

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

**March 29, 2019**

**MINUTES**

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, March 29, 2019, 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, R. Wise, R. Brickman, C. Boyd & P. Laskowski

Also present were Laurette Jean, Budget Division Director, City of Hollywood (arrived at 10:40 and departed at 12:15); Brian O'Sullivan, Amanda Leong and Dann Smith of Wells Fargo Asset Management; John McCann, AndCo Consulting; Henry Renard of Inverness Counsel; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

PUBLIC COMMENT

Mr. Gregg Rossman, Attorney spoke on behalf of his client's restoration. Now that the impact study has been prepared, he would like to move forward with the meeting with the assistant city manager (Mr. George Keller). By consensus, Mr. Strauss & Mr. Kaufman will be arranging a meeting and will attend.

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 FEBRUARY 22, 2019 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the February 22, 2019 pension board meeting. Mr. Laskowski made a motion to approve the Minutes of the February 22, 2019 pension board meeting, which was seconded by Mr. Szeto. All board members voted yes.

ATTORNEY'S REPORT

Mr. Kaufman advised that the stay was lifted for the general employees' case in the supplemental distribution lawsuit. The police and fire pension suits are pending court approval. The city's intent is to adjoin the individual retired members.

Client Conference Update: <https://www.klausnerkaufman.com/news-events/client-conference>

Mr. Kaufman's firm will handle the presentation at the City Retreat Wednesday, April 17, 2019 from 9:00 a.m. to 12:00 p.m. in City Hall, Room 215.

LaFrance still in discover phase. Further updates to follow.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

RETURN OF PENSION CONTRIBUTIONS: Mr. Williams indicated that former member Mr. Michael Graziani requested a return of their contributions made to the Plan. The required documents were complete. Motion by Mr. Laskowski to approve the return of the member's pension contributions. Motion seconded by Mr. Szeto. All board members voted yes.

SHARE BUY BACK: Mr. Williams reported that Mr. Michael O' Bier and Mr. Sergio Lopez wanted to use their respective share accounts to buy back their probationary time. Breakdown provided to the Board. Motion by Mr. Laskowski to approve the use of the share funds to buy back time in the system. Motion seconded by Mr. Szeto. All board members voted yes.

VESTED RETIREMENT: Mr. Jeffrey Lebron vested on September 23, 2014 and was now eligible based on age effective March 1, 2019. Member was factored based on the ordinance in effect at the time of his separation. Member elected a ten-year certain option. Motion by Mr. Szeto to approve the vested retirement as cited. Motion seconded by Mrs. Marano. All board members voted yes.

DROP/PRB Loan: Mr. Williams cited the member's loan requests. He outlined that the members have the funds in their personal DROP/PRB account 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. Mrs. Marano made a motion to approve the loans presented. This motion was seconded by Mr. Brickman. All board members voted yes.

DROP/PRB Loan: Mr. Williams cited a 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. Mrs. Marano made a motion to approve the loan presented. This motion was seconded by Mr. Brickman. All board members voted yes. (6 – 0 – 1 (Mr. Strauss - abstention). Mr. Strauss will complete 8B Form.

Mr. Williams briefed the Board on the restoration of benefits. Meetings underway with members. He thanked Ms. April Allen, City of Hollywood – Finance for her payroll assistance.

Mr. Williams sought permission to allow members to use their share account to offset their costs in changing from retirement based on age to retirement based on years of service. Mr. Brickman made a motion to approve the use of share funds as requested. This motion was seconded by Mrs. Marano. All board members voted yes.

A fully signed and executed copy of Ordinance 0-2019-02 was distributed to the Board of Trustees by Mr. Williams. It was transmitted to the State of Florida – Division of Retirement on March 27, 2019.

#### INVESTMENT PRESENTATION – WELLS FARGO CAPITAL MANAGEMENT

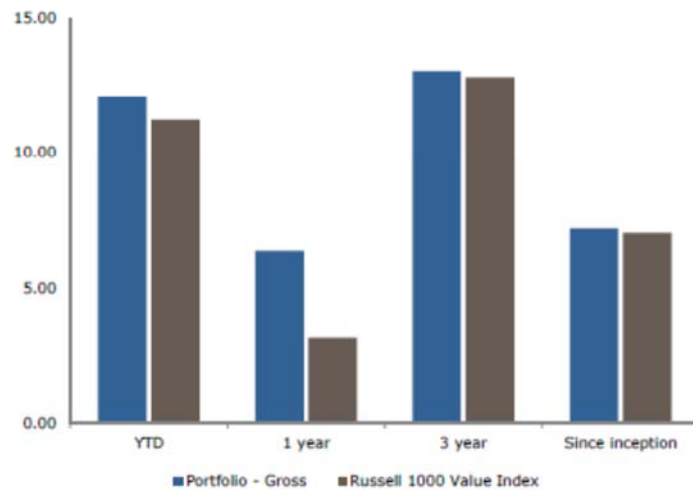
Mr. Brian O'Sullivan, Ms. Amanda Leong and Mr. Dann Smith of Wells Fargo Asset Management presented the large cap value portfolio review.

The inception date of the portfolio is May 12, 2015. The investment objective is as follows: Performance of the portfolio should exceed the benchmark and rank in the top 40% of its peer universe over a complete market cycle.

Change in portfolio value	
<b>Beginning value</b>	<b>17,449,043.21</b>
Net contributions/withdrawals/expenses	-23,275.11
Realized gains	78,769.20
Unrealized gains	1,971,681.62
Income received	57,150.68
<b>Ending value</b>	<b>19,533,369.60</b>

Performance History Reported:

	YTD	1 year	3 year	Since inception 12-May-15
Portfolio - Gross	12.08	6.35	13.03	7.19
Russell 1000 Value Index	11.23	3.16	12.80	7.02



Market Review

- Equity market dramatically recovered, as progress on several fronts dampened concerns.
- U.S. Federal Reserve clarified stance—short-term rate rises paused and less aggressive balance sheet normalization.
- U.S. GDP growth for fourth quarter revised upward, 2.9%.
- U.S. productivity rose 1.9%.
- China-U.S. trade talks progressing with U.S. agreeing to postpone March tariff increase to 25%.
- While OECD is anticipating a global slowdown, U.S. fundamentals remain solid.
- Beta was the dominant factor driving equity markets.
- Strong positive returns across all sectors.
- Current economic conditions are conducive to stable equity markets—'not too hot & not too cold'.

Portfolio Review

- Performance shortfall versus the Russell 1000 Value Index for the year-to-date period through February 2019.
- 5 of 11 sectors contributed to outperformance.
- Financials rebounded after fourth quarter sell off.
- Consumer staples contributed due to emerging markets stability and improving fundamentals.
- Information technology added value as global trends towards digitization progresses.
- Consumer discretionary and health care detracting after a strong 2018, however remain compelling.
- Strong relative outperformance versus the Russell 1000 Value Index for trailing 12 months.
- 6 of 11 sectors contributed to outperformance.
- Consumer discretionary advanced, as company fundamentals are improving.
- Information technology contributed due to ongoing shift to the 'Cloud'.
- Health care companies benefitting from drugs gaining traction and trials meeting endpoints.
- Energy detracting from Permian Basin concerns and oil price volatility.

INVESTMENT MONITOR REPORT – ANDCO CONSULTING

Mr. John McCann reported that the lead fixed income manager for Inverness Counsel has announced his departure from the firm. It has been represented to Mr. McCann by Mr. Henry Renard that this departure will have no material effect on the portfolio.

Mr. Henry Renard (who was present at this meeting) was asked to opine on the matter. Mr. Renard said that there is a team approach on the portfolio, that he, and two others work hand in hand on the account.

Mr. Brickman cited that the Board must protect the Plan and its assets. The Board reviewed the brief study that Mr. McCann provided and elected to pause and place the item on the next agenda.

OPEN DISCUSSION

Mr. Strauss asked Mr. Kaufman to review the loan policy and report back to the Board.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 12:20 P.M.

The next scheduled meeting is April 26, 2019 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson