



# Police Pension News

A Hollywood Police Officers' Retirement System Publication

Issue 49  
Date of Issue:  
First Quarter 2014



## DEDICATED TO LAWRENCE WIENER



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**BOLO**  
*Police fatalities have increased 33% between March 2013 & March 2014*



**Lets be careful out there!**

Source:  
<http://www.nleomf.org/>

Mr. Larry Wiener, faithfully served this Plan as a Board Trustee from 1997-2014. On February 5th, 2014, he was replaced immediately by Mayor Bober without any advance notice. Losing Larry's expertise in the Actuary and Investment Arena will certainly have an adverse effect for years to come. Join the Board in "Thanking" Larry. With Sincere Gratitude, Respect & Admiration for Your Dedication & Commitment to the City of Hollywood Police Officers' Retirement System. A true *Mensch* and a friend to all!

## 4th QUARTER 2013 - FUND SUMMARY

On December 31, 2013 our fund had a total market value of \$260,805,000. For the quarter the fund gained \$12,681,000.

For the quarter the total fund return was 5.23% (net) and its benchmark return was 4.84%. In the previous quarter the fund return was 3.97%.

For the quarter the stock return was 9.99% and the benchmark return was 9.87%. The bond return was 0.11% and the benchmark return was -0.04%.

For the quarter the average allocation of our fund was 53.2% invested in stocks, 4.8% invested in real estate, 37.5% in bonds and 4.6% in cash equivalents (i.e., short term liquid interest bearing investments including money market funds and Israeli bonds). Our ongoing target for investment in stocks is 50% of the total fund.

Fiscal Year (9/30/2013 – 12/31/2013)

For the fiscal year the Inverness large cap stock return was 10.38%, the Garcia Hamilton & Associates growth stock return was 10.82%, the Buckhead value stock return was 9.20%, the Eagle small cap stock return was 9.28% and the Rhumblin mid-cap stock index return was 8.26%. The S&P 500 index return was 10.51%.

Calendar Year to Date (1/1/2013 – 12/31/2013)

For the calendar year to date the total fund return was 15.82% (net) and its benchmark return was 15.01%. The stock return was 33.09% and the benchmark return was 33.71%. The bond return was -0.99% and the benchmark return was -1.54%.

Major Economic Indicators

For the calendar year the best performing sector among S&P 500 stocks is Consumer Discretionary which increased 41.0% and the worst sector is Telecommunications which increased 6.5%.

Among the major economic indicators, the Consumer Price Index (CPI-Urban) increased 1.5% before seasonal adjustment for the twelve months ended in December. The Producer Price Index (PPI) for finished goods advanced 1.2% before seasonal adjustment for the twelve months ended in December.

The seasonally adjusted unemployment rate is 6.7% in December down from 7.2% in September. Real Gross Domestic Product (GDP) increased at an annual rate of 4.1% for the third quarter of 2013, compared with an increase of 2.5% in the second quarter of 2013.

## STOCK SPOTLIGHT

### East West Bankcorp Inc. (Ticker = EWBC)

Sector: Financials

Industry: Regional Banks

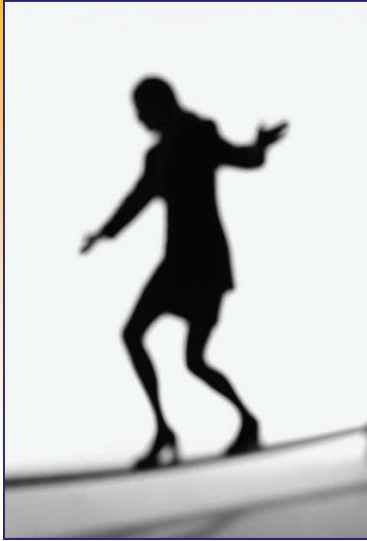
Market Capitalization: \$4.72 Billion

East West Bancorp, Inc. is the holding company for East-West Bank. The Bank is a commercial bank specializing in commercial, construction, and real estate lending as well as financing international trade. We believe the bank will continue to benefit from acquisitions it was able to make during the downturn of August 2009, primarily the acquisition of other major players that focused on the Chinese population in California.

Average Cost in Hollywood Police Portfolio: \$24.04 per share, currently trading at \$34.39.

**Please note that the Board of Trustees provide this data for informational purposes only. It is in no way to be interpreted as investment advice.**

## Total Fund Summary



Since December 31, 1992 the fund has an average rate of return of 7.68% (net) per year.

For the last five years the total fund return was 11.24% (net) per year, which was outperformed by the overall combined stock and bond benchmark return of 11.54%. For the last three years the total return was 9.08% and the benchmark return was 9.71%.

For the last five years the stock return was 17.65% and the bond return was a stellar 5.58%. For the last three years the stock return was 14.73% and bond return was 3.93%. For the year the stock return was 33.09% and bond return was -0.99%.

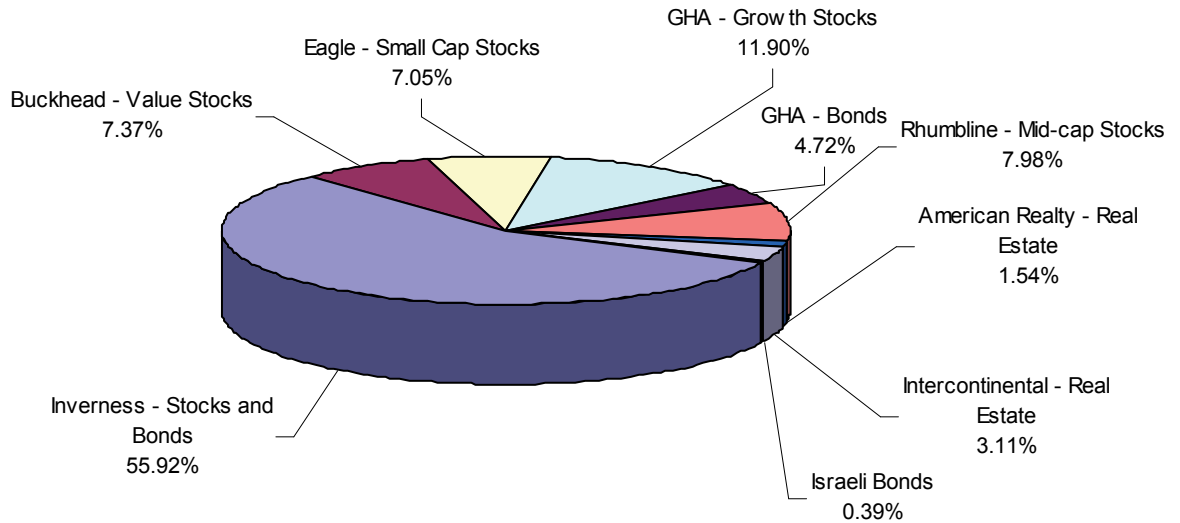
Our Investment Team has repeatedly stated that they will not change their investment style to chase a greater return. Long-term consistent returns are what we are looking for.

## Top Ten Stocks

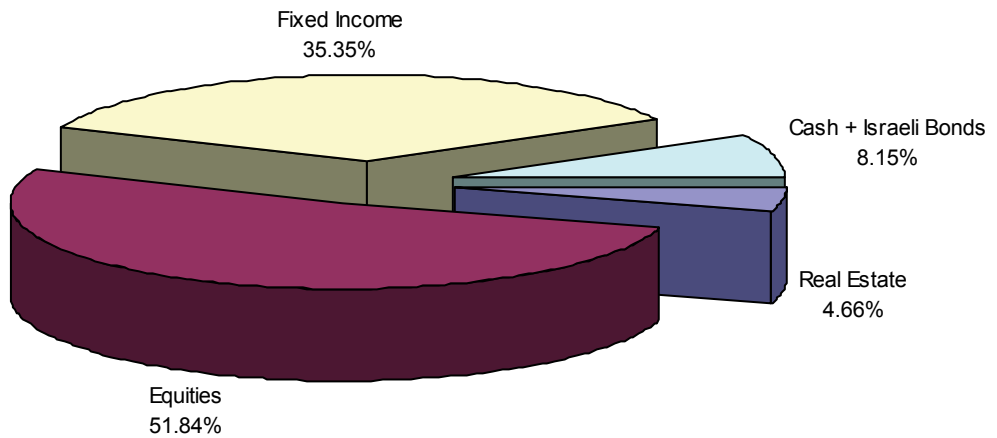
INVERNESS	GARCIA HAMILTON	EAGLE SMALL CAP	BUCKHEAD	RHUMBLINE
Google Gilead Sciences Roper Industries Liberty Global CVS-Caremark Petsmart Occidental Petroleum Liberty Media Carlisle Cos. Walt Disney	Apple Inc. Affiliated Managers Walt Disney Google Coca Cola Qualcomm Goldman Sachs Home Depot Roper Industries Blackrock Inc.	ICON PLC EchoStar Barnes Group PTC EnerSys Live Nation Entertainment Harbinger Group Cantel Medical Aspen Technology Coherent	GE Exxon Mobil Express Scripts Blackrock Pfizer US Bancorp Wells Fargo Comcast ConocoPhillips Sysco	Affiliated Managers Tractor Supply Co. Hollyfrontier Corp. Green Mountain Coffee Henry Schein Lkq Corp. Polaris Industries Church & Dwight Cimarex Energy 3-D Systems

# Track The Fund!

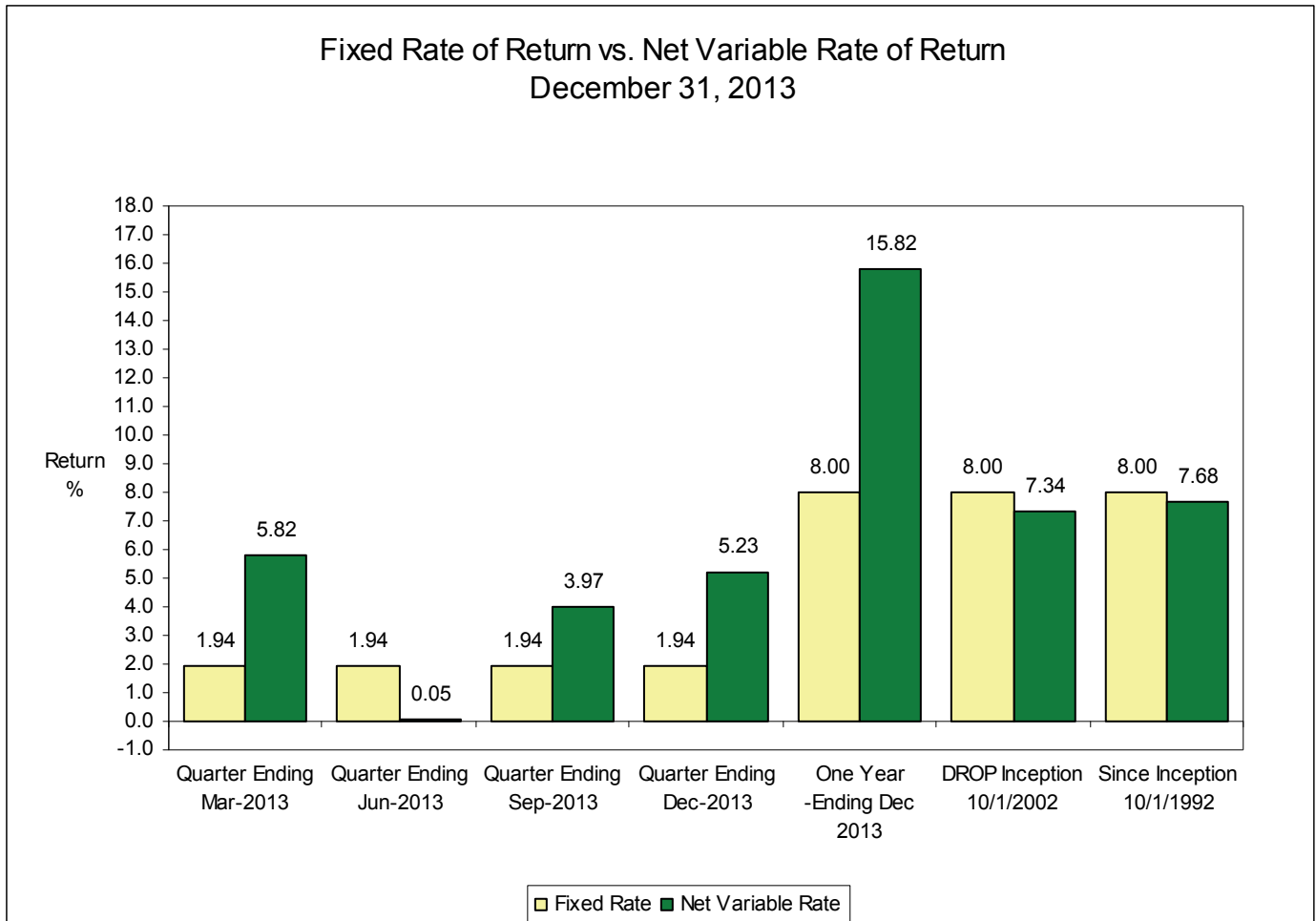
**Division of Assets by Investment Manager (including cash)  
December 31, 2013**



**Your Plan's Asset Allocation  
December 31, 2013**



# What does it all mean?



Since the Plan was gutted, the importance of this chart may not interest you. But in reality it should. The fact remains that over the long term the DROP has a negligible impact on pension costs. The updated chart compares the rate of return of the plan (VRR), to the fixed rate of return (FRR).

Prior to the *claim* of Financial Urgency and the subsequent public referendum, DROP participants made a personal selection upon entering the DROP to receive the VRR or the FRR for his/her DROP assets. DROP participants were able to alternate the rate of return applied to their account month to month, or stay with one investment return.

This chart also demonstrates that since inception, the minimum impact that the FRR has had to the Fund. For the last year, the chart exhibits how the VRR has out-paced the FRR by 782 basis points. That means that if a DROP Member selected the FRR he/she received 8% interest on his/her account, and the additional interest earned becomes an actuarial gain to the plan sponsor. Essentially it means the city earned 7.82% on that DROP account. Since the earliest measurement the DROP cost was a mere 0.32%.



# Retiree Corner

*Congratulations to our latest Retirees*

**Vincent R. Affanato**

**Robert Wolfkill**



**Peter Bober**  
Mayor

## CITY of HOLLYWOOD, FLORIDA

**Office of the Mayor and Commissioners**

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February 5, 2014

Lawrence Wiener

Hollywood, FL 33021-2022

Dear <sup>Larry</sup> ~~Mr. Wiener~~:

Thank you for your many years of service to the City of Hollywood's Police Officers' Pension Board. I acknowledge with gratitude the time and effort you have contributed as a member, but as allowed by Section 33.132(A) of the Hollywood Code of Ordinances, I will be appointing Melville Pollak as the Mayor's appointee to the Board. This action is in no way a reflection on the work you have done on the Board.

In recognition of your service to our community, I am pleased to present the enclosed Certificate of Appreciation. Thank you for your many years of service to the residents of Hollywood, and the time you have devoted to the Board. I wish you all the best.

Sincerely,

Peter Bober  
Mayor

- c: Vice Mayor and City Commissioners
- Cathy Swanson-Rivenbark, City Manager
- Frank Fernandez, Assistant City Manager/Chief of Police
- Jeffrey Sheffel, City Attorney

**Our Mission:** We are dedicated to providing municipal services for our diverse community in an atmosphere of cooperation, courtesy and respect. We do this by ensuring all who live, work and play in the City of Hollywood enjoy a high quality of life.


"An Equal Opportunity and Service Provider Agency"

NOTICE THE BOARD RECEIVED FROM THE CITY

CITY OF HOLLYWOOD  
INTEROFFICE MEMORANDUM  
OFFICE OF THE CITY COMMISSION

**DATE:** February 10, 2014 **FILE:** M - 1 4 - 0 1

**TO:** Patricia Cerny  
City Clerk

**FROM:**  Peter Bober  
Mayor

**SUBJECT:** Appointment of Melville Pollak to the Police Officers' Pension Board

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**EXPLANATION:**

As authorized by Section 33.132(A) of the Code of Ordinances, I am hereby appointing Hollywood resident, Melville Pollak, as the Mayor's appointee, to the Police Officers' Pension Board, effective immediately.

**RECOMMENDATION:**

Please take appropriate action to ensure Mr. Pollak is sworn in to the Board before the next Pension Board Meeting.

c: Vice Mayor Asseff and Commissioners  
Members of the Police Pension Board

*Don't Forget To Visit Us !!!*

[www.hollywoodpolicepensionfund.com](http://www.hollywoodpolicepensionfund.com)

**THE BOARD OF TRUSTEES**

**David Strauss, Chairman - CPPT**

**Cathy Marano, Secretary - CPPT**

**Paul Laskowski , Trustee - CPPT**

**Van Szeto, Trustee - CPPT**

**Christopher O'Brien, Trustee - CPPT**

**Richard Brickman, Trustee**

**Melville Pollak, Trustee**

Office & Mailing Address  
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*Out of town? - Please Call Toll Free: 866.738.4776*

Fax: 954.967.4387

**PLEASE TAKE THE TIME TO COMPLETE  
AND/OR UPDATE YOUR BENEFICIARY  
FORM.....**

**PROTECT YOUR LOVED ONES SHOULD  
TRAGEDY STRIKE!**

***Disclaimer***

The information contained herein is provided for informational purposes only. The foregoing information/summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but cannot guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes investment, tax and/or legal advice from the Board of Trustees and/or any and all entities thereof. Please consult your professional investment, tax and/or legal advisor for such guidance.

**In Closing....**

**In Memoriam**



Let us remember those who recently passed. Keep them and their family in your thoughts & prayers.

Virginia Malphurs (Widow of Woodrow Malphurs) HPD Member 1941- 1976

**Stay in the Loop - REMINDER**

The Board knows that you all lead busy lives, and do not have time to come to our meetings. In order to be transparent and keep you advised of Fund activity, Board minutes are being posted to our web site. So when you have the time stay in the loop and review the minutes on-line at your leisure.

**Electing the Planned Retirement Benefit Option**

To participate in the PRB you must make a written election no later than 60 days after reaching your normal retirement date. You are eligible for normal retirement beginning the first of the month after:

**If you had 10 or more years of service on September 30, 2011 (vested), the earlier of**

Reaching 22 years of credited service, or  
Reaching age 50.

**If you had less than 10 years of service on September 30, 2011 (non-vested), the earlier of**

Reaching age 52 with 25 years of credited service, or

Reaching age 55 with 10 years of credited service, and

Your written election to participate in the PRB will indicate the maximum number of years you may participate in the PRB and your latest employment termination date. The Office of Retirement is the location to file.

**DO NOT MISS THE DEADLINE**

**Summary Plan Description (SPD)**

The summary plan description is a document that outlines the benefits of the plan in plain language. Due to the referendum and the subsequent collective bargaining agreement, the entire SPD had to be recreated. The SPD is now in draft form and upon Board approval will be distributed. Please take the time to review and acquaint your self with your plan benefits.

**Election Update**

The Board of Trustees administered a pension election from February 24<sup>th</sup> thru March 3<sup>rd</sup>.

The results were tallied as follows:

Paul Laskowski	153 - <i>WON</i>
Cathleen Marano	120 - <i>WON</i>
Dennis Wynne	64

The Board thanks you for taking the time out to cast your vote!