

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

**April 21, 2017**

**MINUTES**

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, April 21, 2017 at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

**PRESENT:**

D. Strauss, Chairman, P. Laskowski, V. Szeto, C. Boyd, R. Brickman and R. Wise.

Excused Absence: C. Marano.

Also present were Kee Eng, City of Hollywood; Ed Rick, Eagle Asset; John McCann – AndCo Consulting; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

**PUBLIC COMMENT**

No open discussion ensued.

**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 MARCH 17, 2017 MEETING**

Mr. Strauss asked if there were any additions or corrections to the Minutes of the March 17, 2017 pension board meeting. Mr. Szeto made a motion to approve the Minutes of the March 17, 2017 pension board meeting, which was seconded by Mr. Laskowski. All board members voted yes.

**APPROVAL OF THE MINUTES OF THE MARCH 31, 2017 MEETING**

Mr. Strauss asked if there were any additions or corrections to the Minutes of the March 31, 2017 pension board meeting. Mr. Szeto made a motion to approve the Minutes of the March 31, 2017 pension board meeting, which was seconded by Mr. Laskowski. All board members voted yes.

**ATTORNEY'S REPORT**

Headley Update: Mr. Kaufman indicated that the City of Miami filed an action with the 1<sup>st</sup> DCA to go back to PERC. His firm is also filing a response. Better clarity on the matter will follow.

Mr. Strauss asked what ordinance this Board should follow, the current ordinance based on the financial urgency, or the ordinance that pre-dates the current ordinance. Mr. Kaufman responded the current ordinance prevails.

### ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

Whiting Update: Mr. Williams was hopeful to have the IME's returned in time for the May meeting, but wanted to know if the Trustees wanted a special meeting. The Board indicated to place the matter on the regular upcoming agenda.

185 Timeline Issue: Mr. Williams indicated that he and Mr. Strauss met with city officials to review the timeline and the approach of repayment to the plan. The officials seemed to be on board and are seeking further authority to move forward. Mr. Williams expressed that he was hopeful for a response in short order. The Board by consensus provided Mr. Williams the authority to move forward as soon as possible on this matter with state officials. Assurances were provided once the city agrees with the issues outlined in the March 31, 2017 Minutes.

DROP/PRB Loan: Mr. Williams cited the respective member's loan request. He outlined that the member has the funds in his personal DROP/PRB account to cover the loan and he has been a participant in the DROP/PRB plan for the required amount of time. No conflict exists with the 12-month rule. Mr. Szeto made a motion to approve the loan as noted, which was seconded by Mr. Laskowski. All board members present voted yes.

Valuation: Mr. Williams indicated the actuarial valuation is to be presented at the May 19, 2017 meeting.

Court Matter: Mr. Williams indicated that an attorney wrote him a letter regarding a member who took a drop loan. The member was going through a divorce. The attorney did not want the member taking out any additional loans. Mr. Williams advised the attorney that absent of a court order, he could not forbid such access. Matter was reviewed with Mr. Kaufman as well.

Interest on Accounts: Mr. Williams sought direction on the December 16, 2016 motion regarding the way the interest was to be charged to Share, PRB and DROP Accounts. Mr. Laskowski made a motion that the fees were to be charged based on the monthly interest posted to the respective accounts. This motion was seconded by Mr. Szeto. All board members present voted yes.

### QUARTERLY INVESTMENT REPORT – EAGLE ASSET MANAGEMENT

Mr. Ed Rick, CFA - Director of Institutional Client Services appeared before the Board to review the investment results of the March 31, 2017.

#### Market Review:

- After the strong value run from March to December of 2016, growth rebounded in a big way with the Russell 2000 growth index up 5.35% versus the Russell 2000 value down - 0.13%.
- The first quarter was in many ways typical: last year's losers became this year's winners-growth over value, high capital returns over low capital returns and large over small.
- Perhaps the market had a strong January effect in 2017 due to the need to realize losses in a generally strong 2016.
- Fundamental stories that explain performance patterns can also be told.
- The excitement over Trump's tax reform has faded and higher rates, more Fed hikes, and a stronger dollar all boost growth over value.

**Contributors to relative performance:**

**Consumer Discretionary** - Consumer Discretionary outperformed due to strong stock selection while maintaining an overweight to the sector. The media industry selections saw strong returns as consumers sought out of the home entertainment.

Vail Resorts beat analysts' expectations this quarter due to strength at the Mountain segment with was driven by ski lift revenues increasing 24%.

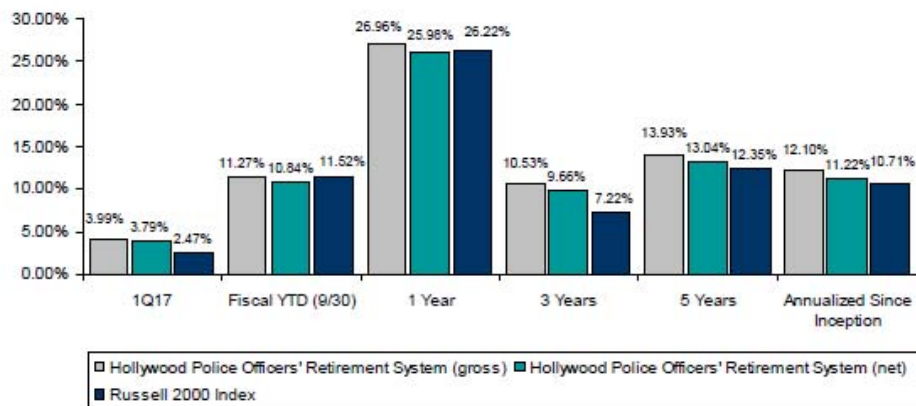
**Financials** - Financial stocks outperformed due to selection effect, led by bank stocks and capital markets. The best performing bank was taken over while the index saw negative returns in the industry.

**Detractors from relative performance:**

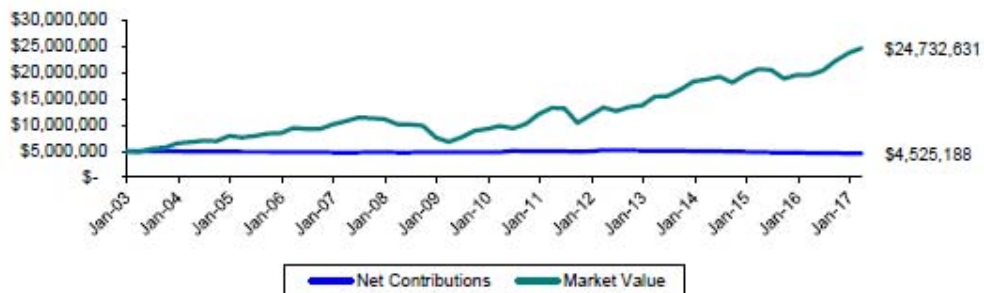
**Health Care** - Underperformance in health care is attributable to Eagle's underweight in the Biotech and Pharmaceutical industries. These areas outperformed the market as the risk of drug price controls faded along with attempts to repeal/replace the ACA.

**Materials** – Eagle underperformed due to selection effect in Materials, with most of it coming from chemicals and paper products. In chemicals, the names with the exposure to oil underperformed. Paper product holdings missed sales estimates due to missed sales in their technical products segment.

**PERFORMANCE**



**MARKET VALUE**



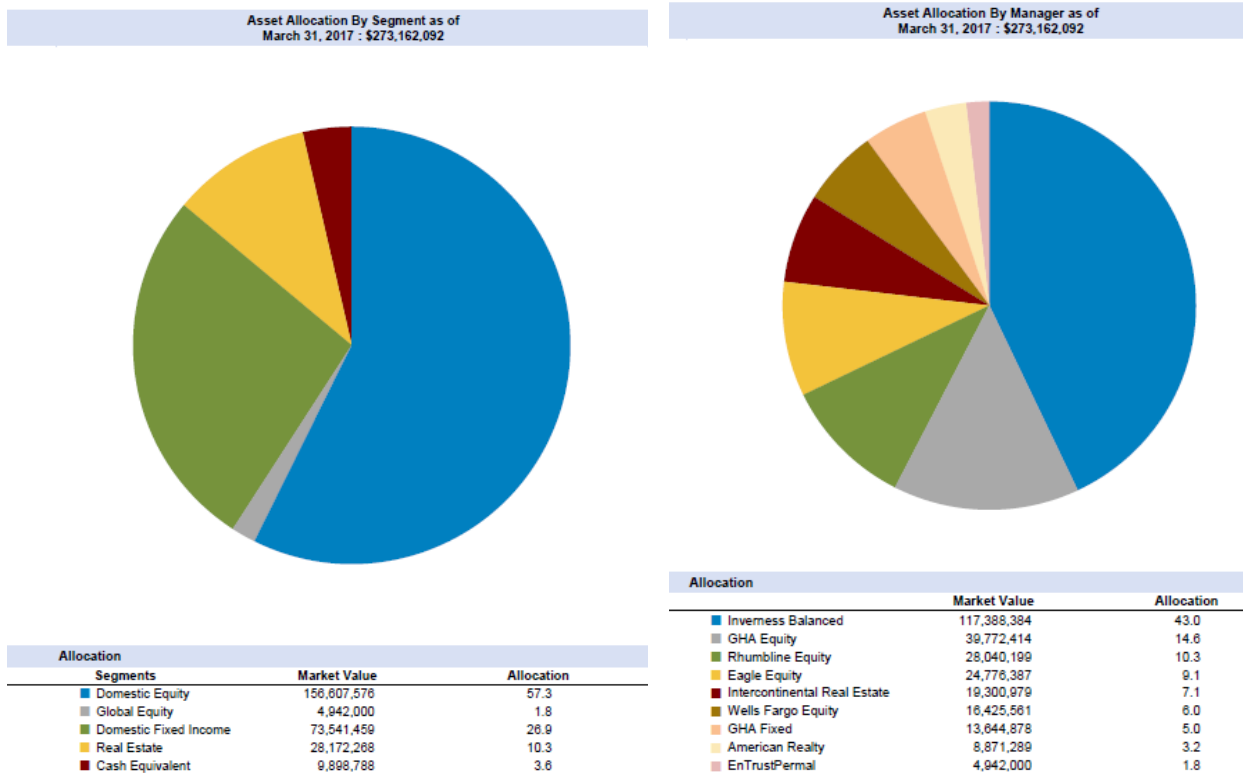
OLD BUSINESS - SELECTION OF LARGE CAP GROWTH MANAGER(S)

Mr. McCann reviewed the prospective managers who presented to the Board on March 31, 2017 and the passive investment option.

After a lengthy discussion, Mr. Brickman made the motion to retain the professional services of Rhumblin, Sawgrass Asset Management and Clarivest Asset Management. Further, Mr. Brickman reflected he wanted 10 million of the mandate to go to Rhumblin, with the balance remaining being split evenly between Sawgrass Asset Management and Clarivest Asset Management. Mr. Brickman elected the performance fee based option for Sawgrass Asset Management and Clarivest Asset Management. Finally, the professional services of BTIG are to be engaged for the transition. Mr. Laskowski seconded the motion. All board members present voted yes.

INVESTMENT REPORT – ANDCO CONSULTING

Mr. McCann also reviewed the March 31, 2017 return. Plan valued at \$273,162,092. For the quarter, the return was valued at 3.44% and the fiscal year return was valued at 5.50%. Full report to follow.



OPEN DISCUSSION

No open discussion ensued.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11.35 AM.

The next scheduled meeting is May 19, 2017 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson