

# **AGENDA ITEM 1**

**NO BACKUP  
FOR THIS SECTION**

# **AGENDA ITEM 2**

**ITEM 2.a.**

**RETIREE-ELECTED TRUSTEE**

**NO BACKUP  
FOR THIS SECTION**

**ITEM 2.b.**

**AGENDA ADOPTION**



# CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

2600 Hollywood Blvd. • City Hall Annex Building, 2<sup>ND</sup> Floor, Room 20 • Hollywood, FL 33020  
(954) 921-3333 • (954) 921-3332 Fax • www.hollywoodpension.com

## AGENDA REGULAR PENSION BOARD MEETING CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND THURSDAY, NOVEMBER 2, 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. New Retiree-representative Trustee – Robert Strauss
  - b. Agenda Adoption
3. **CONSENT AGENDA**
  - a. September 28, 2017 Regular Meeting Minutes
  - b. September 28, 2017 Special Meeting Minutes
  - 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. Wells Fargo Presentation – Karl Hutchinson
  - b. Segal Marco Advisors Administrative Services – Amy Forebaugh
  - c. Flash Performance Review
6. **LEGAL ISSUES (James Linn – Lewis, Longman & Walker)**
  - a. Letter to City re Underpayment of ARC for Year End September 30, 2016
  - b. Directors & Officers Insurance Coverage
  - c. GRS Contract Update
7. **ADMINISTRATIVE ISSUES**
  - a. City Commission Communication
  - b. Executive Director Resume/Application Review
  - c. Assistant Administrator Resume/Application Review
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 TO PARTICIPATE IN AN EMPLOYEES' RETIREMENT FUND 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 800-955-8771 (V-TDD).

ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING 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.

THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATION MEDIA TECHNOLOGY, THE TYPE BEING A SPEAKER TELEPHONE.

IN COMPLIANCE OF STATE LAW, THE BOARD OF TRUSTEES FINDS THAT A PROPER AND LEGITIMATE PURPOSE IS SERVED WHEN MEMBERS OF THE PUBLIC HAVE BEEN GIVEN A REASONABLE OPPORTUNITY TO BE HEARD ON A MATTER BEFORE THE BOARD. THEREFORE, THE BOARD OF TRUSTEES HAVE DETERMINED AND DECLARED THAT THEY WILL ALLOW THE PUBLIC TO COMMENT; HOWEVER, EACH PERSON IS LIMITED TO NO MORE THAN (3) THREE MINUTES TO COMMENT AT EACH MEETING.

TWO OF 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.

# **AGENDA ITEM 3**



**ITEM 3.a.**

**MINUTES of  
SEPTEMBER 28, 2017  
REGULAR PENSION  
BOARD MEETING**

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
THURSDAY, SEPTEMBER 28, 2017**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 9:08 a.m.

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

Board Members present: Chair Phyllis Shaw, Ronald Bolton, Christopher Cassidy, Charles Howell (arrived at 9:19 a.m.), George Keller (arrived at 9:13 a.m.) and Mel Standley. Board Members absent: Vice-Chair Jeffrey Greene. Also present: Pension Coordinator Lisa Castronovo and Board Attorney James Linn (Lewis, Longman & Walker).

a. Agenda Adoption

**MOTION** made by Mr. Bolton, seconded by Mr. Cassidy, to adopt the September 28, 2017 regular Board meeting Agenda as presented. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**3. CONSENT AGENDA**

- a. August 24, 2017 Regular Meeting Minutes
- b. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- c. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities

Chair Shaw pulled item 3.b. for discussion regarding Lewis, Longman & Walker invoices for July and August.

**MOTION** made by Mr. Bolton, seconded by Mr. Standley, to approve Consent Agenda items 3.a. and 3.c. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

Mr. Linn agreed to review his Lewis, Longman invoices and eliminate duplicate charges.

**MOTION** made by Mr. Bolton, seconded by Mr. Standley, to approve Consent Agenda item 3.b. as amended. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

**4. TREASURER'S REPORT**

Mr. Ernesto Acosta, Department of Finance's General Accounting Division Director, reported the fund passed the assumed rate of return, currently at 9.54%, but noted September's return was unpredictable due to the three recent hurricanes and their possible impact on some Fund investments.

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

- a. HarbourVest Presentation (Michael Pugatch)  
Handout made part of these Minutes.

Mr. Pugatch, Managing Director, began his presentation by noting that HarbourVest 1) was established in 1982 and had more than \$50 billion committed to investments over three decades, 2) had a very deep, experienced team with more than 100 investment professionals, 3) focuses primarily on private markets with comprehensive and specialized programs, 4) had a proven track record of results, 5) offered superior client service and 6) had in place strong risk controls.

Mr. Pugatch continued by explaining the benefits of secondary investing: 1) J-curve mitigation, 2) near-term liquidity, 3) faster capital deployment, 4) immediate diversification, and 5) compelling returns with lower risk. In particular, HarbourVest strives to deliver top quartile rates of return while assuming less risk by focusing on less efficient segments of the market, building diversified portfolios, and making investments with outperformance potential.

To date, HarbourVest's Dover Street IX, the fund in which the Retirement Fund invested, was performing very well with strong returns. HarbourVest expected the Dover Street IX fund to return around 1.3 times the original investment.

- b. Neuberger Berman Crossroads Presentation (Paul Daggett & Meaghan Doyle)  
Handout made part of these Minutes.

Mr. Daggett, Managing Director, began the presentation by noting that Neuberger Berman ("NB") 1) had been in business over 75 years, 2) was 100% independent and employee-owned, 3) had over 1,900 employees employed across thirty cities worldwide with a 96% retention rate, and 4) had over \$281 billion assets under management.

Ms. Doyle, Vice-President, discussed the absolute and relative returns of NB's private investment portfolios in general – 15.5% vs. the S&P 500 return of 10.8% from January 1987 – March 2017. Ms. Doyle explained that NB's private equity investment philosophy was to allocate tactically, invest selectively, use capital efficiently, and manage risk at all times.

Ms. Doyle reported regarding NB Crossroads Fund XXI specifically, it closed in October 2016 with over \$830 million in total assets with 35 primary investments, 12 of which had been fully funded. Regarding the Retirement Fund's specific investment, its total commitment was \$20 million of which, as of September 15, 2017, \$7.5M had been contributed. Crossroads Fund XXI was highly diversified across the industry and predominantly focused in North America. As of June 30, 2017, Crossroads Fund XXI was held at a 1.09x multiple on a gross basis. Ms. Doyle expected the net cash flow from the Crossroads fund would be positive by 2020.

c. Flash Performance Review

Mr. Reynolds reported the Fund's market value was \$312.6 million on August 31, 2017 with an approximate net rate of return of 9.15% for the current fiscal year.

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

a. Closed Attorney-Client Meeting – separate Agenda

Mr. Linn said he and Attorney Ronald Cohen agreed to cancel the closed attorney-client meeting as there was no pertinent information to present at the time. Mr. Linn requested to re-schedule the closed for a future date when more information was available.

Mr. Keller reported negotiations had finished regarding the 13<sup>th</sup> check issue and a detailed package of terms and conditions would soon be available. Chair Shaw stated Gabriel, Roeder, Smith & Company would need to be involved if payments to members would be made. Mr. Linn stated Mr. Cohen still needed a closed session at some point.

b. Draft Credit Card Policy & Credit Card User Agreement

Mr. Linn presented a draft policy and user agreement regarding credit card usage in the performance of Fund business.

**MOTION** made by Mr. Bolton, seconded by Mr. Keller, to adjust the credit card limit to \$16,000.00. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

**MOTION** made by Mr. Bolton, seconded by Mr. Standley, to approve the issuance of credit cards for the Board Chair and Vice-Chair. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

**MOTION** made by Mr. Bolton, seconded by Mr. Cassidy, to approve the Credit Card Policy and User Agreement with the amendment to change any reference to Executive Director to Executive Director/Pension Coordinator. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

Mr. Linn recommended the Board write a demand letter to the City for the underpayment of City contributions for the plan year ending September 30, 2016 similar to the demand letter sent previously for the underpayment of City contributions for the plan year ending September 30, 2015.

**MOTION** made by Mr. Bolton, seconded by Mr. Keller, to send a follow-up letter to the City with the additional demand for the underpayment of City contributions for the plan year ending September 30, 2016. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

**7. ADMINISTRATIVE ISSUES**

- d. Pension Coordinator's Contractual Notice (taken out of order)
- e. Succession Planning – Pension Board's Operations (taken out of order)

Referring to LECastronovo Co., Inc.'s 90-day notice of termination of Contract as Pension Coordinator effective November 29, 2017, Chair Shaw stated the Board must discuss pension office operations between the time of the cessation of the contract and the hiring of an Executive Director/Assistant Administrator. Chair Shaw asked Mr. Reynolds if his company provided administrative services to which Mr. Reynolds responded they do, but only on the investment side.

Mr. Keller noted that the Police Fund's administrator, Dave Williams, had filled in as the Fire Fund's administrator and that he might be willing to work for the Board in a temporary capacity and might consider taking the full-time position as well.

**ACTION REQUIRED:**

Mr. Keller– contact Mr. Williams to find out if he would be interested in serving as the interim administrator for the Pension Office.

- a. City Commission Communication

Ms. Castronovo provided the Board with a draft of the City Commission Communication for the August 24, 2017 regular Board meeting.

**MOTION** made by Mr. Standley, seconded by Mr. Bolton, to approve the City Commission Communication. In a voice vote by the members present, all members voted in favor. Motion passed 6-0.

- b. Summary Plan Description(s)

Ms. Castronovo stated it was time to update, publish and distribute the Summary Plan Descriptions ("SPDs"). Ms. Castronovo stated that since the SPD's were distributed in 2015, the City's Ordinance had been amended to provide a different normal retirement age and that she had updated the SPDs to reflect the change.

**MOTION** made by Mr. Standley, seconded by Mr. Bolton, to approve the three Summary Plan Descriptions as presented. In a voice vote by the members present, all members voted in favor. Motion passed 6-0.

- c. Gabriel, Roeder, Smith & Company Contract

Chair Shaw stated the existing GRS contract was between the GRS and the City, not GRS and the Board. Chair Shaw said, due to the Ordinance change dictating the independence of the Board from the City, the GRS contract should be between GRS and the Board.

**MOTION** made by Mr. Bolton, seconded by Mr. Standley, to have the Board send a letter to the City to have the City assign the existing contract with GRS to the Board.

Mr. Linn suggested that as part of the assignment, the City and GRS agree to say that the client will be the Board, not the City and that all reference to the City in the contract be replaced with "the Board."

Amendment to the Motion was accepted and all members voted in favor. **Motion** passed 6-0.

- d. Pension Coordinator's Contractual Notice (taken out of order)
- e. Succession Planning – Pension Board's Operations (taken out of order)

Chair Shaw asked if the job notices could be placed in the Sun Sentinel and/or on the City's website. The Board agreed the Notices should be placed on the City's website and NeoGov but not with Sun Sentinel.

The Board decided to hold a special Board meeting on Tuesday, September 17 to review the submitted resumes and select for interview the top five.

**8. PUBLIC COMMENTS**

Public comments were made by Robert Strauss – 2638 Jackson Street, Hollywood, FL

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

Mr. Bolton stated he was not seeking the retiree-elected trustee position on the Board for the next term, November 1, 2017 – October 31, 2020. Mr. Bolton said three retirees, Gail Reinfeld, Robert Strauss and Cheryl Winton, were nominated at a special City of Hollywood Retirees' Association ("COHRA") meeting for the retiree-elected trustee position. As a result, an election for the position would be held at COHRA's annual meeting on October 25, 2017 and ballots would be mailed to all retirees in advance of the meeting.

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

Ms. Castronovo had nothing to report.

**11. ADJOURNMENT**

**MOTION** made by Mr. Bolton, seconded by Mr. Standley, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. Meeting adjourned at 11:51 a.m.

---

Phyllis Shaw, Chair

---

Date

**ITEM 3.b.**

**MINUTES of  
SEPTEMBER 28, 2017  
SPECIAL PENSION  
BOARD MEETING**

**MINUTES  
SPECIAL PENSION BOARD MEETING  
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND  
THURSDAY, SEPTEMBER 28, 2017**

**1. CALL TO ORDER**

Chair Shaw called the meeting to order at 2:11 p.m.

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

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene, Ronald Bolton, Chris Cassidy, George Keller, Charles Howell and Mel Standley. Also present: Pension Coordinator Lisa Castronovo and Board Attorney James Linn.

**3. FULL HEARING – DUTY DISABILITY APPLICANT IFATUNBI ADEFUNMI**

Ms. Adefunmi's legal counsel, Mr. Michael Braverman, explained that the power in his office had been out since 9:40 a.m. which prevented him from accessing his computer files and notes regarding the case at hand. Mr. Braverman apologized for the inconvenience and requested the Board postpone the full hearing.

Chair Shaw expressed her concern regarding the number of times the hearing had already been postponed. Mr. Linn recommended the Board reschedule the hearing to ensure the claimant received due process.

**MOTION** made by Mr. Bolton, seconded by Mr. Howell, to reschedule the meeting. In a voice vote by the members present, **Motion** passed 7-0.

A special Board meeting was scheduled for Thursday, November 9, 2017, 1:30 p.m., for the full hearing.

**4. ADJOURNMENT**

**MOTION** made by Mr. Bolton, seconded by Mr. Keller, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 2:22 p.m.

\_\_\_\_\_  
Phyllis Shaw, Chair

\_\_\_\_\_  
Date



**ITEM 3.c.**

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

# **PLAN DISTRIBUTIONS**

**EMPLOYEES' RETIREMENT FUND**  
**Refunds and DROP Distributions**  
**November 2, 2017 Regular Pension Board Meeting**

**Refunds of Contributions**

<u>Name</u>	<u>Refund</u>
Butler, Scott	\$ 1,032.84
Cortez, Jonathan	4,670.66
Lall, Joel	1,879.71
	\$ <u>7,583.21</u>

**Planned Retirement**

Whalen, Bruce	12,526.03
	\$ <u>12,526.03</u>

**Partial Lump Sum Distribution**

\$ 0.00

**DROP Distributions**

Cunningham, Michael	\$ 269,525.23
	\$ <u>269,525.23</u>

**TOTAL: \$ 289,634.47**

# **PLAN EXPENSES**

# EMPLOYEES RETIREMENT FUND

Payment Requests Processed During the Period  
September 1, 2017 through September 30, 2017

## Attorney Fees

Lewis, Longman and Walker, P.A. (August 2017)	\$ 10,313.00
Rice Pugatch Robinson Storfer & Cohen (June 2017)	1,325.00
	<u>11,638.00</u>

## Actuarial Fees

Gabriel, Roeder, Smith & Company (through 7/31/17)	<u>17,614.00</u>
--	------------------

## Pension Coordinator Fees

LECastronovo Co., Inc. (September 2017)	<u>13,173.33</u>
---	------------------

## Miscellaneous

Sharp - Copier Lease Payment (07/01/17 - 07/31/17)	152.46
Office Depot - General Office Supplies	53.21
HostGator	10.95
	<u>216.62</u>

Total	\$ <u>42,641.95</u>
-------	---------------------

**ITEM 3.d.**

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

# EMPLOYEES' RETIREMENT FUND

New Retirement/DROP/Death/Vested Annuities - Monthly Amounts  
November 2, 2017 Regular Pension Board Meeting

## September 2017

Cunningham, Michael - retirement (from DROP)	\$	3,624.42
Whalen, Bruce - retirement (from Planned Retirement)		2,644.78

## October 2017

Modestil, Iramene - retirement (from DROP)	\$	3,642.80
--	----	----------

## Benefits Stopped

Dimeo, Alphonse - died 9/1/2017	\$	2,437.46
---------------------------------	----	----------

# **AGENDA ITEM 4**



**NO BACKUP  
FOR THIS SECTION**

# **AGENDA ITEM 5**

# **INVESTMENT FYI**

## Lisa Castronovo

---

**From:** Grant Duncan <Grant.Duncan@brandes.com>  
**Sent:** Friday, October 27, 2017 7:53 AM  
**To:** Lisa Castronovo  
**Subject:** Brandes - cash weight update

Lisa,

It was good to see you and a number of the trustees at the Segal Marco Advisors Client conference. I wanted to provide an update on the cash weight within the portfolio that was discussed in the August meeting.

As of today, the cash weight of the Brandes International Small Cap Equity portfolio is 15%. I believe it's important to note that the cash is not "tactical or macro" call of the Brandes Small Cap team on the equity markets. The current cash weight reflects both the conviction of the investment committee to those holdings currently in the portfolio and the challenge in finding new investments priced at a level to justify their risk and return profile. The team is generally finding that many new candidates for investment are priced at or above estimates of their intrinsic value. While our estimates of value are based upon the company's fundamentals, this does not seem to be a perspective embraced by the current market.

History has shown us that patience is important in periods like the current market environment. As we heard Tim Barron reference this current market as a "what me worry" market, our responsibility to the City of Hollywood's beneficiaries is one we take seriously and would argue now is the exact time to avoid expensive assets and be patient. We believe volatility will eventually come back into the markets and create investment opportunities which will allow the Small Cap team to allocate capital to new companies at a meaningful discount to their estimate of intrinsic value.

Scott Thompson and I are happy to come back to the board in February as requested. Let us know if you have any questions or would like us to confirm a date for a future portfolio review.

Thanks!

Best,

**Grant Duncan | Director, Institutional Group**  
Brandes Investment Partners, L.P.  
Direct: 678.640.8907  
[grant.duncan@brandes.com](mailto:grant.duncan@brandes.com) | [www.brandes.com](http://www.brandes.com)

*Worldwide Value Specialists since 1974*

**Distribution Notice**

**Distribution Date: Tuesday, October 31, 2017**

To: **The limited partners of AG Direct Lending Fund II, L.P.**

Date: **October 26, 2017**

Account: **City of Hollywood Employees' Retirement Fund**

We wish to advise you that **AG Direct Lending Fund II, L.P.** will be making a distribution of capital on **Tuesday, October 31, 2017**. The amount of the distribution will be approximately **1.5%** of the fund's average paid-in capital during the third quarter of 2017. For your account, this equates to a **\$64,036** distribution.

The distribution proceeds consist of investment income generated from the portfolio.

*Unless we are instructed otherwise, we will disburse the proceeds of this distribution pursuant to the instructions we have on file.*

If you have any questions, please contact Robert Lash at (212) 692-2140 or at [rlash@angelogordon.com](mailto:rlash@angelogordon.com).

Sincerely,  
AG Direct Lending Fund II GP, LLC

By: Angelo, Gordon & Co., L.P.,  
its Manager



By: Michael L. Gordon

Title: Chief Executive Officer and Chief Investment Officer



# HARBOURVEST

October 25, 2017

To our Limited Partner: City of Hollywood Employees' Retirement Fund

**Re: Cash Distribution from Dover Street IX L.P.**

We are pleased to inform you that on Monday, October 30, 2017, Dover Street IX L.P. ("Dover IX" or the "Fund") will make a cash distribution to its Partners in the amount of **\$51,627,771**. This brings total Limited Partner distributions to 0.22x contributed capital. A wire will be sent to you on October 30 in the amount of **\$115,135**, representing your share of the current distribution.

This distribution includes cash proceeds received from four secondary investments. The largest source of the distribution is \$27.3 million received from Project Henderson's investments in funds managed by Lone Star Funds, M&G Investment Management, Kainos Capital Partners (October 2017 sale of Trilliant Food & Nutrition to Blackstone Capital Partners), Pharos Capital Partners, and Levine Leitchman Capital Partners. The distribution includes \$22.8 million received from Dover IX's 2016 investment in HarbourVest Structured Solutions III (HVSS III), the acquisition of the SVG Capital portfolio, related to its investments in Aberdeen Diamond Holding II, PDM CLO I.B.V. (Permira), and Fifth Cinven (No.6)'s investments in Medpace, Visma, CeramTec, Premium Credit, and others. The Fund is also distributing \$4.6 million received from Project March's investments in BDCM Offshore Opportunity Fund II, Endeavour Capital Fund V, and MDV IX. The remaining proceeds of \$0.3 million were received from Project Vale (MML Capital Partners Fund V).

If you have any questions, please call me or Jack Wagner, Senior Vice President and Treasurer at +1 617 348 3707.

Very truly yours,

Karin J. Lagerlund, CPA  
Managing Director and Chief Financial Officer

lcastronovo@hollywoodfl.com - 2017-10-25T10:03:03 - 72.55.24.66

**Cash Distribution Notice**

City of Hollywood Employees' Retirement Fund

Dover Street IX L.P.

Proceeds to be wired on October 30, 2017

---

**Details of Distribution**

<b>Gross Distribution</b>	<b>\$115,135</b>
Return of Capital	\$66,996
Gain	\$48,139

<b>Total Distribution</b>	<b>\$115,135</b>
---------------------------	------------------

**Summary of Capital Calls and Distributions**

Total Capital Called	\$1,600,000
Total Distributions (including this distribution)	\$355,391

lcastronovo@hollywoodfl.org - 2017-10-25T10:03:33 - 72.55.24.66

# HarbourVest Dover Street IX Investment L.P.

## Cash Distribution

October 30, 2017

Description	Return of Capital (\$)	Gain (\$)	Total (\$)
<i>* Partnership Investments:</i>			
HarbourVest Structured Solutions III, L.P. (Secondary)	14,978,238	7,870,053	22,848,291
HV Henderson LLC (Secondary)	15,016,876	12,283,125	27,300,001
HV March LLC (Secondary)	1,801,385	2,748,617	4,550,002
MML Capital Partners Fund V, LP (Secondary)	207,443	94,263	301,706
<b>Total Distribution:</b>	<b>32,003,942</b>	<b>22,996,058</b>	<b>55,000,000</b>

*\* Amounts received from partnership investments are broken out between return of capital and gain as reported by the partnership. In cases where the breakout is not reported by the partnership, amounts received are classified as return of capital until 100% of paid in capital is returned. Subsequent amounts received are classified as gain.*

lcastronovo@hollywoodfl.org - 2017-10-25 15:03:25 - 12.55.24.66



**ITEM 5.a.**

**WELLS FARGO  
PRESENTATION**

**NO BACKUP  
FOR THIS SECTION**

**ITEM 5.b.**

**SEGAL MARCO ADVISORS  
ADMINISTRATIVE SERVICES**

**NO BACKUP  
FOR THIS SECTION**

# **ITEM 5.c.**

## **FLASH PERFORMANCE REVIEW**

**BACKUP WILL BE  
PROVIDED WHEN  
RECEIVED**

# **AGENDA ITEM 6**

**ITEM 6.a.**

**UNDERPAYMENT OF ARC BY CITY  
FOR YEAR END  
SEPTEMBER 30, 2016**





**LLW**

**LEWIS  
LONGMAN  
WALKER**

Attorneys at Law  
llw-law.com

REPLY TO: TALLAHASSEE

October 26, 2017

Wazir Ishmael, Ph.D., City Manager  
City of Hollywood  
2600 Hollywood Blvd.  
Hollywood, FL 33022

Re: City of Hollywood Employees' Retirement Fund – City Contribution Shortfall for Year  
Ending September 30, 2016

Dear Dr. Ishmael:

We serve as legal counsel to the Board of Trustees of the Hollywood Employees' Retirement Fund. As reflected on page 1 of the actuarial valuation report as of October 1, 2016, the City of Hollywood's annual pension contribution to the Employees' Retirement Fund for the year ending September 30, 2016 was \$4,463,328 less than the required contribution amount of \$22,367,687. According to the actuary, the contribution shortfall was due to the City excluding the pre-funding amount for the supplemental benefit (13<sup>th</sup> check). The pre-funding amount for the supplemental benefit was included in the required contribution at the direction of the Florida Division of Retirement, Department of Management Services.

The City is required by the Florida Constitution and statutes to fund the Employees' Retirement Fund on an actuarially sound basis, in accordance with the actuarial valuation. If the Department of Management Services determines that the proper contribution has not been made, it may notify the Department of Revenue and Department of Financial Services of the non-compliance. Per the Florida Division of Retirement letter dated July 3, 2014, those agencies may withhold state funds otherwise payable to the City that are not pledged for bond debt service until the non-compliance is corrected.

The Board of Trustees of the Employees' Retirement Fund demands full payment of the City's required contribution for the year ending September 30, 2016, with interest. The Board will take appropriate legal action to enforce and collect the shortfall.

Sincerely,

James W. Linn

cc: Alan Fallik, Interim City Attorney

**JACKSONVILLE**

245 Riverside Ave., Suite 150  
Jacksonville, Florida 32202  
T: 904.353.6410  
F: 904.353.7619

**TALLAHASSEE**

315 South Calhoun St., Suite 830  
Tallahassee, Florida 32301  
T: 850.222.5702  
F: 850.224.9242

**TAMPA BAY**

101 Riverfront Blvd., Suite 620  
Bradenton, Florida 34205  
T: 941.708.4040  
F: 941.708.4024

**WEST PALM BEACH**

515 North Flagler Dr., Suite 1500  
West Palm Beach, Florida 33401  
T: 561.640.0820  
F: 561.640.8202

**ITEM 6.b.**

**DIRECTORS & OFFICERS  
INSURANCE COVERAGE**



**LLW**

**LEWIS  
LONGMAN  
WALKER**

Attorneys at Law  
llw-law.com

REPLY TO: TALLAHASSEE

October 26, 2017

Phyllis Shaw, Chair,  
Board of Trustees  
City of Hollywood  
Employees' Retirement Fund  
City Hall Annex, Room 20  
2600 Hollywood Blvd  
Hollywood, Florida 33020

Re: Directors and Officers Insurance Coverage

Dear Phyllis:

This responds to a question concerning whether the Board of Trustees should seek additional Directors and Officers (D&O) Insurance coverage in light of the fact that the Board will be operating with greater independence from the City. Currently, the Board relies on a policy that is held by and issued to the benefit of the City. I have reviewed the City's policy, which is a public officials and employment practices liability insurance policy, provided by Ironshore Insurance Services LLC (City's D & O policy) and I have concluded that the terms of that policy provides, and will continue to provide, coverage for any claims arising out of the actions of the Board of Trustees.

The policy defines "insured" at section 3(e) as "commissions, boards, or other units ... operated by and under the jurisdiction of [the City]...; volunteers acting for or at the request and under the direction of [the City]; and officials and employees of [the City] appointed at the request of [the City] to serve with an outside tax exempt entity." It is my opinion that this definition is not affected by the Board's move towards greater independence and it will continue to include the Board of Trustees, regardless of the Board's relationship to the City.

I would note that section 5(s) and (t) of the policy exclude from coverage claims arising out of or attributable to retirement benefits, as well as claims based upon "any activities as a trustee or fiduciary as respects any type of employee benefit plan, including a pension plan ... or ... retirement program..." However, even though the policy excludes from coverage many of the functions and duties performed by the Board of Trustees, it appears that the Board members fall within the definition of insureds under the policy. In addition, the claims described in this exclusion are those that would typically fall under the Board's fiduciary liability policy coverage.

**JACKSONVILLE**

245 Riverside Ave., Suite 150  
Jacksonville, Florida 32202  
T: 904.353.6410  
F: 904.353.7619

**TALLAHASSEE**

315 South Calhoun St., Suite 830  
Tallahassee, Florida 32301  
T: 850.222.5702  
F: 850.224.9242

**TAMPA BAY**

101 Riverfront Blvd., Suite 620  
Bradenton, Florida 34205  
T: 941.708.4040  
F: 941.708.4024

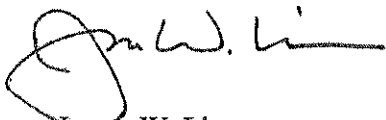
**WEST PALM BEACH**

515 North Flagler Dr., Suite 1500  
West Palm Beach, Florida 33401  
T: 561.640.0820  
F: 561.640.8202

Accordingly, as I read the City's policy, it provides coverage for claims arising out of the actions of the Board of Trustees, and this coverage would not be affected by the greater independence of the Board. I communicated this opinion to City attorney, Alan Fallik, who confirmed my interpretation of the City's D & O policy. The current City policy expires on December 21, 2017.

Please let me know if you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Linn". The signature is stylized with a large, circular flourish at the beginning.

James W. Linn

# **ITEM 6.c.**

## **GRS CONTRACT - UPDATE**

**NO BACKUP  
FOR THIS SECTION**

# **AGENDA ITEM 7**

**ITEM 7.a.**

**CITY COMMISSION  
COMMUNICATION**



**CITY COMMISSION COMMUNICATION**  
from  
**CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND'S  
BOARD OF TRUSTEES**  
for  
**AUGUST 24, 2017 REGULAR MEETING**

**Board's Communication to City Commission**

Items Requiring City Commission Action

- Attend Board of Trustees' December 14, 2017, 9:00 AM regular meeting (in Pension Office conference room)

Items of Interest to the City Commission

- Letter regarding underpayment of City contributions to the Retirement Fund for fiscal year end September 30, 2016

Items Submitted for City Commission Consideration

- None

**September 28, 2017 Regular Board Meeting Summary:**

Board Members present: Chair Phyllis Shaw  
Ronald Bolton  
Chris Cassidy  
Charles Howell  
George Keller  
Mel Standley

Board Member(s) absent: Vice-Chair Jeffrey Greene  
Also present: Pension Coordinator Lisa Castronovo  
Board Attorney James Linn

**Retirement Fund Investments** (Keith Reynolds, Segal Marco Advisors, Investment Consultant):

- The Board heard presentations from two money managers, HarbourVest and Neuberger Berman
- Mr. Reynolds presented the Fund's July 2017 flash performance report noting the Fund's market value on August 31, 2017 was \$312.6 million with a net rate of return for the current fiscal year, through August, of 9.15%

**Legal:**

- The Board approved an updated credit card policy and user agreement, an increase in the credit card limit from \$10,000 to \$16,000, and the issuance of additional credit cards for the Chair and Vice-Chair.

**Administrative:**

- Chair Shaw noted the Board had received from LECastronovo Co., Inc., the Pension Coordinator, a 90-day notice of contract termination effective November 29, 2017. The Board discussed succession planning.
- The Board approved updated Summary Plan Descriptions for distribution

## **ITEM 7.b.**

### **EXECUTIVE DIRECTOR RESUME/APPLICATION REVIEW**

**Resumes/Applications  
provided by Jim Linn in  
emails on 10/16/2017 &  
10/17/2017**

**ITEM 7.c.**

**ASSISTANT ADMINISTRATOR  
RESUME/APPLICATION REVIEW**

**Resumes/Applications  
provided by Jim Linn in  
emails on 10/16/2017 &  
10/17/2017**

# **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**