

HOLLYWOOD POLICE OFFICERS' RETIREMENT SYSTEM

Office of Retirement
4205 Hollywood Blvd., Suite 4
Hollywood, Florida 33021

March 25, 2011

9:00 AM

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, March 25, 2011, at 9:05 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

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

Also present were Yvette Scott, City of Hollywood; Mike Harhai & John Swanson of Buckhead Capital; Steve Cypen, Board Attorney of Cypen & Cypen and David M. Williams, Plan Administrator.

Absent: L. Wiener. (Excused)

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 FEBRUARY 18, 2011 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the February 18, 2011, pension board meeting. Mr. Szeto made a motion to approve the Minutes of February 18, 2011 which was seconded by Mrs. Marano. All board members voted yes.

ADMINISTRATIVE REPORT

Mr. Williams presented the newly formatted Administrative Report to the Board.

DROP LOANS: Mr. Williams cited the respective member's loan requests. Outlined that the members have the funds in their personal DROP accounts to cover the loans and they have all been participants 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 DROP loans as noted, which was seconded by Mr. O'Brien. All board members voted yes.

REQUEST TO ENTER DROP: Mr. Williams advised that the following member requested to enter the DROP plan as outlined and have all executed the appropriate forms. The member will enter based on years of police service.

A. Thomas Nettina 03-07-2011

Mr. Szeto made a motion to allow the member to enter the DROP plan on the effective date noted. Mr. Laskowski seconded the motion. All board members voted yes.

TRUSTEE NOMINATION RESULTS: Mr. Williams indicated that an election was scheduled for March 1, 2011. On February 28, 2011 the only challenger formally requested that his name be withdrawn. That left the three incumbents, who nominated themselves to the Board. As such no formal election was necessary. As such, Mr. David Strauss, Mr. Van Szeto and Mr. Chris O'Brien were reappointed for another term. Written notice was provided to the city clerk.

ATTORNEY'S REPORT

Mr. Cypen highlighted the latest update to SB 1128, in particular the use of Chapter 185 Funds.

QUARTERLY INVESTMENT REPORT- Buckhead Capital

Mr. Mike Harhai & Mr. John Swanson appeared before the Board to review the Buckhead Capital Portfolio. Mr. Harhai stated the market value of Buckhead Account was at \$15,452,338, as of December 31, 2010. In the last quarter (which is also the fiscal year return). Mr. Harhai indicated the investment return was 6.48%, compared to the Russell 1000 Value of 10.54%. For the trailing 12 months, the Buckhead Account returned 7.36%, compared to 15.51% for the Russell 1000 Value. On the 3 & 5 year returns, the Buckhead Account return was -1.88% & 1.50, compared to the benchmark cited which returned -4.42% & 1.28%.

Mr. Swanson outlined their performance drivers & detractors. He outlined the portfolio sector diversification as well as the characteristics. It was conveyed that although Buckhead Capital's Value Equity composite portfolio gained in the fourth quarter, it trailed the Russell 1000 Value benchmark's return (as outlined above). After significantly out performing its benchmark in 2008 and 2009, the Value Equity portfolio lagged its benchmark in 2010. With lower quality stocks (poor earnings consistency, higher leverage, lower dividend) leading the market, particularly in the third and fourth quarters, the higher quality oriented portfolio (such as Buckhead Capital) failed to keep up.

Mr. Swanson reflected that performance relative to the benchmark in the fourth quarter was also hurt by stock selection in the Financial (Bank of America, H&R Block) and Technology (Amdocs, Cisco) sectors and an overweight position in Healthcare. Stock selection in Consumer Discretionary (Comcast), Financial (Raymond James, New York Community Bank) and Material (Dow) sectors and an under weight position in Financials all made positive contributions to relative performance.

NEW BUSINESS

Mr. Williams indicated that a current Bond holding with the Development Corporation for Israel was maturing April 1, 2011. The maturing Bond was held for five years and the face amount was \$250,000.00. Mr. Williams indicated that he conversed with Mr. McCann of Thistle Asset Consultants with regard the renewal. Mr. McCann suggested the Bond be renewed for \$250,000.00. He further advised the Board should consider the five year floating LIBOR Bond.

After the foregoing presentation, Mr. Brickman made the motion to purchase a new Bond as suggested by our investment consultant (Amount: \$250,000.00, Term: Five Year Floating LIBOR Bond). This motion was seconded by Mrs. Marano. All board members voted yes.

OPEN BOARD DISCUSSION

- Mr. Strauss briefed the Board about reallocating assets based on our investment guidelines. Mr. Strauss felt this would be an opportunity for the Board to consider further diversification in the bond arena by expanding the role of Garcia Hamilton. Mr. Strauss indicated that Mr. McCann will be making a presentation at the April 29th meeting. The representative from Garcia Hamilton will also be present and poised to respond as well.
- Mr. Williams reported that our current lease is set to expire this year. Mr. Pat Mason (Sun Credit Union) provided a proposal after negotiations with Mr. Williams as follows:

Current Base Rent: \$13.72	Proposed Base Rent for 2011-12: \$11.00
	2012-13: \$11.44
	2013-14: \$11.90
	2014-15: \$12.50
	2015-16: \$13.00

Additionally, the current CAM charge for (electric, trash, insurance & taxes) is \$2.88. The revised CAM is truly valued at \$7.06 for 2011-12. Each year the CAM would be re-examined by Mr. Mason and adjusted accordingly.

The Board was satisfied with the negotiations and asked Mr. Williams to obtain a lease agreement for Mr. Cypen to review.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 9.40 A.M.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairman