

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

November 17, 2023

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, November 17, 2023, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman; C. Marano, Board Secretary; J. Marano, M. Djokic, C. Boyd & J. Schweighardt.

Also present were Jonathan Antista¹, City of Hollywood, Budget Director; Janna Hamilton, & Benjamin D. Monkiewicz, Garcia Hamilton & Associates; Adrian Sancho, Inverness Counsel; Brendon Vavrica - AndCo Consulting; Stu Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; 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 OCTOBER 27, 2023 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the October 27, 2023, pension board meeting. Mr. Djokic made a motion to approve the Minutes of the October 27, 2023, pension board meeting, which was seconded by Mr. Boyd. All board members voted yes.

INVESTMENT REPORTS

Garcia Hamilton & Associates (GHA): The representatives provided a market update which included Money Supply, Lower Inflation, Housing Market, Economic Indicators, Spreads and Mortgage-Backed Securities.

	TIME WEIGHTED RETURN								
	Quarter	Year To Date	Fiscal 09-30-22 Year	Annualized Last 2 Years	Annualized Last 3 Years	Annualized Last 5 Years	Annualized Last 7 Years	Annualized Last 10 Years	Annualized Inception 06-30-11 To Date
Gross of Fees	-3.92	-1.76	0.28	-4.99	-3.68	0.17	0.26	1.51	2.03
Net of Fees	-3.98	-1.95	0.02	-5.23	-3.92	-0.08	0.01	1.26	1.79
Bloomberg US Int. Aggregate	-1.89	-0.30	1.42	-5.25	-3.66	0.42	0.20	1.06	1.34

GHA holds a positive position on monetary, valuation, economic and inflation. GHA holds a neutral position on sentiment.

¹ Attended Remotely 10:45 AM to 12:10 PM.

Inverness Counsel: The representative cited a positive investment outlook on -

- Fed rate hike cycle may be nearing end.
- Inflation continues to show signs of cooling.
- Employment metrics have remained robust.
- Higher interest rate environment offers opportunity.

Concerns were cited for the following areas –

- Corporate earnings and margins under pressure.
- Soft vs. hard landing.
- Several indicators signaling a recession ahead.
- Banks less willing to lend.
- Yield curve remains inverted.
- Geopolitical concerns remain unresolved.

Performance -

	Annualized (%)*				
	YTD	1 Year	3 Year	5 Year	Inception
Inverness Equity	16.6	21.65	9.08	11.16	9.75
S&P 500 Index	13.1	21.62	10.15	10.68	9.21

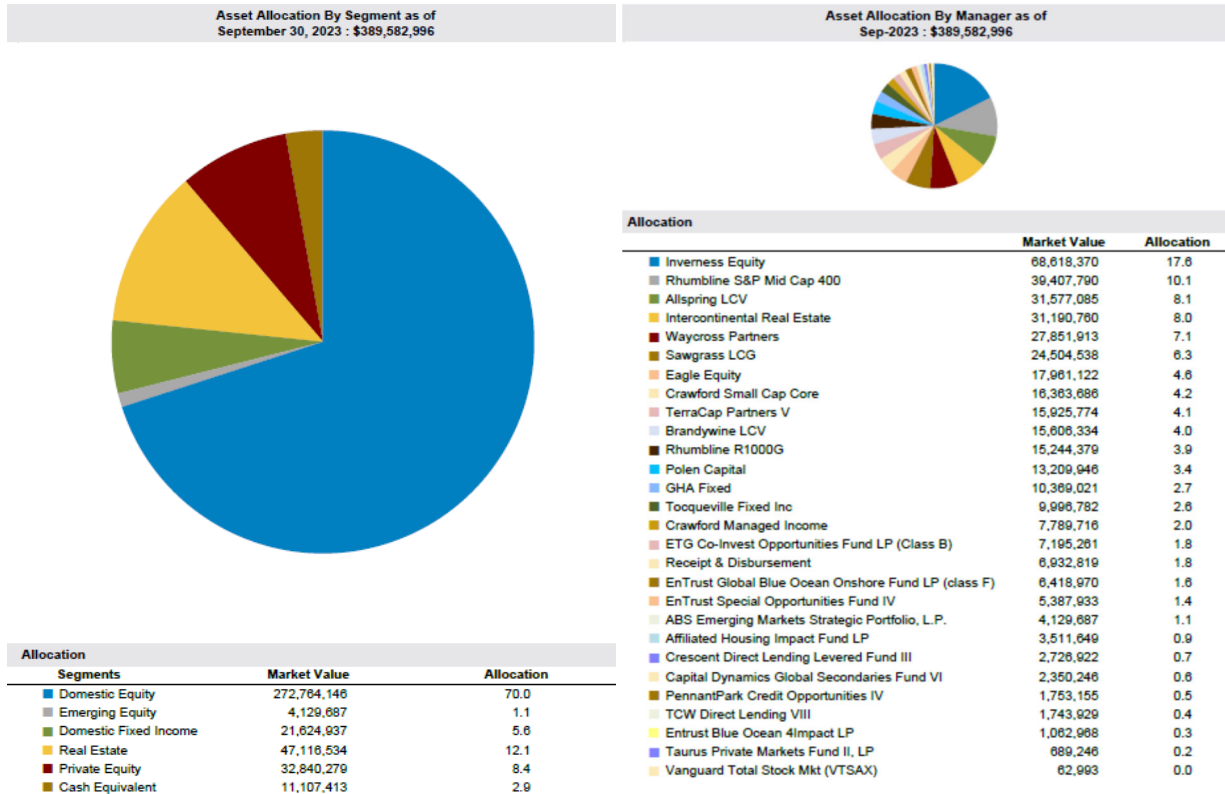
INVESTMENT MONITOR REPORT (AndCo Consulting):

Mr. Vavrica presented the September 30, 2023, investment monitoring report.

The Economy –

- The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with an additional 0.25% increase in the Fed Funds rate in late July, followed by a pause at the September Federal Open Market Committee (FOMC) meeting. The Fed continues to prioritize fighting high inflation with the press release from the July meeting detailing the FOMC's commitment to returning inflation to its 2% target rate. In addition, the committee members have agreed to continue reducing the Fed's balance sheet by reducing holdings in Treasuries, agency debt and agency mortgage-backed securities.
- The US labor market continues to show signs of weakening. Private payroll growth for the month of September showed growth well below estimates, coming in at just 89,000 new jobs for the month.
- Capital market yields have risen to their highest levels in over a decade as market participants are demanding a greater premium on long-term Treasury securities. The 30-year Treasury yield jumped 0.88% during the quarter signaling that market participants are anticipating higher levels of both inflation and policy interest rates.
- The Atlanta Fed's GDPNow model's projected third-quarter GDP growth has been revised upward from the original estimates of 3.5% in July to 4.9% at the end of September. The main drivers of the upward revisions came in August upon the release of personal consumption and private domestic investment data from the US Bureau of Labor and Statistics.

Hollywood Police Officers' Retirement Board - Minutes
November 17, 2023
Page 3



In a spirit of transparency, the Board of Trustees post the entire investment report, which may be viewed on-line at: <http://hollywoodpensionfund.com/investments.asp>

Additionally, Mr. Vavrica presented a flash report for the quarter ending October 31, 2023. The quarterly return was valued at -1.85%; that return beat the policy return by 100 bps.

Mr. Vavrica cited the R&D Account was 24 million dollars. From that, 8 million dollars is targeted for Ziegler and the balance for pending capital calls and the pay benefits.

ATTORNEY'S REPORT

Mr. Kaufman reflected his firm remains in discussion with the city regarding the pending death benefit ordinance.

Mr. Kaufman stated the State of Florida released the link for Plans to register for the HB3 filing. Mr. Kaufman cited Mr. Williams will be the responsible party to file on behalf of the Board and has already activated the registration for the Plan.

Mr. Kaufman cited he had no further action to report on the Adobe matter. He will monitor and report when warranted.

ADMINISTRATIVE REPORT

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. Djokic made a motion to approve the item(s) detailed. This motion was seconded by Mr. Boyd. All board members voted yes.

Return of Pension Contributions: Mr. Williams reported that non-vested member Mr. Miguel Presno requested the return of his pension contributions. Mr. Djokic made a motion to approve this request. This motion was seconded by Mr. Boyd. All board members voted yes.

NEW BUSINESS

Mr. Williams reported the nomination process for the seat of Mr. Laskowski (March 2024) and the results to the Board that were held from October 30th, 2023, at 9:00 AM through November 06th, 2023 at 9:00 AM². There were no challengers, so no election is required, and Mr. Laskowski will retain his seat for another two-year term. The city clerk was advised accordingly³.

OLD BUSINESS

Israel Bonds – Update: Mr. Williams cited the purchased authorized⁴ was completed and the rate of return did in fact increase to 5.30%.

OPEN DISCUSSION

No open discussion ensued.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:18 A.M.

The next scheduled meeting is December 22, 2023, at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson

² All active members notified by e-mail and a notice was posted to the plan website in the usual manner.

³ <http://hollywoodpolicepensionfund.com/docs/announcements/Nomination%20Results%2011-06-2023.pdf>

⁴ 6 Million Dollars.