

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

August 17, 2018

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, August 17, 2018, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman, C. Marano, Secretary, V. Szeto, P. Laskowski, R. Wise, C. Boyd & R. Brickman.

Also present were Kee Eng, City of Hollywood; Jeffrey Marano, President Broward PBA; John McCann, AndCo Consulting; Gregg Rossman, Rossman Legal; Tim Ghiskey & Robert Maddock, III of Inverness Counsel; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

Also present active and retired members.

PUBLIC COMMENT

Mr. Jeffrey Marano, reflected upon his differing position from that of the Public Employees Relations Commission (PERC). Compounded by the recent ruling that may be viewed on-line at: <http://hollywoodpolicepensionfund.com/docs/announcements/File=CA12016-Ord17-081418130513.pdf>

Mr. Jeffrey Marano indicated that while the Attorneys review the case for appeal, he will continue to negotiate with the City of Hollywood. Mr. Marano asked the Board to consider incremental restoration and individual contracts in any ordinance change. Further, he asked that members with share accounts be permitted use of the funds to repay contributions.

Mr. Kaufman responded that incremental restoration has not been done in the past that he was aware of.

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 AUGUST 3, 2018 MEETING

Tabled

ATTORNEY'S REPORT

- Mr. Kaufman indicated that he read the PERC ruling noted above. He was considering all the options. From the onset he did not feel the waiver applied to members who were eligible for normal retirement prior thereto; nor were non-bargaining unit members of the Plan. Mr. Kaufman will draft an opinion with advice on the matter for the September 28, 2018 meeting.
- Mr. Kaufman also spoke about the meeting call by the City of Hollywood on August 7, 2018. The meeting surrounded the supplemental distribution litigation. No action was taken, but the city threatened a class action suit against the retirees.

Con't Attorney's Report

- Mr. Kaufman advised the city would have to individually name each retiree/member affected in the suit and not simply file a “class action”. Consideration will be given to retaining counsel to represent the membership.
- Mr. Kaufman advised that the 2017 Premium Tax Distribution Calculation was valued at \$1,541,166.44. Those funds will be withheld by the State of Florida due to the city’s funding defiance. In excess of 6 million dollars are now being withheld, which is adversely affecting the Plan’s growth. As the funds are on hold, the State of Florida could compel the City of Hollywood to a Hearing.

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 member has the funds in his personal DROP/PRB account to cover the loan and he has been a participant in the DROP/PRB plan for the required amount of time. No conflict exists with the 12-month rule. Mr. Brickman made a motion to approve the loan presented. This motion was seconded by Mr. Szeto. All board members voted yes, passed 7-0.

2016 Annual Report: Mr. Williams advised that the 2016 annual report was approved by the State of Florida for technical reporting, but the funds as Mr. Kaufman alluded to were still being withheld. The correspondence from the state may be viewed at:
<http://hollywoodpolicepensionfund.com/docs/announcements/Hollywood%20Police%20Approval%202016%20State%20report%20rec'd%2008-06-2018.pdf>

Entrust: Mr. Williams informed the Board of Trustees that Entrust – Special Opportunities Fund executed a capital call in the amount of \$336,789.00 on August 14, 2018.

Subpoena: Mr. Williams let the Board know that he was summoned to court on August 15, 2018 regarding a dissolution of marriage matter involving a member of the Plan.

2019 Meeting Dates: Mr. Williams provided the 2019 meeting dates for the Board to consider, based on our standing schedule. The 2019 schedule may be viewed at:
<http://hollywoodpolicepensionfund.com/docs/minutes/2019%20Hollywood%20Meeting%20Dates%20-%20Updated%2008-03-18.pdf#zoom=100>

QUARTERLY INVESTMENT PRESENTATIONS

INVERNESS COUNSEL

Mr. Maddock and Mr. Ghriskey provided the following report:

Equity Performance: Hollywood Police Pension Fund

	Q2'18	YTD	FYTD	Annualized (%)			
				1 Year	3 Year	5 Year	Inception
Inverness*	4.11	4.23	11.63	16.80	10.45	13.31	9.00
S&P 500 Index	3.43	2.65	9.47	14.37	11.93	13.42	8.57

Mr. Maddock advised for the quarter that ended June 30, 2018 the equity portfolio returned 4.11% for the equities which surpassed the index return of 3.43%. For the last twelve months, the equity account returned 16.80% for the equities compared to the benchmark return of 14.37%. For the fiscal year to date through June 30, 2018, the equity portfolio returned 11.63% vs. the benchmark return of 9.47%. The account was valued at \$50,969,667.00 as of June 30, 2018.

Equity observations were shared with the Board, as well as strategic holdings.

Fixed Income Performance: Hollywood Police Pension Fund

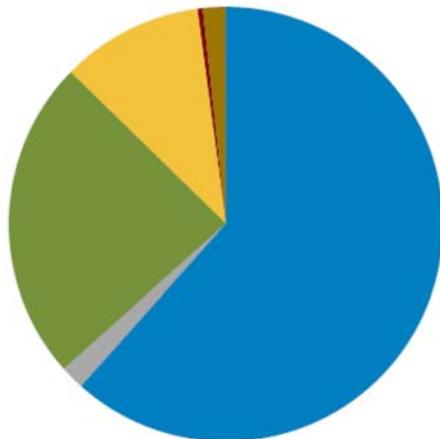
	Q2'18	YTD	FYTD	Annualized (%)			
				1 Year	3 Year	5 Year	Inception
Inverness*	-0.14	-1.38	-1.23	-0.32	1.73	2.11	4.18
Barclays 50/50	-0.16	-1.44	-1.30	-0.60	1.50	1.95	3.60

Mr. Ghriskey indicated that for the quarter that ended June 30, 2018, the fixed income portfolio returned -0.14%, compared to the benchmark of -0.16%. For the last twelve months, the fixed portfolio returned -0.32% compared to the same policy return of -0.60%. On a longer-term basis of 5 years, the account returned 2.11%, in comparison to the policy return 1.95%. The account was valued at \$56,216,160.00 as of June 30, 2018.

ANDCO CONSULTING

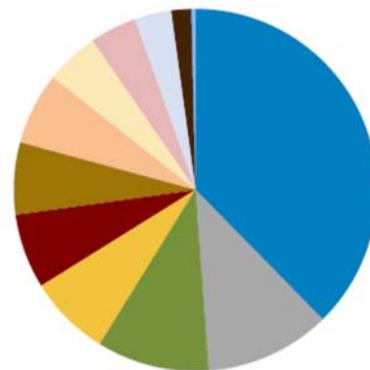
Mr. McCann presented the June 30, 2018 investment report, the portfolio was valued at \$290.334,671.00.

Asset Allocation By Segment as of June 30, 2018 : \$290,334,671



Allocation	Market Value	Allocation
Segments		
Domestic Equity	178,888,977	61.6
Global Equity	5,163,623	1.8
Domestic Fixed Income	69,431,812	23.9
Real Estate	30,719,660	10.6
Private Equity	1,104,241	0.4
Cash Equivalent	5,026,358	1.7

Asset Allocation By Manager as of June 30, 2018 : \$290,334,671



Allocation	Market Value	Allocation
Inverness Balanced	109,363,371	37.7
Rhumblin Equity	32,439,834	11.2
Eagle Equity	28,962,197	10.0
Intercontinental Real Estate	21,184,048	7.3
Clarivest LCG	19,394,588	6.7
Wells Fargo Equity	18,669,096	6.4
Sawgrass LCG	18,626,102	6.4
GHA Fixed	13,805,951	4.8
Rhumblin R1000G	12,086,008	4.2
American Realty	9,535,612	3.3
EnTrustPermal	5,163,623	1.8
EnTrustPermal Special Opp Fund IV	1,104,241	0.4

Hollywood Police Officers' Retirement Board - Minutes

August 17, 2018

Page 4

The total fund return for the quarter was 3.22%. That quarterly return outpaced the benchmark by 73 basis points and ranked in the TOP 1 percentile investment universe. Mr. McCann advised the fiscal year return was valued at 7.32% vs. the benchmark return of 5.70%. The fiscal year return was ranked in the TOP 5 percentile investment universe. Longer term results were also outlined on a 1, 3 and 5-year basis.

The entire investment report may be viewed on-line at:

<http://hollywoodpensionfund.com/docs/investments/2018-06-30%20Hollywood%20Police%20Quarterly%20Report.pdf>

Mr. McCann spoke of AndCo's acquisition of Summit Strategies (Summit) public fund general consulting practice. The news release may be viewed on-line at:

<https://www.andcoconsulting.com/andco-consulting-acquires-summit-strategies-public-funds-consulting-practice/>

OPEN DISCUSSION

No Open Discussion.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:20 A.M.

The next scheduled meeting is September 28, 2018 at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson