

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

November 19, 2021

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, November 19, 2021, at 10:32 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman; P. Laskowski; C. Boyd; J. Marano; M. Djokic & J. Schweighardt.

Also present were Laurette Jean¹, City of Hollywood; Jeffrey Burns & Nick Rojo, Affiliated Housing; Janna Hamilton & Jeff Detwiler², Garcia Hamilton; John McCann & Brendon Vavrica, AndCo Consulting; Robert Klausner³, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

MOMENT OF SILENCE

Mr. Strauss called for a moment of silence for Officer Chirino, Lieutenant Graham and recent passing retired members.

PUBLIC COMMENT

None.

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 SEPTEMBER 24, 2021, MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the September 24, 2021 pension board meeting. Mr. Boyd made a motion to approve the Minutes of the September 24, 2021 pension board meeting, which was seconded by Mr. Schweighardt. All board members voted yes.

ATTORNEY'S REPORT

DROP Split Policy – Mr. Klausner presented final policy for the Board to consider relative to section 33.128 (E) (2). After considering the foregoing, Mr. Laskowski made a motion to adopt seconded by Mr. Djokic. All board members voted yes.

The policy may be viewed on-line at the following link:

<http://hollywoodpolicepensionfund.com/docs/policies/Administrative%20Rule-%20Drop%20Earnings%20approved%2011-19-2021.pdf#zoom=100>

Change of Beneficiary Request – Chidsey

Mr. Klausner advised that this matter came before the Board of Trustees at its regular meeting on this date, subject to public notice.

¹ Attended Remotely.

² Attended Remotely.

³ Attended Remotely.

Mr. Klausner reflected that retired police officer, John Chidsey, had previously changed his named beneficiary on two prior occasions. Following the death of his former spouse, Chidsey requested to make a third change to add his new spouse. For the reasons which follow, despite the Board's sympathies in the matter, the law governing the plan compels that the request must be denied.

Mr. Klausner noted that Florida Statutes, Section 185.161(1), subsections b and c govern this request. Under subsection 1b, a police officer (meaning an active member) may change his beneficiary more than twice with the Board's permission, provided that the beneficiary being replaced is alive. Subsection 1c governs requests by retired police officers. This section permits replacement of a beneficiary who is deceased, but a retired member may only change beneficiaries on two occasions. Unlike subsection b, subsection c does not empower the Board to grant additional changes.

Finally, Mr. Klausner cited that nothing in the Hollywood City Code grants additional authority to the Board beyond the standards specified in Chapter 185, Florida Statutes. The Board, as a creature of statute, is obligated to manage the plan in accordance with its governing law. *City of Miami v. City of Miami Firefighters' and Police Officers' Retirement Trust*, 249 So. 3d 709 (Fla. 3d DCA 2018). After considering Mr. Klausner's presentation, Mr. Boyd made the motion to deny Mr. Chidsey's request to name a new beneficiary. The motion was seconded by Mr. Djokic. All board members voted yes.

Citrix Matter:

Mr. Klausner outlined a memorandum from Bernstein Litowitz (BLB&G) that provided analysis of securities fraud claims that the Hollywood Police Pension Fund ("Hollywood Police") can assert against Citrix Systems, Inc. ("Citrix" or the "Company") and certain of its officers arising out of serious violations of federal securities laws. It is believed that Citrix misled investors about the success of the Company's transition to a cloud computing model, and the contemporaneous shift to a subscription pricing model. It was reported that our fund incurred a loss of approximately \$128,000 when calculated on a first-in, first-out ("FIFO") basis. After review and consideration, Mr. Schweighardt made the motion to engage BLB&G to represent the fund in the alleged wrongdoing. Mr. Boyd seconded the motion. All board members voted yes.

Chirino Buy Back:

Mr. Williams cited that in review of the Chirino Matter, he noted that Mr. Chirino recently bought back his time in the fund. Due to his untimely death and the benefit his beneficiary is entitled to, the time purchased does not count towards his benefit. As such he asked Mr. Klausner to opine on the ability of the Board to refund the buyback proceeds. Mr. Klausner agreed that as the funds did not count towards the benefit, a refund would be reasonable and permissible. Mr. Djokic made the motion to refund the buyback proceeds to the beneficiary, which was seconded by Mr. Marano. All board members voted yes.

Mr. Djokic announced that an executed beneficiary form was located by another member while attending to Mr. Chirino's personal affects. That form was turned over to him for safe keeping, and he is now giving it to the care and custody of Mr. Williams.

The Board asked Mr. Klausner to provide his input on the matter. Mr. Klausner felt a duly executed beneficiary form may be accepted by the Board⁴. Motion by Mr. Djokic to accept and honor the beneficiary form as Mr. Chirino's wishes. Mr. Schweighardt seconded the motion. All board members voted yes.

⁴ Mr. Klausner subsequently reviewed and affirmed his position that the form may be honored.

COVID Presumption: Mr. Klausner cited two bills filed for the state legislation to consider in the next session. Further details to follow as warranted.

LINE OF DUTY DEATHS: Mr. Strauss asked Mr. Klausner to review the ordinance due to the ten-year certain limitation vs. a life benefit for fallen officers. Mr. Klausner will review. No further action taken at this juncture.

INVESTMENT REPORT
Garcia Hamilton

Mrs. Janna Hamilton & Mr. Jeff Detwiler of Garcia Hamilton reviewed the fixed income portfolio through September 30, 2021. Inflation, Stimulus, Labor market, Interest Rates, Corporate Sector were highlighted during the presentation. Performance was reported as follows:

TIME WEIGHTED RETURN

	<u>Quarter</u>	<u>Calendar Year To Date</u>	<u>Fiscal 09-30-20 Year</u>	<u>Annualized Last 3 Years</u>	<u>Annualized Last 5 Years</u>	<u>Annualized Last 10 Years</u>	<u>Annualized Inception 06-30-11 To Date</u>
Gross of Fees	0.14	-1.36	-1.02	3.76	2.44	3.58	3.46
Net of Fees	0.08	-1.54	-1.25	3.51	2.19	3.32	3.21
Bloomberg US Int. Aggregate	0.05	-0.79	-0.38	4.39	2.47	2.51	2.68

Affiliated Housing

Mr. Jeffrey Burns & Nick Rojo of Affiliated Housing provided an update on the current projects and others on the horizon.

Initial Fund closing occurred in December 2020 with a subsequent closing November 2021. To date the Fund has made three capital calls totaling \$17,177,335 to fund three projects. The Fund has called 65% of the current capital commitment or \$3.3M. Two projects, the Bohemian and the Grand, are currently under construction, and the Tropic is in the pre-development phase.

To date a total of seven local police and/or firefighters' pension plans have committed capital to the Fund. All three City of Hollywood plans; Hollywood Police, Hollywood Fire and Hollywood General Employees, are investors in the Fund. The Fund executed a side letter with Hollywood General Employees granting a fee reduction of 25 basis points should the investment commitments from all three Hollywood plans meet or exceed \$15M. To date, current capital commitments from all Hollywood plans is \$15M. The fee for Hollywood Police has been reduced to 1.25%.

A project overview was provided on: The Bohemian, The Grand, The Tropic (Hollywood).

INVESTMENT MONITOR REPORT
AndCo Consulting

It was noted that this is the final meeting for Mr. McCann due to his impending retirement. All in attendance congratulated Mr. McCann, thanked him for his dedicated service to the fund and wished him well in the next chapter of his life.

Mr. McCann presented the September 30, 2021, investment report, the portfolio was valued at \$405,422,866.00. The total fund return was for the quarter was valued at 0.80% on a net basis.

That quarterly return outpaced the benchmark policy and ranked our fund in the top 8% of the investment universe. Mr. McCann advised - All Public Plans Total Fund Median return was -0.14%. For the fiscal year, the plan return was valued at a stellar 20.95%, but lagged the investment benchmark valued at 22.27%.

Longer term results were also outlined on a 3 and 5-year basis 10.79% and 11.07% respectively. A historical return dating back to October 1, 1992, was valued at 8.05%, beating the benchmark and "All Public Plans-Total Fund Median".

An emerging market equity manager analysis was presented by Mr. Vavrica. At the conclusion of the presentation, Mr. Strauss passed the gavel to Mr. Laskowski and made the following motion:

- Retain ABS Emerging Markets Strategic Portfolio and fund 5 million dollars.
- Increase Affiliated Housing investment by 2.5 million dollars.
- Increase TerraCap by 5 million dollars.
- Transfer 10 million dollars from Rhumblin and increase Polen and Sawgrass by 5 million dollars each.

The above motion was seconded by Mr. Djokic. Motion passed 5 - yes, 0 - no and 1 - abstained (Mr. Marano⁵).

Mr. Vavrica will be bringing forth short-term investment options for the cash currently in the R&D Account.

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. Boyd. All board members voted yes.

RETURN OF PENSION CONTRIBUTIONS: Mr. Williams provided the request from Mr. Johan Lorenzo (Non-Vested) for a refund of pension contributions. Motion to approve the foregoing by Mr. Laskowski, which was seconded by Mr. Boyd. All board members voted yes.

OFFICE OF RETIREMENT: Mr. Williams updated the Board on memorial plaques for the Hollywood police officers who died in the line of duty.

WORKSTATION: Mr. Williams requested permission to purchase an addition workstation for staff, which will enhance our capabilities. Motion to approve by Mr. Laskowski, seconded by Mr. Boyd. All board members voted yes.

Required Minimum Distributions (RMD): Mr. Williams reflected that he has been working with the Board Actuary to ensure compliance with the DROP RMD's.

Share Statements: Mr. Williams advised per Board policy the annual Share Statements were sent to all affected membership.

⁵ Mr. Marano filed 8B Form with the Board.

Honor Wall Tiles: Mr. Williams advised that EDCO Awards without any notice announced they would no longer be engraving our wall tiles. Mr. Williams expressed his displeasure with EDCO as we have been long term customers. It was noted that Mrs. Ostrander secured a new vendor so we should not have any interruption.

OPEN DISCUSSION

Mr. Strauss requested an estimate from the actuary on the fixed drop rate of return vs. the variable rate of return. For the period from October 1, 2002 to September 30, 2021, the plan earnings retained by the Retirement System from the fixed DROP accounts was \$4,793,445.00.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 12:21 P.M.

The next scheduled meeting is December 17, 2021 at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson