

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

October 25, 2019

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, October 25, 2019 at 10:30 AM, in the Office of Retirement, 4205 Hollywood Blvd., Suite 4 Hollywood, Florida 33021.

PRESENT: C. Marano, Acting Chairperson, C. Boyd, R. Brickman, V. Szeto and P. Laskowski.

Also present were 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 27, 2019 MEETING

Mrs. Marano asked if there were any additions or corrections to the Minutes of the September 27, 2019 pension board meeting. Mr. Szeto made a motion to approve the Minutes cited, which was seconded by Mr. Laskowski. All board members voted yes.

ATTORNEY'S REPORT

Covetrus Update: Mr. Kaufman advised that the initial complaint was filed in the United States District Court Eastern District of New York. A copy of the filing was provided to the Trustees. Case 2:19-cv-05530. In brief, Covetrus was formed through a spin-off and merger of the Animal Health Business of Henry Schein with Vets First Choice ("VFC"), a privately-held company, to create what the Company described to investors as the "only global animal health technology and services company."

In the offering documents for the spin-merger and throughout the Class Period, Defendants made a series of false and misleading statements and omissions concerning the newly combined companies' infrastructure and capabilities, as well as the true costs of becoming independent from Henry Schein. After the merger, Defendants assured investors that the integration of the legacy Henry Schein Animal Health Business and VFC was "on track" to hit financial targets.

In the spirit of transparency, the filing may be viewed at the following link:

[https://www.saxenawhite.com/pdfs/Covetrus%20-%20DE%201_09-30-2019_Complaint%20\(00146983xAFFB5\).pdf](https://www.saxenawhite.com/pdfs/Covetrus%20-%20DE%201_09-30-2019_Complaint%20(00146983xAFFB5).pdf)

HD Supply: Mr. Kaufman advised that a tentative settlement was reached in this matter and he will bring before the Board at the next meeting to consider ratification.

Securities Litigation Policy: Mr. Kaufman presented to updated policy as approved at the September 27, 2019 meeting. Mr. Williams received and will have executed by the Chair.

Corrections Matter: Mr. Kaufman advised his firm will be replying to the appeal by the prescribed time.

Crawford Update: Mr. Kaufman advised the Crawford contract was reviewed for legal purposes. Mr. Williams confirmed execution of the contract by all parties and funding was underway.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

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

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 2020. A formal schedule will be presented at the November meeting via a warrant request 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.

NOTICE OF PASSING: Mr. Williams reported that Mr. Phillip Perry passed away – October 5, 2019.

STATE APPROVAL: State approval was received for the 2015 and 2016 actuary valuation reports. Within the September 27, 2019 letter, the state asked the Board to consider the payroll growth assumption and the interest rate assumption. Letter provided to the Board.

QUARTERLY INVESTMENT REPORT

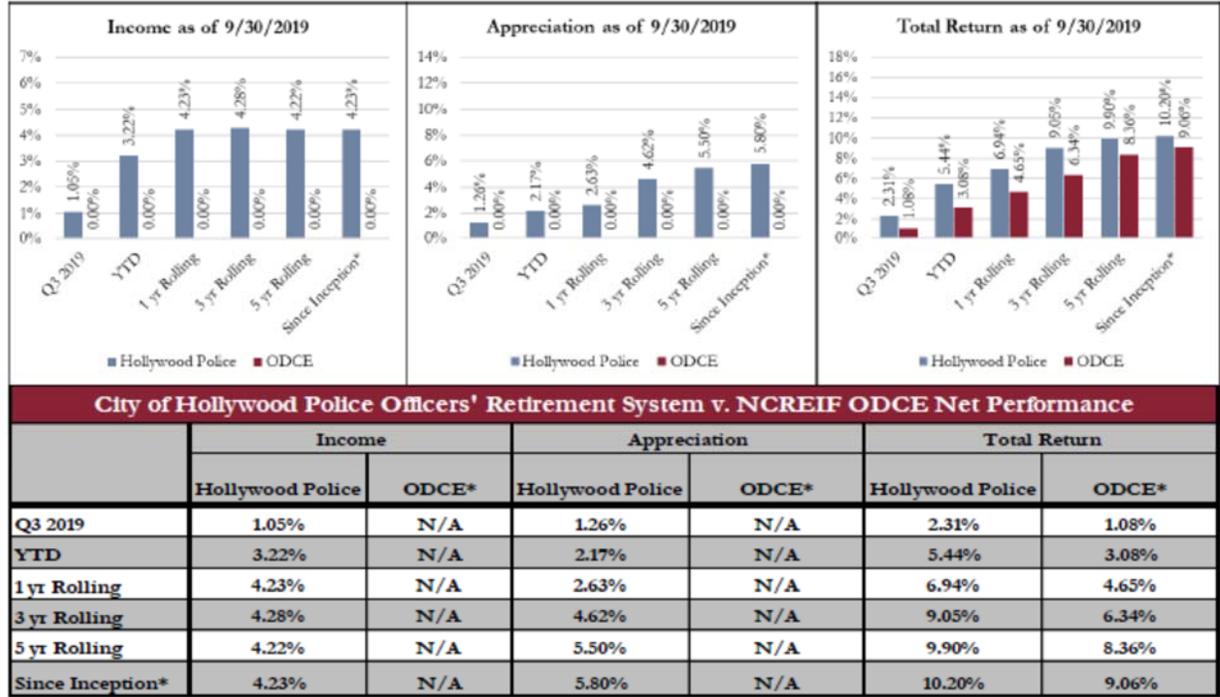
INTERCONTINENTAL REAL ESTATE CORPORATION

Mr. Peter Hapgood of Intercontinental Real Estate Corporation appeared before the Board to provide an investment portfolio update. Account balance as of September 30, 2019 was valued at \$23,177864.00.

Mr. Hapgood outlined the following commercial real estate outlook to the Board:

With some exceptions by market/property type, occupancies are at or near pre-recessionary peaks. Supply is ramping up in some markets, particularly for apartments. Rent growth across all property types is likely to decelerate over the next few years to in the range of <1.0% national average growth (vs. some recent years of 4.0-5.0% average rent growth). Overall investment sales deal volume for 2018 should finish up about flat vs. 2017's \$512 billion in total U.S. volume. Cap rates remain fairly stable with no discernable reaction as of yet to rising interest rates.

INVESTMENT OVERVIEW



NEW BUSINESS

Affirmation of Incoming Funds: Mr. Williams informed the Board that the city made their annual required contribution to the plan for fiscal year 2019/20. As a result, he consulted with Mr. McCann and Mr. Strauss on the allocation of the funds. Mr. Williams presented the allocation breakdown to the Board. At the conclusion of the presentation, Mr. Laskowski made a motion to affirm the foregoing, which was seconded by Mr. Szeto. All board members present voted yes.

OPEN DISCUSSION

No open discussion.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:12 AM.

The next scheduled meeting is November 22, 2019 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson