

HOLLYWOOD POLICE OFFICERS' RETIREMENT SYSTEM
Office of Retirement
4205 Hollywood Blvd., Suite 4
Hollywood, Florida 33021

October 27, 2017

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, October 27, 2017 at 10:30 AM, in the Office of Retirement, 4205 Hollywood Blvd., Suite 4 Hollywood, Florida 33021.

PRESENT: D. Strauss, Chairman, C. Marano (departed 12:06 PM), R. Wise, C. Boyd, R. Brickman, V. Szeto and P. Laskowski.

Also present were Kee Eng, City of Hollywood; Tracey Locastro, TLS Reporting; Jeffrey Marano, President – Broward County PBA; Peter Hapgood, Intercontinental Real Estate Corporation; Bryan Schneider & Mark Guariglia, EnTrust; Jose Fernandez & Todd Green, Cavanaugh Macdonald Consulting; John McCann, AndCo Consulting; Robert Klausner & Cassandra Ward of Klausner, Kaufman, Jensen and Levinson; David M. Williams, Plan Administrator.

PUBLIC COMMENT

No Comments.

CALL TO ORDER - SHADE MEETING

The public meeting was called to order and subsequently adjourned to a closed Attorney - Client meeting at 10:31 AM for the Trustees (D. Strauss, Chairman, C. Marano, Secretary, R. Brickman, P. Laskowski, R. Wise, C. Boyd & V. Szeto) to meet with the legal counsel (Robert Klausner & Cassandra Ward, Counsel - Klausner, Kaufman, Jensen & Levinson) pursuant to 286.011 Florida Statute that was read into the record by Mr. Strauss. Plan Administrator - David Williams was also present at the shade meeting. This action was based on a motion by Mr. Laskowski, which was seconded by Mr. Szeto. All board members voted yes.

The Attorney - Client meeting concluded, and the public meeting reconvened at 11:14 AM. This action was based on a motion by Mr. Brickman, which was seconded by Mr. Laskowski. All board members voted yes.

Upon the meeting reconvening, Mr. Strauss stated that no action will be taken as a result of the shade meeting.

READING OF THE WARRANTS

The warrants since the last meeting were reviewed and executed by the Board of Trustees.

APPROVAL OF THE MINUTES OF THE September 29, 2017 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the September 29, 2017 pension board meeting. Mr. Boyd made a motion to approve the Minutes cited, which was seconded by Mr. Szeto. All board members voted yes.

ATTORNEY'S REPORT

- PERC – Make Whole Order Reviewed:
<http://hollywoodpolicepensionfund.com/docs/announcements/DOC594.pdf#zoom=100>

- Financial Urgency Constitutional Status being heard by the Florida Supreme Court <http://hollywoodpensionfund.com/docs/announcements/Supreme%20Court%20Order2.pdf#zoom=100>
- Mr. Klausner reflected that due to the foregoing cases, this Board previously ruled to enact the lawful ordinance in place prior to the referendum. That would require the Board to follow the ordinance in place as of September 30, 2011. Treat members who retired and/or entered the PRB (now the R-PRB) as if they were in the DROP as applicable, thus recalculating all members to comply with the ordinance cited. Mr. Klausner will consider and report the lawful implications related to members who entered the PRB (now the R-PRB) based on age and allowing them to select a new entry date into the DROP. Further, Mr. Klausner will consider and report back whether to allow members to front load the DROP as permitted under the ordinance (and drop rules) in place as of September 30, 2011. If so, when would credit be provided. http://hollywoodpensionfund.com/docs/minutes/minutes_20170818.pdf#zoom=100
- Mr. Klausner reported that the State of Florida – FRS lowered the assumption rate for police officers due to a spike in deaths, based on a study of the academy of actuaries.
- Mr. Klausner indicated his firm prepared a death benefit summary and it will be presented at the next meeting for review.

Mr. Robert Klausner & Ms. Cassandra Ward departed at 11:39 AM.

NEW BUSINESS

Mr. Jose Fernandez & Mr. Todd Green of Cavanaugh Macdonald Consulting appeared before the Board to announce the retirement of Mr. Fernandez. The Board thanked Mr. Fernandez for his many years of service and wished him well for the future. Mr. Green reflected the transition will be seamless as he has worked on this plan for years.

It was noted that the Cavanaugh Macdonald Consulting contract was due to be renewed. The contract was reviewed by Mr. Klausner prior to the meeting and deemed legal. Mr. Brickman made a motion to accept the contract as presented and continue to engage the services of Cavanaugh Macdonald Consulting accordingly. This motion was seconded by Mr. Szeto. All board members voted yes.

Mr. Williams asked for a true-up on contributions owed by the city to the plan. Furnish that report to the city actuary.

Required Minimum Distribution review underway with the plan administrator.

ENTRUST – Special Opportunities Fund IV

Mr. Bryan Schneider & Mr. Mark Guariglia of EnTrustPermal came before the Board to present an investment vehicle for the Board to consider. The representatives spoke about the prior funds and the performance. The fund will be focused on both dislocation events and high conviction, individual investment ideas. Launch date is 1st quarter of 2018. Funds will be placed in queue and not called until ready to put to work. At the conclusion of this thought provoking opportunity, the Board sought and received Mr. McCann's confirmation of this viable investment and suggested 5.4 million be committed.

Mr. Brickman made the motion to engage EnTrustPermal for the Special Opportunities Fund IV for 5.4 million pending review and approval of the contract by Mr. Kaufman. Mr. Strauss seconded the motion. All board members voted yes.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

DROP/PRB Loan: Mr. Williams cited the respective member's loan request. He outlined that the members have the funds in their personal DROP/PRB accounts to cover the loans and they have been participants in the DROP/PRB plan for the required amount of time. No conflict exists with the 12-month rule. Mr. Laskowski made a motion to approve the loan as noted, which was seconded by Mr. Brickman. All board members present voted yes.

PAYROLL DATA: Mr. Williams reported that he received notice from the city that they would provide the payroll history as requested. A test file will follow. This data is the starting point to recalculate the affected membership. Once the data is vetted and tested by the actuary, recalculations will follow. Mr. Williams will start from the earliest member to the latest member to enter the R-PRB or retirement date. It was noted it took six years to get to this point, and will not be resolved overnight.

QUARTERLY INVESTMENT REPORTS

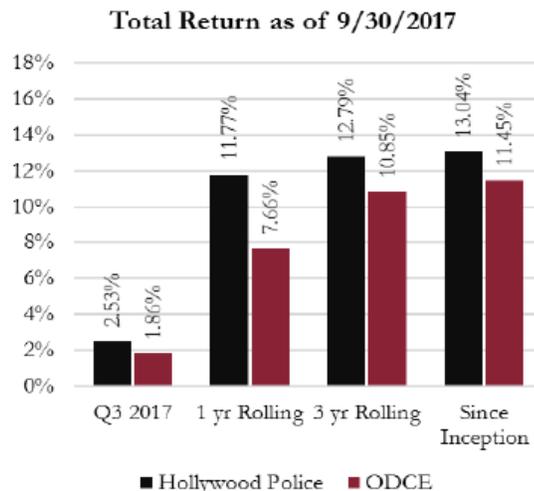
INTERCONTINENTAL REAL ESTATE CORPORATION

Mr. Peter Hapgood of Intercontinental Real Estate Corporation appeared before the Board to provide an investment portfolio update.

INVESTMENT OBJECTIVES

- Preserve and protect investor's capital
- Generate current income on invested capital in the range of 5-8%
- Create potential for capital appreciation
- Accomplish an average annual total return of 10%

INVESTMENT OVERVIEW



Portfolio was valued at \$19,644,620.00 as of September 30, 2017. Our fund is now participating in the dividend reinvestment program. Mr. Peter Hapgood was asked about damage from any hurricanes. He indicated the portfolio had no damage to speak of.

OPEN DISCUSSION

Mr. McCann provided a flash report for the quarter ending September 30, 2017. The rate of return exceeded 11% and outperformed our total fund policy. A formal report will be provided at the November 17, 2017 meeting. Mr. Brickman commented how disappointed he was that the city did not properly fund the plan and how those assets did not enjoy the positive rate of return of the market.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 12:46 PM.

The next scheduled meeting is November 17, 2017 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson