

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

September 25, 2020

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, September 25, 2020, at 10:30 AM. Due to Executive Order 20-69 Signed by RON DESANTIS, Governor of Florida on March 20, 2020, the Board of Trustees conducted the meeting concurrently in-person live (4205 Hollywood Blvd., Sun Credit Union Community Room) Hollywood, Florida 33021 & remotely on-line.

PRESENT

D. Strauss, Chairman, C. Marano, Secretary, V. Szeto, J. Marano, C. Boyd. P. Laskowski (All attended in person).

Also present were John McCann, AndCo Consulting; W. Stephen Hagenbuckle, TerraCap & David M. Williams, Plan Administrator.

Remotely present were Pete Mitchell, Crescent Funds; Dann Smith, Brian O'Sullivan & Amy Rosenfelt, Wells Fargo; City of Hollywood; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson.

PUBLIC COMMENT

No comments or questions were received from the public and/or participants in attendance. Mr. Williams noted on the public meeting notice the following language was posted: "Any member of the public may submit questions or comments to be read during the public comment section of the meeting to info@hollywoodpolicepensionfund.com by September 24, 2020".

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 21, 2020 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the August 21, 2020 pension board meeting. Mr. Szeto made a motion to approve the Minutes of the August 21, 2020 pension board meeting, which was seconded by Mr. Laskowski. All board members voted yes, passed 6-0.

ATTORNEY'S REPORT

Mr. Kaufman cited a Writ of Certiorari was issued by the Court in the Corrections Matter. The Court ruled the Board must re-hear the Matter, however in no way did the Court rule in the finding made by the Board. Mr. Kaufman will work out a meeting date with opposing counsel. The entire ruling may be viewed on-line at:

http://hollywoodpolicepensionfund.com/docs/announcements/FinalOrder_20200901.pdf

Mr. Kaufman briefed the Board on various security litigations cases.

Mr. Kaufman cited Executive Order 20-69 is set to expire. Issue being monitored. ¹

¹ Subsequent to meeting Executive Order 20-69 was extended to November 1, 2020.

Mr. Kaufman presented the updated DROP Rules for the Board to consider. Mr. Strauss cited section 1.10 should remain at \$40,000.00. The entire Board agreed by consensus. Mr. Kaufman will revise accordingly. Matter to be placed on next Agenda for formal adoption.

Mr. Kaufman advised that the TerraCap agreement(s) have been reviewed and the subscription agreement will be completed by Mr. Williams in short order.

Mr. Kaufman informed the Board that the Division of Retirement had one minor issue with the state report. Mr. Williams advised he will reply by the close of business today.

ADMINISTRATIVE REPORT

Mr. Williams presented the updated administrative report for the Board to consider.

Return of Pension Contributions:

<u>Member</u>	<u>Date of Termination</u>	<u>Status</u>	<u>Amount</u>
Rolando Cabezas	07/24/2020	Non-Vested	\$31,877.00
Andreas Panteloukas	06/24/2018	Non-Vested	\$15,834.83

Motion to approve by Mr. Szeto, seconded by Mrs. Marano. All board members voted yes (Passed 6-0).

DROP Entry:

<u>Member</u>	<u>Date of Entry</u>	<u>Option</u>
Sergio A. Lopez ²	07/20/2020	STD – Single

Motion to approve by Mr. Boyd seconded by Mr. Laskowski. All board members voted yes (Passed 6-0).

DROP Loan:

<u>Member</u>	<u>Amount</u>
Eric Alfonso	\$14,750.00

Mr. Williams cited the member's loan request. He outlined that the member has the funds in his personal DROP account to cover the loan and he has been a participant in the DROP 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. Boyd. All board members voted yes (Passed 6-0).

Mr. Williams cited the nomination and election process. As there were multiple nominees an election will be held. The foregoing was e-mailed internally to all sworn personnel and posted to the pension web site.

http://hollywoodpolicepensionfund.com/docs/announcements/NOTICE_OF_BOARD_NOMINATION_ELECTION_20200908.pdf#zoom=100

INVESTMENT REPORTS

Wells Fargo Asset Management: Mr. Dann Smith, Mr. Brian O'Sullivan & Ms. Amy Rosenfelt attended remotely to present a portfolio review of the Wells Fargo account.

Market Review:

As of June 30, 2020, the U.S equity markets, as measured by the NASDAQ, performed better than developed non-U.S. and emerging markets in the quarter, trailing one-and three-year periods. Developed non-U.S. markets, as measured by the MSCI EAFE Index, underperformed emerging markets over all time periods.

² Mr. Strauss cited after the approval that this member was approved at the August 21, 2020 meeting as well.

By size, large-cap issues underperformed small-and medium-sized companies over the quarter yet outperformed over the trailing one-and three-year periods.

By style, growth stocks continued to perform better than their value counterparts within all capitalization ranges over all time periods.

Contributors noted as follows:

- Stock selection and overweight in Information Technology.
- Stock selection in Consumer Discretionary.
- Stock selection in Communication Services.

Detractors noted as follows:

- Stock selection in Industrials.
- Underweight and stock selection in Materials.

The following was reported for the portfolio:

Performance history (%)	As of August 31, 2020						
	2Q20	Calendar YTD	Fiscal YTD	1 year	3 year	5 year	Since inception (05/12/15)
Portfolio - Gross	16.71	-4.19	1.29	4.37	8.91	9.12	7.30
Portfolio - Net	16.56	-4.50	0.83	3.85	8.37	8.58	6.76
Russell 1000 Value Index	14.29	-9.35	-2.63	0.84	4.50	7.53	5.59

The account balance was valued at \$34, 005,822.88. ³

American Real Estate: Written report distributed to Trustees. Mr. McCann spoke about the Board's apparent comfort level maintaining a 10% exposure in real estate. Mr. McCann suggested the Board enter the exit queue for American Real Estate for 100% liquidation. Reassign that mandate of TerraCap. After discussion Mr. Marano made the motion to enter the exit queue for 100% liquidation. The motion was seconded by Mr. Boyd. All board members voted yes (Passed 6-0).

AndCo Consulting:

- Mr. McCann provided a due diligence report to the Board related to Affiliated Housing. AndCo Consulting supports the Board's investment.
- Mr. McCann provided a flash report to the Board through September 23, 2020 was approximately 6.4%.

OLD BUSINESS

TerraCap: Due the exit queue approved; Mr. Marano made a motion to Fund TerraCap for 10 million dollars. This motion was seconded by Mr. Boyd. All board members voted yes (Passed 6-0).

³ As of August 31, 2020

Crescent Capital: Mr. McCann endorsed this investment, which further diversifies the plan investments⁴. Mr. Strauss passed the Chairman Gavel to Mrs. Marano and made a motion to engage Crescent Capital with a funding mandate of 5 million dollars. This motion was seconded by Mr. Laskowski. All board members voted yes (Passed 6-0).

Investment Policy Statement: Mr. McCann provided an updated Investment Policy Statement (IPS) with Affiliated Housing being added. Mr. Laskowski made a motion to approve the IPS which was seconded by Mr. Szeto. All board members voted yes (Passed 6-0). IPS will be filed accordingly by Mr. Williams. For transparency the IPS may be viewed at:
<http://hollywoodpolicepensionfund.com/docs/guidelines/Investment%20Guidelines%209-2020%20combined.pdf#zoom=100>

OPEN DISCUSSION

Mr. Strauss asked that Affiliated Housing be placed on the next Agenda.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:30 AM.

The next scheduled meeting is October 30, 2020 at 10:30 AM.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairperson

⁴ Formal presentation was provided to the Board on August 21, 2020.