

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

May 17, 2013

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, May 17, 2013, 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. O'Brien, L. Wiener and R. Brickman.

Also present were Kee Eng, City of Hollywood; Daniel Kallus & Janna Hamilton, Garcia Hamilton; John McCann & Brendon Vavrica, Thistle Asset Consulting; John T. Rochford, Philip Lawrence, Henry Renard and Robert Maddock, III – Inverness Counsel; Steve Cypen, Board Attorney and Dave Williams, Plan Administrator.

Excused Absence: P. Laskowski & V. Szeto

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 APRIL 26, 2013 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the April 26, 2013 pension board meeting. Mrs. Marano made a motion to approve the Minutes of the April 26, 2013 pension board meeting, which was seconded by Mr. O'Brien. All board members voted yes.

ATTORNEY'S REPORT

Mr. Cypen spoke about HB50, which related to public comment at meetings. A formal policy will follow.

Mr. Cypen advised the Board's litigation with the city is proceeding.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

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

RETURN OF PENSION CONTRIBUTIONS: Mr. Williams presented request for pension refunds submitted by Jose Barahona (\$20,087.26) & James Cannon (\$24,875.55). Mr. Williams reflected the members executed the required forms to include the waiver or release of pension time.

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After reviewing the requests, Mr. O'Brien made a motion to approve the refunds, which was seconded by Mr. Brickman. All board members voted yes. Warrants executed accordingly.

MEMBER UPDATE: Mr. Williams informed the Board that the Office of Retirement has been extremely busy with exit inquiries from members leaving the city's employment. A new member (Frank Fernandez) was added as per City of Hollywood – HR. Mr. Williams is still awaiting payroll contribution data from Finance.

REAL ESTATE: Mr. Williams stated that a capital call is scheduled for the Intercontinental Real Estate Portfolio on May 23, 2013. The amount of the call is 7.5 million, which represents 100% of the commitment to that Fund. Mr. Williams stated the funds were coming from the Inverness Portfolio. Finally, Mr. Williams thanked the representatives from Fiduciary Trust, Inverness Counsel and Thistle for their assistance in what was expected to be a smooth transition of assets.

FINANCIAL REPORTING: Mr. Williams reminded the Trustees that their Statement of Financial Interests for the calendar year 2012 is required by July 1, 2013.

QUARTERLY PRESENTATIONS

Thistle Asset Consulting

Quarterly Review: Mr. McCann advised that as of March 31, 2013 the system had 54.3% in equities, 42.5% in fixed income, and the balance in cash. As of March 31, 2013, Inverness Counsel held 61.2% of the portfolio, Garcia Hamilton had 15.9%, Eagle had 6.3%, Rhumbline had 7.9%, Buckhead had 8.2%, and the Israel Bonds were at 0.5%.

The total assets were valued at \$244,086,000. For the quarter, Mr. McCann stated that the total fund returned 5.81% vs. 5.59% compared to the target index. That return placed the fund in the TOP 30th percentile.

The fund returned 5.70% v. 6.06% for the fiscal year to date through March 31, 2013. That return ranked the fund in the 82nd percentile. For the longer term (*five year period*), the fund ranked in the 79th percentile returning 5.34% vs. 5.86%.

A breakdown of each manager was provided to the Board to consider. Mr. McCann indicated that he will attend the next meeting for the Buckhead presentation.

Garcia Hamilton and Associates - GHA

Mrs. Hamilton & Mr. Kallus appeared before the Board and discussed the investment return for the Equity and Fixed Income Accounts. The investment philosophy was discussed in detail, as well as the market and the portfolio. Both fixed and equity market commentary was presented to the Board to consider. The theme of the equity portfolio was the index was led by lower quality positions. GHA maintains their philosophy of high quality and will not chase the market.

Mrs. Hamilton & Mr. Kallus advised for the quarter that ended March 31, 2013, the equity portfolio returned 7.54% for the equities, compared to the Russell 1000 Growth Index 9.54%. For the last twelve months, the account returned 5.44% for the equities, in comparison to the Russell 1000 Growth Index of 10.09%.

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On a longer term basis of 5 years, the account returned 10.79% for the equities, in comparison to the Russell 1000 Growth Index of 13.06%. The equity account was valued at \$25,946,000 as of March 31, 2013.

Mrs. Hamilton indicated that for the quarter that ended March 31, 2013, the fixed income portfolio returned 0.75%, compared to the Barclays Capital Intermediate Aggregate of 0.15%. On a rolling 12 month basis, portfolio returned 6.17%, compared to the Barclays Capital Intermediate Aggregate of 3.03%. Since the portfolio inception date of June 30, 2011, the fixed income return was 6.3%, compared to the Barclays Capital Intermediate Aggregate of 4.0%.

Inverness Counsel, Inc.

Mr. Renard & Mr. Maddock provided the Board their positions relative to the economy, as well as the investment markets on the national and international level. A detailed market recap followed.

For the quarter that ended March 31, 2013, the account was valued at \$149,300,000, for the quarter the portfolio returned 11.40% for the equities and 0.45% for fixed income vs. 10.61% and 0.05% respectively. The equity return placed this portion of the portfolio in the TOP 15 percentile of the investment universe. The fixed income return placed this portion of the portfolio in the TOP 38 percentile of the investment universe.

For the fiscal year, the Inverness portfolio returned 10.20% for the equities, in comparison to the S&P 500 which returned 10.19%. The fixed assets for the same time period returned 0.71%, compared to the target of 0.41%.

OPEN DISCUSSION

FPPTA Conference reminder provided.

Mr. Williams revealed token of appreciation (plaque) that will be presented to Ms. Trish Shoemaker, State of Florida who will be retiring after nearly 40 years of public service on behalf of the Board of Trustees.

MEETING ADJOURNED

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

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson