

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

August 20, 2021

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, August 20, 2021, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

C. Marano, Chairperson; P. Laskowski; C. Boyd; J. Marano, M. Djokic & J. Schweighardt. As there was a quorum present at the meeting, D. Strauss attended remotely.

Also present were Laurette Jean, Budget Director – City of Hollywood; Janna Hamilton, Garcia, Hamilton and Associates; John McCann & Brendon Vavrica, AndCo Consulting; Steven Sparkman & Michael McKinney, Retired Members; Paul A. Daragjati & Rose Daragjati, Special Counsel for the Board; Michael F. Dutko, Counsel for the Plaintiffs; Terri Wright, Court Reporter; John McCann, AndCo Consulting; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

PUBLIC COMMENT

Mrs. Hamilton detailed a matter that was raised regarding the replacement of her firm in Delray Beach. In short, the city required all the pension boards in the city to have the same managers. As a result, the police and fire board had to hire them by city policy. After three years, the investment return was in par with the benchmark and the police and fire board replaced them. AndCo Consultant Mr. Brendon Vavrica (present at this meeting) did not recommend termination and the board proceeded anyway. The Board thanked Mrs. Hamilton for taking the time to outline the foregoing.

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 23, 2021, MEETING

Mrs. Marano asked if there were any additions or corrections to the Minutes of the July 23, 2021, pension board meeting. Mr. Boyd made a motion to approve the Minutes of the July 23, 2021, pension board meeting, which was seconded by Mr. Djokic. All board members voted yes.

OLD BUSINESS

Corrections Matter: Mr. Kaufman advised that there was a full Board present¹. Mr. Kaufman referred to the proposed Orders for the Board to consider. Mr. Kaufman cited a Notice of Filing of August 19, 2021, by Mr. Dutko. A copy was given to each Board member and Mr. Dutko was permitted the time required to review the document(s) referred to as "Exhibit A"². At the conclusion Mr. Kaufman asked Mr. Daragjati if he had a response. Mr. Daragjati presented two legal cases for the Board to consider. Copies also provided. To that end Mr. Dutko provided his closing statements.

¹ Noting Mr. Strauss was attending remotely. Counsel for the Plaintiffs made no objection.

² Attached hereto.

Mr. Kaufman advised he sought guidance from the State of Florida (Mr. Keith Brinkman) and Mr. Kaufman was referred to the definition of credited service and a police officer under Chapter 185.

Mr. Marano made a motion to GRANT the plaintiffs request, but the motion died due to the lack of a second. Mr. Marano made a passionate plea for his position referring the PERC Ruling (Exhibit A).

Board members cited employees (any unsworn personnel) handling functions outside of their job description does not amount to them being considered police officers.

Mr. Boyd made a motion to deny the Plaintiff's Claim. This motion was seconded by Mr. Schweighardt. A roll Call vote followed:

Mrs. Marano – Yes

Mr. Boyd – Yes

Mr. Strauss – Yes

Mr. Schweighardt -Yes

Mr. Djokic – Yes

Mr. Laskowski – Yes

Mr. Marano – No

Motion passed 6-1.

Mr. Kaufman thanked all parties and advised a Final Order would follow.

Attached hereto is the official transcript of the meeting.

ATTORNEY'S REPORT

Share Denial Letter to Member – Mr. Kaufman indicated a draft letter has been created and transmitted to tax counsel for review. It will be sent to member thereafter.

DROP Split Policy – Mr. Kaufman cited the drop earnings section of the city ordinance 33.128 (E) (2) - *Six percent per year, minus administrative costs; provided, however, if plan earnings exceed 6% per year, earnings in excess of 6% per year and not in excess of 12% per year shall offset the city's cost of maintaining the DROP plan program, and plan earnings in excess of 12% per year shall be equally divided between the DROP participant and the city.*

This fiscal year would be the first year this section would have to be acted upon by the Board. As a result, a policy will be drafted for the Board to consider at the September 24, 2021, meeting.

Covetrus – Mr. Kaufman provided a legal update. Mr. Kaufman a Court Order issued denying in part, and granting in part, Defendants' motions to dismiss our Amended Complaint. The Court's ruling was not unexpected, and the case will proceed. Mr. Williams was provided notice to preserve all relevant files.

Safeguarding America's First Responders Act of 2020 – Mr. Kaufman cited under the Act, a qualifying public safety officer who dies or who becomes permanently and totally disabled due to COVID-19 (or from complications thereof) in 2020-2021 is entitled to a presumptive benefit under the Public Safety Officer Benefits (PSOB) program. To qualify for federal benefits, a public safety officer must meet the following three criteria for line-of-duty death and the first two criteria for line-of-duty disability.

Hollywood Police Officers' Retirement Board - Minutes

August 20, 2021

Page 3

- The public safety officer was engaged in a line-of-duty action or activity between January 1, 2020, and December 31, 2021.
- The public safety officer received a diagnosis of COVID-19 (or evidence indicates that the officer had COVID-19) during the 45-day period beginning on his or her last day of duty; and
- Evidence indicates that the public safety officer had COVID-19 (or complications therefrom) at the time of his or her death.

For the future, the question of vaccine mandate to be granted the assumption remains unanswered. For other presumptions under the law members must be vaccinated.

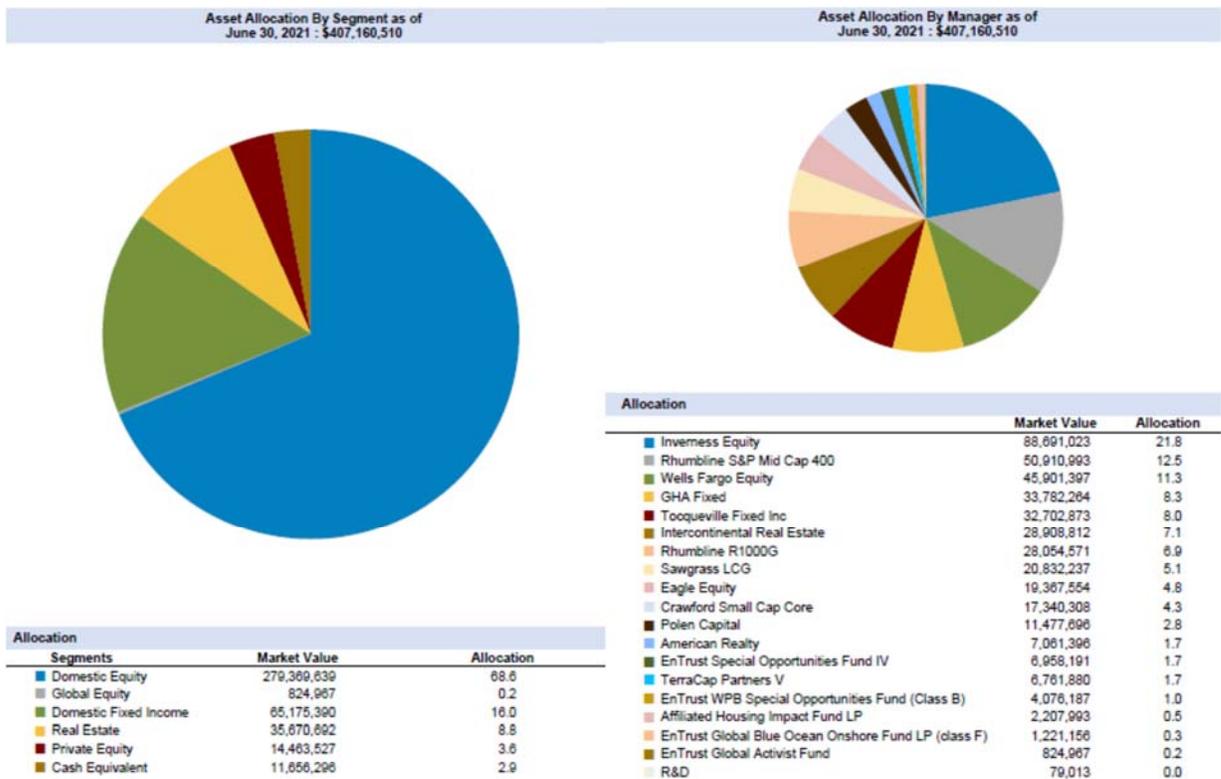
INVESTMENT MONITOR REPORT

AndCo Consulting

Mr. McCann reintroduced Mr. Brandon Vavrica to the Board as his replacement due to his impending retirement. Both representatives ensured the Board that there would be a seamless transition.

Mr. McCann presented the June 30, 2021, investment report, the portfolio was valued at \$407,160,510.00. The total fund return was for the quarter was valued at 5.16% on a net basis. That quarterly return outpaced the benchmark policy. Mr. McCann advised - All Public Plans Total Fund Median return was 5.31%. For the fiscal year, the plan return was valued at 19.99%, which lagged the investment benchmark valued at 22.16%.

Longer term results were also outlined on a 1, 3 and 5-year basis 26.39%, 12.16% and 11.62% respectively. A historical return dating back to October 1, 1992, was valued at 8.10%, beating the benchmark and “All Public Plans-Total Fund Median”.



In a spirit of transparency, the Board of Trustees post the entire investment report, which may be viewed on-line at: <http://hollywoodpolicepensionfund.com/docs/investments/2021-06-30%20Hollywood%20Police%20Quarterly%20Report.pdf>

Mr. Williams cited the recent city manager's review of the POB issue. Mr. Williams asked Mr. McCann to bring forth other plans he represents and exhibit how they were doing. Mr. McCann cited he had two clients West Palm Beach Police and one more that was un-named as they have not seen the report as of yet. Board plans had a positive experience thus far. The reports were provided to the city appointed Trustees and will be transmitted to Ms. Laurette Jean, Budget Director – City of Hollywood. Mr. Williams added that when he renewed the fiduciary insurance recently the vendor balked at the funding level of the plan. Even though Mr. Williams cited the plan was actuarially sound the vendor wanted to lower coverage. Mr. Williams had to change vendors as a result. Mr. Williams felt that having POB infused would help reduce the city's cost long-term and boost the funding level of the plan.

Mr. Strauss asked Mr. McCann to arrange an education session for the September 24, 2021 meeting with Capital Dynamics.

Mr. Strauss also asked Mr. McCann to review PennantPark Investment Advisers and report to the Board.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

DROP Loan(s): Mr. Williams cited a member(s) loan request(s). He outlined that the member(s) has the funds in his/her personal DROP account to cover the loan and he/she has been a participant(s) in the DROP plan for the required amount of time. No conflict exists with the 12-month rule. Mr. Laskowski made a motion to approve the loan(s) presented. This motion was seconded by Mr. Strauss. All board members voted yes.

A supplement to the Confidential Private Placement Memorandum of ETG Co-Invest Opportunities Fund LP (formerly WPB Special Opportunities Fund LP) was provided to the Board.

OPEN DISCUSSION

No open discussion ensued.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:37 A.M.

The next scheduled meeting is September 24, 2021 at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson