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CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

CALENDAR OF ITEMS

ANNUAL BOARD MEETING

DECEMBER 10, 2019

AGENDA ITEM 1

CALL TO ORDER

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 2

ROLL CALL

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
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AGENDA ANNUAL PENSION BOARD MEETING TUESDAY, DECEMBER 10, 2019 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
 - B. Election of Chair, Vice Chair and Secretary
- 3. CONSENT AGENDA**
 - A. November 12, 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 Report and Investment Summary
 - B. Budget Variance Report
- 5. INVESTMENT (Segal Marco Advisors)**
 - A. October 2019 Flash Performance Report
 - B. Work Plan 2020
- 6. LEGAL (Ron Cohen - Rice, Pugatch, Robinson, Storfer and Cohen.)**
 - A. Update on City of Hollywood v. City of Hollywood Employees' Retirement Fund
 - B. Segal Investment Consultant Contract Extension
 - C. Request for Executive Session to Discuss Pending Litigation - Emily Glover, individually and as Personal Representative of the Estate of George Glover v. Ferihaja Kolari, City of Hollywood Employees' Retirement Fund and City of Hollywood
- 7. EXECUTIVE DIRECTOR'S REPORT**
 - A. City Commission Communication
 - B. Member Considerations
 - i. Recoupment of Overpayment – C. Benson
 - C. Administrative Considerations
 - i. Supplemental Pension Distribution 2012
 - ii. Restoration of Benefits – Impact of Break-in-service
 - D. 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 SPEECH IMPAIRED, PLEASE CALL 800-955-8771 (V-TDD). *ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSES MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS MADE.* *THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATION MEDIA TECHNOLOGY, THE TYPE BEING A SPEAKER TELEPHONE.* *IN COMPLIANCE OF STATE LAW, THE BOARD OF TRUSTEES FINDS THAT A PROPER AND LEGITIMATE PURPOSE IS SERVED WHEN MEMBERS OF THE PUBLIC HAVE BEEN GIVEN A REASONABLE OPPORTUNITY TO BE HEARD ON A MATTER BEFORE THE BOARD. THEREFORE, THE BOARD OF TRUSTEES HAVE DETERMINED AND DECLARED THAT THEY WILL ALLOW THE PUBLIC TO COMMENT; HOWEVER, EACH PERSON IS LIMITED TO NO MORE THAN (3) THREE MINUTES TO COMMENT AT EACH MEETING.* *TWO OF MORE MEMBERS OF ANY OTHER CITY BOARD, COMMISSION, OR COMMITTEE, WHO ARE NOT MEMBERS OF THE EMPLOYEES' RETIREMENT FUND BOARD MAY ATTEND THIS MEETING AND MAY, AT THAT TIME, DISCUSS MATTERS ON WHICH FORESEEABLE ACTION MAY LATER BE TAKEN BY THEIR BOARD, COMMISSION, OR COMMITTEE.*

AGENDA ITEM 2.B.
ELECTION OF CHAIR, VICE CHAIR
AND SECRETARY
(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 3.A.

CONSENT AGENDA

NOVEMBER 12, 2019

REGULAR MEETING MINUTES

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
TUESDAY, NOVEMBER 12, 2019 AT 9:00AM**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:15a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice Chair George Keller, Secretary Robert Strauss (telephonically), Christopher Cassidy, Jeffery Greene (arrived 9:24a.m.), and Charles Howell (departed 11:25am.) Also present: Executive Director Christine Bailey; Keith Reynolds of Segal Marco; and Ronald Cohen of Rice Pugatch Robinson Storfer & Cohen.

Cintya Ramos was absent and excused.

MOTION made by Trustee Keller, seconded by Trustee Cassidy, to allow Trustee Strauss to attend the meeting telephonically. In a voice vote of the members present, all members voted in favor. **Motion** passed 4-0.

Trustee Strauss granted permission to record his participation at the meeting.

a. November 12, 2019 Regular Board Meeting Agenda

MOTION made by Trustee Cassidy, seconded by Trustee Howell, to adopt the November 12, 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. September 24, 2019 Regular Meeting Minutes
- B. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- C. Approval/Ratification of New Retirements/DROP/Vested/Death Annuities

Mr. Cohen requested that the September 24, 2019 Regular Meeting Minutes be amended to reflect his statement that the insurance company, not the Plan, recognizes its duty to defend this litigation under a reservation of rights.

MOTION made by Trustee Keller, seconded by Trustee Howell, to approve Consent Agenda Items 3a through 3c with the requested amendment to Agenda Item 3a. In a voice vote of the members present, all members voted in favor. **Motion** passed 5-0.

4. FINANCIAL

- a. Ms. Bailey provided the Board with the Final June 30, 2019 through Final August 31, 2019 and the Draft September 30, 2019 Financial Operations and Investment Summaries.
- b. Ms. Bailey provided the Board with the Budget Variance Report as of September 30, 2019.

5. INVESTMENT (Keith Reynolds – Segal Marco)

- a. September 2019 Flash Performance Report
Mr. Reynolds provided the Board with the Flash Performance Report for September 2019. He noted that the market value of assets was \$332.0 million and that the fund's rate of return for the fiscal year was 3.9% based on the managers performance reports to date. He also noted that for the calendar year to date the fund was up 11.5%.
- b. Second Quarter Performance Report
Mr. Reynolds reported the Fund's performance for the quarter ended June 30, 2019. He noted that the assets were up 3.19% for the quarter and up \$19 million fiscal year to date, not including the Fund's Cash accounts. Trustee Shaw inquired about the amount

of cash being held by managers, the need to anticipate capital calls and the need to minimize transaction costs. Mr. Reynolds noted that the Segal staff worked with the Fund's staff in an effort to match outflows with inflows and minimize transaction costs.

Mr. Reynolds noted that TSW underperformed their benchmark and their peers in the three and five year periods. He stated that Segal met with TSW and Segal believed that TSW was still a good manager however he recommended that they be put on the Watch List for closer monitoring. The Board expressed their concerns that TSW underperformed its peers and agreed to put them on the Watch List. The Board also discussed the current manager on the Watch List, Brandes. The Board noted that the managers will be reviewed upon completion of the Asset Liability Study.

Trustees Shaw noted that the Board was interested in considering an emerging manager program and investments in local area managers.

c. 2019 Work Plan

Mr. Reynolds provided the Board with the 2019 Work Plan.

In response to a question about the Segal contract extension, Mr. Cohen advised that Segal agreed to the two-year contract extension and he expected to present the extension agreement to the Board at the December meeting for approval. The Board also discussed the scheduling of the January Board and Investment meetings. The Board requested that the January Investment meeting begin at 1:00pm.

MOTION made by Trustee Cassidy, seconded by Trustee Greene, to approve moving the January 28, 2020 meeting to January 20, 2020. In a voice vote of the members present, all members voted in favor. **Motion** passed 6-0.

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 noted that the monies required to pay the 2012 Supplemental Pension Distribution (2012 SPD) were transmitted to the Fund. He stated that he spoke with Mr. McCormack, the City's outside counsel, regarding the signing of the settlement agreement and the dismissal of the lawsuit. He congratulated the Board on their resolve to settle the suit, and particularly the condition that any settlement must include the payment of the 2012 SPD. Trustees thanked everyone involved on behalf of the Board and the members for their participation.

Ms. Bailey noted that the payments of the 2012 SPD had been made to all eligible retirees and beneficiaries on payroll. She noted that the office would begin identifying the beneficiaries of deceased eligible members who were not on payroll.

b. Revised Benefit Calculation – Cameron Benson

Mr. Cohen noted that a letter had been sent to Mr. Benson advising him of the overpayment of benefits and that the Fund would be recouping the overpayment. He noted that the letter included an invitation to Mr. Benson to attend the next meeting to address any concerns he may have. Trustee Shaw noted that Mr. Benson had communicate with her and he advised that any concerns he had would be sent to Ms. Bailey.

Trustee Cassidy questioned the payout of sick leave accruals. Ms. Bailey noted the sick leave payout was adjusted by the City to equal 100% of the 2002 frozen balance.

c. Segal Investment Consultant Contract Extension

Mr. Cohen noted his earlier statement.

d. Loomis Sayles Agreement

Mr. Cohen advised that the investment could proceed by amending the investment policy to allow this type of investment. He noted that he was working on the language and hoped to have a proposed amendment for the Board's consideration at the next meeting. Mr. Reynolds reminded the Board that this investment had lower fees than the similar Mutual Fund option, saving the Fund approximately \$24,000 per year.

Mr. Cohen noted that the current Investment Policy does not exclude these investment. However, the investment policy was being amended because the IRS specifically required that the investments must be incorporated as a part of the plan documents, in this case by reference in the investment policy.

e. Marcum LLP Agreement

Mr. Cohen advised the Board that the engagement letter was signed and the changes that the Board requested were included.

f. Member Considerations – 100% Joint and Survivor Beneficiary Concern

Mr. Cohen noted that there is a possibility of grandfathering the members that have already been processed. He advised that once GRS completed their testing, he will be able to determine all the options available to the Board. The Board requested estimated costs for correcting the members that are currently receiving benefits and affected by the IRS regulation.

g. Request for Executive Session to Discuss Pending Litigation

Mr. Cohen requested an Executive Session to discuss Pending Litigation with Glover v, Kolari, City of Hollywood Employees' Retirement Fund, and City of Hollywood. He noted the conditions of the session. Mr. Cohen noted that Ms. Kolari had submitted a survivor benefit application and Ms. Glover filed suit, each claiming to be entitled to the benefit. He noted that he filed a interpleader action, to avoid having to pay the benefit twice. He noted that in the filing he stated that the Fund believes Ms. Kolari was entitled to the benefit as she is the beneficiary listed on the beneficiary form. He noted that he was in contact with both attorneys and believed that they may settle. He stated that he was working with the attorneys to have the Fund retain the payments until the matter is settled.

7. EXECUTIVE DIRECTOR'S REPORT

a. City Commission Communication

The Board received the City Commission Communication with recommended changes.

b. Administrative Considerations

Ms. Bailey advised the Board that the recent restoration ordinance changes did not address clearly employees with a break in service. She asked the Board for guidance in the interpretation of hire date, whether it was a member's first hire date or last rehire date. She provided examples of employees who had various types of breaks in service and sought the Board's direction on how to implement the new ordinance for each. After discussion, Ms. Bailey requested additional time to review the matter with Mr. Cohen.

c. Communications from the Executive Director

- Ms. Bailey advised the Board that the FY2019 financial audit had begun with an initial meeting with the auditors on November 4, 2019. She noted that the auditors expected to begin their audit in early December.
- Ms. Bailey advised the Board that the State Department of Management Services conference was very informative and encouraged Trustees to consider attending in the future.
- Ms. Bailey noted that the Summary Plan Description was ready for initial review. She noted that the expected release date was January 1, 2020.

- Ms. Bailey provided the Board with lists of the current DROP participants, Planned Retirement Participants, and Retirees whose benefits have been stopped pending receipt of life certificates.
- Ms. Bailey advised the Board that a question just arose as to whether a retired transferred member is eligible to receive a 13th check. She advised that she will be reviewing the question with Mr. Cohen.
- Ms. Bailey confirmed with the Board that the eligibility dates of COLA were three years after an active or vested member begins receiving benefits, the later of three years after a DROP participant begins receiving benefits or one year after they separate from City employment, and three years after a planned retirement participant begins receiving benefits.

8. PUBLIC COMMENTS

There were no public comments.

9. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

Trustee Keller inquired about the status of the benefits recalculations. Ms. Bailey noted that she had found another benefit overpayment but that the majority of those reviewed to date were correct. She noted that there did not appear to be a pattern of overpayments but it appeared that the computer generated compensation included payments that were not pensionable,

10. ADJOURNMENT

MOTION made by Trustee Keller, seconded by Trustee Cassidy, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 5-0. The meeting adjourned at 11:55a.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
December 10, 2019 Annual Pension Board Meeting

<u>Name</u>	<u>Refund</u>
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Refunds of Contributions

October

Brizard, Gemont	\$ 6,697.33
Jones, Crystal	\$ 9,059.15
Youmans, Deontre	\$ 16,882.20
	\$ 32,638.68

Planned Retirement

None

	\$ 0.00
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Partial Lump Sum Distribution

None

	\$ 0.00
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DROP Distributions

October

Anglade, Danielle J (Partial)	\$ 153,875.66
Mohammed, Sedick (Partial)	\$ 113,786.57
Patel, Jitendra A (Partial)	\$ 690,189.13
Wallace, Pauline (Partial)	\$ 218,243.55
	\$ 1,176,094.91

TOTAL: \$	1,208,733.59
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**CITY OF HOLLYWOOD
EMPLOYEES RETIREMENT FUND
Disbursements Processed
October 1, 2019 to October 31, 2019**

FYE 2019

Gabriel Roeder Smith & Company (September 2019)	(\$6,639.00)
Segal Marco Advisors (September 2019)	(\$10,833.33)
Segal Marco Advisors (September 2019)	(\$4,166.67)
Wellington Trust Company (Jul-Sep 2019)	(\$79,898.60)
Wells Fargo Credit Card (Supplies)	(\$99.84)
	<u>(\$101,637.44)</u>

FYE 2020

Christine Bailey (FPPTA Fall 2019)	(\$79.56)
NCPERS	(\$260.00)
Union Services Agency (Umbrella Policy)	(\$758.00)
Veron Sibble (FPPTA Fall 2019)	(\$288.15)
Wells Fargo Credit Card IFEBP 2020 Registration)	(\$14,875.00)
Wells Fargo Credit Card (Supplies and Travel)	(\$1,087.69)
	<u>(\$17,348.40)</u>

Total	<u><u>(\$118,985.84)</u></u>
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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
December 10, 2019 Annual Pension Board Meeting

New Retirements

Pension

Ferrini, Marie A - (Beneficiary of William F. Fox)	\$	2,531.30
Giofre, Vincent - DROP 02/01/2014	\$	5,192.09
Green-Moore, Natalie - VESTED 6/14/2019	\$	699.61
Gruber, Dawn - DROP 01/7/2000	\$	3,101.13
Hein, Angela - DROP 02/01/2019	\$	6,556.25
Joseph, Hilaire - DROP 04/01/2017	\$	1,819.12
Longhitano, Mary - (Beneficiary of Russell Longhitano)	\$	825.29
Milan, Clayton - DROP 11/01/2015	\$	4,677.55
Richards, Renee - DROP 09/01/2014	\$	5,701.63
Walker, Robert - DROP 10/01/2018	\$	6,417.95

Benefits Stopped

Albert, Robert - Died 09/16/2019		(1,432.96)
Fox, William - Died 09/26/2019	\$	(2,531.30)

Benefits Reinstated - Life Certificates Received

Miller, Patricia	\$	1,070.73
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AGENDA ITEM 4.A.

FINANCIAL

FINANCIAL OPERATIONS AND INVESTMENT SUMMARY

CITY OF HOLLYWOOD
EMPLOYEES' RETIREMENT FUND
FINANCIAL OPERATIONS AND INVESTMENT SUMMARY
FINAL
August 31, 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		\$ 3,225,343.20	
Pension Disbursement		\$ (30,126,354.62)	
Administrative Expenses		\$ (816,691.78)	(1)
Net Contributions/Payments		\$ (5,112,327.01)	
Investment Income:			
Dividends & Interest Received		\$ 4,864,714.01	
Gain on Sales (Realized Gains/(Loss))		\$ 6,372,328.03	
Commission Recapture		\$ 536.90	
Quarterly Investment Fees		\$ (680,637.97)	(2)
Net Investment Income		\$ 10,556,940.97	
Balance August 31, 2019	\$ 335,559,122.69	\$ 286,364,471.07	\$ 49,194,651.62
Increase (Decrease) for the Period	\$ 3,622,526.33	\$ 5,444,613.96	\$ (1,822,087.63)
Unreconciled			0.00

Unrealized Gain (Loss) Account

Composition of Increases (Decreases)

AG Direct Lending	\$ (99,215.03)
Angelo-Gordon Realty	\$ (85,275.00)
Baird Core Plus Bond Fund	\$ 2,791,264.84
Brandes Investment Partners	\$ (1,856,283.72)
Frontier Capital Management	\$ -
Golden Tree	\$ 668,132.82
Gold Point	\$ 193,503.25
Harbourvest Dover IX49	\$ 385,775.00
IFM Global	\$ 547,832.05
Morgan Stanley	\$ 476,735.70
NB Crossroads	\$ 1,778,801.95
Neuberger & Berman	\$ -
Neuberger Short Duration	\$ 1,538,043.92
Northern Trust-Extended	\$ (639,245.59)
Northern Trust	\$ (4,514,271.90)
Principal Investors	\$ 288,939.43
Thompson, Siegel & Walmsley	\$ (1,366,020.13)
Wellington International	\$ (1,930,805.22)
	<u>\$ (1,822,087.63)</u>

Investment Return

Net Investment Income	\$ 10,556,940.97
Increases (Decrease) in Unrealized Gain/Loss	\$ (1,822,087.63)
Total Investment Return for the Period	<u>\$ 8,734,853.34</u>
Beginning Market Value	\$ 331,936,596.36
Plus/(Less): Net Contributions/Payment	\$ (5,112,327.01)
Assets Available for Investment	<u>\$ 326,824,269.35</u>

Investment Return as a result of % of Assets Available for Investments 2.67%

(1) (2) Refer to Cash Payments Detail

CITY OF HOLLYWOOD EMPLOYEES RETIREMENT FUND
FINANCIAL OPERATIONS AND INVESTMENT SUMMARY
PRELIMINARY
OCTOBER 31, 2019

<u>Investment Balances</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Unrealized Gain (Loss)</u>
Balance October 1, 2019	\$ 339,088,605.88	\$ 288,548,896.22	\$ 50,539,709.66
Contributions and Payments:			
City Contributions		\$ 24,216,445.60	
Employees Contributions		\$ 297,396.80	
Pension Disbursement		\$ (7,431,542.05)	
Administrative Expenses		\$ (39,087.24)	
Net Contributions/Payments		\$ 17,043,213.11	
Investment Income:			
Dividends & Interest Received		\$ 313,478.63	
Gain on Sales (Realized Gains/(Loss))		\$ 746,420.35	
Commission Recapture			
Quarterly Investment Fees		\$ (79,898.60)	
Net Investment Income		\$ 980,000.38	
Balance October 31, 2018	\$ 360,223,362.10	\$ 306,572,109.71	\$ 53,651,252.39
Increase (Decrease) for the Period	\$ 21,134,756.22	\$ 18,023,213.49	\$ 3,111,542.73
			\$ (412,501.60)
<u>Unrealized Gain (Loss) Account</u>			
Composition of Increases (Decreases)			
AG Direct Lending			
Angelo-Gordon Realty			
Baird Core Plus Bond Fund			\$ 71,814.82
Brandes Investment Partners			\$ 361,413.00
Frontier Capital Management			\$ -
Golden Tree			
Gold Point			
Harbourvest Dover IX49			
IFM Global			\$ (21,039.47)
Morgan Stanley			\$ -
NB Crossroads			
Neuberger & Berman			\$ -
Neuberger Short Duration			\$ 149,154.05
Northern Trust-Extended			\$ 446,899.82
Northern Trust			\$ 854,530.90
Principal Investors			
Thompson, Siegel & Walmsley			\$ 147,876.19
Wellington International			\$ 1,513,395.02
			\$ 3,524,044.33
<u>Investment Return</u>			
Net Investment Income			\$ 980,000.38
Increases (Decrease) in Unrealized Gain/Loss			\$ 3,111,542.73
Total Investment Return for the Period			\$ 4,091,543.11
Beginning Market Value			\$ 339,088,605.88
Plus/(Less): Net Contributions/Payment			\$ 17,043,213.11
Assets Available for Investment			\$ 356,131,818.99
Investment Return as a result of % of Assets Available for Investments			1.15%

(1) (2) Refer to Cash Payments Detail

City of Hollywood Employees Retirement Fund
For Year Ending 9/30/2020
Cash Payments as of 10/31/2019

	YTD Actual	FYE 2020 Paid 2019	FYE 2019 Paid 2020	YTD Payments
Investment Fees:				
Brandes Investment Partners	-	-	-	-
Northern Trust-Large Cap	-	-	-	-
Thompson Siegel (TSW)	-	-	-	-
Wellington	-	-	79,899	79,899
Custodial Fees	-	-	-	-
Fees not invoiced:				
Neuberger Short Duration	-	-	-	-
Baird Core Plus Bond	-	-	-	-
GoldenTree Multi-Sector Fund	-	-	-	-
AG Direct Lending Fund II, LP	-	-	-	-
Morgan Stanley	-	-	-	-
Principal	-	-	-	-
Neuberger Berman Crossroads XXI	-	-	-	-
HarbourVest Dover Fund IX	-	-	-	-
GoldPoint Co-Investment VI	-	-	-	-
IFM Global Infrastructure	-	-	-	-
Total Invest. Professional Fees	-	-	79,899	79,899 ⁽²⁾
Administrative Fees:				
Consultants	-	-	10,833	10,833
Accounting	-	-	4,167	4,167
Audit	-	-	-	-
GRS-Actuarial and other Fees	-	-	6,639	6,639
Medical Svcs (Disability Verification)	-	-	-	-
Rice - Board Attorney	-	-	-	-
Total Admin. Professional Fees	-	-	21,639	21,639
Personnel Expenses:				
Total Salaries	-	-	-	-
Salaries-Temp	-	-	-	-
Taxes & Benefits	-	-	-	-
Insurance	140,336	139,578	-	758
Total Personnel Expenses	140,336	139,578	-	758
Other Expenses:				
Training/Travel:				
Continuing Education/Dues	15,576	-	-	15,576
Training-Travel, Meals & Lodging	1,014	-	-	1,014
Participant/Member Education	-	-	-	-
Equip Rent	-	-	-	-
Printing Cost	-	-	-	-
Supplies	-	-	100	100
Furniture/Equipment	-	-	-	-
Postage	-	-	-	-
Total Other Expenses:	16,590	-	100	16,690
Administrative Expenses	156,926	139,578	21,739	39,087 ⁽¹⁾
Total Costs FYE 2020	\$ 156,926	\$ 139,578	\$ 101,637	\$ 118,986
FYE 2019 Expenses Paid 2020	\$ 101,637			
Less FYE 2020 Prepaid Exp Paid 2019	\$ 139,578			
Total Expenditures FYE 2020	\$ 118,986	\$ 139,578	\$ 101,637	\$ 118,986

AGENDA ITEM 4.B.

FINANCIAL

BUDGET VARIANCE REPORT

City of Hollywood Employees Retirement Fund
Budget v. Actual
For Year Ending 9/30/2020
Expenses as of 10/31/2019

	<u>Approved Budget</u> (A)	<u>Oct-19</u> (B)	<u>Remaining Available</u> (A-B)	<u>% Remaining Available</u> (A-B)/(A)
Investment Fees:				
Brandes Investment Partners	152,000	-	152,000	100.00%
Northern Trust-Large Cap	32,500	-	32,500	100.00%
Thompson Siegel (TSW)	138,000	-	138,000	100.00%
Wellington	364,000	-	364,000	100.00%
Custodial Fees	35,000	-	35,000	100.00%
Fees not invoiced:				
Neuberger Short Duration	172,000	-	172,000	100.00%
Baird Core Plus Bond	116,000	-	116,000	100.00%
GoldenTree Multi-Sector Fund	119,500	-	119,500	100.00%
AG Direct Lending Fund II, LP	172,500	-	172,500	100.00%
Morgan Stanley	234,000	-	234,000	100.00%
Principal	155,000	-	155,000	100.00%
Neuberger Berman Crossroads XXI	63,500	-	63,500	100.00%
HarbourVest Dover Fund IX	107,000	-	107,000	100.00%
GoldPoint Co-Investment VI	107,500	-	107,500	100.00%
IFM Global Infrastructure	213,000	-	213,000	100.00%
Total Invest. Professional Fees	2,181,500	-	2,181,500	100.00%
Administrative Fees:				
Consultants	130,000	-	130,000	100.00%
Accounting	25,000	-	25,000	100.00%
Audit	20,000	-	20,000	100.00%
GRS-Actuarial and other Fees	73,500	-	73,500	100.00%
Medical Svcs (Disability Verification)	41,000	-	41,000	100.00%
Rice - Board Attorney	90,000	-	90,000	100.00%
Total Admin. Professional Fees	379,500	-	379,500	100.00%
Personnel Expenses:				
Total Salaries	252,000	-	252,000	100.00%
Salaries-Temp	4,000	-	4,000	100.00%
Taxes & Benefits	73,500	-	73,500	100.00%
Insurance	160,000	140,336	19,664	12.29%
Total Personnel Expenses	489,500	140,336	349,164	71.33%
Other Expenses:				
Training/Travel:				
Continuing Education/Dues	53,000	15,576	37,424	70.61%
Training-Travel, Meals & Lodging	42,000	1,014	40,986	97.58%
Participant/Member Education	5,000	-	5,000	100.00%
Equip Rent	4,000	-	4,000	100.00%
Printing Cost	7,000	-	7,000	100.00%
Supplies	7,500	-	7,500	100.00%
Furniture/Equipment	2,500	-	2,500	100.00%
Postage	8,000	-	8,000	100.00%
Total Other Expenses:	129,000	16,590	112,410	87.14%
Administrative Expenses	998,000	156,926	841,074	84.28%
Contingency Reserves	370,000	-	370,000	100.00%
Total Costs FYE 2020	\$ 3,549,500	\$ 156,926	3,392,574	95.58%
FYE 2019 Expenses Paid 2020		\$ 101,637		
Less FYE 2020 Prepaid Exp Paid 2019		\$ 139,578		
Total Expenditures FYE 2020	\$ 3,549,500	\$ 118,986	\$ 3,392,574	95.58%

AGENDA ITEM 5.A.

INVESTMENT

OCTOBER 2019 FLASH PERFORMANCE REPORT

(HANDOUT)

AGENDA ITEM 5.B.

INVESTMENT

WORK PLAN

(HANDOUT)

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

SEGAL INVESTMENT CONSULTANT

CONTRACT EXTENSION

**AMENDMENT TO THE ENGAGEMENT TO
PROVIDE CONSULTING SERVICES**

THIS AMENDMENT ("Amendment") to the Engagement to Provide Consulting Services by and between Segal Advisors, Inc., d/b/a Segal Marco Advisors ("Segal Marco") and the City of Hollywood Employees' Retirement Fund (the "Client"), dated January 28, 2016 and effective as of January 1, 2016 (the "Agreement"), as amended by Segal Marco's letter to the Client dated November 6, 2017 and executed on behalf of the Client on November 20, 2017 (the "Letter") is incorporated into the Agreement by this reference as if fully set forth therein. All capitalized terms used herein, not defined herein will have the definition as set forth in the Agreement.

WHEREAS, the parties wish to extend the term of the Agreement:

1. By this Amendment, the parties agree to extend the term of the Agreement (currently set to expire on December 31, 2019) for an additional two years through December 31, 2021.
2. This Amendment will be effective as of the last date set forth below.
3. For avoidance of doubt, nothing in the Amendment will alter the term or the pricing for the Fiduciary Administrative Services (the "Additional Services") agreed to in Letter, which Additional Services (and the fees for such Additional Services) will continue on a month-to-month basis unless terminated on not less than thirty (30) days prior written notice as described in the Letter.
4. Except as amended herein, all other terms and conditions in the Agreement will remain in full force and effect and be binding upon the parties. This Amendment and the Agreement sets forth the entire understanding between the parties as to the subject matter herein and supersedes any prior written or verbal statements, representations, and agreements concerning the subject matter hereof. To the extent there is a conflict between this Amendment and the Agreement, the terms of this Amendment will govern.

An authorized representative of each party has executed this Amendment as set forth below.

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

By: _____
Phyllis Shaw
Board Chair

Date:

SEGAL ADVISORS, INC., D/B/A SEGAL MARCO ADVISORS.

By: _____
J. Keith Reynolds
Vice President

Date:

AGENDA ITEM 6.C.

LEGAL

REQUEST FOR EXECUTIVE SESSION

TO DISCUSS PENDING LITIGATION

**EMILY GLOVER, INDIVIDUALLY AND AS PERSONAL REPRESENTATIVE OF THE
ESTATE OF GEORGE GLOVER V. FERHAJA KOLARI, CITY OF HOLLYWOOD
EMPLOYEES' RETIREMENT FUND AND CITY OF HOLLYWOOD**

(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

December 2019

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

BOARD OF TRUSTEES

Phyllis Shaw – Chair

Robert Strauss – Secretary

Jeffery Greene

George Keller – Vice-Chair

Christopher Cassidy

Charles Howell

All Trustees attended the November 2019 Regular Meetings of the Board of Trustees, except Cintya Ramos who was absent and excused.

Adam Reichbach was appointed to the Board of Trustees by the City Manager on November 14, 2019 to represent employees whose positions are not included in a collective bargaining unit.

ITEMS OF INTEREST TO THE CITY COMMISSION

- The Fund's estimated value on September 30, 2019 was \$332.0 million.
- The Fund and City anticipates the execution of the settlement agreement and the withdrawal/dismissal of the lawsuit City of Hollywood v. Board of Trustees of City of Hollywood Employees' Retirement Fund et al. Payments of the 2012 Supplemental Pension Distribution (13th Check) have been made to all eligible retirees and beneficiaries on payroll. The Pension office will identify the beneficiaries of deceased eligible members who were not on payroll.
- The Fund is involved in litigation regarding the death benefit of a deceased member, with more than one party claiming the benefit. The Fund has temporarily withheld the payment of the death benefit in an attempt to resolve the dispute.

UPCOMING PENSION EDUCATIONAL OPPORTUNITIES FOR CITY COMMISSION

- Florida Public Pension Trustees Association, Winter Trustee School
January 26 – January 29, 2020, Hyatt Orlando, Orlando

Segal Marco Advisors' 2020 Client Conference

March 19 – March 22, 2020, The Vinoy Renaissance, St. Petersburg, Florida

MEETING SCHEDULE 2020

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

January 21, 2020

April 28, 2020

July 28, 2020

October 27, 2020

February 25, 2020

May 19, 2020

August 25, 2020

December 8, 2020

March 31, 2020 at 6PM

June 23, 2020 at 6PM

September 22, 2020

Please be advised that the Next Regular Meeting of the Board of Trustees will be held on Tuesday, January 21st at 9:00am at the Fund Office. All Commissioners are invited to attend.

AGENDA ITEM 7.B.i.

EXECUTIVE DIRECTOR'S REPORT

ADMINISTRATIVE CONSIDERATIONS

RECOUPMENT OF OVERPAYMENT – C. BENSON

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 7.C.i.
EXECUTIVE DIRECTOR'S REPORT
ADMINISTRATIVE CONSIDERATIONS
SUPPLEMENTAL PENSION DISTRIBUTION FY2012

**Are retired transferred members
eligible for a 13th check?**

[Print](#)

City of Hollywood Code of Ordinances

§ 33.029 COORDINATION OF PENSION BENEFITS.

In the event that a city employee transfers from another retirement plan sponsored by the city to this plan or from this plan to another retirement plan sponsored by the city, his or her pension status will be subject to the following rules:

(A) **DATE OF TRANSFER** shall be the date when the change in job status occurs such that he or she is considered an employee pursuant to this plan.

(B) A member's total retirement benefits shall consist of a combination of the following:

(1) Benefits payable by the previous plan. The member's accumulated contributions, if any, shall remain funds of the previous plan. The member's retirement benefit payable from the previous plan shall be calculated by using benefit percentage rates and his or her credited service as of the date of transfer, and the greater of his salary as of the date of his or her termination of employment or as the date of transfer. This benefit shall be payable commencing on the member's normal retirement date pursuant to this plan. The transferred employee shall not be eligible for any other benefits from the previous plan.

(2) Benefits payable by this plan. For purposes of determining eligibility for retirement benefits under this plan, the employee's credited service prior to and after the date of transfer shall be included. For purposes of determining the amount of benefits payable under this plan, excluding death and disability benefits, only service following the date of transfer shall be included. For purposes of determining the amount of any death or disability benefits payable under this plan, credited service both prior to and after the date of transfer shall be included.

(C) In the event that a city employee who is a member of this plan is no longer considered an employee pursuant to this plan, the rules regarding his or her transfer to another retirement plan sponsored by the city shall be as set forth above, provided such other plan has appropriate language to accept transfers on the same basis.

(D) If, prior to the date when this language regarding transferred employees becomes effective, an employee had transferred from one retirement plan sponsored by the city to another and had thereby lost credit under the previous plan for his or her service prior to the date of transfer, his or her credited service under the previous plan shall be restored under the following conditions:

(1) The person must be an employee of the city on the date this language becomes effective.

(2) Upon notification, the employee must repay to the previous plan that amount of his or her contributions that he or she received from the previous plan due to his transfer to another plan within the city. The employee will have 60 days to exercise this option. He or she will be given one year to repurchase every two years of prior service.

(3) All previous contributions must be repaid prior to the employee's retirement to be eligible for any benefit under the previous plan.

(4) Upon satisfaction of these conditions, the employee will be credited with service in each plan as indicated in division (B) above.

(E) If a member of this plan transferred to the Police Officer's Retirement System or the Firefighters' Pension System and subsequently participates in the DROP plan of the Police Officer's Retirement System or the Firefighters' Pension System, any DROP benefit being held for the member in this plan may be transferred from this plan to the Police Officer's Retirement System or the Firefighters' Pension System.

(F) The coordination of benefits provision in this section shall have no application to any city employee who becomes a Police Officer or Firefighter on or after July 15, 2009.

(Ord. O-2010-30, passed 7-21-10; Am. Ord. O-2014-02, passed 3-5-14; Am. Ord. O-2016-06, passed 5-18-16)

AGENDA ITEM 7.C.ii.

EXECUTIVE DIRECTOR'S REPORT

ADMINISTRATIVE CONSIDERATIONS

RESTORATION OF BENEFITS IMPACT OF BREAK-IN-SERVICE

City of Hollywood Employees' Retirement Fund

Regular Meeting – December 10, 2019

Administrative Consideration Restoration of Benefits – Impact of Break-in-service

What is the effective date for eligibility and benefits under (AA), (BB), (CC) (DD) or (JJ)? Is it an employee's first or last hire date?

Principles that guide our analysis and recommendation; The Ordinance only uses the word "hire" and it does not use the word "rehire". It is recommended that the first date of hire be used. If a person was first hired in 2006, for instance, and then left and came back to work in 2014, it is hard to say they were not hired in 2006.

Recommendation:

The hire date used to determine the effective date for eligibility and benefits should be the date of first hire. There would be an exception to this rule, if the member received a refund and forfeited their prior membership rights, the effective date for eligibility and benefits would be the first date that the employee returns as a member of the Plan. This is so because the Ordinance provides that when a person separates from service and takes a refund of contributions, they waive, forfeit and relinquish all rights in the Fund.

In examining the past practice of the Plan, prior to the freeze, a break in service did not affect a member's multiplier, therefore, it is recommended that in all the following instances described below, the members receive a benefit calculated using the multiplier and average final compensation on their date of first hire for all years of credited service.

- a. Resigned/Rehired/Without Refund - For any employee employed on 6/19/2019 who was first hired prior to the benefit freeze applicable to them, and who has a break in service for any reason, without taking a refund.

Stacie Hirsch – first hired 5/17/1999, resigned and vested on 9/23/2016, rehired 6/12/2017. Benefits would be calculated using 3% multiplier on AFC of 78 highest consecutive bi-weekly pays for all years of credited service. The period of time between 9/23/2016 and 6/12/2017 will not count as credited service.

- b. Resigned/Rehired/Refunded/Refund Repaid - For any employee employed on 6/19/2019 who was first hired prior to the benefit freeze applicable to them and who has a break in service due to resignation and rehire after receiving and repaying a refund.

Madonna Dellolio – first hired 3/15/2010, transferred to part time and refunded 6/8/2011, returned to full time 11/6/2017, employed on 6/19/2019. If she repays her refund with interest, and restores her prior credited service, her benefits would be calculated using 2.5% multiplier on AFC of 104 highest consecutive bi-weekly pays for all years of credited service. Her benefit is calculated using JJ (2).

- c. Laid Off/Recalled/Without Refund - For any employee employed on 6/19/2019 who was first hired prior to the benefit freeze applicable to them, and who has a break in service due to a layoff and recall without taking a refund (a) above would apply as to the determination of benefit, but there would not be credited service during the break in service.

Darcy De Jesus – first hired 8/7/2006, laid off and vested on 9/30/2011. Recalled 11/4/2013 (already provided with an adjusted start date of 9/8/2008 on file). Benefits would be calculated using 3% multiplier on AFC of 78 highest consecutive bi-weekly pays for all years of credited service.

- d. Laid Off/Recalled/Refunded/Refund Repaid - For any employee employed on 6/19/2019 who was first hired prior to the benefit freeze and who has a break in service due to a layoff and recall after receiving and repaying a refund.

Jorge Burgos – first hired 3/5/2007, laid off, not vested on 2/10/2009 and received a refund. Recalled 2/5/2013 and repaid refund (already provided with an adjusted start date of 2/28/2011 on file). Benefits would be calculated using 3% multiplier on AFC of 78 highest consecutive bi-weekly pays for all years of credited service.

- e. Laid Off/Rehired/Without Refund For any employee employed on 6/19/2019 who was first hired prior to the benefit freeze and who has a break in service due to a layoff and rehired without taking a refund.

Hypothetical – no known example.

- f. Laid Off/Rehired/Refunded/Refund Repaid - For any employee employed on 6/19/2019 who was first hired prior to the benefit freeze and who has a break in service due to a layoff and rehired without after receiving and repaying a refund.

Connery Isaacs – first hired 2/29/2008, laid off on 2/10/2009, and was refunded. Rehired 8/27/2012. If he repays his refund with interest, and restores his prior membership rights, his benefits would be calculated using 3% multiplier on AFC of 78 highest consecutive bi-weekly pays for all years of credited service.

- g. Non-contributory service. – For any employee employed on 6/19/2019 who was first hired in the Non-contributory Plan.

George Keller – first hired 9/19/1978 under contract, joined non-contributory plan on 10/7/1985, resigned 7/16/1999. Rehired 4/5/2015. What is his current benefit entitlement? His benefits would be calculated using 1% multiplier on average monthly earnings (One-twelfth of the arithmetic average of annual earnings for the highest consecutive five years of the ten full years immediately preceding the actual retirement or termination date of a member) for all years of non-contributory credited service plus 3% multiplier on AFC of 78 highest consecutive bi-weekly pays for all years of credited service.

Section §33.028 provides that persons who were in the Supplemental Plan shall cease to be in the Plan and will become members of the City of Hollywood Employees Retirement Fund and that “For purposes of determining whether any such employee is eligible for any benefits under this plan, his or her credited service under both the 1% supplemental plan and this plan shall be included” Thus, the date of first hire would also apply.

Christine Bailey

From: Jeffrey.Amrose@grsconsulting.com
Sent: Tuesday, December 03, 2019 2:03 PM
To: Christine Bailey
Cc: Trisha.Amrose@grsconsulting.com; C100730@grsconsulting.com
Subject: [EXT]RE: [EXTERNAL]Effect of Restoration on Break in service
Attachments: Administrative Considerations by Christine with my editscb.docx

Hi Christine,

Below are our comments on the administrative procedure that you and Ron outlined in the attached document. As discussed, we are not interpreting the ordinance as that is not our role but we are commenting on if the administrative procedure you outlined is reasonable.

- We agree that it is reasonable to use the original date of hire instead of the rehire date to determine which section of the ordinance will be used to determine benefit amounts and eligibility.
- We agree that it is reasonable to use the date of rehire in cases when the member receives a refund of their member contributions for their original period of service and does not repay the refund when rehired.
- For each of the categories and examples you provided in the document, we agree with the application of benefits described if it is determined that the original hire date will be the basis.
- The document addresses rehired members employed on June 19, 2019. Should the document also address previous members who terminated before June 19, 2019 and are rehired after June 19, 2019? Section (JJ) does not apply to these members.

If you would like to discuss this further, please let us know.

Thank you,

Jeff

From: Christine Bailey <CBAILEY@hollywoodfl.org>
Sent: Tuesday, December 3, 2019 11:35 AM
To: Amrose, Trisha (FLP1) <Trisha.Amrose@grsconsulting.com>; Amrose, Jeffrey (FLP1) <Jeffrey.Amrose@grsconsulting.com>
Subject: [EXTERNAL]Effect of Restoration on Break in service

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Trisha/Jeff,

Ron and I have been asked to consider the impact of Ordinance O-2019-14 – “Restoration” on members with various types of breaks in service. Attached is the conclusion of our research which we hope to present to the Board next week Tuesday. We would like to send it to the Board as soon as possible. Can you please review our logic and let us know if you agree, or if you have any concerns.

Thanks.

Christine Bailey
Executive Director
City of Hollywood Employees' Retirement Fund
Ph: (954) 921-3333

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

AGENDA ITEM 7.D.

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)