



CITY of HOLLYWOOD, FLORIDA

Office of the City Manager

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Wazir A. Ishmael, Ph.D.
City Manager

July 11, 2016

By Certified Mail, Return Receipt Requested and Email

Phyllis Shaw, Board Chair
Board of Trustees of the City of Hollywood
Employees Retirement Fund
City Hall Annex, Room 20
2600 Hollywood Boulevard
Hollywood, Florida 33020
pshaw@hollywoodfl.org

Lisa Castronovo, Pension Coordinator
Board of Trustees of the City of Hollywood
Employees Retirement Fund
City Hall Annex, Room 20
2600 Hollywood Boulevard
Hollywood, Florida 33020
lcastronovo@hollywoodfl.org

Jason Rosner, Board Chair
Board of Trustees of the City of Hollywood
Firefighters Retirement System
310 S 62 Avenue
Hollywood, Florida 33023
mark@butlerlawfl.com

Jennifer Kerr, Plan Administrator
Board of Trustees of the City of Hollywood
Firefighters Retirement System
310 S 62 Avenue
Hollywood, Florida 33023
jkerr@hollywoodfirepension.com

David Strauss, Board Chair
Board of Trustees of the City of Hollywood
Police Officers Retirement System
4205 Hollywood Blvd., Suite 4
Hollywood, Florida 33021
DStrauss@hollywoodfl.org

Dave Williams, Plan Administrator
Board of Trustees of the City of Hollywood
Police Officers Retirement System
4205 Hollywood Blvd., Suite 4
Hollywood, Florida 33021
davew@hollywoodpolicepensionfund.com

Re: Notice of Initiation of Conflict Resolution Procedures under Chapter 164, Florida Statutes

Ladies and Gentlemen:

On July 6, 2016, the Commission of the City of Hollywood ("City") adopted Resolution No. R-2016-187 initiating dispute resolution procedures under chapter 164, Florida Statutes. A certified copy of the resolution is enclosed. The purpose of this letter is to give you notice that these procedures have been initiated and of the following information, as required by section 164.1052(1), Florida Statutes.

Our Mission: We are dedicated to providing municipal services for our diverse community in an atmosphere of cooperation, courtesy and respect.
We do this by ensuring all who live, work and play in the City of Hollywood enjoy a high quality of life.

"An Equal Opportunity and Service Provider Agency"

Description of the conflict:

The conflict is the subject of the pending lawsuit styled *City of Hollywood v. Board of Trustees of the City of Hollywood Employees Retirement Fund*, Case No. CACE 15-17333 (17th Judicial Circuit, Broward County, Florida) ("Lawsuit"). In the Lawsuit, the City seeks declaratory, injunctive, and supplemental relief against the defendants, the governing bodies of three defined benefit retirement plans for City employees: (1) the Board of Trustees of the City of Hollywood Employees Retirement Fund ("General Board"); (2) the Board of Trustees of the City of Hollywood Firefighters Retirement System ("Fire Board"); and (3) the Board of Trustees of the City of Hollywood Police Officers Retirement System ("Police Board").

As further described in the City's complaint in the Lawsuit, the dispute concerns "supplemental payments" to retirees under each of the three plans. The City's position is that, under section 112.61, Florida Statutes, and the provisions of the City Code of Ordinance governing supplemental payments for the plans, the General Board, Fire Board, and Police Board may only authorize supplemental payments when the present value of the total supplemental payments do not exceed the net actuarial experience of the plan accumulated from all sources of gains and losses. The City alleges that the General Board, Fire Board, and Police Board have each authorized supplemental payments for years when the present value of the supplemental payments exceeded the net actuarial experience from all sources of gains and losses. The City seeks a remedy for these past illegal supplemental payments that were authorized and to prohibit the General Board, Fire Board, and Police Board from authorizing such illegal supplemental payments in the future.

Other governmental entities in conflict with the City of Hollywood:

The governmental entities in conflict with the City are the three defendants named in the Lawsuit: (1) the Board of Trustees of the City of Hollywood Employees Retirement Fund; (2) the Board of Trustees of the City of Hollywood Firefighters Retirement System; and (3) the Board of Trustees of the City of Hollywood Police Officers Retirement System.

Justification for initiating the chapter 164 conflict resolution process:

On April 18, 2016, the court entered an order in the Lawsuit determining that the parties are subject to chapter 164's dispute resolution procedures, and abating the Lawsuit until the parties have exhausted those dispute resolution procedures. The City of Hollywood has initiated the chapter 164 process pursuant to the court's order.

Proposed dates and location of conflict assessment meeting to be held under section 164.1053:

August 9, 9 a.m. – 6 p.m., City Hall, rm 215
August 10, 9 a.m. – 11:30 a.m., City Hall, rm 215
August 11, 9 a.m. – 11:30 a.m., City Hall, rm 215

Suggestions regarding officials who should be present at the conflict assessment meeting:

On behalf of the Board of Trustees of the City of Hollywood Employees Retirement Fund:

Phyllis Shaw, Board Chair
Lisa Castronovo, Pension Coordinator
Or their designees

On behalf of the Board of Trustees of the City of Hollywood Firefighters Retirement System:

Jason Rosner, Board Chair
Jennifer Kerr, Plan Administrator
Or their designees

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On behalf of the Board of Trustees of the City of Hollywood Police Officers Retirement System:

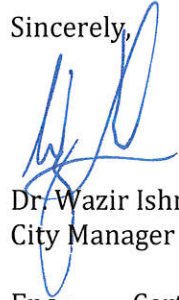
David Strauss, Board Chair

Dave Williams, Plan Administrator

Or their designees

Additionally, the City suggests that the parties' respective legal counsel be present at the conflict assessment meeting.

Sincerely,



Dr. Wazir Ishmael
City Manager


Enc.: Certified Copy of Resolution No. R2016-087

cc: Ronald J. Cohen, Esquire
Rice, Pugatch, Robinson, P.A.
101 N.E. 3rd Avenue, Suite 1800
Fort Lauderdale, Florida 33301
rcohen@rprslaw.com
*Counsel for **the** Board of Trustees of the City of
Hollywood Employees Retirement Fund*
and
Jeff Sheffel, City Attorney
jsheffel@hollywoodfl.org
Alan Fallik, Deputy City Attorney
afallik@hollywoodfl.org
George Keller, Assistant City Manager for
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Lorie Mertens-Black, Chief Civic Affairs Officer
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and
Stephen H. Cypen, Esquire
Cypen & Cypen
777 Arthur Godfrey Road, Suite 320
Miami Beach, Florida 33140
scypen@cypen.com
*Co-Counsel for the Board of Trustees of the City
of Hollywood Firefighters Retirement System
and the Board of Trustees of the City of
Hollywood Police Officers Retirement System*

RESOLUTION NO. R-2016-187

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, ADOPTED PURSUANT TO SECTION 164.1052, FLORIDA STATUTES, DECLARING ITS INTENT TO INITIATE THE CONFLICT RESOLUTION PROCEDURES SET FORTH IN FLORIDA STATUTES CHAPTER 164; DECLARING THAT THE CONFLICT EXISTS WITH THE CITY'S THREE DEFINED BENEFIT PENSION BOARDS AND ARISES OUT OF THE BOARDS' PAYMENT OF SUPPLEMENTAL DISTRIBUTIONS TO RETIREES; AUTHORIZING AND DIRECTING THE APPROPRIATE CITY OFFICIALS TO TAKE ALL STEPS NECESSARY TO EFFECTUATE THIS RESOLUTION.

CERTIFICATION
I certify this to be a true and correct copy of the record in my office.
WITNESSETH my hand and official seal of the City of Hollywood, Florida, this the 8 day of July, 2016
 City Clerk

WHEREAS, the City of Hollywood, Florida has three defined benefit pension plans – one for police officers, one for firefighters, and one for general employees; and

WHEREAS, each of these pension plans provides for the payment of a benefit, known as a supplemental distribution or “13th check”, to eligible retirees for each year in which the rate of investment return on the assets of the plan exceeds a certain amount; and

WHEREAS, payment of a supplemental distribution is governed by the respective pension plan *and by state law*, and payment is proper only if all of the conditions for payment contained in the pension plan and state law are met; and

WHEREAS, over the past several years, the Board of Trustees of the Police Retirement Plan, the Board of Trustees of the Firefighters Retirement Plan and the Board of Trustees of the Employees Retirement Plan (collectively, the “Boards”) have made supplemental distributions totaling millions of dollars; and

WHEREAS, in the opinion of the City Attorney, one or more supplemental distributions made by each Board violated either the pension plan, state law or both, and the City is entitled to judicial relief against the Boards; and

WHEREAS, Florida Statutes Chapter 164, entitled the “Florida Governmental Conflict Resolution Act” (the “Act”), requires that governmental entities in conflict with one another attempt to negotiate their differences pursuant to the procedures outlined in the Act prior to commencing litigation regarding the conflict; and

WHEREAS, Florida Statute Section 164.1052 requires the governing body of the governmental entity initiating the conflict resolution procedures to adopt a resolution expressing its intent to initiate such procedures;

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

Section 1: That it intends to initiate the conflict resolution procedures provided by the Act.

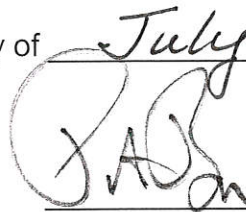
Section 2: That the governmental entities with which the City has conflicts are the Boards.

Section 3: That the issues with respect to which the City and the Boards are in conflict are the improper payments by the Boards, over the past several years, of supplemental distributions totaling millions of dollars.

Section 4: That the appropriate City officials are hereby authorized and directed to take all steps necessary to effectuate this Resolution.

Section 5: That this resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this 6 day of July, 2016.



PETER BOBER, MAYOR

ATTEST:



PATRICIA A. CERNY, MMC
CITY CLERK

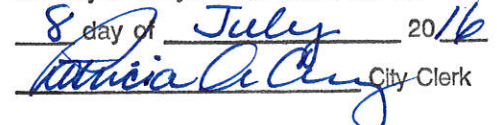
APPROVED AS TO FORM & LEGALITY
for the use and reliance of the
City of Hollywood, Florida only:



JEFFREY P. SHEFFEL, CITY ATTORNEY a7

CERTIFICATION

I certify this to be a true and correct copy
of the record in my office.
WITNESSETH my hand and official seal of
the City of Hollywood, Florida, this the

8 day of July, 2016

City Clerk