

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

**August 16, 2019**

**MINUTES**

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, August 16, 2019, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

**PRESENT:**

D. Strauss, Chairman, V. Szeto, P. Laskowski, R. Brickman.

Also present were Eugene "Mac" Champion, City of Hollywood; John McCann, AndCo Consulting; Gregg Rossman, Rossman Legal; Adrian Sancho & Robert Maddock, III of Inverness Counsel; Bob Klausner & Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

Also present active and retired members.

**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 JULY 26, 2019 MEETING**

Mr. Strauss asked if there were any additions or corrections to the Minutes of the July 26, 2019 pension board meeting. Mr. Laskowski made a motion to approve the Minutes of the July 26, 2019 pension board meeting, which was seconded by Mr. Szeto. All board members voted yes, passed 4-0.

**ATTORNEY'S REPORT**

- With regard to restoring pre-waiver members who retired with more than 22 years of service. Mr. Klausner opined that those affected members would have had the opportunity to enter the DROP if not for the referendum. Therefore, it would be reasonable to restate their respective retirement dates to allow DROP entry until they actually separated service. Mr. Klausner advised a complete "true up" would have to be conducted to ensure they only receive what they were entitled to. The Board agreed by consensus to permit the Administrator to proceed with the calculations based on the Order<sup>1</sup> and bring them back for formal Board approval.
- Counsel provided an updated in the HD Supply litigation where the Board is co-lead plaintiff. The court ordered mediation in this matter. Mr. Kaufman advised a motion would be appropriate to authorize the Chairman to act between meetings should an agreement be reached. That authorization would later be brought before the Board for formal approval.

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<sup>1</sup> Order – approved June 28, 2019 meeting.

The foregoing was placed in a motion by Mr. Szeto and seconded by Mr. Brickman. All board members voted yes, passed 4-0.

- Mr. Kaufman reviewed a cyber liability memorandum. He cited that vendors would have to maintain coverage, and this would be a requirement in future contracts.
- Mr. Kaufman also spoke about limitations on the fiduciary insurance renewal. Further quotes were being pursued. But if nothing better resulted, the policy would be bound.
- Mr. Kaufman reported that the state released the Chapter 185 funds report. This plan was eligible to receive \$1,735,837.87<sup>2</sup>. However, the city must make up past contributions owed to the plan. Mr. Kaufman noted this true up was underway and is hopeful all the funds will be released in short order. A complete list of the 185 report may be viewed at: [https://www.rol.frs.state.fl.us/forms/Police\\_2018.pdf](https://www.rol.frs.state.fl.us/forms/Police_2018.pdf)

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

DROP Loans: Mr. Williams cited the respective member's loan request. He outlined that the members have the funds in his/her personal DROP accounts to cover the loan and he/she have been participants in the DROP plan for the required amount of time. No conflict exists with the 12-month rule. Mr. Brickman made a motion to approve the loans as presented. This motion was seconded by Mr. Szeto. All board members voted yes, passed 4-0.

Pre-Audit Meeting: Mr. Williams advised the Board that he held a meeting with representatives of Kabat, Schertzer, De La Torre, Taraboulos & Co., LLC concerning this year's upcoming audit. Mr. Williams wanted to alert the team to the changes undertaken as a result of the city ordinance change(s). Mr. Williams advised that the representatives alerted him that additional work would be required.

2020 Schedule: Mr. Williams released the 2020 meeting schedule and manager appearance schedule.

Both items posted online at: <http://hollywoodpensionfund.com/BoardMeetings.asp>

QUARTERLY INVESTMENT PRESENTATIONS

INVERNESS COUNSEL

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

			Annualized (%)			
	CYQ2	FYTD	1 Year	3 Year	5 Year	Inception
Inverness Equity	6.01	2.55	10.62	15.46	10.41	9.11
S&P 500 Index	4.30	2.51	10.42	14.19	10.71	8.69
Inverness Fixed Income	3.23	8.02	8.54	2.19	2.99	4.46
Barclays 50/50	3.06	7.58	7.73	2.20	2.75	3.87

<sup>2</sup> 13% increase for the prior year.

Tactical investment of cash has added materially to total FYTD portfolio performance.

Stayed invested for growth given view that a recession was not on horizon as we approached bear market territory given the nearly 20% correction in the S&P 500 Index during 4Q18.

The equity account was valued at 57,939,224.00 as of June 30, 2019.

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

Corporate spreads continued to narrow with lower rated securities providing the most performance.

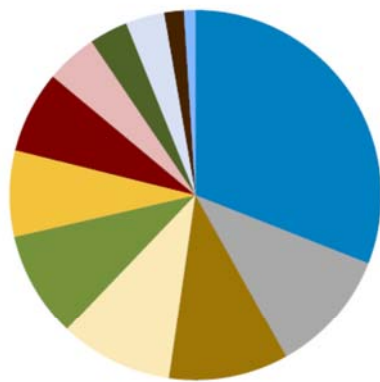
Ladder discipline resulted in underweighting underperforming sectors of the fixed income market.

The fixed income account was valued at \$26,849,199.00 as of June 30, 2019.

**ANDCO CONSULTING**

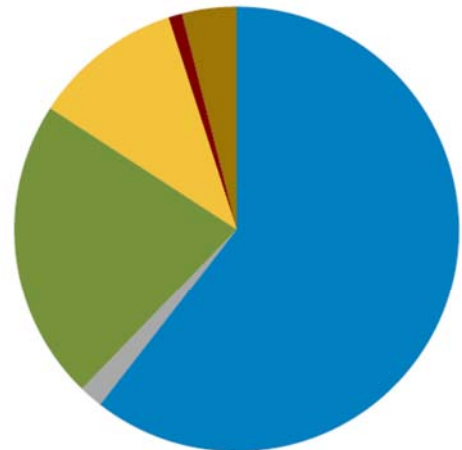
Mr. McCann presented the June 30, 2019 investment report, the portfolio was valued at \$301,978,631.

Asset Allocation By Manager as of June 30, 2019 : \$301,978,631



Allocation	Market Value	Allocation
Inverness Balanced	93,590,642	31.0
Rhumbline S&P Mid Cap 400	32,881,037	10.9
Wells Fargo Equity	31,373,543	10.4
GHA Fixed	29,731,546	9.8
Eagle Equity	28,019,142	9.3
Intercontinental Real Estate	22,655,388	7.5
Sawgrass LCG	21,673,114	7.2
Rhumbline R1000G	13,480,291	4.5
Tocqueville Fixed Inc	10,179,462	3.4
American Realty	10,147,789	3.4
EnTrustPermal	5,208,598	1.7
EnTrustPermal Special Opp Fund IV	3,038,079	1.0
Clarivest LCG	-	0.0

Asset Allocation By Segment as of June 30, 2019 : \$301,978,631



Allocation	Market Value	Allocation
Domestic Equity	182,726,985	60.5
Global Equity	5,208,598	1.7
Domestic Fixed Income	66,196,879	21.9
Real Estate	32,803,177	10.9
Private Equity	3,038,079	1.0
Cash Equivalent	12,004,913	4.0

The total fund return for the quarter was 3.64%. That quarterly return outpaced the benchmark by 46 basis points and ranked in the TOP 12 percentile investment universe. Mr. McCann advised the fiscal year return was valued at 2.93%, which is trailing the benchmark return of 3.35%. Longer term results were also outlined on a 1, 3 and 5-year basis.

In a spirit of continued transparency, the entire investment report may be viewed on-line at:  
<http://hollywoodpensionfund.com/docs/investments/2019-06-30%20Hollywood%20Police%20Quarterly%20Report.pdf>

Mr. McCann was requested by Mr. Strauss to prepare a comparison between Eagle and Crawford and send the report to the Board to consider.

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 27, 2019 at 10:30 A.M.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairperson