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CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

CALENDAR OF ITEMS

REGULAR BOARD MEETING

JUNE 25, 2019

AGENDA ITEM 1

CALL TO ORDER

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 2
ROLL CALL AND
PLEDGE OF ALLEGIANCE
(NO BACKUP FOR THIS SECTION)

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

AGENDA REGULAR PENSION BOARD MEETING TUESDAY, JUNE 25, 2019 at 6:00 PM 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. April 23, 2019 Regular Meeting Minutes
 - B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
 - C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities
- 4. FINANCIAL**
 - A. Financial Statements for the Fiscal Year ended September 30, 2018
 - B. Financial Report and Investment Summary
 - C. Budget Variance Report
- 5. INVESTMENT (Segal Marco Advisors)**
 - A. May 2019 Flash Performance Report
 - B. SMID Cap Growth Manager Search Discussion
 - C. International SC/EME Discussion
 - D. Work Plan 2019
- 6. LEGAL (Ron Cohen - Rice, Pugatch, Robinson, Storfer and Cohen.)**
 - A. Update on City of Hollywood v. City of Hollywood Employees' Retirement Fund
 - B. Charles Kerr
 - C. Request for Executive Session to Discuss Pending Litigation
- 7. EXECUTIVE DIRECTOR'S REPORT**
 - A. City Commission Communication
 - B. Administrative Considerations – Clarification of Ordinance Matters
 - C. Communications from the Executive Director
- 8. PUBLIC COMMENTS**
- 9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS**
- 10. ADJOURNMENT**

AGENDA ITEM 3.A.

CONSENT AGENDA

MAY 22, 2019

REGULAR MEETING MINUTES

MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
WEDNESDAY MAY 22, 2019 AT 9:00AM

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:10a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair George Keller (Arrived at 9:14am), Secretary Robert Strauss (via teleconference), Christopher Cassidy, Charles Howell, and Cintya Ramos. Also present: Executive Director Christine Bailey; Keith Reynolds and John Ross of Segal Marco; and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

Jeffery Greene was absent and excused.

- a. May 22, 2019 Regular Board Meeting Agenda

MOTION made by Trustee Cassidy, seconded by Trustee Howell, to adopt the May 22, 2019 Regular Board Meeting Agenda. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

3. CONSENT AGENDA

- a. April 23, 2019 Regular Meeting Minutes
- b. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- c. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

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

4. FINANCIAL

- a. Ms. Bailey advised that the Financial Statements for the Fiscal Year September 30, 2018 had not yet been completed as anticipated and would be delayed until June 2019.
- b. Ms. Bailey provided the Board with the February 28, 2019 Final and April 30, 2019 Draft Financial Operations and Investment Summary.
- c. Ms. Bailey provided the Board with the Budget Variance Report as of April 30, 2019. Trustee Shaw enquired about the manager fees that are not being reflected in the budget reports. Ms. Bailey advised that she was working with Segal to identify and include all manager fees that were not paid directly by the Fund for inclusion in the reports.

5. INVESTMENT (Keith Reynolds – Segal Marco)

- a. April 2019 Flash Performance Report
Mr. Reynolds provided the Board with the Flash Performance Report for April 2019. He noted that the Investment Committee would be reviewing the report in detail at its meeting in the afternoon. Mr. Reynolds noted that Brandes would be presenting to the Investment committee in the afternoon.

In response to a request for more information on Goldpoint's performance, Mr. Reynolds noted that they were in the process of calling capital and at the bottom of the J-curve, and as they were not yet selling investments, their returns were negative. He anticipated that they would have positive returns once they begin selling the investments. The Board discussed Goldpoint's fees and it was noted that the fees were typical of this type of investment.

Mr. Reynolds also noted that Neuberger Berman had a new client services representative. He noted that this would not impact the performance of the manager.

b. First Quarter Performance Report

Mr. Reynolds advised that the First Quarter Performance Report was not yet available and would be available for the June meeting.

c. Asset Liability Study Kickoff

Mr. Reynolds introduced John Ross, the Co-head of Segal's Risk Management Group. Mr. Ross presented the Asset Liability Modeling process for the assets and the liabilities as well as the timeline for the study. It was noted that the expected changes in salary and pension benefits would impact the results of the study. Mr. Cohen discussed the proposed contract with Segal and noted that the cost of conducting the study now, and rerunning the liabilities at no cost after proposed benefit changes have been adopted, was not addressed and an open item. It was noted that the proposed benefit changes were expected to be adopted in time and the rerun would be unnecessary. It was anticipated that the report would still be delivered in August. Trustee Strauss noted that the Segal presentation reflected a 36% probability of meeting a 7.5% assumption rate over the next 20 years. Mr. Reynolds noted that the study does consider the probability and risk associated with trying to attain a specific assumption rate.

d. The Board discussed the 2019 Work Plan for the Board and for the Investment Committee meetings. Mr. Reynolds highlighted the timeline of the Asset Liability Study. It was noted that the timeline would likely change if there were benefit changes to the Fund.

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

a. Update on the City of Hollywood v. Board of Trustees of City of Hollywood Employees' Retirement Fund et al.

Mr. Cohen advised the Board that he has been communicating with the City's outside counsel but has not received a response from the City regarding the payment of the 2012 13th Check. He noted that his office has requested discovery from the City that was due the week after this meeting. Mr. Keller noted that the City has been speaking with Tallahassee regarding the prefunding of the benefit. Mr. Keller also noted that the City was clear on the Board position that any settlement must include the payment of the 2012 13th check.

Mr. Cohen stated that he believed that the payment of the 2012 13th check was the only outstanding issue but that he had yet to receive the counterproposal from the City.

b. BLB&G LLP Retainer Agreement

Mr. Cohen provided the Board with the Retainer Agreement for BLB&G.

c. Review Sunshine Law

Mr. Cohen reviewed the Sunshine Law with the Board.

d. Request for Executive Session to Discuss Pending Litigation

Mr. Cohen requested an Executive Session to discuss Pending Litigation with City of Hollywood Florida v the Board of Trustees of the City of Hollywood Employees Retirement Fund. He noted the conditions of the session.

Mr. Cohen advised the Board that Ms. Bailey was recently subpoenaed regard a member's post-divorce Court appearance and he attended the hearing. In response to

a question, Mr. Cohen explained the difference between a QDRO, an ERISA benefit which the fund would not implement and an Income Deduction Order which the Fund would implement. Trustee Shaw noted that there was currently a child support payment in place that needed to be corrected so that it addressed to the Fund. It was currently addressed to the City,

Trustee Cassidy inquired about the filing of financial disclosures with the Supervisor of Election. All Trustees noted that they had not yet received them from their respective counties. Mr. Cohen advised that Trustees could download the forms themselves by going online.

7. EXECUTIVE DIRECTOR'S REPORT

a. City Commission Communication

The Board received the City Commission Communication with recommended changes.

- b. Ms. Bailey provided the Board with the renewal of the Public Official Bond. She advised the Board that the cost of the bond was \$4,375.00 and covered the Chair, Vice Chair, Secretary, Executive Director and Pension Coordinator at a limit of \$250,000 per official. The Board requested information on increasing the limits.

MOTION made by Trustee Ramos, seconded by Trustee Keller, to approve the renewal of the Public Official Bond. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

c. Communications from the Executive Director

- Ms. Bailey requested that the Board allow the Director of Finance of the City of Hollywood to authorize deposits only to the Wells Fargo Bank Account to expedite the Employee and Employer Contribution Deposit process.

MOTION made by Trustee Keller, seconded by Trustee Howell, to allow the Director of Finance of the City of Hollywood to authorize deposits only to the Wells Fargo Bank Account. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

- Ms. Bailey asked the Board to consider a merger of the Investment and Governance Committees as they cover related responsibilities. The Board agreed. The Board discussed the possibility of making the Investment meeting a quarterly meeting.
- Ms. Bailey advised the Board that the proposed ordinance amendments would be available for a vote of the membership shortly and that the parties involved in the negotiations of new employee contracts have requested that the Ordinance vote be expedited. Ms. Bailey advised that a print shop would be utilized to print the retiree ballots.
- The Board inquired about the recommendation to rectify the benefits and beneficiary selection of retirees who elected the 100% joint and equal benefit option with non-spousal beneficiaries more than 10 years younger after April 2002 that may not be in compliance with the Internal Revenue Code. Mr. Cohen advised that the research was ongoing and that there may be a way to grandfather those selection in so that they could remain.

MOTION made by Trustee Keller, seconded by Trustee Cassidy, to extend the meeting by 10 minutes. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

- Ms. Bailey advised that 38 retirees had not responded to the Life Certificate request. She noted that we had not received any communications from these members after numerous attempts to reach them, starting in December 2018. She recommended that the Board send one final communication to these member advising that their benefits would be discontinued in June, until we receive the life certificate. She further recommended that the Board use an investigative service to try and locate these individuals. The Board discussed various courses of action.

MOTION made by Trustee Keller, seconded by Trustee Cassidy, to conduct a death search, to use the investigator in an attempt to locate the retirees, and if the results are unsuccessful to discontinue the benefit payments until we locate the retiree. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

- Ms. Bailey advised the Board that the Annual Duty Disability Tax Audit was being conducted.

8. PUBLIC COMMENTS

There were no Public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Keller advised the Board that the City had initiated a forensic audit of the Fire Pension Fund's loan program.

10. ADJOURNMENT

MOTION made by Trustee Ramos, seconded by Trustee Cassidy to adjourn the meeting. In a voice vote by the members present, **Motion** passed 6-0. Meeting adjourned at 12:15p.m.

Phyllis Shaw, Chair

Date

AGENDA ITEM 3.B.

CONSENT AGENDA

**RATIFICATION OF DISTRIBUTIONS (CONTRIBUTIONS AND
DROP) AND PLAN EXPENSES**

EMPLOYEES' RETIREMENT FUND
Refunds and DROP Distributions
June 25, 2019 Regular Pension Board Meeting

<u>Name</u>	<u>Refund</u>
<u>Refunds of Contributions</u>	
Mallin, Maryann	\$ 11,573.64
	\$ <u>11,573.64</u>
<u>Planned Retirement</u>	
None	0
	\$ <u>0.00</u>
<u>Partial Lump Sum Distribution</u>	
None	\$ <u>0.00</u>
<u>DROP Distributions</u>	
None	\$ <u>0.00</u>
TOTAL: \$ 11,573.64	

**CITY OF HOLLYWOOD
EMPLOYEES RETIREMENT FUND
Disbursements Processed
May 1, 2019 to May 31, 2019**

Charles Howell (2019 Segal Conference)	\$	(477.83)
Christine Bailey (Court appearance)	\$	(26.02)
Wellington Trust Company, Na (January-March)	\$	(76,749.75)
City Of Hollywood (March)	\$	(30,975.05)
City Of Hollywood (April)	\$	(20,893.21)
Gabriel Roeder Smith & Company (April)	\$	(26,036.00)
International Foundation (G.K registration adjustment)	\$	(50.00)
Rice Pugatch Robinson Storfer (April)	\$	(8,057.50)
Segal Marco Advisors (April)	\$	(4,166.67)
Segal Marco Advisors (April)	\$	(10,833.33)
Thompson Siegal & Walmsley Llc (January-March)	\$	(28,229.34)
Wells Fargo Credit Card (Segal Conference & Supplies)	\$	(3,564.64)
Wells Fargo Fees Custodian (January-March)	\$	(7,961.42)
	\$	<u>(218,020.76)</u>

AGENDA ITEM 3.C.

CONSENT AGENDA

APPROVAL/RATIFICATION OF NEW RETIREMENT

/DROP/VESTED/DEATH ANNUITIES

EMPLOYEES' RETIREMENT FUND
New Retirement/DROP/Death/Vested Annuities - Monthly Amounts
June 25, 2019 Regular Pension Board Meeting

New Retirements

Pension

Morris, Barrington - 4/2/2019

1,286.16

Benefits Stopped

None

AGENDA ITEM 4.A.

FINANCIAL

FINANCIAL STATEMENTS

(UNDER SEPARATE COVER)

AGENDA ITEM 4.B.

FINANCIAL

FINANCIAL OPERATIONS AND INVESTMENT SUMMARY

**CITY OF HOLLYWOOD
EMPLOYEES' RETIREMENT FUND
FINANCIAL OPERATIONS AND INVESTMENT SUMMARY**

DRAFT

May 2019

Fiscal Year-To-Date

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance October 1, 2018	\$ 331,936,596.36	\$ 280,919,857.11	\$ 51,016,739.25
Contributions and Payments:			
City Contributions		\$ 22,605,376.19	
Employees Contributions		\$ 2,180,497.99	
Pension Disbursement		\$ (22,377,982.04)	
Administrative Expenses		\$ (668,834.15)	(1)
Net Contributions/Payments		\$ 1,739,057.99	
Investment Income:			
Dividends & Interest Received		\$ 4,161,243.80	
Gain on Sales (Realized Gains/(Loss))		\$ 4,470,171.09	
Commission Recapture		\$ 536.90	
Quarterly Investment Fees		\$ (524,095.66)	(2)
Net Investment Income		\$ 8,107,856.13	
Balance April 30, 2019	\$ 330,902,419.31	\$ 290,766,771.23	\$ 40,135,648.08
Increase (Decrease) for the Period	\$ (1,034,177.05)	\$ 9,846,914.12	\$ (10,881,091.17)
			1,479,285.49

Unrealized Gain (Loss) Account

Composition of Increases (Decreases)

AG Direct Lending	\$ (127,706.03)	*
Angelo-Gordon Realty	\$	*
Baird Core Plus Bond Fund	\$ 2,164,079.91	*
Brandes Investment Partners	\$ (1,343,792.52)	
Frontier Capital Management	\$	
Golden Tree	\$ 506,192.37	*
Gold Point	\$ (31,025.75)	
Harbourvest Dover IX49	\$ (333,012.99)	**
IFM Global	\$ 90,199.23	
Morgan Stanley	\$ 283,665.43	
NB Crossroads	\$ 1,184,512.88	
Neuberger & Berman	\$	
Neuberger Short Duration	\$ 1,251,183.65	
Northern Trust-Extended	\$ (1,347,633.66)	
Northern Trust	\$ (7,172,199.20)	
Principal Investors	\$ 192,988.18	*
Thompson, Siegel & Walmsley	\$ (1,321,422.07)	
Wellington International	\$ (3,397,835.11)	
	\$ (9,401,805.68)	

Investment Return

Net Investment Income	\$ 8,107,856.13
Increases (Decrease) in Unrealized Gain/Loss	\$ (10,881,091.17)
Total Investment Return for the Period	\$ (2,773,235.04)
Beginning Market Value	\$ 331,936,596.36
Plus/(Less): Net Contributions/Payment	\$ 1,739,057.99
Assets Available for Investment	\$ 333,675,654.35
Investment Return as a result of % of Assets Available for Investments	-0.83%

*Last reported balance is as of Apr-19

**Last reported balance is as of Feb-19

City of Hollywood Employees Retirement Fund
For Year Ending 9/30/2019
Expenditures as of 05/31/2019

	FYE 2018	YTD	
	YTD Actual	Paid 2019	Expenditures
Professional Fees:			
Brandes Investment Partners	63,590	34,624	98,214
Northern Trust-Large Cap	15,056	5,969	21,025
Thompson Siegel (TSW)	53,309	30,422	83,731
Wellington	144,711	152,407	297,118
Custodial Fees	16,045	7,963	24,008
Manager Fees (not invoiced)	-	-	-
Total Quarterly Fees	292,711	231,385	524,096 ⁽²⁾
Consultants	75,834	21,667	97,500
Accounting	29,167	8,333	37,500
GRS-Actuarial	32,390	11,742	44,132
GRS- Other Fees	8,151	-	8,151
Rice - Board Attorney	41,138	32,727	73,865
Total Professional Fees	186,679	74,469	261,148
Administrative Expenses:			
Total Salaries	127,195	15,546	142,741
Salaries-Temp	-	7,500	7,500
Taxes & Benefits	23,827	2,542	26,369
Insurance	154,113	704	154,817
Total Administrative Expenses	305,135	26,293	331,427
Other Expenses:			
Training/Travel:			
Dues	29,047	11	29,058
Training-Travel, Meals & Lodging	29,202	4,249	33,451
Staff/Trustee Training & Travel	58,249	4,260	62,509
Participant/Member Education	-	-	-
Website support/maintenance	-	-	-
Equip Rent	-	834	834
Printing Cost	-	-	-
Supplies	2,164	1,468	3,632
Furniture/Equipment	7,216	1,970	9,185
Misc	-	100	100
Postage	-	-	-
Total Administrative Expenses:	559,441	109,394	668,835 ⁽¹⁾
Total Costs FYE 2019	852,152	340,779	1,192,930

AGENDA ITEM 4.C.

FINANCIAL

BUDGET VARIANCE REPORT

City of Hollywood Employees Retirement Fund
Budget v. Actual
For Year Ending 9/30/2019
Expenditures as of 05/31/2019

	Approved Budget	May-19	YTD Actual	Remaining Available	% Remaining Available
	(A)		(B)	(A-B)	(A-B)/(A)
Professional Fees:					
Brandes Investment Partners	152,000	-	63,590	88,410	58%
Northern Trust-Large Cap	26,000	-	15,056	10,944	42%
Thompson Siegel (TSW)	138,000	28,229	53,309	84,691	61%
Wellington	364,000	76,750	144,711	219,289	60%
Manager Fees (not invoiced)	1,305,000	-	-	1,305,000	100%
	<u>1,985,000</u>	<u>104,979</u>	<u>276,665</u>	<u>1,708,335</u>	<u>86%</u>
Consultants	130,000	10,833	75,834	54,166	42%
Accounting	25,000	4,167	29,167	(4,167)	-17%
Auditors/ Accounting Fees	10,000	-	-	10,000	100%
Custodial Fees	33,000	7,961	16,045	16,955	51%
GRS-Actuarial	18,500	19,956	32,390	(13,890)	-75%
GRS- Other Fees	20,500	6,080	8,151	12,349	60%
Medical Svcs (Disability Verification)	4,800	-	-	4,800	100%
Rice - Board Attorney	90,000	8,058	41,138	48,863	54%
Total Professional Fees	2,316,800	162,034	479,389	1,837,411	79%
Administrative Expenses:					
Total Salaries	203,000	42,830	121,062	81,938	40%
Salaries-Temp	4,800	-	-	4,800	100%
Taxes & Benefits	41,200	9,038	29,960	11,240	27%
Insurance	159,000	-	154,113	4,887	3%
Total Administrative Expenses	408,000	51,868	305,135	102,865	25%
Other Expenses:					
Training/Travel:					
Dues	33,000	61	29,047	3,953	12%
Training-Travel, Meals & Lodging	41,000	3,060	29,202	11,798	29%
Staff/Trustee Training &Travel	74,000	3,121	58,249	15,752	21%
Participant/Member Education	5,000	-	-	5,000	100%
Website support/maintenance	5,000	-	-	5,000	100%
Equip Rent	2,520	-	-	2,520	100%
Printing Cost	7,000	-	-	7,000	100%
Supplies	10,000	623	2,164	7,836	78%
Furniture/Equipment	10,000	375	7,216	2,784	28%
Postage	8,000	-	-	8,000	100%
Total Other Expenses:	122,000	4,118	67,628	54,372	45%
Pension Software & Maintenance	115,000	-	-	115,000	100%
Contingency Reserves	100,000	-	-	100,000	100%
Total Costs FYE 2019	3,062,000	218,021	852,152	2,209,848	72%
FYE 2018 Expenses Paid 2019	-	-	340,779		
	<u>3,062,000</u>	<u>218,021</u>	<u>1,192,930</u>		

AGENDA ITEM 5.A.

INVESTMENT

MAY 2019 FLASH PERFORMANCE REPORT



City of Hollywood Employees' Retirement Fund

PRELIMINARY PERFORMANCE

May 31, 2019

Keith Reynolds
Vice President & Senior Consultant

Felicia Ewell
Senior Associate

	Market Value	Percent of Total Plan	New Target Allocation	Difference	Range
<u>Domestic Equity - Large Cap</u>	\$60,468,875	18.5%	20.0%	-1.5%	15-30%
Northern Trust S&P 500	\$60,468,875	18.5%			
<u>Domestic Equity - SMID Cap</u>	\$31,394,082	9.6%	10.0%	-0.4%	7-15.5%
TSW	\$13,660,176	4.2%			
Northern Trust Extended Equity Market*	\$17,733,906	5.4%			
<u>International Equity</u>	\$60,262,146	18.5%	20.0%	-1.5%	15-25%
Wellington	\$47,027,355	14.4%			
Brandes	\$13,234,791	4.1%			
<u>Fixed Income</u>	\$99,573,994	30.5%	30.0%	0.5%	25-37.5%
Neuberger Short Duration	\$37,843,807	11.6%			
Baird Core Plus Bond	\$34,539,582	10.6%			
GoldenTree Mutli-Sector	\$15,978,984	4.9%			
AG Direct Lending Fund II, LP	\$11,211,621	3.4%			
<u>Real Estate</u>	\$34,386,809	10.5%	10.0%	0.5%	7-14%
Morgan Stanley	\$23,093,057	7.1%			
Principal	\$11,293,752	3.5%			
AG Realty Value X	\$0	0.0%			
<u>Private Equity</u>	\$25,277,639	7.8%	7.5%	0.3%	0-15%
Neuberger Berman Crossroads XXI	\$16,419,918	5.0%			
HarbourVest Dover Fund IX	\$5,674,930	1.7%			
GoldPoint Co-Investment VI	\$3,182,791	1.0%			
<u>Infrastructure</u>	\$12,918,190	4.0%	2.5%	1.5%	0-5%
IFM Global Infrastructure	\$12,918,190	4.0%			
<u>Investment Cash Account</u>	\$1,829,973	0.6%			
Total Fund	\$326,111,708	100.0%	100.0%		

Northern Trust Extended Equity Market Fund replaced Frontier Capital, which was liquidated on July 31, 2018

	Quarter ended March 31, 2019	1 Month ended April 30, 2019	1 Month ended May 31, 2019	Calendar May 31, 2019
Equity				
Trust S&P 500	13.66%	4.05%	-6.36%	10.74%
0 Index	13.64%	4.05%	-6.35%	10.73%
ID	12.50%	3.39%	-6.44%	8.82%
2500 Value Index	13.12%	3.51%	-7.54%	8.27%
Trust Extended Equity Market	15.94%	3.66%	-6.97%	11.81%
Completion Total Market Index	15.99%	3.66%	-6.95%	11.88%
Equity				
n	13.94%	2.90%	-5.33%	11.00%
CWI ex-US Index	10.32%	2.64%	-5.37%	7.15%
AFE Small Cap (net)	4.23%	2.68%	-5.67%	0.96%
	10.66%	3.02%	-5.29%	7.97%
Short Duration	2.33%	0.25%	0.65%	3.25%
ended Benchmark	0.84%	0.20%	0.41%	1.46%
Barc. Intermed. U.S. Government/Credit	2.32%	0.19%	1.31%	3.86%
e Plus Bond	3.77%	0.22%	1.54%	5.59%
ys Aggregate Index	2.94%	0.03%	1.78%	4.80%
ee Multi-Sector LP	5.53%	1.70%	-0.36%	6.95%
ended Index	5.00%	1.32%	-0.48%	5.88%
ys Aggregate Index	2.94%	0.03%	1.78%	4.80%
ate				
itanley	1.48%	0.07%	0.07%	1.62%
IF ODCE (ew) Index	1.69%	0.00%	0.00%	1.69%
IF Property Index	1.88%	0.11%	0.11%	2.10%
	1.80%	0.00%	0.00%	1.80%
cture				
al Infrastructure	2.63%	0.08%	-0.14%	2.57%

The City of Hollywood

Comparative Performance - IRR

As of May 31, 2019

	Market Value (\$)	1 Month	1 Quarter	1 To May-2019	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Private Equity										
Private Equity Composite	25,277,639	7.75	2.63	5.70	13.33	13.29	N/A	N/A	13.29	06/23/2016
NB Crossroads Fund XXI	16,419,918	5.04	4.12	8.64	17.56	12.34	N/A	N/A	12.34	06/23/2016
HarbourVest Dover Fund IX	5,674,930	1.74	0.00	1.90	15.77	N/A	N/A	N/A	28.89	12/16/2016
GoldPoint Co-Investment VI	3,182,791	0.98	0.17	-0.98	-8.20	N/A	N/A	N/A	-7.75	04/23/2018
Private Debt										
AG Direct Lending Fund II, L.P.	11,211,621	3.44	2.31	5.48	10.12	N/A	N/A	N/A	9.75	05/31/2017

Trust S&P 500	Passive Large Cap Equity	\$	60,468,875	3.5 bps on assets	\$	21,164	0.0
	SMID Cap Value Equity	\$	13,660,176	80 bps on assets	\$	109,281	0.8
Trust Extended Equity Market	SMID Cap Core Equity	\$	17,733,906	3 bps on assets	\$	5,320	0.0
on	International Equity	\$	47,027,355	71 bps on assets	\$	333,894	0.7
	International Small Cap Equity	\$	13,234,791	95 bps on first \$25MM, 90 bps on next \$25MM, 80 bps on balance	\$	125,731	0.9
er Short Duration	Short Duration Fixed Income	\$	37,843,807	43 bps on assets	\$	162,728	0.4
ire Plus Bond	Core Plus Fixed Income	\$	34,539,582	30 bps on assets	\$	103,619	0.3
ree Multi-Sector Fund	Multi-Sector Credit	\$	15,978,984	75 bps on assets	\$	119,842	0.7
st Lending Fund II, LP ¹	Direct Lending Fixed Income	\$	11,211,621	100 bps on first \$50MM, 85 bps on \$50-\$100MM, 80 bps on \$100-\$200MM, 60 bps above \$200MM	\$	112,116	1.0
Stanley	Real Estate	\$	23,093,057	84 basis points base fee, plus a monthly accrued performance based fee equal to 5% multiplied by NAV multiplied by comparable property NOI growth for the month	\$	193,982	0.8
l ²	Real Estate	\$	11,293,752	130 bps on assets + incentive fee	\$	146,819	1.3
er Berman Crossroads XXI ³	Private Equity	\$	16,419,918	25.8 bps on assets	\$	42,363	0.2
Vest Dover Fund IX ⁴	Private Equity	\$	5,674,930	70 bps on assets	\$	39,725	0.7
nt Co-Investment VI ⁵	Private Equity	\$	3,182,791	1% on committed capital during investment period, 1% on invested capital thereafter	\$	100,000	1.0
al Infrastructure ⁶	Infrastructure	\$	12,918,190	77 bps on assets	\$	99,470	0.7
ment Management Fees		\$	324,281,735		\$	1,716,055	0.5
co	Investment Consulting	\$		\$130,000 annual retainer	\$	130,000	0.0
io	Custodian	\$	324,281,735	2 bps on first \$50MM, 1 bps on next \$75MM, 0.5 bps on balance	\$	27,464	0.0

Watch List – May 31, 2019

Equity Managers	Strategy	Rating	Performance Criteria											Comments
			Benchmark Criteria											
			3-Yr	Manager Returns %	Benchmark Returns %	5-Yr	Manager Returns %	Benchmark Returns %	Inception*	Manager Returns %	Benchmark Returns %	3-Yr	5-Yr	
Brades	Intl Small Cap Equity	Recommended	No	-1.5	5.6	NA	NA	NA	No	0.2	4.5	N/A	N/A	Performance

* Brades placed on "Watch List" August 23, 2018.
 Performance is Net of Fees.
 Inception Date - Brades: 5/1/2015

Cash Flow Activity – Inception to Date

- Since the December 2017 inception of the Administrative Services relationship, the SMA Client Services team has administered the following investment activity for the Fund:

City of Hollywood Employees' Retirement Fund	12/2017 – 5/2019 Activity	
	Dollars	Count
Manager Subscriptions / Redemptions	155,700,000	29
Monthly Benefits	-	-
Capital Calls	17,450,000	28
Capital Distributions	80,800,000	33
Mutual Fund Trades	17,500,000	6
Internal Bank Transfers	113,950,000	32
Invoice Payments	-	-
Other Directives	35,500,000	3
TOTALS: \$	420,900,000	131

Cash Flow Activity Detail – May 2019

Manager	Product	Wire Type	Transfer Date	Transfer Amount
Wells Fargo	DB Account	Internal Bank Transfer	5/31/2019	\$3,000,000
Northern Trust	S&P 500 Index	Capital Distribution	5/31/2019	\$4,000,000
Northern Trust	S&P 500 Index	Commingled Fund Redemption	5/30/2019	\$4,000,000
Neuberger Berman	Crossroads XXI	Capital Call	5/22/2019	\$600,000
Total				\$11,600,000

Market Environment

May 2019

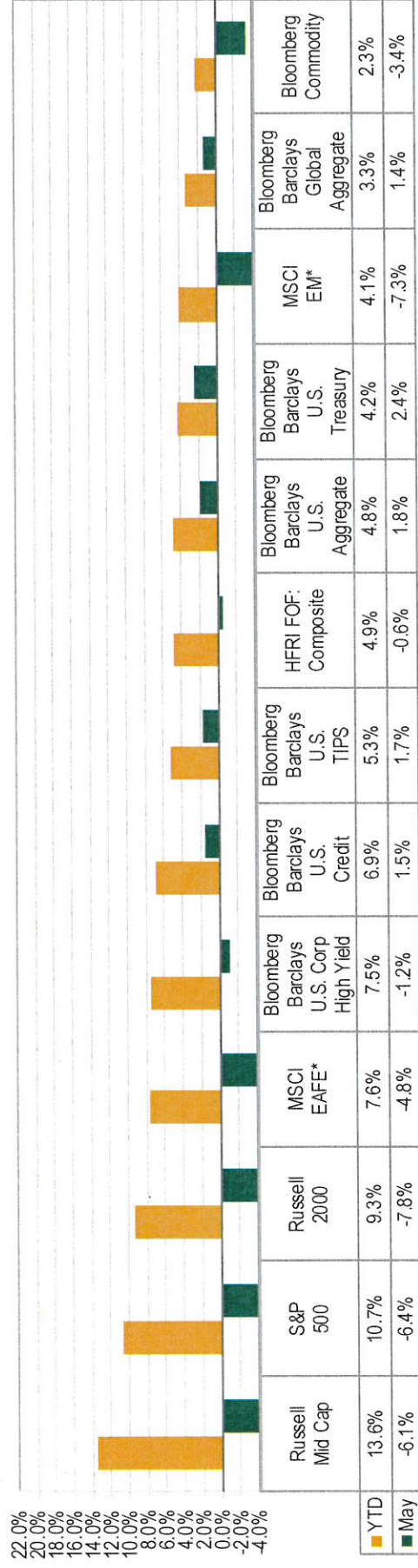
May Highlights

- The U.S. unemployment rate remained steady at 3.6% in May. Nonfarm payrolls grew by only 75,000 jobs, a significantly lower number than was expected.
- U.S. equities were negative in May as U.S./China trade discussions faltered. Real estate was positive (+1.2%) but all other sectors, including energy (-1.3%) and information technology (-8.7%), were negative.
- Developed and emerging market stocks both declined with a gloomier outlook for global trade. China stocks fell sharply in May.
- The U.S. Treasury index was positive in May as uncertainty grew around the state of the global economy. Global government bonds rose, with questions surrounding global trade sending investors to safe-haven assets. High yield fell as oil prices declined in May.
- Hedge funds were lower in May. Relative value slipped a bit, but emerging markets strategies posted bigger losses.
- Commodities declined, with oil prices posting double-digit losses and livestock and industrial metals also falling in the month.

YTD Highlights

- Unemployment rate remains historically low, even despite May's weak report. While U.S. economic fundamentals remain relatively solid, the global picture has been darkened by trade disputes and by signs of slowing global growth.
- Despite May's declines, U.S. equities remain positive YTD. Small, mid and large caps all have posted gains so far in 2019.
- Developed and emerging market stocks also remain positive YTD, with developed market stocks outperforming emerging so far. Dovish central bank policy and optimism about U.S./China trade relations had buoyed international stocks for much of the year before May's downturn.
- Investors have favored riskier assets over government bonds for most of the YTD. High yield and IG credit's gains were still ahead of U.S. Treasuries.
- Hedge funds were still performing well, with all subindices notching solid returns despite May's negative results. Equity hedge strategies were the top performers YTD.
- Commodities are positive YTD, but the falloff in energy prices in May and flagging performance for other subsectors this year have tempered gains.

Returns



*Net of div idends

AGENDA ITEM 5.B.

INVESTMENT

SMID CAP GROWTH MANAGER SEARCH DISCUSSION

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 5.C.

INVESTMENT

INTERNATIONAL SC/EME DISCUSSION

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 5.D.

INVESTMENT

WORK PLAN 2019

City of Hollywood Employees' Retirement Fund

Draft 2019 Work Plan*

MEETING DATE	BOARD MEETING	INVESTMENT COMMITTEE MEETING
January 22	<ul style="list-style-type: none"> December Flash Report 	None
February 26	<ul style="list-style-type: none"> 4Q Performance Review January Flash Report 2019 Investment Ideas Discussion 	None
March 26	<ul style="list-style-type: none"> ALM Study – Approval of Project February Flash Report 2019 Work Plan Development 	None
April 23	<ul style="list-style-type: none"> March Flash Report Wells Fargo/Principal Transaction Update SMID Cap Growth Search Report: Confirmation of Finalists 	<ul style="list-style-type: none"> Establish Investment Committee Protocols 2019 Work Plan Discussion
May 22	<ul style="list-style-type: none"> ALM Study: Kick-Off Discussion April Flash Report 	<ul style="list-style-type: none"> Manager Presentation: Brandes International Small Cap Intl SC / EME Education
June 25	Board Meeting starts at 6:00pm <ul style="list-style-type: none"> May Flash Report Intl SC / EME: Discussion SMID Cap Growth Search: Discussion and Approval of IC Manager Recommendation 	<ul style="list-style-type: none"> SMID Cap Growth Search: Manager Interviews 2019 Work Plan
July 23	<ul style="list-style-type: none"> June Flash Report 1Q Performance Report: Delivery 	<ul style="list-style-type: none"> ALM Study: Interactive Review of Potential Candidate Portfolios 1Q Performance Report: Review
August 27	<ul style="list-style-type: none"> ALM Study: Review of Final Report July Flash Report 2Q Performance Report: Delivery Intl SC / EME Search Report: Delivery 	<ul style="list-style-type: none"> 2Q Performance Report: Review Intl SC / EME Search Report: Review/Selection of Finalists
September 24	<ul style="list-style-type: none"> August Flash Report ALM Study: Next Steps for Investments 	<ul style="list-style-type: none"> Intl SC / EME Search: Manager Interviews
November 5	<ul style="list-style-type: none"> September Flash Report Intl SC / EME Search: Discussion and Approval of IC Manager Recommendation Emerging Manager Program: Discussion 	<ul style="list-style-type: none"> Manager Presentation: TSW SMID Value Manager Presentation: Neuberger Berman Short Duration Investment Policy Statement: Review
December 10	<ul style="list-style-type: none"> October Flash Report Investment Policy Statement: Approval 2020 Work Plan Development 	None

*This is a working document and subject to change.

AGENDA ITEM 6.A.

LEGAL

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

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 6.B.

LEGAL

Charles Kerr

RICE PUGATCH ROBINSON STORFER & COHEN PLLC

101 N.E. THIRD AVENUE, SUITE 1800
FORT LAUDERDALE, FLORIDA 33301
TELEPHONE: (954) 462-8000
FACSIMILE: (954) 462-4300

www.rprslaw.com

June 13, 2019

Via E-mail

Chair and Members of the Board of Trustees
City of Hollywood Employees' Retirement Fund
c/o Christine Bailey, Executive Director
2600 Hollywood Blvd.
Annex Building, 2nd Floor
Hollywood, Florida 33022-9045

Re: Charles Norman Kerr, III

Dear Chair and Members:

While speaking with Allan Fallick about an entirely unrelated pension matter, he told me that he had some information that a former general employee, Charles Norman Kerr III, may have been convicted of a crime related to his employment with the City of Hollywood. Mr. Fallick followed up on March 6, 2019, with an email enclosing the docket sheet from the clerk of the Broward County Court, involving the case of *State of Florida v. Charles Norman Kerr*, Case No. 17-001278CF 10A, in the Circuit Court of the 17th Judicial Circuit in and for Broward County, Florida.

Florida Statutes §112.3173 concerns forfeiture of pensions by public officers and retirees. A copy of it is attached for your easy reference (Ex. A). §112.3173(5)(a) provides, that, "Whenever the official or Board responsible for paying benefits under a public retirement system receives notice... or otherwise has reason to believe that the rights and privileges of any person under such system are required to be forfeited under this section, such official of Board *shall* give notice and hold the hearing in accordance with Chapter 120 for the purpose of determining whether such rights and privileges are required to be forfeited." (*emphasis added*). Mr. Kerr, III is vested and no longer works for the City.

Since the Board (through me) received the information passed on by Mr. Fallick, it has a fiduciary duty to look into this. The purpose of this letter is to tell you what our preliminary investigation has yielded, and to recommend how to proceed. As you can imagine, the forfeiture of a retirement benefit is a very serious matter and the person whose benefit may be forfeited is entitled to due process. Please do not make any judgements about whether Mr. Kerr's benefits should or should not be forfeited based on this letter.

We have obtained a number of documents from the Court, and are attaching the Charging Document (Information, Ex. B); Adjudication Withheld (Ex. C), and Offense Report (Ex. D). As

you can see, Mr. Kerr pled *nolo contendere* to grand theft, pursuant to §812.014(2)(C)(1). Grand theft is defined in the §812.014 as follows:

(1) a person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or to use, the property of another with intent to either temporarily or permanently:

(a) deprive the other person of a right to the property or benefit from the property.

(b) Appropriate the property to his or her own use or to the use of any person not entitled to the use of the property.

Further, §812.014(i) provides grand theft is a felony of the third degree if the property stolen is valued at \$300 or more, but less than \$5,000.00.

§112.3173(3) provides for forfeiture as follows:

(3) FORFEITURE.—Any public officer or employee who is convicted of a specified offense committed prior to retirement, or whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense, shall forfeit all rights and benefits under any public retirement system of which he or she is a member, except for the return of his or her accumulated contributions as of the date of termination.

A "specified offense" is also defined in the statute as:

(e) "Specified offense" means:

1. The committing, aiding, or abetting of an embezzlement of public funds;
2. The committing, aiding, or abetting of any theft by a public officer or employee from his or her employer;
3. Bribery in connection with the employment of a public officer or employee;
4. Any felony specified in chapter 838, except ss. 838.15 and 838.16;
5. The committing of an impeachable offense;
6. The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use

of the power, rights, privileges, duties, or position of his or her public office or employment position; or

7. The committing on or after October 1, 2008, of any felony defined in s. 800.04 against a victim younger than 16 years of age, or any felony defined in chapter 794 against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

"Conviction" and "convicted" is defined as:

a) "Conviction" and "convicted" mean an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or of *nolo contendere*; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

I believe that a plea of *nolo contendere* to a violation of 812.014(2)(C)(1) may lead to forfeiture of the pension benefit under two definitions of a specified offense as set forth above: (e)(2) and (e)(6). The information that we have indicates that Charles Norman Kerr, III was employed as the Manager of the City's print shop and was given the responsibility of operating it. The City print shop is a "FedEx" Office type production facility which provides numerous printing, copying and printing services for employees of the City and selected non-governmental organizations.

In 2016, there were concerns that Kerr was performing jobs for outside clients and "pocketing" the proceeds of the job. On March 17, 2016, it is alleged that Kerr printed and packaged postcards for an event called, "Ohana 2016 Luau At The Lake Presented By the Fraternal Order of Moai." According to official documentation from Sunbiz.org, Kerr was the Registered Agent for that entity. Production of this job was discovered by Kerr's boss, Michele Anzalone.

Ms. Anzalone provided a sworn statement that Kerr didn't have permission to do this job and the City never received anything for this job. Anzalone advised the cost of the job resulted in a financial loss to the City of \$599.15. Anzalone claims she had attempted to document numerous other jobs, but Kerr destroyed work orders and made changes to computer job logs in order to cover up his illicit actions.

After learning of what had transpired, the City chose to prosecute and seek restitution. Kerr was charged and booked for Grand Theft in the Third Degree under Fla. Stat. 812.014(2)(c)(1). The Complaint Affidavit stated in part, "Charles Norman Kerr III did, then and there, unlawfully use or obtain the property of the City of Hollywood, Florida, to-wit: produced a printing job valued at \$599.15, the value of more than \$300.00, with the intent to either temporarily

or permanently deprive the City of Hollywood, Florida the right to the property or a benefit thereof."

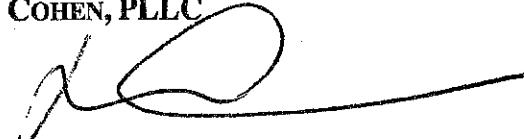
On February 9, 2017, Kerr entered a plea of not guilty. On January 30, 2019, a hearing was held wherein Kerr changed his plea from not guilty to *nolo contendere*. He was facing a maximum of 5 years. Adjudication was withheld and he was ordered to pay \$599.15 in restitution, and was given 12 months' probation. He is currently on probation pursuant to his plea of *nolo contendere*.

Thus, it seems to me, at this juncture, that there *may* be reason to believe that Mr. Kerr's pension should be forfeited. Here is my recommendation for the Board on how to proceed. First, a preliminary hearing, before the Board, should be held. Mr. Kerr should be given notice of this hearing and have a right to attend. The Board should consider all the evidence that it has, should hear from Mr. Kerr or his attorney, and then make a decision whether to proceed further. If it decides to proceed, and if Mr. Kerr petitions for a hearing, a hearing must be held pursuant to the Administrator's Procedures Act. The record of the hearing must include the following:

- The notice and summary of grounds.
- Evidence received.
- All written statements submitted.
- Any decision overruling objections.
- All matters placed on the record after an ex parte communication.
- The official transcript.
- Any decision, opinion, order, or report by the presiding officer.

Very truly yours,

**RICE PUGATCH ROBINSON STORFER &
COHEN, PLLC**



Ronald J. Cohen

RJC/mlk
Enclosures

EXHIBIT "A"

Select Year: 2018 ▾ Go

The 2018 Florida Statutes

<u>Title X</u> PUBLIC OFFICERS, EMPLOYEES, AND RECORDS	<u>Chapter 112</u> PUBLIC OFFICERS AND EMPLOYEES: GENERAL PROVISIONS	<u>View Entire Chapter</u>
--	--	--

112.3173 Felonies involving breach of public trust and other specified offenses by public officers and employees; forfeiture of retirement benefits.—

(1) **INTENT.**—It is the intent of the Legislature to implement the provisions of s. 8(d), Art. II of the State Constitution.

(2) **DEFINITIONS.**—As used in this section, unless the context otherwise requires, the term:

(a) “Conviction” and “convicted” mean an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or of nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

(b) “Court” means any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense.

(c) “Public officer or employee” means an officer or employee of any public body, political subdivision, or public instrumentality within the state.

(d) “Public retirement system” means any retirement system or plan to which the provisions of part VII of this chapter apply.

(e) “Specified offense” means:

1. The committing, aiding, or abetting of an embezzlement of public funds;
2. The committing, aiding, or abetting of any theft by a public officer or employee from his or her employer;
3. Bribery in connection with the employment of a public officer or employee;
4. Any felony specified in chapter 838, except ss. [838.15](#) and [838.16](#);
5. The committing of an impeachable offense;
6. The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of his or her public office or employment position; or
7. The committing on or after October 1, 2008, of any felony defined in s. [800.04](#) against a victim younger than 16 years of age, or any felony defined in chapter 794 against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

(3) **FORFEITURE.**—Any public officer or employee who is convicted of a specified offense committed prior to retirement, or whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense, shall forfeit all rights and benefits under any public retirement system of which he or she is a member, except for the return of his or her accumulated contributions as of the date of termination.

(4) **NOTICE.**—

(a) The clerk of a court in which a proceeding involving a specified offense is being conducted against a public officer or employee shall furnish notice of the proceeding to the Commission on Ethics after the state attorney

advises the clerk that the defendant is a public officer or employee and that the defendant is alleged to have committed a specified offense. Such notice is sufficient if it is in the form of a copy of the indictment, information, or other document containing the charges. In addition, if a verdict of guilty is returned by a jury or by the court trying the case without a jury, or a plea of guilty or of nolo contendere is entered in the court by the public officer or employee, the clerk shall furnish a copy thereof to the Commission on Ethics.

(b) The Secretary of the Senate shall furnish to the Commission on Ethics notice of any proceeding of impeachment being conducted by the Senate. In addition, if such trial results in conviction, the Secretary of the Senate shall furnish notice of the conviction to the commission.

(c) The employer of any member whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense shall forward notice thereof to the commission.

(d) The Commission on Ethics shall forward any notice and any other document received by it pursuant to this subsection to the governing body of the public retirement system of which the public officer or employee is a member or from which the public officer or employee may be entitled to receive a benefit. When called on by the Commission on Ethics, the Department of Management Services shall assist the commission in identifying the appropriate public retirement system.

(5) FORFEITURE DETERMINATION.—

(a) Whenever the official or board responsible for paying benefits under a public retirement system receives notice pursuant to subsection (4), or otherwise has reason to believe that the rights and privileges of any person under such system are required to be forfeited under this section, such official or board shall give notice and hold a hearing in accordance with chapter 120 for the purpose of determining whether such rights and privileges are required to be forfeited. If the official or board determines that such rights and privileges are required to be forfeited, the official or board shall order such rights and privileges forfeited.

(b) Any order of forfeiture of retirement system rights and privileges is appealable to the district court of appeal.

(c) The payment of retirement benefits ordered forfeited, except payments drawn from nonemployer contributions to the retiree's account, shall be stayed pending an appeal as to a felony conviction. If such conviction is reversed, no retirement benefits shall be forfeited. If such conviction is affirmed, retirement benefits shall be forfeited as ordered in this section.

(d) If any person's rights and privileges under a public retirement system are forfeited pursuant to this section and that person has received benefits from the system in excess of his or her accumulated contributions, such person shall pay back to the system the amount of the benefits received in excess of his or her accumulated contributions. If he or she fails to pay back such amount, the official or board responsible for paying benefits pursuant to the retirement system or pension plan may bring an action in circuit court to recover such amount, plus court costs.

(6) FORFEITURE NONEXCLUSIVE.—

(a) The forfeiture of retirement rights and privileges pursuant to this section is supplemental to any other forfeiture requirements provided by law.

(b) This section does not preclude or otherwise limit the Commission on Ethics in conducting under authority of other law an independent investigation of a complaint which it may receive against a public officer or employee involving a specified offense.

History.—s. 14, ch. 84-266; s. 4, ch. 90-301; s. 44, ch. 92-279; s. 55, ch. 92-326; s. 22, ch. 94-249; s. 1414, ch. 95-147; s. 13, ch. 99-255; s. 3, ch. 2008-108; s. 14, ch. 2012-100.

EXHIBIT "B"

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, STATE OF FLORIDA

THE STATE OF FLORIDA

INFORMATION FOR

vs.

I. GRAND THEFT

CHARLES NORMAN KERR III,

Defendant

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF FLORIDA:

MICHAEL J. SATZ, State Attorney of the Seventeenth Judicial Circuit of Florida, as Prosecuting Attorney for the State of Florida in the County of Broward, by and through his undersigned Assistant State Attorney, charges that **CHARLES NORMAN KERR III**, on or about the **17th day of March, A.D. 2016**, in the County and State aforesaid, did then and there unlawfully and knowingly obtain or endeavor to obtain the property of **City of Hollywood**, to-wit: work materials, of the value of three hundred dollars (\$300.00) or more but less than five thousand dollars (\$5,000.00), with the intent to either temporarily or permanently deprive **City of Hollywood** of the right to the property or a benefit from the property, or to appropriate the property to his own use or the use of any person not entitled to the use of the property, contrary to F.S. 812.014(1)(a), F.S. 812.014(1)(b) and F.S. 812.014(2)(c)1., (L2).

KP/or
2/1/2017

IDENTIFYING DATA:
W/M, D.O.B. 1/22/70,

COUNTY OF BROWARD
STATE OF FLORIDA

Personally appeared before me Alex Vrruelt, duly appointed as an Assistant State Attorney of the 17th Judicial Circuit of Florida by MICHAEL J. SATZ, State Attorney of said Circuit and Prosecuting Attorney for the State of Florida in the County of Broward, who being first duly sworn, certifies and says that testimony has been received under oath from the material witness or witnesses for the offense(s), and the allegations as set forth in the foregoing Information would constitute the offense(s) charged, and that this prosecution is instituted in good faith.

Alex Vrruelt
Assistant State Attorney, 17th Judicial Circuit of Florida

SWORN TO AND SUBSCRIBED before me this 2 day of Feb, A.D., 2017.

BRENDA D. FORMAN
Clerk of the Circuit Court, 17th Judicial Circuit,
Broward County, Florida

By [Signature]
Deputy Clerk

To the within Information, Defendant pleaded _____.

BRENDA D. FORMAN
Clerk of the Circuit Court, 17th Judicial Circuit,
Broward County, Florida

By _____
Deputy Clerk

EXHIBIT "C"

CLOCK IN

DIVISION:
CRIMINAL

ADJUDICATION WITHHELD

Filed in Open Court
OF THE CIRCUIT COURT
JAN 30 2019

THE STATE OF FLORIDA VS.

CASE NUMBER

PLAINTIFF Charles Norman Kerr III DEFENDANT17-1278CF10AThe Defendant Charles Norman Kerr III being personally before this courtrepresented by J. Kauffman, his attorney of record, and the staterepresented by T. Freeman, Assistant State's Attorney, andhaving [] Been tried and found guilty [] Entered a plea of Guilty ☒ Entered a plea of nolo contendere
of the following crime(s):

COUNT	CRIME	OFFENSE STATUTE NUMBER	DEGREE OF CRIME	OBTS NUMBER
<u>1</u>	<u>Grand Theft</u>	<u>812.014(1)(a)</u>	<u>3°</u>	
		<u>812.014(1)(b)</u>		
		<u>812.014(2)(a)</u>		

Stayed and withheld
imposition of sentence☒ The Court hereby stays and withholds the imposition of sentence as to count(s) 1
and places the Defendant on probation for a period of 12 Months
under the supervision of the Department of Corrections (condition of probation set forth in separate order)Sentence Deferred
Until Later Date
(check if Applicable)☐ The Court hereby defers imposition of sentence until _____
(Date)☒ Pay \$225.00 Trust Fund pursuant to F.S. 938.05 (1)(a)

The Defendant in Open Court was advised of his right to appeal from this Judgement by filing notice of appeal with the clerk of Court within thirty days following the date sentence is imposed or probation is ordered pursuant to this adjudication. The defendant was also advised of his right to the assistance of counsel in taking said appeal at the expense of the State upon showing of indigence.

COUNT (S) _____ : _____ DAYS BROWARD COUNTY JAIL W/CREDIT FOR _____
DAYS TIMES SERVED

I HEREBY CERTIFY that a true and correct copy of the above and foregoing was served on the State Attorney by: [] Hand delivery
[] U.S. Mail and to the Defense Attorney by [] Hand delivery [] U.S. Mail this _____ day of _____, 20____.

EXHIBIT "D"

BROWARD COUNTY
ARREST #

OBTS #

ARREST FORM

Filing Agency HOLLYWOOD PD		Offense Report 33-1603-079758	
Defendant's Last Name KERR		First Middle Suffix CHARLES NORMAN III	
Race W	Sex M	Hgt 6'00	Wgt 200
Hair BROW	Eyes BLUE	Comp MEDIU	Age 46
DOB 01/22/1970		Birth Place TX	
Permanent Address 2415 COOLIDGE ST, HOLLYWOOD, FL 33020		Scars, Marks, TT	
Residence Type: (1) City (2) County (3) Florida (4) Out of State		Local Address: 2415 COOLIDGE ST, HOLLYWOOD, FL 33020	
How long defendant in Broward County:		Breathalyzer By/CCN	
Reading		Place of Arrest	
Date/Time Arrested		Arresting Officer(s) CCN	
Officer Injured: Y <input type="checkbox"/> N <input checked="" type="checkbox"/>		Unit Zone Beat Shift Trans. Unit	
PMD: Y <input type="checkbox"/> N <input checked="" type="checkbox"/>		Transporting Officer/CCN	
Pick-up Time		Time Arrived/BSO	
TYPE / ACTIVITY:		Indication of:	
Type: N-N/A H-Hallucinogen P-Paraphernalia/ Equipment A-Amphetamine M-Marijuana S-Synthetic T-Traffic M-Manufacture/ Produce/Cultivate K-Dispense/ Distribute C-Cocaine O-Opium/Deriv. Z-Other		Alcohol Influence Y <input type="checkbox"/> N <input type="checkbox"/> UK <input type="checkbox"/> Drug Influence Y <input type="checkbox"/> N <input type="checkbox"/> UK <input type="checkbox"/>	

Attach
Defendant's
Photo

Vehicle Towed To:

Name of victim(s): (If corporation, exact legal name and state of incorporation): CITY OF HOLLYWOOD		2600 HOLLYWOOD BLVD, HOLLYWOOD, FL 33020	
Count #	Offenses Charged	WC# / Citation # (if applicable)	FS or Capias/Warrant #
1	LARC-GRAND THEFT 300 LESS THAN 3K DOLS		812.014-2C1

Before me this date personally appeared VANDUSSELDORP, LARRY (2691) who being first duly sworn deposes and says that on 17th day of March (year) 2016 at 2600 HOLLYWOOD BLVD, HOLLYWOOD, FL 33020 (crime location) the above named defendant committed the above offenses charged and the facts showing probable cause to believe the same are as follows:

ON 03/17/2016, AT OR ABOUT 5:00 PM, AT THE LOCATION OF 2600 HOLLYWOOD BOULEVARD, WHICH IS LOCATED WITHIN THE JURISDICTIONAL LIMITS OF THE CITY OF HOLLYWOOD, WITHIN BROWARD COUNTY AND THE STATE OF FLORIDA, THE ABOVE NAMED DEFENDANT DID COMMIT THE VIOLATION OF GRAND THEFT. CHARLES NORMAN KERR III DID, THEN AND THERE, UNLAWFULLY USE OR OBTAIN THE PROPERTY OF THE CITY OF HOLLYWOOD, FLORIDA, TO-WIT; PRODUCED A PRINTING JOB VALUED AT \$599.15. THE VALUE OF MORE THAN \$300.00, WITH THE INTENT TO EITHER TEMPORARILY OR

*** Continued ***

I swear the above statement is correct and true to the best of my knowledge and belief.

Officer/Affiant's Signature

STATE OF FLORIDA
COUNTY OF BROWARDSworn to (or affirmed) and subscribed before me this 9th day of January 2017 (year), by DETECTIVE VANDUSSELDORP, LARRY (name and title) who is personally known to me or has produced as identification.

Notary Public, Deputy Clerk of the Court, or Assistant State Attorney

Print, Type or Stamp Commissioned Name of Notary Public

Seventeenth Judicial Circuit
Broward County
State of Florida

BSO DB-42 (Revised 05/00)

VANDUSSELDORP, LARRY (2691)
Officer's Name/CCNCriminal Investigations
Officer's Division

Title/Rank and CCN

(SEAL)

CF
1/10/17 AMHOLLYWOOD POLICE DEPARTMENT
JAN 09 2017
DATA ENTRY UNIT

FIRST APPEARANCE/ARREST FORM

(SHOULD ADDITIONAL SPACE BE NEEDED, USE THE PROBABLE CAUSE AFFIDAVIT CONTINUATION (BSO DB#2a))

Orig - Court
2nd - State Attorney
3rd - Filing Agency
4th - Arresting Agency

COURT COPY

BROWARD COUNTY
ARREST #

COMPLAINT AFFIDAVIT
PROBABLE CAUSE AFFIDAVIT CONTINUATION

☐ ARREST FORM

OBTS #

Filing Agency HOLLYWOOD PD	Offense Report 33-1605-079758		
Defendant's Last Name KERR	First CHARLES	Middle NORMAN	SUF III
Name of victim(s) (If corporation, exact legal name and state of incorporation):		Alias/Street Name Citizenship	
Count #	Offenses Charged	WC# / Citation # (If applicable)	FS or Capias/Warrant #
*** SEE PAGE 1 ***			

Before me this date personally appeared VANDUSSELDORP, LARRY (2691) who being first duly sworn deposes and says that on 9th day of March (year) 2016 at 2600 HOLLYWOOD BLVD, HOLLYWOOD, FL 33020 (crime location) the above named defendant committed the above offenses charged and the facts showing probable cause to believe the same are as follows:

PERMANENTLY DEPRIVE THE CITY OF HOLLYWOOD, FLORIDA THE RIGHT TO THE PROPERTY OR A BENEFIT THEREOF.

CHARLES NORMAN KERR III WAS A TRUSTED, LONG TERM EMPLOYEE OF THE CITY OF HOLLYWOOD. IN FACT, KERR WAS THE MANAGER OF THE CITY'S PRINT SHOP AND WAS GIVEN RESPONSIBILITY TO OPERATE THE PRINT SHOP AS A VALUABLE RESOURCE TO THE CITY. KERR WAS ENTRUSTED TO OPERATE THIS UNIT AND PROVIDE PROFITABLE SERVICES WHILE ACTING AS A CUSTODIAN FOR THE CITY OF HOLLYWOOD RESIDENT'S MONEY WHICH PAID HIS SALARY AND PROVIDED HIM WITH HIS EMPLOYMENT. UNFORTUNATELY, KERR VIOLATED THIS TRUST AND RESPONSIBILITY BY CONDUCTING BUSINESS TRANSACTIONS AND PRODUCING PRINTING JOBS WITH ONLY HIS OWN INTERESTS IN MIND.

THE CITY PRINT SHOP IS A FEDEX OFFICE TYPE PRODUCTION FACILITY WHICH PROVIDES NUMEROUS PRINTING, COPYING AND SHIPPING SERVICES FOR EMPLOYEES OF THE CITY AND SELECTED NON-GOVERNMENTAL ORGANIZATIONS.

DURING FEBRUARY OF 2016, BUDGET IRREGULARITIES AND ALLEGATIONS WERE MADE SUSPECTING KERR WAS PERFORMING JOBS FOR OUTSIDE CLIENTS AND "POCKETING" THE PROCEEDS OF THESE JOBS. THIS DETECTIVE HAS NOT BEEN ABLE TO SUBSTANTIATE THE OUTRIGHT THEFT OF FUNDS BUT I DID DOCUMENT A PRINTING JOB PERFORMED USING CITY RESOURCES BY KERR WHICH DIRECTLY BENEFITTED KERR AND THE CITY DID NOT RECEIVE COMPENSATION FOR THE JOB AS FOLLOWS:

IN EARLY MARCH OF 2016, KERR PRINTED AND PACKAGED POSTCARDS FOR AN EVENT CALLED "OHANA 2016 LUAU AT THE LAKE PRESENTED BY THE FRATERNAL ORDER OF MOAI." ACCORDING TO OFFICIAL DOCUMENTATION OBTAINED FROM WWW.SUNBIZ.ORG, KERR IS THE FLORIDA REGISTERED AGENT FOR THIS FRATERNAL ORDER. PRODUCTION OF THIS PRINTING JOB WAS DISCOVERED AND DOCUMENTED BY

*** Continued ***

I swear the above statement is true to the best of my knowledge and belief.

Officer/Affiant's Signature
[Signature]

VANDUSSELDORP, LARRY (2691)
Officer's Name/CCN

Criminal Investigations
Officer's Division

STATE OF FLORIDA
COUNTY OF BROWARD

Sworn to (or affirmed) and subscribed before me this 9th day of January 2017 (year),
by DETECTIVE VANDUSSELDORP, LARRY (name and title) who is personally known to me or has produced

as identification.

Notary Public, Deputy Clerk of the Court, or Assistant State Attorney

Det / 3518
Title/Rank and CCN

(SEAL)

Print, Type or Stamp Commissioned Name of Notary Public
C. LeBlanc
Seventeenth Judicial Circuit
Broward County
State of Florida

FIRST APPEARANCE/ARREST FORM

COURT COPY

Orig - Court
2nd - State Attorney
3rd - Filing Agency
4th - Arresting Agency

COMPLAINT AFFIDAVIT
PROBABLE CAUSE AFFIDAVIT CONTINUATION

☐ ARREST FORM

BROWARD COUNTY
ARREST #

OBTS #

Filing Agency HOLLYWOOD PD		Offense Report 33-1605-079758	
Defendant's Last Name KERR	First Middle CHARLES NORMAN III	Alas/Street Name	Citizenship
Name of victim(s) (if corporation, exact legal name and state of incorporation):			
Count #	Offenses Charged	WC# / Citation # (if applicable)	FS or Capias/Warrant #
	*** SEE PAGE 1 ***		

Before me this date personally appeared VANDUSSELDORP, LARRY (2691) who being first duly sworn deposes and says that on 7th day of March, (year) 2011 at 2600 HOLLYWOOD BLVD, HOLLYWOOD, FL 33020 (crime location) the above named defendant committed the above offenses charged and the facts showing probable cause to believe the same are as follows:

KERR'S BOSS, MICHELE ANZALONE WHO IS THE DEPUTY CITY CLERK. ANZALONE PROVIDED A SWORN STATEMENT ADVISING KERR DID NOT HAVE PERMISSION TO DO THIS JOB AND THE CITY NEVER RECEIVED ANYTHING FOR THIS JOB COST. ANZALONE ADVISED THIS JOB RESULTED IN A FINANCIAL LOSS TO THE CITY OF \$599.15. ANZALONE PROVIDED PHOTOGRAPHS OF THE JOB IN VARIOUS STAGES OF COMPLETION AS WELL AS A SHIPPING ROSTER FOR THE COMPLETED CARDS. ANZALONE ATTEMPTED TO DOCUMENT NUMEROUS OTHER JOBS BUT KERR DESTROYED WORK ORDERS AND MADE CHANGES TO COMPUTER JOB LOGS IN ORDER TO COVER UP HIS ILLICIT ACTIONS. SEE HER STATEMENT AND THE INCLUDED JOB COST CALCULATION SHEET FOR FURTHER DETAIL.

IN ORDER TO PROVIDE KERR WITH AN OPPORTUNITY TO EXPLAIN THESE FRAUDULENT ACTIONS, I SENT KERR A LETTER REQUESTING CONTACT. KERR RESPONDED TO THIS LETTER WITH A LETTER AND AN EMAIL. AFTER NUMEROUS EMAILS BACK AND FORTH WITH KERR, I WAS CONTACTED BY DEFENSE ATTORNEY ERIC SCHWARTZREICH. I DISCUSSED THE GENERAL ALLEGATIONS AGAINST KERR AND EXPLAINED I WISH TO SPEAK WITH KERR TO CLEAR UP ANY SIMPLE MISUNDERSTANDINGS BEFORE PROCEEDING CRIMINALLY. SCHWARTZREICH ADVISED HIS CLIENT WOULD NOT BE MAKING A VOLUNTARY STATEMENT AND I HAVE NOT RECEIVED AN EXPLANATION FOR KERR'S ILLEGAL ACTIONS TO DATE.

THE CITY WISHES TO PROSECUTE AND SEEK RESTITUTION FROM KERR.

THE SWORN STATEMENT AND DOCUMENTATION FOR THIS CASE ARE COPIED AND SENT WITH THE PROBABLE CAUSE AFFIDAVIT WITH ALL ORIGINALS PLACED INTO HOLLYWOOD PD PROPERTY UNIT AS EVIDENCE.

I swear the above statement is correct and true to the best of my knowledge and belief.

Officer/Affiant's Signature
[Signature]

VANDUSSELDORP, LARRY (2691)
Officer's Name/CCN

Criminal Investigations
Officer's Division

STATE OF FLORIDA
COUNTY OF BROWARD

Sworn to (or affirmed) and subscribed before me this 9th day of January, 2011 (year), by DETECTIVE VANDUSSELDORP, LARRY (name and title), who is personally known to me and has produced

Det/3599
as identification
Title/Rank and CCN

Notary Public, Deputy Clerk of the Court, or Assistant State Attorney

C. LeBlanc
Print Type or Stamp Commissioned Name of Notary Public
Seventeenth Judicial Circuit
Broward County
State of Florida

(SEAL)

FIRST APPEARANCE/ARREST FORM

COURT COPY

Orig - Court
2nd - State Attorney
3rd - Filing Agency
4th - Arresting Agency

AGENDA ITEM 6.C.

LEGAL

REQUEST FOR EXECUTIVE SESSION

TO DISCUSS PENDING LITIGATION

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 7.A.
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

May 2019

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

BOARD OF TRUSTEES

Phyllis Shaw – Chair	Christopher Cassidy	Charles Howell
George Keller – Vice-Chair	Jeffery Greene	Cintya Ramos
Robert Strauss – Secretary		

All Trustees attended the May 2019 Meeting of the Board of Trustees, except Trustee Greene. Trustee Strauss participated telephonically.

ITEMS OF INTEREST TO THE CITY COMMISSION

- The Fund's estimated value on April 30, 2019 was \$337.3 million.
- The Fund has begun its defense of the lawsuit filed by the City of Hollywood against the City of Hollywood Employees' Retirement Fund in a continued attempt to resolve the litigation. The Fund's Attorney has requested discovery documents from the City that were due at the end of May.

UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION

Florida Public Pension Trustees Association	International Foundation of Employee Benefit Plans
Fall Trustee School	65th Annual Employee Benefits Conference
October 6 - October 9, 2019	October 20 - October 23, 2019
Sawgrass Marriott, Ponte Vedra	San Diego Convention Center, San Diego, CA

MEETING SCHEDULE 2019

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

July 23, 2019	August 27, 2019	September 24, 2019	November 5, 2019	December 10, 2019
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Please be advised that the Next Regular Meeting of the Board of Trustees will be held on Tuesday, July 23rd at 9:00am at the Fund Office. All Commissioners are invited to attend.

AGENDA ITEM 7.B.
EXECUTIVE DIRECTOR'S REPORT
ADMINISTRATIVE CONSIDERATIONS

Clarification of Ordinance Matters

(UNDER SEPARATE COVER)

AGENDA ITEM 7. C.

EXECUTIVE DIRECTOR'S REPORT

COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR

(HANDOUT)

AGENDA ITEM 8

PUBLIC COMMENT

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 9

TRUSTEE REPORTS, QUESTIONS AND COMMENTS

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 10

ADJOURNMENT

(NO BACKUP FOR THIS SECTION)