CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

CALENDAR OF ITEMS

REGULAR BOARD MEETING September 27, 2018

AGENDA ITEM 1 CALL TO ORDER

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 2 ROLL CALL AND PLEDGE OF ALLEGIANCE

AGENDA ITEM 2.A. AGENDA ADOPTION



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

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

REVISED

AGENDA REGULAR PENSION BOARD MEETING THURSDAY, SEPTEMBER 27, 2018 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. July 26, 2018 Regular Meeting Minutes
 - B. August 23, 2018 Regular meeting Minutes
 - C. Ratification of Distributions (Contributions and DROP) and Plan Expenses
 - D. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities
- 4. FINANCIAL
 - A. Financial Report August 2018 Draft
- 5. INVESTMENT (Segal Marco Advisors)
 - A. Fiduciary Liability Insurance Policy Review
 - B. Governance Training
 - C. August 2018 Flash Performance Report
 - D. 2018 Work Plan
- 6. LEGAL (Ron Cohen Rice, Pugatch, Robinson, Storfer and Cohen.)
 - A. Proposed Extension of the Agreement with Gabriel, Roeder, Smith and Company
 - B. Purchase of Credited Service
 - C. Proposed Ordinance Amendment for consistency with the September 3, 2015 IRS Determination Letter
 - D. Proposed Ordinance Amendment relating to the Employees' Retirement Fund
 - E. Update on City of Hollywood v. City of Hollywood Employees' Retirement Fund
 - F. Request for Executive Session to Discuss Pending Litigation

7. EXECUTIVE DIRECTOR'S REPORT

- A. Proposed Fiscal Year 2019 Budget Proposal
- B. City Commission Communication
- C. Communications from the Executive Director
- 8. PUBLIC COMMENTS
- 9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS
- 10. 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 SPIECH IMPAIRED, PLEASE CALL 809-955-8771 (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 MAY, AT THAT TIME, DISCUSS MATTERS ON WHICH FORESEEABLE ACTION MAY LATER BE TAKEN BY THEIR BOARD, COMMISSION, OR COMMITTEE.*

AGENDA ITEM 3.A. CONSENT AGENDA

JULY 26, 2018
REGULAR MEETING MINUTES

MINUTES REGULAR PENSION BOARD MEETING CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND THURSDAY, July 26, 2018 at 9:00AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:05a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair Jeffery Greene (arrived at 9:07a.m.), Secretary Robert Strauss, Christopher Cassidy, George Keller, and Cintya Ramos. An attempt to allow Charles Howell to participate telephonically was unsuccessful.

Also present: Executive Director Christine Bailey; Keith Reynolds of Segal Marco; and Ronald Cohen and Brent Chudachek of Rice Pugatch Robinson Storfer & Cohen.

a. July 26, 2018 Regular Board Meeting Agenda

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to approve the July 26, 2018 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. June 28, 2018 Regular Meeting Minutes
- b. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- c. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Trustee Cassidy requested that item 3b. be pulled. He questioned the refund calculation of J. Reyes. The Board requested that the Attorney, Actuary and Executive Director review the calculation and determine if it is consistent with the refund language in the City Ordinance.

MOTION made by Trustee Greene, seconded by Trustee Strauss, to approve Consent Agenda Item 3a. and 3c. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

4. FINANCIAL

There were no financial reports presented. Trustees expressed their concern that no recent statements have been presented and the need for more current information to be submitted to the Board. **MOTION** made by Trustee Cassidy, seconded by Trustee Strauss to hire an accountant for 2 days to prepare updated financial statements. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

5. INVESTMENT (Keith Reynolds – Segal Marco)

a. Annual Investment Policy Update
 Mr. Reynolds provided Trustees with an updated Investment Policy.

b. SMID Cap Growth Manager

Mr. Reynolds presented the SMID Cap Growth Search and provide with managers for consideration. **MOTION** by Trustee Strauss to commit \$10 million to Amalgamated Bank was not seconded. **MOTION** made by Trustee Greene to hold a separate meeting for the presentation and selection of the SMID managers was not seconded. **MOTION** made by Trustee Cassidy, seconded by Trustee Strauss to terminate Frontier and move the monies to Northern Trust SMID Index. **Motion** passed 6-0. Trustees discussed the establishment of an Investment Committee.

Segal will provide additional detail on the SMID Cap Growth Managers prior to the Board's decision to select a new manager.

c. Flash Report June 2018

Mr. Reynolds provided the Board with the Flash Report for June 2018 for review. He noted the underperformance of Brandes and Frontier. He noted that the fund was up 4% fiscal year to date.

d. 2018 Work Plan

Mr. Reynolds provided the 2018 Work Plan for review. He noted that he will not be available at the September meeting. The Brandes presentation was changed to an update and the Custodian Presentation was changed to a Custodian Fee presentation.

6. LEGAL (Ron Cohen – Rice Pugatch Robinson Storfer & Cohen)

a. Rent-A-Center Litigation

Mr. Cohen updated the Board on the Rent-A-Center Litigation. He advised that the parties were in mediation, though not court ordered. He advised that the Board was unable to provide a minimum settlement as there was not enough time to set up an executive session and the Board can only settle a lawsuit in open session. He advised that once a settlement is reached, it will have to be presented and approved at a public meeting.

b. Update on City of Hollywood v. City of Hollywood Employees' Retirement Fund Mr. Cohen reported that there has been some activity in developing a path forward with resolving the lawsuit. He noted that the he and Ms. Bailey met with Mr. Keller, Assistant City Manager, Mr. Gonzalez, City Attorney and Mr. Fallik, Assistant City Attorney and that the meeting was productive. He provided the City representatives with his last communication which included the proposal for future supplemental benefits payments and the payment of the 2012 supplemental checks. He also advised the representative that the Board would not be granting any further extensions of the process.

He reported that Mr. Gonzalez stated that he had a better understanding of the process. Mr. Cohen noted that the proposal changes the benefit structure and that he recommended that the City reach out to Mr. Bolton, President of the Retirees Association and Mr. Weiner, the Attorney for the Union representing the Active members. He noted that the City agreed to set up another meeting and invited all representatives to attend.

Trustee Keller noted that the City intends to seek an end to the 164 process at the August 29th City Commission meeting which needs a supermajority vote. He noted that the proposed settlement was provided by Police and Fire and was accepted, unchanged by the City but there has been no movement on a settlement. He stated that the City is willing to move forward with settlement discussions with the General Fund.

c. Communication from the Florida Department of Management Services.

Mr. Cohen advised that he received communications from the Florida Department of Management Services stating that the plan was not in compliance. He noted that the pre-funding of the supplemental benefit had been added to the Valuation. He noted that he will work with Ms. Bailey to send communications be sent to the State and City to explain and make them aware of the facts.

d. Supplemental Pension Distribution 2012 Mr. Cohen noted that there was sufficient return to trigger the payment of a 13th Check. There was no funding or prefunding for the payment. After communications with the Mr. Brinkman, of the Florida Department of Management Services the Board decided not to pay the 13th check at that time. In his letter to the City, Mr. Cohen included a request to resolve the payment of the 2012 13th check. He advised the Board that he was now dealing directly with Mr. Gonzalez rather than going through the City's outside counsel. With regard to the question of whether the Board should proceed with the payment of the 2012 13th check, Mr. Cohen requested additional time before answering. Trustee Cassidy requested that Mr. Cohen review all the actuarial reports.

Trustee Keller advised that the State has not provided Chapter 175/185 of over \$10 million dollars, and has threatened to withhold the governmental sharing revenue. He stated that the City is willing to settle with all that are willing. Mr. Cohen advised that the City appears to be proceeding in good faith.

Trustee Strauss requested the written settlement proposal.

- e. Status of Angelo Gordon Realty Value Fund X Contract Documents Mr. Cohen advised that contract documents were okay. He noted that the agreement contained a side letter dealing with confidentiality which is affected by Florida's very broad public records law.
- f. Request for Executive Session to Discuss Pending Litigation
 Mr. Cohen requested that an Executive Session to discuss Pending Litigation
 with Rent-A-Center and City of Hollywood Florida v the City of Hollywood
 Employees Retirement Fund et al. He noted the conditions of the session.
 Trustee Keller offered to recuse himself if there is a perceived conflict of interest.

MOTION made by Trustee Cassidy, seconded by Trustee Strauss, to amend his prior motion to approve the July 26, 2018 Regular Board Meeting Agenda to add Item 6G – Order Granting the Application for Disability of Hilde Johnson. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

g. Order Granting the Application for Disability of Hilde Johnson MOTION by Trustee Cassidy, seconded by Trustee Ramos to approve the order. In a voice vote by the members present, all members voted in favor. Motion passed 6-0.

7. ADMINISTRATIVE ISSUES

- a. Staff Performance Evaluation
 Trustees received the Evaluation forms for completion.
- b. Proposed Extension of the Agreement with GRS Retirement Consulting
 The Board received a proposal for an extension of the GRS contract. The Board
 requested that that the extension not include an automatic increase and that the
 electronic submission cost be reconsidered.
- c. Payment Review Process Ms. Bailey requested the process be simplified and the Board agreed to a more informal process. Trustee Strauss expressed concern about the difficulty in obtaining the required dual approvals on payments with only three signers,

especially since a signer be barred from approving payments to related to them self. **MOTION** made by Trustee Cassidy, seconded by Trustee Strauss to amend the policy to allow two (2) trustees to sign and approve invoices. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

- d. City Commission Communication
 The Board received the City Commission Communication.
- e. Communications from the Executive Director
 - Ms. Bailey advised the Board that we received communications from the Office of the Mayor and Commissioners of the reappointment of Charles Howell.
 - Ms. Bailey advised the Board that there were two potential candidate for the full- and part-time positions in the office. She presented the proposed compensation package for both candidates.

MOTION made by Trustee Cassidy, seconded by Trustee Ramos to take the recommendation of the Executive Director to hire a Pension Coordinate within the range and with the benefit package provided at the meeting. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

MOTION made by Trustee Strauss and seconded by Trustee Cassidy to advertise the part-time position with the benefits package provided at the meeting. In a voice vote by the members present, the **Motion** failed 2-4.

MOTION made by Trustee Keller, seconded by Trustee Greene to approve the salary and benefits package for the part-time positon. In a voice vote by the members present, all members voted in favor. **Motion** passed 6-0.

- Ms. Bailey advised that the Financial Statement for the Fiscal Year Ended September 30, 2017 were complete.
- Ms. Bailey advised that the valuation data was incomplete as some of the
 calculations appeared incorrect and required review. She advise that she
 would be meeting with the Actuary to review the data. She advised that the
 Valuation Report would be completed 6-8 weeks after the valuation data was
 received by the Actuary.
- Ms. Bailey advised the Board that the Fiduciary Liability insurance expires October 1, 2018 and a new proposals would be provided to the Board.
- Ms. Bailey provided the Membership and Administrative reports.

8. PUBLIC COMMENTS

Public comment was made by: Richard Weiner.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Cassidy advised the Board that he would not be in attendance at the August meeting and requested that he be excused. Trustee Keller requested that the Board considering reducing discussions. Trustee Cassidy requested that any materials being discussed at the meeting be provided to the Board prior to the meeting. Trustee Keller

Regular Pension Board Meeting July 26, 2018 Page **5** of **5**

recommended that the Trustees address their concerns with the Executive Director. Trustee Shaw emphasized that the Board sets the policies for the administration of the Pension Office and expects the Executive Director to manage the office. She also requested that the Board consider ESG, environmental, social and governance policies in their investment analyses and to create audit and investment committees.

10. ADJOURNMENT

MOTION made by Trustee Keller, seconded by Trustee Ramos, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. Meeting adjourned at 1:15p.m.

Phyllis Shaw, Ch	nair
Date	

AGENDA ITEM 3.B. CONSENT AGENDA

AUGUST 23, 2018
REGULAR MEETING MINUTES

MINUTES REGULAR PENSION BOARD MEETING CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND THURSDAY, August 23, 2018 at 9:00AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:22a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair Jeffery Greene, Secretary Robert Strauss (via teleconference), Charles Howell, and George Keller. Christopher Cassidy and Cintya Ramos were absent and excused.

Also present: Executive Director Christine Bailey; Keith Reynolds of Segal Marco; Diane McNally of Segal Select Insurance and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

a. August 23, 2018 Regular Board Meeting Agenda

MOTION made by Trustee Greene, seconded by Trustee Keller, to approve the August 23, 2018 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

- b. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- c. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities
- d. LAID OVER ITEM: Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Calendar Item 3a. July 28, 2018 Regular Meeting Minutes was withdrawn.

MOTION made by Trustee Greene, seconded by Trustee Keller, to approve Consent Agenda Items 3b. through 3d. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

4. FINANCIAL

The Treasurer's Reports for March and April 2018 and the draft Treasurer's Reports for May and June 2018 were provided to the Board for review.

5. INVESTMENT (Keith Reynolds – Segal Marco)

a. Fiduciary Liability Insurance Policy Review Ms. McNally reviewed the Fund's current fiduciary liability insurance coverage. She noted the fund had high deductibles as well as high premiums and recommended that the fund review the policies available in the marketplace. She noted that there were certain fines and penalty coverages that were not included in the current policy.

MOTION made by Trustee Howell, seconded by Trustee Greene, to change the broker of record to allow research for insurance needs and additional insurance needs. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

MOTION made by Trustee Greene, seconded by Trustee Keller, to allow the Executive Director to sign the insurance forms on behalf of the Board. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

The board requested that Ms. McNally also provide information on fiduciary, public officer, fidelity, cyber liability, active shooter, employment practices and property casualty insurance policies.

b. Second Quarter Performance Review

Mr. Reynolds reported the Fund's performance for the quarter ended June 30, 2018 was up 0.84%. He noted that the return should be higher once the second quarter number on the alternative investments are realized. He noted that the three-, and five-year periods the fund outperformed the policy index and the Fund performance was in the top quartile of its peers, public plans with less than \$500 million and 40-70% equity. He noted that the fund also had less risk and higher returns that the policy index.

Mr. Reynolds reported that a request had been made to fully redeem the Frontier account and exit the fund. He noted that the new Northern Trust account was set up on August 1st. Mr. Reynolds also recommended that Brandes be placed on the watch list.

MOTION made by Trustee Greene, seconded by Trustee Keller, to place Brandes in the Watch List. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

- c. Flash Report July 2018Mr. Reynolds provided the Board with the Flash Report for July 2018 for review.
- d. 2018 Work Plan
 Mr. Reynolds provided the 2018 Work Plan for review.
- e. Annual Investment Policy Update
 Mr. Reynolds request that the Board adopt the Investment Policy Update.

MOTION made by Trustee Howell, seconded by Trustee Keller, to approve the updated Investment Policy. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

6. LEGAL (Ron Cohen – Rice Pugatch Robinson Storfer & Cohen)

a. Proposed Ordinance Amendment for consistency with the September 3, 2015 IRS Determination Letter

Mr. Cohen reminded the Board that the IRS determination letter included required changes to the ordinance which have not yet been made. He noted that the City had provided a proposed ordinance amendment. The Board discussed the substantive changes included in the proposed ordinance and approved the following recommendations to the City:

- Page 6 to define the Net Market Rate of Return as net of all fund expenses and not only investment related expenses.
- Page 17 to delete section (GG) as unnecessary, unless an explanation for its inclusion is provided by the City.
- Page 18 to accept section (HH) as proposed.
- Page 18 to delete section (II) as unrelated to the IRS required changes.
- Request for Executive Session to Discuss Pending Litigation
 Mr. Cohen advised that an Executive Session was not required at this meeting.
 He requested two Executive Session to discuss Pending Litigation with Rent-A-

Center and City of Hollywood Florida v the Board of Trustees of the City of Hollywood Employees Retirement Fund et al. He noted the conditions of the sessions.

Chair Shaw turned the Chairmanship over to Vice Chair Greene.

MOTION made by Trustee Shaw, seconded by Trustee Keller, to set end times for meetings, with the exception of disability or money manager presentation, at 12:00pm, allowing for an extension of the meeting by majority vote of the Board. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

MOTION made by Trustee Shaw, seconded by Trustee Keller, to set a debate time and the number of times a member may speak on a topic to twice and each member be limited to 2 minutes, allowing for time to be extended by a two thirds majority vote of the Board. In a voice vote by the members present, all members voted in favor. **Motion** passed 5-0.

Vice Chair Greene returned the Chairmanship to Trustee Shaw.

7. ADMINISTRATIVE ISSUES

- a. Staff Performance Evaluation Trustees provide their completed evaluation forms of the Executive Director. The overall rating was that Ms. Bailey fully achieves and occasionally exceeds expectation. Ms. Bailey thank the Board for their kind words and support.
- b. Proposed Extension of the Agreement with GRS Retirement Consulting The Board received a proposal for an extension of the GRS contract. Ms. Bailey also provided the Board with GRS' proposed cost for benefit calculations, DROP and planned retirement calculations, and refund calculations. Ms. Bailey explained that the electronic submission cost in the GRS proposal represented a state mandate that was discussed at the August 2017 Board meeting, and represented an ongoing fee to prepare the submissions.

The Board discussed the calculations of benefits and benefit estimates and agreed to have the actuary verify retirement calculations, planned retirement on an as needed basis. The Board also agreed that members would be would receive their annual benefit statement and an additional from the fund at no charge. Additional estimates may incur costs that would be charged to the member.

- c. City Commission Communication This item was withdrawn.
- d. Communications from the Executive Director
 - Ms. Bailey advised the Board of the Denial of the Disability Application for M. Reidinger.
 - Ms. Bailey advised that she responded to the letter regarding the Fund's non-compliance for the Florida Department of Management Services.
 She also advised that the communication was forwarded to the City Commission and the City manager.

Regular Pension Board Meeting August 23, 2018 Page 4 of 4

- Ms. Bailey reminded the Board that the FPPTA, Segal and IFEBP conferences were approaching and the staff would be available to assist Trustees with their registration and transportation.
- Ms. Bailey advised the Board that two additional staff members would be joining the Pension Office in the next month.

8. PUBLIC COMMENTS

There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Keller advised that the City is awaiting the Required Contribution amount from the Fund and explained its impact on the closure of the City's proposed budget. He advised that there was an informal meeting of the pension task force. He noted that the City hoped to close out the 164 process shortly which would leads to litigation.

Trustee Shaw expressed concerns regarding the delay in the valuation. She requested that the Fund set a deadline for next year's valuation of March 2019. Trustee Shaw discussed the OPEB calculations currently performed by GRS. She also expressed concern regarding delayed payment of the 2012 13th check and the Fund's desire to conclude the matter with the City. She also requested that the website be updated as it is a source of information for the members.

10. ADJOURNMENT

MOTION made by Trustee Greene, seconded by Trustee Strauss, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. Meeting adjourned at 12:03p.m.

Phyllis Sh	aw, Chair	
	<i>:</i> 	
Date		

AGENDA ITEM 3.C. CONSENT AGENDA

RATIFICATION OF DISTRIBUTIONS (CONTRIBUTIONS AND DROP) AND PLAN EXPENSES

EMPLOYEES' RETIREMENT FUND Refunds and DROP Distributions September 27, 2018 Regular Pension Board Meeting

Name		Refund	
Refunds of Contributions			
Antoine, Pierre		\$.	8,070.48
Borges, Michael		\$	13,203.37
Graziani, Michael		\$	5,749.53
Telekepalli, Sal Srinivas		\$	1,427.93
Williams, Herminia		\$	1,481.85
	\$		29,933.16
Diamed Betirement			
Planned Retirement			
	\$		0.00
Partial Lump Sum Distribution			
Fartial Lump Sum Distribution			
	\$		0.00
DROP Distributions			
Towns, Michael (Partial)		\$	298,592.40
Gopaul, Suresh (Partial)		\$	181,311.69
	\$		479,904.09

TOTAL: \$ 509,837.25

EMPLOYEES RETIREMENT FUND

Payment Requests Processed During the Period August 1, 2018 through August 31, 2018

Manager Fees		
Segal Marco Advisors/Performancee Monitoring (July 2018)	\$	10,833.33
Segal Marco Advisors/Administrative Services (July 2018)		4,166.67
		15,000.00
Quarterly Custodian Fees	 	
Wells Fargo Bank, N.A. (quarter ending 06/30/18)		8,068.11
Payroll		
Christine Bailey (08/03/18 - 08/31/18)		12,452.28
Christine Bailey - Deferred Comp (08/17/18)		192.30
Christine Bailey - Deferred Comp (08/31/18)		192.30
Christine Bailey - Employer Contribution/Benefits (August)		760.76
		13,597.64
Travel Advances/Expenses		
FPPTA Annual Conference (Orlando)		
Christopher Cassidy	-	378.52
Miscellaneous		
Consolidated Color Press		194.00
Alexandra's Café		44.88
HostGator		10.95
		249.83
Total	\$	37,294.10

AGENDA ITEM 3.D. CONSENT AGENDA

APPROVAL/RATIFICATION OF NEW RETIREMENT
/DROP/VESTED/DEATH ANNUITIES

EMPLOYEES' RETIREMENT FUND New Retirement/DROP/Death/Vested Annuities - Monthly Amounts September 27, 2018 Regular Pension Board Meeting

August-18

New	P ₄ ti	ram	onte
IACAA	IZCII	ICIII	CIILO

Gopaul, Suresh - DROP 11/01/2013	\$ 2,817.56
Johnson, Hilde - Disability 6/29/2018	1,015.21
Saffran, Sandra - Vested 08/19/2018	846.67
Town, Michael - DROP 10/01/2013	4,498.11
True, Andrea - Beneficiary of Deceased Mara True	215.71
True, James - Beneficiary of Deceased Mara True	215.71

Benefits Stopped

Ceci, Jerry - Died 07/19/2018	\$ (1,428.39)
Wagner- Rogers, Jacqueline - Died 05/05/2018	(1,103.44)
Wimberley, Cornelia - Died unknown	(7,746.28)

AGENDA ITEM 4.A. FINANCIAL REPORT

AUGUST 2018 DRAFT (HANDOUT)

AGENDA ITEM 5.A. INVESTMENT

FIDUCIARY LIABILITY INSURANCE POLICY REVIEW

(TO BE PROVIDED UNDER SEPARATE COVER)

AGENDA ITEM 5.B. INVESTMENT

GOVERNANCE TRAINING (NO BACKUP FOR THIS SECTION)

AGENDA ITEM 5.C. INVESTMENT

AUGUST 2018 FLASH PERFORMANCE REPORT

(HANDOUT)

AGENDA ITEM 5.D. INVESTMENT 2018 WORK PLAN

City of Hollywood Employees' Retirement Fund

2018 Work Plan*

MEETING DATE	INVESTMENT MANAGER	SEGAL MARCO ADVISORS
January 25:	None	December Flash Report
February 22	None	4Q Performance Review January Flash Report Draft 2018 Work Plan
March 22	Private Equity Finalist Presentation: Goldpoint Partners Co-Investment VI, LP	February Flash Report
April 26	None	March Flash Report Education: Real Estate Investments Segal Admin Services Update
May 24	Real Estate Finalist Presentation: Angelo Gordon Realty Value Fund X	1Q Performance Review April Flash Report
June 28	None : "Service Control of the Contr	May Flash Report Annual Investment Policy Update Education: Emerging Manager Programs
July 26	None .	June Flash Report SMID Cap Growth Manager Review
August 23	None	2Q Performance Review July Flash Report Education: Fiduciary Liability Insurance Policy Review
September 27	None	 Segal Select Insurance Update Education: Governance Training August Flash Report
November 1	None	 3Q Performance Review Segal Manager Review - Brandes Custodian Fee Discussion
December 13	None	October Flash Report

^{*}This is a working document and subject to change.

AGENDA ITEM 6.A.

LEGAL

PROPOSED EXTENSION OF THE AGREEMENT WITH GABRIEL, ROEDER, SMITH & COMPANY

CONSULTING SERVICES AGREEMENT BETWEEN THE CITY OF HOLLYWOOD GENERAL EMPLOYEES RETIREMENT SYSTEM AND GABRIEL, ROEDER, SMITH & COMPANY

Section I General Information

A. Purpose

The City of Hollywood General Employees' Retirement System (GERS), hereby enters into a contractual agreement with Gabriel, Roeder, Smith & Company (GRS) to provide actuarial and consulting services for the City of Hollywood General Employees Retirement System which is governed by the Board of Trustees (Board). The client in this matter shall be GERS as represented by the Board of Trustees. This Contract does not create any relationship between GRS and any other related private, not for profit, or governmental entity, including, but not limited to, participants in the System. GRS shall have no obligation to work for such entities, however, GRS may freely elect to work for such an entity with consent of GERS and provided that copies of all related work products are provided to GERS.

B. Entire Agreement

This Agreement forms the complete and exclusive contract between the parties as it relates to this transaction.

The failure of a party to insist upon strict adherence to any term of the contract shall not be considered a waiver, or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the contract. The contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

Each provision of the contract shall be deemed to be severable from all other provisions of the contract and, if one or more of the provisions of the contract shall be declared invalid, the remaining provisions of the contract shall remain in full force and effect. The contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Florida.

C. Term of Contract

The contract is for the one-year period extending from October 1, 2018 through September 30, 2019. This agreement will be automatically renewed on October 1, 2019 and October 1, 2020 for two one-year periods based on the fees shown in Section III. Either party may not renew or terminate the agreement as specified in Section J of this contract.

D. Contractor Responsibilities

GRS assumes responsibility for all contractual activities whether or not it performs them directly. GRS shall be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract. GERS reserves the right to interview the key personnel assigned by GRS to this project and to the reassignment of personnel deemed unsatisfactory by GERS.

If any part of the work is to be subcontracted, GERS reserves the right to approve the subcontractors in advance, and to require that GRS replace any subcontractors found by GERS to be unacceptable. GRS shall be responsible for adherence by the subcontractor to all provisions of the contract.

E. Client Responsibilities

GERS agrees to review information supplied by GRS for general reasonableness, and to ensure that GRS has properly understood the assignment. In the event that GERS finds a GRS work product to be unreasonable or otherwise unsatisfactory, GERS shall not distribute such work product or otherwise make use of it, until a correction has been made, or GRS has explained matters to the satisfaction of GERS. GERS agrees that GRS is not responsible for the accuracy of any data provided to GRS by GERS. In the event of discovery of an error by GRS in a calculation, GERS agrees to take immediate steps to mitigate the effects of such error. Any actuarial communication, report and presentation materials may be provided to parties other than GERS only in their entirety and only with permission of GERS.

F. Accounting Records

GRS shall maintain all pertinent financial and accounting records and evidence pertaining to this contract in accordance with generally accepted accounting principles (GAAP).

G. Patent/Copyright Infringement and General Indemnification

GRS shall indemnify, defend and hold harmless GERS and its employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against GERS to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity, or service supplied by GRS or its subcontractors, or the operation of such equipment, software, commodity, or service, or the use or reproduction of any documentation provided with such equipment, software, commodity, or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become, or in GRS' opinion be likely to become, the subject of a claim of infringement, GRS shall at its sole expense, (i) procure for GERS the right to continue using the equipment, software, commodity, or service, or if such option is not reasonably available to GRS, (ii) replace or modify the same with equipment, software, commodity, or service of equivalent function and performance so that it becomes non-infringing, or if such option is not reasonably available to GRS, (iii) accept its return by GERS with appropriate credits to GERS against GRS' charges and reimburse GERS for any losses or costs incurred as a consequence of GERS ceasing to use and returning the equipment, software, commodity, or service.

GRS agrees to indemnify GERS from claims made by GRS employees while working on GERS premises on GERS projects, provided that GERS has complied with all relevant Federal and State Laws related to workplace safety, and human rights, including, but not limited to anti-discrimination and anti-harassment laws. In any and all claims against GERS, or any of its agents or employees, by any employee of the contractor or any of its subcontractors, the indemnification obligation under the contract shall not be limited in any way by the amount or type of damages, compensation, or benefits payable by or for GRS or any of its subcontractors under workers' compensation acts, disability benefit acts, or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclauses.

The duty to indemnify will continue in full force and effect not withstanding the expiration or early termination of the contract with respect to any claims based on facts or conditions, which occurred prior to termination.

H. Liability Insurance

GRS shall purchase and maintain such insurance as will protect it from claims which may arise out of or result from its performance under the contract, whether such performance be by GRS or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The insurance shall be written for not less than the greater of \$1,000,000 and any limits required by law, and shall include contractual liability insurance as applicable to GRS' obligations under the indemnification clause of this contract. GRS agrees to indemnify client for all direct losses the client suffers due to negligence, error, or willful misconduct on the part of GRS.

I. Board Minutes

GERS shall routinely provide GRS with copies of Board Minutes for GRS's reference in connection with work to be performed pursuant to this contract. GRS is not obligated to provide corrections to the minutes. Silence on the part of GRS does not constitute agreement with the minutes, even with respect to meetings that the GRS Consultant attended or at which GRS was directly or indirectly quoted.

J. Cancellation

GERS, with 30 days written notice, may cancel the contract with or without cause. GRS may also cancel the contract with 30 days written notice if GERS breaches any terms of this agreement. GRS may cancel the contract, without cause, upon giving 90 days written notice. If GERS cancels the contract for any cause other than the failure of GRS to fulfill the obligations of the quotation or contract, GERS shall pay GRS' reasonable final invoice for work performed under the contract.

K. Delegation/Assignment

GRS shall not delegate any duties under this contract to a subcontractor unless GERS has given prior written consent to the delegation. GRS may not assign the right to receive money due under the contract without the prior written consent of GERS. In addition, GERS reserves the right to approve subcontractors for this project and to require GRS to replace subcontractors who in GERS's judgment are unacceptable.

L. Non-Discrimination Clause

In performing the contract, GRS agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental handicap or disability. GRS further agrees that every subcontract entered into for the performance of any contract resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor.

M. Fees

The fees set forth in this contract shall be firm for the duration of the contract.

N. Modification of Services

GERS reserves the right to modify the service requirements during the course of the contract. Modifications may include adding, deleting, or altering the work to be performed under the contract. Any changes in pricing (increases or decreases) proposed by GRS as a result of service modifications are subject to written acceptance by GERS. In the event that price changes are not acceptable to GERS, the contract may be canceled by either party.

O. Confidentiality

GRS shall instruct its employees and the employees of any subcontractor to keep as confidential information concerning the business of GERS, its financial affairs, its relations with its participating municipalities and courts, members, retirees and beneficiaries, and its employees, as well as any other information which may be specifically classified as confidential by GERS. At GERS's request, GRS or any subcontractor(s) and each of their employees may be required to sign confidentiality statements prior to beginning or continuing to work on the contract.

GRS will not normally print full Social Security numbers on documents used for communication with GERS or its participants. The only exception GRS will make to this policy without direction from GERS relates to certain necessary and confidential communications between GRS and GERS that are directly related to work assignments. In the event that GERS directs GRS to make further exceptions to this policy, GERS agrees to

indemnify GRS for any illegal use or misuse or security breaches or identity thefts related to such information by individuals other than GRS employees or employees of any subcontractor.

All copies of information developed by GRS in connection with the contract are the property of and will be returned to GERS, upon request. GRS reserves the right to shred or otherwise dispose of information one year following receipt, unless it receives instructions to the contrary from GERS. GRS will not reveal or disclose either information or findings concerning this contract with anyone who does not have a substantial need-to-know and who has not been expressly authorized in writing by GERS to receive the information/findings. GRS must ensure that all safeguards and proper procedures are implemented to protect confidential information.

P. Tax Advice, Legal Advice and Investment Advice

Based upon its general background and research on Federal Income Tax, Legal Issues, and Investment Matters, GRS employees may from time to time provide general comments and information on same. However, no GRS work product shall be deemed to provide income tax advice, legal advice, or investment advice unless such work product contains one of the following phrases or substantially equivalent language.

- "This work product is intended to provide income tax advice."
- "This work product is intended to provide legal advice."
- "This work product is intended to provide investment advice."

No oral communication of any GRS employee shall be interpreted to provide income tax advice, legal advice, or investment advice. Further, no GRS work product shall be used for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within the work product.

Q. Third Party Dealings

GRS will not provide information related to GERS to third parties except with the permission of, and under the specific direction of, GERS. By giving such direction and permission, GERS agrees to indemnify GRS, or to require such third party to indemnify GRS, against the misuse or misunderstanding of GRS work products by such third party. GRS shall not review any third party work product except under the specific written direction of GERS to do so, and only for reasonable compensation. Such review if undertaken shall be limited to those areas in which GRS has expertise, and shall specifically exclude conclusions related to income tax, investment matters, and legal matters.

R. Limitations

GRS shall act with due diligence in all matters in which it provides services under this contract, but shall not serve as a fiduciary of the System. GRS shall not be responsible under any circumstance for making employee or employer contributions to the System.

No provision of this contract shall be interpreted to require GRS to provide income tax advice, investment advice, or legal advice to GERS. GRS has no responsibility for the performance or

non performance of the System assets, the structure of the System portfolio, or the selection or termination of investment managers and consultants.

Notwithstanding anything in this Agreement to the contrary, GRS' primary responsibility under this Agreement is to the plan and its members, and it will place their interests above all others. GRS acknowledges, accepts and agrees that GERS has placed its trust and confidence in GRS and that GERS relies upon GRS to provide advice for the benefit of the plan and its members. GRS will not enter into any agreement or take any action contrary to that responsibility. GRS will not accept or perform any engagement involving the plan or its members for any organization other than GERS without the prior written consent of GERS or action by GERS at a meeting. GRS shall not have any discretionary authority or control with respect to management of the plan's assets; render investment advice for a fee or other compensation (direct or indirect) as to any monies or any other property of the plan; nor have any discretionary authority or discretionary responsibility in the administration of the provisions of the plan. GERS retains absolute discretion over and responsibility for, deciding what, if any, action to take with respect to any report, analysis, or recommendation by GRS and for the implementation of such decision.

S. Warranty

GRS warrants that all work performed under the contract will be performed by individuals who are qualified to do so in accordance with requirements as are from time-to-time issued by various actuarial and other professional bodies. GRS warrants that the work product will be subject to an independent peer review. Finally GRS warrants that GRS has no direct or indirect financial relationship to GERS, other than the relationship described in this contract.

T. Venue

Venue for any litigation arising out of this Agreement shall be Broward County, Florida.

Section II Work Statement

A. Scope

GRS shall perform actuarial and consulting services for GERS for the period October 1, 2018 through September 30, 2019. By mutual agreement of the parties, the contract may be renewed on a year-to-year basis for a two year-period from October 1, 2019 through September 30, 2021.

B. Duties

The regular duties to be performed by GRS are as follows:

- Annual Actuarial Valuation Report and meeting with Board of Trustees, including the following:
 - o Routine consultation and correspondence, not involving research or calculations
 - o Respond to annual confirmations requested by the auditors
 - o Respond to requests for information from the Division of Retirement with respect to actuarial reports prepared by GRS
- Enhanced Annual Employee Benefit Statement for each active Plan Participant
- GASB No. 67 actuarial disclosures
- GASB No. 68 actuarial disclosures
- Chapter 112.664 Compliance Report including upload of required information to the State database
- Electronic Submission of required data from Actuarial Valuation Report
- Certifications of Benefit Calculations

GRS is not constrained from supplementing this list with additional items or elements deemed necessary to permit the development of alternative approaches or the application of proprietary analytical techniques, within the price schedule set forth in the proposal, unless agreed otherwise by the parties in writing.

C. Other Services

From time-to-time, the Board may require services other than those described, such as:

- Determine actuarial impact of proposed plan changes and prepare State-mandated actuarial impact statements
- Periodic review of actuarial assumptions and methods
- IRS Code Section 415 calculations
- Any other services requested by the Board of Trustees

D. Transition

If at the end of this contract, another vendor succeeds GRS as GERS's actuary, GRS shall fully cooperate in the transition of actuarial services, including providing the successor firm with upto-date actuarial valuation data, assumptions, and results. Such cooperation is contingent upon GERS agreement to pay GRS' reasonable final invoice for work performed under this contract.

GRS shall charge fees for the transition in accordance with the rates described herein, if the transition requires extraordinary services on the part of GRS.

E. Actuarial Audit

In the event that an Actuarial Audit of GRS's work for GERS is performed during the term of this contract, GRS shall cooperate with the actuarial audit and GERS shall pay GRS reasonable fees associated with such cooperation, if such cooperation requires extraordinary services on the part of GRS.

Section III Price and Payment Schedule

A. Fees for Regular Duties

GRS fees for the regular duties set forth in Section II shall be:

Project	Fee
Actuarial Valuation Report	\$18,500
Enhanced Benefit Statements	\$4,000
GASB No. 67 Actuarial Disclosures	\$2,500
GASB No. 68 Actuarial Disclosures	\$2,000
Chapter 112.664 Compliance Report	\$3,000
Electronic Submission of Valuation Report	\$500
Certification of Benefit Calculation	\$300 / Certification
Certification of Refund Balance	\$200 / Certification
Certification of DROP or Planned Retirement	
Account Balance	\$200 / Certification

The Board shall pay these fees to GRS as projects are being performed, within 30 days of receiving an invoice.

B. Fees for Other Services

Our regular hourly rates will be used to determine the charges for Other Services and/or extraordinary services. Our hourly rates are as follows:

Title	Hourly Rate
Analyst	\$176 - \$206
Senior Analyst	\$224 - \$276
Consultant	\$282 - \$356
Senior Consultant	\$360 - \$480

IN WITNESS WHEREOF, the parties h effective the day of	ereto have caused this Agreement to be executed, 2018.
For GRS:	For the Board:
Gabriel, Roeder, Smith & Company	Chairperson, Board of Trustees City of Hollywood General Employees Retirement System
, 2018	, 2018

AGENDA ITEM 6.B.

LEGAL

PURCHASE OF CREDITED SERVICE

(TO BE PROVIDED UNDER SEPARATE COVER)

AGENDA ITEM 6.C.

LEGAL

PROPOSED ORDINANCE AMENDMENT FOR CONSISTENCY WITH THE SEPTEMBER 3, 2015 IRS DETERMINATION LETTER

AGENDA ITEM 6.D.

LEGAL

PROPOSED ORDINANCE AMENDMENT RELATING TO THE EMPLOYEES' RETIREMENT FUND

ORDINANCE I	NO.	

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING SECTION 33.025 OF THE CODE OF ORDINANCES RELATING TO THE EMPLOYEES' RETIREMENT FUND; ALLOWING CERTAIN MEMBERS OF THE FUND TO PURCHASE CREDITED SERVICE FOR PRIOR CITY SERVICE.

WHEREAS, when a current City employee is a member of the Employees' Retirement Fund but has prior City service, the ability for that employee to purchase credited service for such prior service is presently limited; and

WHEREAS, the City Commission wishes to allow more such employees to purchase credited service for prior City service; and

WHEREAS, Section 33.031 of the Code of Ordinances provides that the subchapter of Chapter 33 relating to the Employees' Retirement Fund may be amended by (a) a "majority plus one" vote of the City Commission and 50% plus one of the voting members of the Employees' Retirement Fund or (b) a majority vote of electors voting in a referendum election called for such purpose by the City Commission; and

WHEREAS, it is expected that the amendments contained in this Ordinance will be adopted in accordance with the procedure designated as (a) in the preceding paragraph, and, to accomplish that, this ordinance must be adopted by a "majority plus one" vote of the City Commission.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That Section 33.015 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

CHAPTER 33: CITY EMPLOYEES

(Coding: Words and figures <u>underscored</u> are additions to existing law; words and figures <u>struck-through</u> are deletions.)

Sec. 33.025. Pensions and retirement.

- (D) Credited Service. Each member shall receive credit for service rendered as an employee as follows:
- (11) Notwithstanding anything to the contrary contained in this Section 33.025, any city employee who is a contributing member of this plan may purchase credited service under the plan for each period of prior city employment in a full-time position that was not eligible for membership in a defined benefit retirement plan of the city. Such member may enter into an agreement at any time prior to separation from city employment to purchase such credited service by paying a contribution of 8% of the compensation received during the period of prior employment, plus a buy-back fee of 4% of the total contribution amount. If the total contribution amount and buy-back fee is not fully paid by the time the member leaves city employment, an additional 6-1/2% fee will be charged on the unpaid balance remaining when the member separates from city employment. Payments for the purchase of credited service made pursuant to this division must be made using any one or a combination of the following options:

(i) Cash lump sum payment.

- (ii) Direct transfer or rollover of an eligible rollover distribution from a qualified plan, in accordance with division (Y) below.
- (iii) Time payment plan. Under this option the member may elect to pay any remaining balance due for the purchase of credited service through a time payment plan approved by the city and the employee. Under such plan, bi-weekly payments shall be deducted from the member's compensation, and if there is any remaining balance due upon separation from city employment, monthly payments shall be deducted from the member's monthly pension benefit until the remaining balance is fully paid: provided that the deduction shall not exceed 20% of the member's gross monthly pension benefit.

Section 2: That it is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Charter of the City of Hollywood, Florida, and the provisions of this Ordinance may be renumbered to accomplish such intention.

<u>Section 3</u>: That if any word, phrase, clause, subsection or section of this Ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this Ordinance.

Section 4: That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith be and the same are repealed to the extent of such conflict.

Section 5: That this Ordinance shall be in full force and effect immediately upon its approval by a "majority plus one" vote of the City Commission and 50% plus one of the voting members of the Employees' Retirement Fund.

day of

ADVERTISED on				, 2018.				
P.	PASSED on first reading this day of					_, 2018		
P/	ASSED		ADOPTED 018.	on	second	reading	this	
ATTEST:	:			JO	SH LEVY,	MAYOR		
PATRICI CITY CLI	A A. CER ERK	NY, MN	ИС					
SUFFICI	ENCY for	the use	M AND LEGA and reliance Florida only:					•

DOUGLAS R. GONZALES, CITY ATTORNEY

AGENDA ITEM 6.E.

LEGAL

UPDATE ON CITY OF HOLLYWOOD V. CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

AGENDA ITEM 6.F. LEGAL

REQUEST FOR EXECUTIVE SESSION TO DISCUSS PENDING LITIGATION

AGENDA ITEM 7.A. EXECUTIVE DIRECTOR'S REPORT

PROPOSED FY2019 BUDGET PROPOSAL

City of Hollywood Employees Retirement Fund FY 9/30/19 Proposed Budget

	FYE 9/30/18	FYE 9/30/19 Proposed	
	Anticipated	Budget	Change (%)
Professional Fees:			
Brandes Investment Partners	161,800	152,000	
Northern Trust-Large Cap	25,440	26,000	
Thompson Siegel (TSW)	136,976	138,000	-
Wellington	362,065	364,000	
Manager Fees (not invoiced)	1,151,791	1,305,000	
Managers' Fees	1,838,072	1,985,000	. 8%
Consultants	130,000	130,000	
Accounting-	50,000	25,000	
Auditors/ Accounting Fees	,	10,000	
Custodial Fees	33,000	33,000	
GRS-Actuarial	16,934	18,500	
GRS- Other Fees		20,500	
Medical Services	2,400	4,800	= .
Legal Fees	73,332	90,000	
Total Professional Fees	2,143,738	2,316,800	8%
6 dual-database Francisco			
Administrative Expenses:	122 147	202 000	
Total Salaries	133,147	203,000	
Salaries-Temporary Services	36,007	5,000	
Taxes & Benefits	26,629	41,000	
Insurance	154,585	159,000	4.00/
Total Administrative Expenses	350,368	408,000	16%
Other Expenses:			
Training/Travel	34,640		
Dues	3,900	33,000	
Travel, meals ,lodging	3,173	41,000	
Staff/Trustee Training &Travel	41,713	74,000	77%
Participant/Member Education		5,000	
Website support/maintenance		5,000	
Equipment Rent	1,512	2,520	
Printing Cost		7,000	
Office Supplies	7,802	10,000	
Furniture/Equipment	•	10,000	
Postage		8,000	
Total Other Expenses:	51,027	122,000	124%
Pension Software & Maintenance		115,000	
Contingency Reserves		100,000	
Total Costs	2,545,134	3,062,000	15%
Total costs	2,343,134	3,502,000	
Potential FY 2019 Expenses Not Inclu	ded in Proposed Bud	get	
Annual Rent		40,000	
IT Services/Computer support		15,000	
Pension Software		100,000	
Imaging		25,000	
Utilities		7,200	
		187,200	

SAMPLE COPY

City of Hollywood Employees Retirement Fund Budget v. Actual For Year Ending 9/30/2019

Expenditures as of _____

	Approved Budget		YTD ctual	Committed	Remaining Available
Professional Fees:					
Brandes Investment Partners	152,000				152,000
Northern Trust-Large Cap	26,000				26,000
Thompson Siegel (TSW)	1.38,000				138,000
Wellington	364,000				364,000
Manager Fees (not Invoiced)	1,305,000				1,305,000
·	1,985,000				1,985,000
Consultants	130,000			•	130,000
Accounting	25,000				25,000
Auditors/ Accounting Fees	10,000	•			10,000
Custodial Fees	33,000			•	. 33,000
GRS-Actuarial	18,500	•			18,500
GRS- Other Fees	20,500				20,500
Medical Services	4,800			•	4,800
Rice - Board Attorney	90,000				90,000
Total Professional Fees	2,316,800	• .	-	•	2,316,800
Administrative Expenses:				-	
Total Salaries	203,000				203,000
Salaries-Temp	4,800	•			4,800
Taxes & Benefits	41,200			•	41,200
Insurance	159,000				159,000
Total Administrative Expenses	408,000	-		-	408,000
Other Expenses:					•
Training/Travel:					
Dues	33,000				33,000
Travel, meals ,lodging	41,000				41,000
Staff/Trustee Training & Travel	74,000	•	•	-	74,000
Participant/Member Education	5,000	-		•	5,000
Website support/maintenance	5,000			•	5,000
Equip Rent	2,520				2,520
Printing Cost	7,000				7,000
Supplies	10,000				10,000
Furniture/Equipment	10,000				10,000
Postage	8,000				8,000
Total Other Expenses:	122,000	•	-	. "	122,000
Pension Software & Maintenance	115,000				115,000
Contingency Reserves	100,000		·		100,000
Total Costs	3,062,000	-	-		3,062,000
Potential FY 2019 Expenses N	ot Included in Pro	oosed Budget			
Annual Rent	40,000				40,000
IT Services/Computer support	15,000				15,000
Pension Software	100,000				100,000
Imaging	25,000			•	25,000
Utilities	7,200				7,200
•	187,200			-	187,200

AGENDA ITEM 7.B. EXECUTIVE DIRECTOR'S REPORT

CITY COMMISSION COMMUNICATION



CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

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

CITY COMMISSION COMMUNICATION AUGUST AND SEPTEMBER 2018

The following information is provided to the City Commission for informational purposes only.

BOARD OF TRUSTEES

Phyllis Shaw - Chair

Christopher Cassidy

George Keller

Jeffery Greene -- Vice-Chair

Charles Howell

Cintya Ramos

Robert Strauss - Secretary

All Trustees attended the July 2018 Meeting of the Board of Trustees, except Charles Howell. An attempt to allow him to connect telephonically was unsuccessful. The last meeting of the Board of Trustees was held on August 23 2018 at 9:00a.m. Five trustees were in attendance. Trustee Cassidy and Trustee Ramos were absent and excused.

ITEMS OF INTEREST TO THE CITY COMMISSION

- The Fund's estimated value on July 31, 2018 was \$330.9 million.
- The Fund reviewed and updated its Annual Investment Policy. There were no major changes to the policy.
- The Fund continues its discussions with the City as it seeks to conclude the outstanding matters related to the payment of Supplemental Pension Distributions and the litigation proceedings with the City of Hollywood.
- The Fund continues its discussions with the City regarding a proposed ordinance amendment to provide consistency with the September 3, 2015 IRS Determination Letter received by the Fund.
- The Fund seeks to extend its agreement with GRS Retirement Consulting for three additional one year terms.
- The Pension Office has been staffed has two additional employees.
- The Financial Statements for the Fiscal Year ended September 30, 2017 are complete and ready for review.

ITEMS SUBMITTED FOR THE CITY COMMISSION CONSIDERATION

None

UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION

 International Foundation of Employee Benefit Plans 64th Annual Employee Benefits Conference October 14 - October 17, 2018
 Emest N. Morial Convention Center, New Orleans

MEETING SCHEDULE 2018

Unless otherwise stated all Regular Meetings of the Board of Trustees are held at 9:00am in the Fund Office.

November 1, 2018 December, 13, 2018

<u>Please be advised that the Next Regular Meeting of the Board of Trustees will be held on Thursday, November 1 at 9:00am at the Fund Office. All Commissioners are invited to attend.</u>

AGENDA ITEM 7.C. EXECUTIVE DIRECTOR'S REPORT

COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR (HANDOUT)

AGENDA ITEM 8 PUBLIC COMMENT

AGENDA ITEM 9 TRUSTEE REPORTS, QUESTIONS AND COMMENTS

AGENDA ITEM 10 ADJOURNMENT