system has been designed to greatly limit false positives thereby providing our customers with a list of matches that have a high degree of certainty.

Obituary Data Base

The use of this database is more important today than ever. The reason for this is that the Social Security Administration no longer releases State Vital Statistics Deaths unless they are independently verified by the SSA. The SSA only released approximately 1.5 million records in 2014. Approximately, 2.5 million individuals die on an annual basis. ObitCheck.com fills in that gap with a 35 million record database growing at a rate of 55,000 to 75,000 records per week.

Proposed Solution

The Berwyn Death Audit Software (BDAS) is a desktop software that allows for on demand access the Berwyn Groups' Death Database for Batch or Individual Search. The system is designed for a great degree of flexibility through import, audit, reporting and tracking stages. The BDAS accepts CSV, Fixed Width Files, or can interact directly with a centralized database through an Online Database Connection (ODBC). The audit process starts by encrypting the data, separating the file into thousand record sections, sends the file via Secure Socket Layer encryption, compares the state's records against the Berwyn Group's death data, send the newly encrypted data back to the employee's desktop, and reassembles the data in less than 3 minutes for 3,000 records.

After the file is searched, all personal information is removed from the Berwyn Group's facilities and the only retained information is: which organization, searched how many records, and at what time. This approach allows organizations to have a greater level of data control and security compared to a third party hosting client data.

With interactive drag and drop interfaces the Reporting options are highly customizable. Records can be managed within the system to proscribe next steps, for example: send live and well letters, suspend payment, or acquire death certificate. False positive may be marked or suppressed. The reports may be exported in a number of formats: txt, csv, Excel, Word, and pdf.

BDAS with Obits:

On Demand Death Audit of 143 million death records and 35 million obituaries

Annual License for up to 5,000 records

\$2,632

500 Obituary Narrative Views

Michael Murphy

Michael Murphy

Vice President of Business Development

Phone: (216) 755-7008

Email: Mike@BerwynGroup.com

AGENDA ITEM 8

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 9

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 10

**NO BACKUP
FOR THIS SECTION**

AGENDA ITEM 11

**NO BACKUP
FOR THIS SECTION**