

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

October 26, 2018

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, October 26, 2018 at 10:30 AM, in the Office of Retirement, 4205 Hollywood Blvd., Suite 4 Hollywood, Florida 33021.

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

Also present were Kee Eng, City of Hollywood; Peter Hapgood, Intercontinental Real Estate Corporation; David M. Williams, Plan Administrator.

PUBLIC COMMENT

No Comments.

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 28, 2018 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the September 28, 2018 pension board meeting. Mr. Szeto made a motion to approve the Minutes cited, which was seconded by Mr. Brickman. All board members voted yes.

ATTORNEY'S REPORT

Mr. Strauss advised that Mr. Kaufman was out of town, but available by phone if need be.

Mr. Williams reported that Mr. Kaufman was working on the updated summary plan description – SPD.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

DISABILITY CLAIM - Mr. Williams advised he met with member – Ms. Karen Lafrance and provided her a disability application based on her claim(s). Once received it will be transmitted to Mr. Kaufman's office to be processed. Updates will be provided as warranted.

CHANGE OF BENEFICIARY - Retired Member – Mr. William Hobart contacted Mr. Williams to revise his beneficiary. This is member's first request to change. Member retired under the standard 50% spousal survivor benefit. An actuarial review was made, and the member consented to the actuarial reduction. The Board reviewed the report of Cavanaugh Macdonald dated October 3, 2018. Motion by Mr. Brickman to approve the request effective November 1, 2018. Motion seconded by Mrs. Marano. All board members voted yes.

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. Szeto. All board members present voted yes.

WITHDRAW OF BUYBACK REQUEST – Mr. Williams met with Mrs. Hughes prior to her resignation. She requested to buy back her time in the system. Subsequently she notified Mr. Williams (on October 25, 2018) that she has rescinded her request to buy back. A refund of pension contributions will be transmitted accordingly.

REQUIRED MINIMUM DISTRIBUTION (RMD) – Mr. Williams advised that the actuary is reviewing the RMD for all drop participants. The results will come before the Board at the November meeting. Affect members will be advised on a case by case basis.

ANNUAL DROP DISTRIBUTIONS SCHEDULE – Once the RMD's are received, all members are advised in written form of the scheduled payment(s) for 2019. A formal schedule will be presented at the November meeting and then transmitted to our custodian.

SHARE STATEMENTS - Mr. Williams advised that the annual share statement reports were transmitted to all membership who currently have share accounts.

AUDIT – Mr. Williams advised the bookkeeper is working on the 09-30-2018 quarter and the trial balance once complete will be transmitted to the plan auditor. Additional records are being transmitted to the auditor as identified and/or requested.

NOTICE OF PASSING: Mr. Williams reported that Mr. J. Marcucci passed away – October 14, 2018.

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. Account balance as of September 30, 2018 was valued at \$21,674,520.00.

Commercial Real Estate Outlook

Throughout most of the current economic expansion new supply of space has lagged demand, we anticipate that supply will moderately outpace demand for the next few years.

As a result, most markets have reached or are about to reach peak occupancies for this cycle. With supply having caught up to demand in most markets, rent growth will be much more moderate going forward at 1-2% per year on a national average basis.

Apartments will be ahead of the curve in terms of supply outpacing demand while industrial will likely see the impact of new supply on fundamentals the latest of the property types.

Q1 '17 investment sales volume was off -17% year over year vs. '16 but the market remains very active with \$95 billion in transactions in Q1 and pricing generally holding steady.

INVESTMENT OVERVIEW

Hollywood Police v. NCREIF ODCE Performance						
	Income		Appreciation		Total Return	
	Hollywood Police	ODCE	Hollywood Police	ODCE	Hollywood Police	ODCE
Q3 2018	1.27%	1.04%	1.25%	1.05%	2.52%	2.09%
1 yr Rolling	5.11%	4.26%	6.08%	4.28%	11.42%	8.68%
3 yr Rolling	5.13%	4.40%	6.75%	4.26%	12.13%	8.80%
5 yr Rolling	5.11%	4.62%	7.38%	5.88%	12.77%	10.72%
Since Inception	5.19%	4.65%	7.25%	6.04%	12.73%	10.92%

OPEN DISCUSSION

An AndCo flash report of 12.35% for the fiscal year was presented to the Board. Mr. Brickman requested an updated report on the drop cost analysis from the actuary. By consensus the Board agreed. Mr. Williams will proceed accordingly.

Mr. Strauss advised the Board that the city's actuary did a study for the cost impact restoring benefits. It is being proposed that current active members will be restored in groups.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:10 AM.

The next scheduled meeting is November 16, 2018 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson