

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

February 21, 2020

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, February 21, 2020, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

C. Marano, Acting Chairperson, V. Szeto, C. Boyd, P. Laskowski and Justin Schweighardt.¹

Excused Absence: D. Strauss & R. Brickman.

Also present were Laurette Jean, City of Hollywood; Mr. Gregg Rossman and retired members, John McCann & Jennifer Gainfort, AndCo Consulting; Adrian Sancho, Inverness Counsel; Stuart 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 JANUARY 31, 2020 MEETING

Mrs. Marano asked if there were any additions or corrections to the Minutes of the January 31, 2020 pension board meeting. Mr. Szeto made a motion to approve the Minutes of the January 31, 2020 pension board meeting, which was seconded by Mr. Laskowski. All board members voted yes.

ATTORNEY'S REPORT

Mr. Kaufman advised his office was contacted by representatives from Bernstein Litowitz Berger & Grossmann LLP (our Security Monitoring Firm) concerning a Complaint For Inspection of Books and Records under Delaware General Corporation Law ("Section 220") to inspect certain corporate books and records of Gilead Sciences, Inc. ("Gilead" or the "Company") to investigate the role of the Company's Board or senior management in connection with certain practices of Gilead Sciences that may have violated positive law, endangered the lives of thousands of individuals, and exposed the Company to risks of massive financial liabilities and reputational harm.

Mr. Kaufman felt the issue held legal muster and contacted the Chairman, Mr. David Strauss to seek his review and approval to proceed. Mr. Strauss authorized same and executed the required documents.

Mr. Kaufman asked the Board to affirm the action taken between meetings by Mr. Strauss. After review and discussion, Mr. Boyd made the motion to affirm the action taken and proceed accordingly. This motion was seconded by Mr. Szeto. All board members voted yes.

¹ Official Quorum Present

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

Notice of Passing: Mr. Williams sadly announced the passing of Mr. Rodger Schilling and the beneficiary transition.

Inverness Counsel Update: Mr. Williams cited the action approved at the January 31, 2020 meeting has been completed. Inverness Counsel is now an equity only manager.

Payroll Update: Mr. Williams indicated that IT has reloaded the payroll² into our database. Testing will begin the week of February 24, 2020.

Trustee Nomination/Election: Mr. Williams reported the results of the self-nomination process that was open between January 27, 2020 to February 3, 2020. At the close of the process, Mrs. Marano & Mr. Laskowski were the only nominations received, therefore no election was required. Notice was provided to the city clerk and posted to the website.

Notice to city clerk may be viewed at:

<http://hollywoodpolicepensionfund.com/docs/announcements/Nomination%20Results%2002-03-2020.pdf#zoom=100>

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. Boyd. All board members voted yes.

Pension Refund: Mr. Williams cited that former members Mr. Brian Bermudez & Mr. Billy Exemar were non-vested members and requested a refund of the pension contributions made during their term of employment. All the appropriate paperwork has been received. Mr. Szeto made a motion to approve the refunds presented. This motion was seconded by Mr. Laskowski. All board members voted yes.

Beneficiary Change: Mr. Williams advised that retired member Mr. Gerald Walsh submitted a Change to Amend Beneficiary form, as he remarried since his prior spouses passing. This is the first request by this member. The data³ was reviewed by the Board Actuary to confirm the change has no impact to the plan. The Actuary confirmed no impact, therefore no change to the member's monthly pension is required. Member will be advised accordingly.

PRESENTATION OF FINANCIAL STATEMENTS – September 30, 2019

Kabat, Schertzer, De La Torre, Taraboulos & Co., LLC. - Tabled

Please continue

² 2011 to 2019.

³ Relative to his former beneficiary and proposed beneficiary.

QUARTERLY INVESTMENT PRESENTATIONS

INVERNESS COUNSEL

Mr. Adrian Sancho⁴ provided the following investment report:

Observations:

Greater than 60% of NYSE listed stocks are trading above their 200-day moving average. Such strong market breadth, where gains are not just concentrated in a few heavyweights, is generally a sign that the rally has more room to run. The U.S. unemployment rate hit 3.5% in Q4 2019, the lowest level since the '60s. Initial jobless claims matched a 50-year low. Home price appreciation has been a source of economic strength and has helped drive consumer confidence to multi-year highs. In 2019, the Fed lowered rates by 75 basis points; currently the market expects the Fed to hold rates at these levels.

Catalysts:

Stock Valuations –Stock valuations are only modestly above multi decade averages and low interest rates further increase the attractiveness of equity returns.

Consumer Strength –Accounts for 70% of the U.S. economy, benefiting from full employment, appreciating home values, and higher wages.

Technological Innovation –Continues to accelerate benefitting companies across all sectors.

Interest Rates –Fed remains on hold, but three rate cuts in 2019 may provide an unexpected stimulus as individuals, corporations, and municipalities take advantage of re-financing opportunities.

Trade Deals–stability benefits corporations and individuals; further negotiations may occur.

Concerns:

Slow Earnings Growth–pressured by rising costs, trade issues, and currency.

Global Economy–muted -could stabilize given recent positive indicators and support from global central banks.

Stock Volatility–could be elevated, given the age of the US economic expansion and upcoming election.

Outlook –positioned for moderate growth -economic stability could be a catalyst for improving metrics.

⁴ Adrian is a Vice President, an Equity Analyst, and a member of the Investment Committee. He conducts fundamental research on consumer discretionary and financial sector stocks. Prior to joining Inverness in 2010, Adrian was an Investment Strategist at TD Ameritrade, and a Vice President at U.S. Trust. Adrian earned a BA from Brandeis University in 2001 and an MBA from Columbia University in 2008.

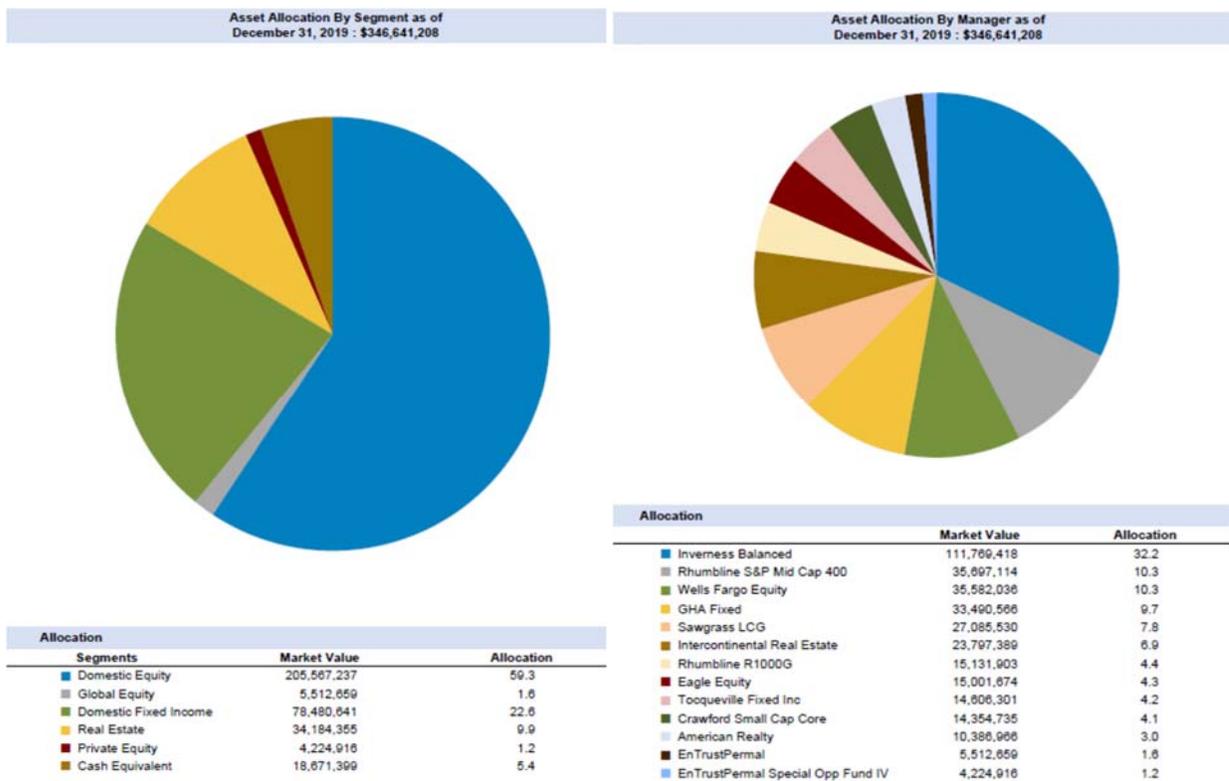
Inverness Equity Performance:

	FYTD	1 Year	3 Year	5 Year	Inception
Inverness Equity	7.38	33.52	15.66	11.34	10.48
S&P 500 Index	9.07	31.49	15.27	11.70	10.03

AndCo Consulting

Mr. McCann introduced his associate Ms. Jennifer Gainfort to the Board. Ms. Gainfort area of focus was reported as Client Service, Investment Policy Development, Asset Allocation Strategy, Manager Structure Implementation, Plan Monitoring, Evaluation, and Advisement. Ms. Gainfort holds a Bachelor of Science, Business Administration, University of Central Florida and is a CFA®. <http://hollywoodpensionfund.com/inTheBoardroom.asp>

Mr. McCann presented the December 31, 2019 investment report, the portfolio was valued at \$346,641,208. The total fund return was 4.61%⁵. That quarterly return was outpaced by the benchmark⁶. Mr. McCann advised - All Public Plans Total Fund Median return was -5.19%. Longer term results were also outlined on a 1, 3 and 5-year basis 20.64%, 10.33% and 8.20% respectively.



The entire investment report may be viewed on-line at:

<http://hollywoodpensionfund.com/docs/investments/2019-12-31%20Hollywood%20Police%20Quarterly%20Report.pdf>

⁵ On a gross basis.

⁶ 5.41%.

Mr. McCann wanted to discuss an investment fee break point line with Intercontinental Real Estate. As there was not a full Board present, Mrs. Marano suggested Mr. McCann revisit this issue at the next quarterly meeting.

OPEN DISCUSSION

No discussion ensued.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:30 P.M.

The next scheduled meeting is March 27, 2020 at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson