

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

December 15, 2017

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, December 15, 2017, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman; C. Marano, Secretary; C. Boyd; R. Wise; R. Brickman and V. Szeto

Excused Absence: P. Laskowski

Also present were Larry Bernstein, Active Member; Kee Eng - City of Hollywood; Gregg Gosch & Anthony Brooks, Sawgrass Asset Management; Matt Orton, Clarivest Asset Management; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson and Dave Williams, Plan Administrator. Various active and retired members were also present.

PUBLIC COMMENT

Mr. Bernstein & Mrs. Stephanie Szeto made a compassionate plea to the Board of Trustees to move forward with the recalculations and making affected members whole, due to the Headley ruling. Furthermore, as a result of the Board action of August 18, 2017. http://hollywoodpolicepensionfund.com/docs/minutes/minutes_20170818.pdf#zoom=100

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, 2017 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the October 27, 2017 pension board meeting. Mr. Szeto made a motion to approve the Minutes of the October 27, 2017 pension board meeting, which was seconded by Mr. Boyd. All board members voted yes.

ATTORNEY'S REPORT

In response to the pleas from the members under public comment, Mr. Kaufman reinforced his position and that of his firm that it would be most prudent to wait and see how PERC rules in this matter. Mr. Kaufman also cited a case pending before the supreme court that challenges the financial urgency statute. That ruling would even trump PERC. By consensus the Board agreed to put any action on hold at this juncture.

Mr. Kaufman announced he received a letter on November 27, 2017 from Mr. Gregg Rossman, Legal Counsel for several retirees. The letter was shared with the Trustees. Several demands were contained therein. Mr. Kaufman advised his firm responded based on his position cited herein.

ADMINISTRATIVE REPORT

RETURN OF PENSION CONTRIBUTION: Mr. Williams provided a request of former Member Xavier Pastrana Santiago who asked for a refund of pension contributions. Mr. Williams cited all required forms were executed. Motion to approve by Mr. Szeto, seconded by Mr. Boyd. All board members present voted yes.

DROP/PRB Loans: Mr. Williams cited the respective member's loan requests. He outlined that each member has the funds in his/her personal DROP/PRB account to cover the loans and he/she 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 loans as noted which was seconded by Mr. Boyd. All board members present voted yes.

DATA TRANSFER: Mr. Williams advised the Board that the City of Hollywood – Finance Department provided actual earnings (from October 7, 2011 through November 11, 2017) to him. The data is being imported into our system based on the earnings definition in place prior to the referendum. This data will be segregated from the pensionable earnings being sent by the city on an on-going basis. The programming code is under review and testing will follow. Once testing is complete, the actuary will be contacted for independent testing to ensure accuracy. At that juncture he plans on moving forward with the recalculations in an effort to stay ahead of this issue once the court and or PERC rules.

AUDIT UPDATE: Mr. Williams reported that Mr. Clement Johns of BDO advised him on December 14, 2017 that his firm would not allow him to handle the bookkeeping portion of the Audit. Mr. Johns did present a letter of engagement for the audit and the annual report. Due to the late notice of BDO, Mr. Williams asked the Board to give him the authority to seek out and engage a bookkeeper. Further, Mr. Williams asked the Board to approve the letter of engagement for BDO upon the review and approval of the Board Attorney. At the conclusion of trustee discussion, Mr. Brickman made a motion to give Mr. Williams the authority to seek out and engage a bookkeeper. Further to approve the (audit and state report) letter of engagement for BDO upon the review and approval of the Board Attorney. This motion was seconded by Mr. Boyd. All board members present voted yes. Mr. Williams pledged to proceed in an effort of cooperation with all parties.

ANNUAL REPORT -2016: Mr. Williams reported that a letter was received from the State of Florida - Bureau Local Retirement Systems Municipal Police Officers' & Firefighters' Trust Funds' Office dated November 20, 2017. The letter outlined a funding deficiency as follows:

**CALCULATION OF THE REQUIRED CITY CONTRIBUTION
FOR THE PERIOD 10/1/15-9/30/16**

\$ 13,960,747	Required City & State Contributions
- \$ -	- Actual / Frozen State Contribution
\$ 13,960,747	Required City Contribution
- \$ 13,375,524	- Actual City Contribution
\$ 585,223	Due from City

The correspondence was sent to Mr. Clement Johns of BDO to handle a formal response. Updates will be provided as warranted.

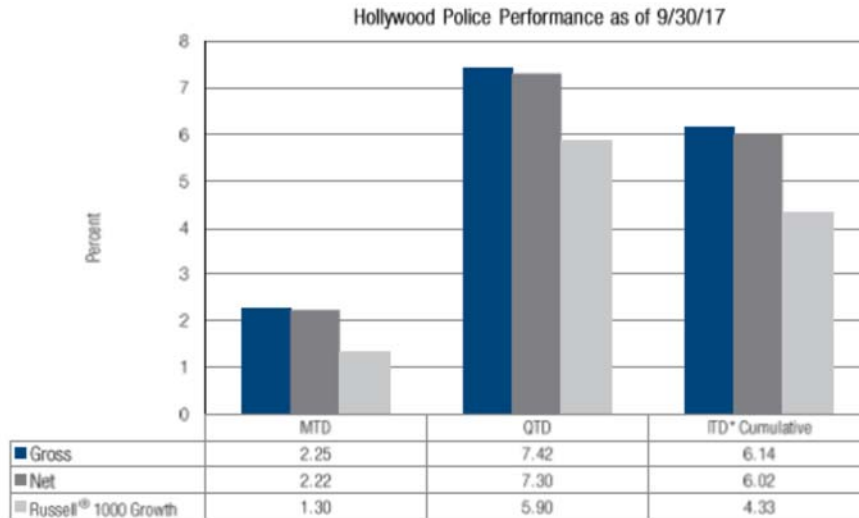
QUARTERLY INVESTMENT PRESENTATIONS

Clarivest Asset Management – LC Growth

Mr. Matt Orton made his inaugural presentation to the Board of Trustees this date. Mr. Orton began by providing a firm and staff overview. The theme of the presentation was the investment

philosophy – Investing in Underappreciated Growth. That thesis lies between Improving Fundamentals and Investor Conservatism.

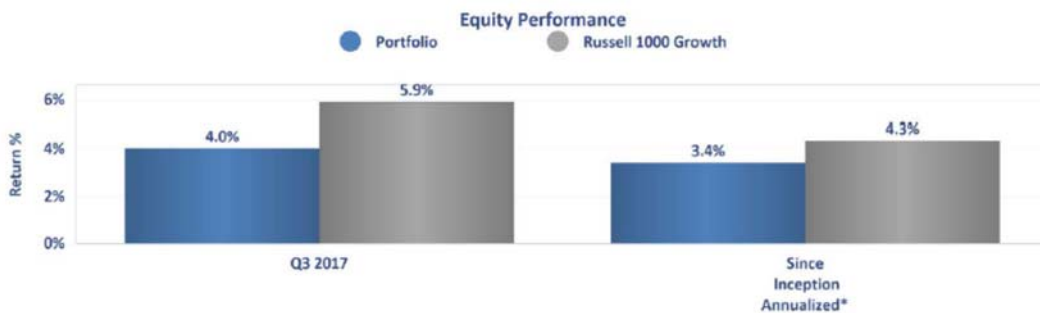
While the inception date is relatively short, the following was reported through September 30, 2017.



Sawgrass Asset Management – LC Growth

Mr. Gregg Gosch & Mr. Anthony Brooks also made their first appearance before the Board of Trustees this date. Account review and performance was undertaken by the representatives. A market review and portfolio positioning were discussed as well.

Portfolio Performance



	Q3 2017	Since Inception Annualized*
TOTAL PORTFOLIO	4.0%	3.4%
Russell 1000 Growth	5.9%	4.3%
S&P 500	4.5%	3.9%

OPEN DISCUSSION

No discussion ensued.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:33 AM.

The next scheduled meeting is January 26, 2018 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson