

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

December 19, 2014

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, December 19, 2014, at 10:30 AM., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman; C. Marano, Secretary; R. Brickman, C. O'Brien, V. Szeto and P. Laskowski.

Also present were John McCann, Thistle Asset Consulting; Steve Cypen, Board Attorney and Dave Williams, Plan Administrator.

Excused Absence: M. Pollak

PUBLIC COMMENT

No public comments presented.

READING OF THE WARRANTS

The warrants since the last meeting were reviewed and executed by the Board of Trustees.

APPROVAL OF THE MINUTES OF NOVEMBER 21, 2014 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the November 21, 2014 pension board meeting. Mr. Laskowski made a motion to approve the Minutes of the November 21, 2014 pension board meeting, which was seconded by Mr. Szeto. All board members voted yes.

ATTORNEY'S REPORT

Mr. Cypen provided no formal report.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

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. O'Brien made a motion to approve the loans as noted, which was seconded by Mr. Szeto. All board members present voted yes.

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RETURN OF EMPLOYEE CONTRIBUTIONS: Mr. Williams advised the Board that Derek Albers requested a return of his pension contributions. Mr. Albers left the city on December 6, 2011. Motion to approve the request by Mrs. Marano, seconded by Mr. Laskowski. All board members present voted yes.

QUARTERLY INVESTMENT PRESENTATIONS

Buckhead Capital

Mr. David Griffin had a travel conflict and the Buckhead e-report was provided for Trustee review.

NEW BUSINESS

Staff Review: Trustees provided their thoughts about the services being provided to the membership. Positive accolades were made for all personnel. A salary report was presented to the Board to consider.

Staff: Mr. Williams proposed a salary adjustment based on the CPI which equaled 1.70%; in addition 2.3% merit adjustment. The effective date of the adjustment proposed was from October 1, 2014. Mr. Williams felt the duties and responsibilities staff undertakes support the foregoing request. After further discussion and consideration, Mr. Szeto made a motion to approve the request outlined for Lori Strauss. Mr. Laskowski seconded that motion.

A voice roll call was conducted:

Mrs. Marano – yes

Mr. O'Brien – yes

Mr. Laskowski – yes

Mr. Brickman – yes

Mr. Szeto – yes

Mr. Strauss – Advised that he will abstain from the vote and file the Form 8B accordingly (see attached).

Motion was passed 5-0 with 1 abstention.

After further discussion and consideration, Mr. Laskowski made a motion to approve the request outlined for Patty Ostrander. Mr. Brickman seconded that motion.

A voice roll call was conducted:

Mrs. Marano – yes

Mr. O'Brien – yes

Mr. Laskowski – yes

Mr. Brickman – yes

Mr. Szeto – yes

Mr. Strauss – yes

Motion was passed 6-0.

Administrator: Mr. Williams reflected that he sought no increase in 2011 or 2012 due to turmoil within the city. In 2013, he sought and received an adjustment based solely on the CPI for the time period cited.

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Mr. Williams proposed a salary adjustment based on the CPI which equaled 1.70%; in addition 2.3% merit adjustment (first in four years). The effective date of the adjustment proposed was from October 1, 2014. Supporting documentation was reviewed & discussed by the Board. Mr. Brickman made a motion to approve the adjustment outlined. Mr. O'Brien seconded that motion.

A voice roll call was conducted:

Mrs. Marano – yes

Mr. O'Brien – yes

Mr. Laskowski – yes

Mr. Brickman – yes

Mr. Szeto – yes

Mr. Strauss – yes

Motion was passed 6-0.

Mr. Williams thanked the Board for the opportunity and the honor to serve and noted he will be celebrating his 14th anniversary as Plan Administrator.

Motion by Mr. Laskowski to Amend the Agenda and add Asset Allocation Study, by John McCann, Thistle Asset. This action was seconded by Mr. Brickman. All board members voted yes.

ASSET ALLOCATION STUDY – THISTLE ASSET

Mr. McCann presented an Asset Allocation Analysis to the Trustees. Mr. McCann cited that the asset allocation is 91.5% of the Funds performance. Market timing, security selection and other factors equate to 8.5%. Mr. McCann presented various matrix scenarios for the Board to consider. Strategic Guidelines were also reviewed and discussed. Mr. McCann recommended the allocation below, in part based on the Fund's time horizon, risk tolerance, performance expectation and asset class preference. The proposed allocation achieves the investment goals, while diversifying assets.

The strategic asset allocation (normal weighting) of the plan is as follows:

	Lower Normal - Upper Asset Class Limit - Weighting Limit		
Cash or cash equivalents	0%	4%	5%
Domestic fixed income	26%	31%	59%
Large Cap company domestic equities	36%	41%	46%
Mid Cap company domestic equities	2%	7%	12%
Small Cap company domestic equities	2%	7%	12%
Convertible securities	0%	2.5%	5%
Real Estate	5%	10%	15%

Mr. McCann recommended that beginning April 1, 2015, the performance of the portfolio should be compared to the return of a portfolio comprised of 24% of the S&P500 Index, 7% Russell 2000 Small Cap Index (R2000), 10% of the Russell 1000 Growth Index (R1000G), 7% of the Russell 1000 Value Index (R1000V), 7% S&P400 MidCap Index, 10% of the NCREIF Real Estate Index, 13% of the Barclays Capital Government Credit Index (BCGC), 13% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the Barclays Capital Intermediate Aggregate Index (BCIAB) & 4% TBill.

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After a lengthy and active discussion, Mr. Brickman made a motion to amend the investment policy as cited (that included an internal transfer within Inverness Counsel 5% from fixed income to equity); further as a result of the reallocation to authorize the increase to our Real Estate by 3% (from Inverness fixed income), manager based on the earliest queue (capital call). Mr. O'Brien seconded the motion. All Trustees voted yes. The policy was executed by Mr. Strauss and will be filed accordingly by the Plan Administrator.

OPEN DISCUSSION

Mr. Williams stated that he posted a National Institute on Retirement Security Study entitled "Still a Better Bang for the Buck" on-line at:

http://www.hollywoodpensionfund.com/pdf/dec_11_webinar_ppt.pdf

http://www.hollywoodpensionfund.com/pdf/bangforbuck_2014.pdf

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:48 AM.

The next scheduled meeting is January 30, 2015 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME STRAUSS, DAVID		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE HOLLYWOOD POLICE OFFICERS' RETIREMENT SYSTEM	
MAILING ADDRESS 4205 HOLLYWOOD BLVD., SUITE 4		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:	
CITY HOLLYWOOD, FL 33021		<input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY	
COUNTY BROWARD		NAME OF POLITICAL SUBDIVISION:	
DATE ON WHICH VOTE OCCURRED DECEMBER 19, 2014		MY POSITION IS: <input checked="" type="checkbox"/> ELECTIVE <input type="checkbox"/> APPOINTIVE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, DAVID STRAUSS, hereby disclose that on DECEMBER 19, 20 14:

(a) A measure came or will come before my agency which (check one)

inured to my special private gain or loss;

inured to the special gain or loss of my business associate, _____;

inured to the special gain or loss of my relative, see below _____;

inured to the special gain or loss of _____, by whom I am retained; or

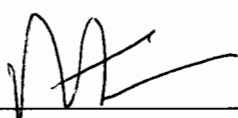
inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

spouse subject to employee review/salary adjustment.

DECEMBER 19, 2014

Date Filed


Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.