

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

December 18, 2020

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, December 18, 2020, at 10:33 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman; C. Marano, Secretary; J. Marano; C. Boyd; P. Laskowski; Justin Schweighardt & Justin Leo arrived at 10:41 A.M.) (All Trustees attended in-person).

Also present were Meredith Elrich, James Spears – Attorney for Ms. Elrich and Heidi Fabrikant – Court Reporter for Ms. Elrich¹; Laurette Jean², City of Hollywood; Martin E. LaPrade, CFA & Gregory S. Gosch, Sawgrass Asset Management; Mark Guariglia & Bryan Schneider – EntrustPermal³; Stuart Kaufman⁴, Legal Counsel - Klausner, Kaufman, Jensen & Levinson and Dave Williams, Plan Administrator.

PUBLIC COMMENT

No Public 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 November 20, 2020 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the November 20, 2020 pension board meeting. Mr. Boyd made a motion to approve the Minutes of the November 20, 2020 pension board meeting, which was seconded by Mr. Laskowski. All board members voted yes, passed 6-0⁵.

ATTORNEY'S REPORT

CORRECTIONS MATTER: Mr. Kaufman informed the Board that the proposed special counsel Ms. Richelle Levy turned down the engagement due to a conflict. Mr. Kaufman recommended Mr. Paul Daragjati and provided his pension background to the Board to consider. After discussion, Mr. Laskowski made a motion to engage Mr. Daragjati as special counsel in the corrections matter. The motion was seconded by Mrs. Marano. All board members voted yes, passed 6-0⁶.

CRESCENT DIRECT LENDING: Mr. Kaufman advised that he was successful in negotiating an acceptable side letter with Crescent. All of the required documents were transmitted to Crescent by Mr. Williams for final execution. Fund source to be determined.

¹ All attended remotely.

² Attended remotely.

³ Entrust representatives attended remotely.

⁴ Attended remotely.

⁵ Trustee Leo off the dais.

⁶ Trustee Leo off the dais.

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NEW BUSINESS – INFORMAL DISABILITY HEARING:

The Board of Trustees proceeded to hold an informal hearing, to consider the request of Claimant, Meredith Elrich ("Elrich"), for a service-connected disability pension. All Trustees were physically present for the hearing. Due to the COVID19 pandemic, Elrich, along with counsel James Spears, Esq., were present and appeared remotely. All medical reports, the application and related and supplemental documents were accepted into evidence.

Mr. Kaufman outlined that Elrich was first employed by the City of Hollywood Police Department as a police officer on or about October 22, 2001. Elrich filed an application for service-connected disability benefits with the City of Hollywood Police Officer's Pension Fund on or about June 16, 2020. Pursuant to her disability application, she experienced an on-duty injury on February 1, 2016, to her left elbow which evolved into "cellulitis systemic sepsis and nerve damage."

Mr. Kaufman cited that Elrich underwent an IME by Dr. Dweck on November 16, 2020. Dr. Dweck opined that Elrich has made a "valiant effort at rehabilitating herself." Although it has been approximately two years post-surgery, "she still has sufficient deficit in the left upper extremity, and sufficient need for chronic pain medications which cause fatigue, to where she is unable to perform the duties of a police officer. I believe she has reached MMI (maximum medical improvement). Her disability occurred in the line of duty and is deemed to be total and permanent."

Mr. Kaufman also reported that a letter was received from the Police Chief, citing there was no light duty position available for Elrich due to her limitations.

The Board recognized Mr. Spears, who advocated for his client and supported the claim based on the evidence in the record.

Mr. Strauss asked Elrich what her desire in this matter was. She asked the Board to support the claim and grant disability.

Mr. Kaufman closed by reviewing the Board's options at this juncture was to grant, deny or defer for further evidence.

After consideration of the foregoing Mr. Marano made a motion that based upon the records as a whole and Dr. Dweck's IME report Elrich is physically unable to perform the duties of a police officer to which she was assigned; She is unable to render useful and efficient service as a police officer to the City; Her disabling injury occurred is service connected; and She is likely to remain totally disabled permanently and continuously. The Board further finds that there are no disqualifying events which would preclude Elrich from receiving a disability. The motion was seconded by Mr. Leo. Mr. Strauss asked for a voice vote, which was conducted by Mr. Williams with the following responses.

Mr. Strauss - Yes

Mr. Laskowski - Yes

Mr. Boyd - Yes

Mr. Marano – Yes

Mr. Leo – Yes

Mr. Schweighardt - Yes

Mrs. Marano - Yes

Motion passed 7-0. Ms. Elrich was thanked for her service to the City of Hollywood.

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ADMINISTRATIVE REPORT

Change of Beneficiary: Robert VanHavre requested to change his beneficiary as he remarried. There is no impact to the Plan as per the Board Actuary. Motion to grant the change requested by Mrs. Marano and was seconded by Mr. Laskowski. All board members present voted yes - passed 6-0⁷.

Capital Call – Affiliated Development: Mr. Williams provided the Board material related to the initial capital call by Affiliated Development for informational purposes⁸.

Drop Entry - The Drop Entry of Thea Basler and Anthony Adams on October 26, 2020 was reviewed. Mr. Williams reviewed that Mr. Adams was a conversion from the Planned Retirement Benefit Program (based on age and withdrew, became an active participant again). He is now entering DROP based on years of service. Motion by Mr. Laskowski to approve Drop Entry, which was seconded by Mr. Marano. All board members present voted yes - passed 6-0⁹.

Drop Loans - Mr. Williams cited the respective member's loan requests. He outlined that each member has the funds in his personal Drop account to cover the loans and they have 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 loans as noted which was seconded by Mr. Schweighardt. All board members present voted yes - passed 6-0¹⁰.

QUARTERLY INVESTMENT REPORT

- Sawgrass Asset – Mr. Martin E. LaPrade, CFA & Mr. Gregory S. Gosch appeared before the Board to review portfolio as of September 30, 2020. It was reported that the portfolio investment gain from the inception¹¹ of the investment has increased by \$11,711,972.00.¹² As of September 30, 2020, portfolio market value was \$30,614,741.00. Over the trailing 12 months¹³ the portfolio returned 22.21% on a net basis compared to the benchmark return of 37.53%.

Mr. LaPrade explained the cap weight of Apple, Microsoft, Amazon, Google and Facebook on the Russell 100 Growth Index. It was noted those five stocks were essentially driving the large cap growth. Mr. LaPrade noted that today's growth has exceeded the level during the tech bubble. A historical lookback of peer rankings revealed Sawgrass consistently ranking high. Outperformance with less risk was also highlighted.

OLD BUSINESS

Entrust Activist – Continuation from November 20, 2020 meeting. Mr. Mark Guariglia & Mr. Bryan Schneider of EntrustPermal presented three options for the Board to consider. Option(s) A & B was investing in the WPB Special Opportunities Fund. Option C was investing in the Global Recovery Fund. The funding source in part would be the Activist Fund which is winding down. The balance of the funding would be determined.

⁷ Mr. Leo off the dais.

⁸ Capital Call of \$189,208.55 to be executed on December 30, 2020 by FTIS.

⁹ Mr. Leo off the dais.

¹⁰ Mr. Leo off the dais.

¹¹ Inception Date of the Portfolio - June 23, 2017.

¹² Initial Investment \$16,077,416.00.

¹³ September 30, 2020.

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Mr. McCann reminded the Board that Option C was not an approved product by AndCo Consulting. He would prefer the Board consider Options A & B. Mr. McCann felt either option would be a prudent investment and further diversify the portfolio.

The terms were discussed¹⁴ and at the conclusion, Mr. Boyd made a motion to engage Entrust for the WPB Special Opportunities Fund for 15 million dollars. The motion was seconded by Mr. Schweighardt. All board members present voted yes - passed 5-0-2 abstentions (Mr. Jeffrey Marano¹⁵ & Mrs. Cathy Marano¹⁶).

OPEN DISCUSSION

Mr. McCann provided a flash report through November 30, 2020. He advised the return for the fiscal year was 5.2%.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:45 AM.

The next scheduled meeting is January 29, 2021 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson

¹⁴ Mr. & Mrs. Marano did not take part in any discussion with this matter.

¹⁵ Mr. Marano filed Form 8B.

¹⁶ Mrs. Marano filed Form 8B.