

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

October 30, 2020

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, October 30, 2020, at 10:32 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, Board Secretary, Trustees - J. Schweighardt, J. Marano, Justin Leo (All attended in-person).

Also present in-person were Van Szeto; John McCann, AndCo Consulting; David M. Williams, Plan Administrator.

Attended remotely: Laurette Jean, City of Hollywood; Peter Hapgood & Peter Palandjian, Intercontinental Real Estate Corporation.

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 25, 2020 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the September 25, 2020 pension board meeting. Mr. Marano made a motion to approve the Minutes cited, which was seconded by Mr. Schweighardt. All board members voted yes.

ATTORNEY'S REPORT

Covetrus Update: Mr. Kaufman advised that a motion to dismiss is pending, oral arguments to follow.

Corrections Matter: Mr. Kaufman advised he contacted counsel awaiting a response.

Crescent Update: Mr. Kaufman advised the documents are ready to be executed.¹

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. Mrs. Marano made a motion to approve the loan as noted, which was seconded by Mr. Schweighardt. All board members present voted yes.

¹ Post meeting it was learned a side letter is still pending.

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DROP ENTRY

<u>Member</u>	<u>DROP Date of Entry</u>	<u>Option</u>
Dennis Wynne	August 24, 2020	STD Unmarried
Elliott Langley	June 15, 2020	50% J&S

Motion to approve by Mr. Schweighardt seconded by Mr. Marano. All board members voted yes.

Election Results – Mr. Williams reviewed the recent election results for the seat of Van Szeto who retired on October 29, 2020.

The results were tallied today as follows:

<u>MEMBER</u>	<u>VOTES RECEIVED</u>
Patrick Agenor	34
Mileta Djokic	70
Justin Leo	83 WINNER

Mr. Williams was joined by the Board of Trustees in congratulating Mr. Leo. A motion followed by Mrs. Marano affirming the results, which was seconded by Mr. Schweighardt. All board members present voted yes. Mr. Williams thanked the Trustees who assisted in the ballot count.

OT ISSUE – Mr. Williams recently completed an estimate for a member and noted that the payrolls seemed higher than usual. He contacted City of Hollywood Payroll manager Ms. April Allen. She conducted a review of the matter and discovered five members breached the OT Cap. Ms. Allen provided Mr. Williams with the pensionable payroll, which was adjusted accordingly. Mr. Williams advised that Ms. Allen would be refunding the amount due for the overage to the members. Mr. Williams provided a letter and a report to each of the affected members alerting them to the issue. Ms. Allen assured Mr. Williams the matter was corrected and going forward this should not happen again system wide.

QUARTERLY INVESTMENT REPORT

INTERCONTINENTAL REAL ESTATE CORPORATION

Mr. Peter Hapgood & Mr. Peter Palandjian, of Intercontinental Real Estate Corporation appeared before the Board to provide an investment portfolio update. Account balance as of September 30, 2020 was valued at \$26,998,501.00.

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

There will be ramifications and market dislocations due to COVID-19

Difficult to forecast on a macro level how the Commercial Real Estate Market will be affected in the near term

Hospitality and Retail will feel the most impact

There may be great buying opportunities coming out of the pandemic

Office Comments & Outlook:

- Awaiting the impacts of fiscal stimulus and how it will effect the broader economy
- In the near term, property values should be relatively insulated due to tenants having long term leases
- Working with tenants on “blend and extend” and possible deferments
- Cities with Tech hubs should continue to outperform (Austin, Boston, San Francisco, Seattle, etc.)

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Multifamily Comments & Outlook:

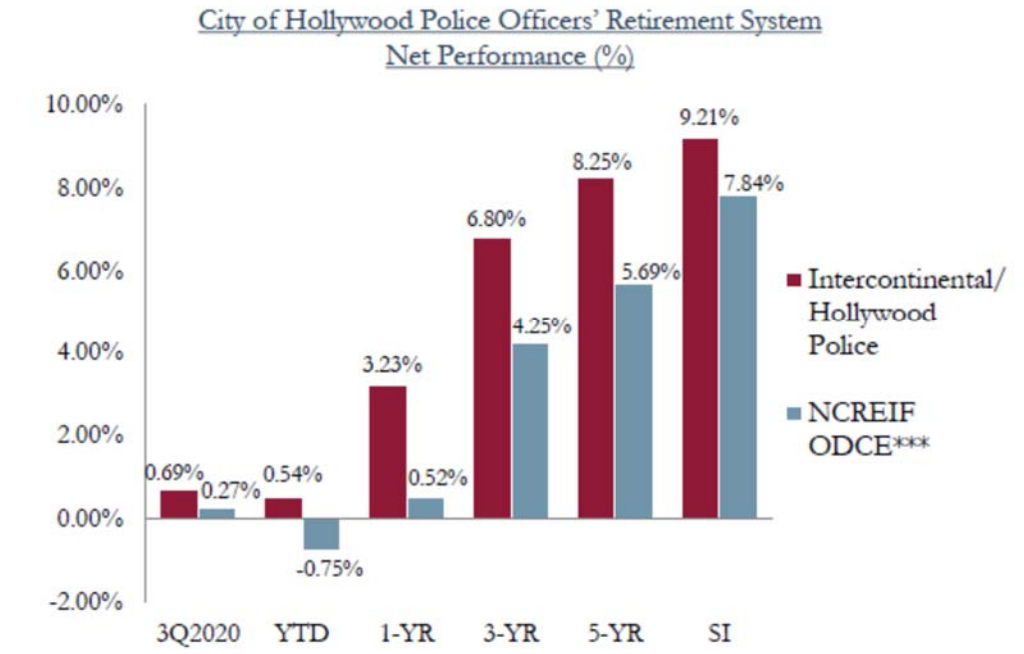
- Strong demand tailwinds due to demographics, high construction costs, and shortage of labor
- Many renters cannot afford to move from a Class B property to Class A property
- Rent growth should slow down but flexibility of renting remains favorable
- Expect impairment on rent collection but occupancy should remain steady

Industrial Comments & Outlook:

- Industrial has been the strongest performing sector over the past year
- Benefiting from the tailwinds of e-commerce
- Expect high demand to continue

Retail Comments & Outlook:

- Deal activity is down
- Lenders are proceeding with caution compared to other property types
- Grocery anchored retail should perform relatively well
- It remains to be seen how the stimulus package will impact "lifestyle retail"



OLD BUSINESS

DROP RULES - Mr. Kaufman amended the DROP Rules as directed from the September 25, 2020 meeting. As a result, a motion was made to approve the document by Mr. Marano. Mr. Schweighardt seconded the motion. All board members present voted yes.

Affiliated Housing Funding Level – TABLED FOR FULL BOARD

ENTRUST Activist Fund – TABLED FOR FULL BOARD

NEW BUSINESS

Allocation of Funding – John McCann

Mr. McCann came before the Board to review his proposed allocations and receive direction from the Board of Trustees as a result of the city's annual funding. There was a long exchange between the Board and Mr. McCann.

\$10,300,000 TO GHA FIXED
\$10,300,000 TO TOQUEVILLE FIXED
\$2,500,000 TO TERRACAP VALUE ADD REAL ESTATE
\$2,000,000 TO WELLS LARGE CAP VALUE
\$4,000,000 TO INVERNESS LARGE CAP CORE EQUITY
\$2,399,507 TO RHUMLINE MID CAP INDEX FUND
\$7,000,000 TO RHUMLINE R1000 GROWTH INDEX FUND.
REBALANCING SAWGRASS \$12.8M

Mr. McCann advised the foregoing will align the Board's Investment Policy.

At the conclusion of the presentation, Mr. Marano made a motion to authorize the foregoing, which was seconded by Mr. Schweighardt. All board members present voted yes.

OPEN DISCUSSION

Mr. McCann advised that the estimated investment return for the fiscal year is 8.18%. The final results will be presented at the November 30, 2020 meeting.

Mr. Marano requested that the July 2021 meeting be changed due to a conflict. ²

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:49 AM.

The next scheduled meeting is November 20, 2020 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson

² Moved from July 30, 2021 to July 23, 2021