

# HOLLYWOOD POLICE OFFICERS' RETIREMENT SYSTEM

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

April 29, 2011

9:00 AM

## MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, April 29, 2011, at 9:05 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT: C. Marano, Acting Chairperson, P. Laskowski, C. O' Brien, L. Wiener, R. Brickman and V. Szeto

Also present were Yvette Scott, City of Hollywood; John McCann of Thistle Asset Consulting Group; Janna Hamilton of Garcia Hamilton; Alison Bieler, Board Attorney of Cypen & Cypen (telephonically) and David M. Williams, Plan Administrator.

Absent: D. Strauss, (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 MARCH 25, 2011 MEETING

Mrs. Marano asked if there were any additions or corrections to the Minutes of the March 25, 2011, pension board meeting. Mr. Laskowski made a motion to approve the Minutes of March 25, 2011 which was seconded by Mr. Szeto. All board members voted yes.

### ADMINISTRATIVE REPORT

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

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

A.	Jack Anterio	05-02-2011
B.	David Daly	05-02-2011

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

ATTORNEY'S REPORT

No Attorney Report Provided

QUARTERLY INVESTMENT REPORT

Garcia Hamilton and Associates

Mrs. Hamilton advised for the quarter that ended March 31, 2011, the portfolio returned 5.3% for the equities compared to the Russell 1000 Growth Index of 6.0%. On the fiscal year basis, the account returned 19.2% for the equities, in comparison to the Russell 1000 Growth Index of 18.6%. For the last twelve months, the account returned 20.1% for the equities, in comparison to the Russell 1000 Growth Index of 18.3%. The account was valued at \$29,846,539 as of March 31, 2011. Mrs. Hamilton provided a market commentary and market outlook.

INVESTMENT MONITOR REPORT – Thistle Asset Consulting

**Reallocation of Assets:** Mr. McCann outlined that the portfolio was out of balance and was over weighted in equities by 3.0%. This was caused by the stellar performance of our equity managers. Mr. McCann proposed expanding the role of Garcia Hamilton & Associates by adding a Fixed Income Intermediate Bond component (Barclays Capital Aggregate Bond Index). Mr. McCann indicated that the portfolio should be funded by transferring 7 million currently in the Garcia Hamilton Equities Account and future funding of (4 million) from new contributions until being funded a total of 11 million. Mr. McCann advised the performance of Garcia Hamilton was outstanding. Further stated the type of fixed product sought would compliment our existing bond portfolio of Inverness Counsel.

Mrs. Hamilton prepared a presentation of the Garcia Hamilton – Fixed Income Management. That presentation contained their goals and philosophy, their investment methodology and portfolio characteristics & performance. Mrs. Hamilton indicated Garcia Hamilton would manage the account for 25 basis points.

The Board discussed the matter and Mr. Wiener voiced opposition to the move to fixed income due to concerns over inflation and market conditions.

Mr. Brickman felt that the Board should follow the advice of Mr. McCann and expand the role of Garcia Hamilton & Associates. As such, Mr. Brickman made the motion to retain the services of Garcia Hamilton & Associates as a Fixed Income Intermediate Bond manager. This motion was seconded by Mr. Szeto. The motion carried 5-1 with Mr. Wiener dissenting.

**Investment Policy:** Mr. McCann presented changes to the Board's Investment Policy and Guidelines as follows in bold or struck-out: **The Total Fund: Beginning July 1, 2011, the performance of the portfolio will be compared to the return of a portfolio comprised of 24% of the S&P500 Index, 4% Russell 2000 Small Cap Index (R2000), 10% of the Russell 1000 Growth Index (R1000G), 7% of the Russell 1000 Value Index (R1000V), 5% S&P400 MidCap Index, 20.5% of the Barclays Capital Government Credit Index (BCGC), 20.5% of the Barclays Capital Intermediate Government Credit Index (BCIGC), 5% of the Barclays Capital Intermediate Aggregate Index(BCIAB) & 4% TBill.**

Total Fixed Income Portfolio: **Beginning July 1, 2011, the performance of the total fixed income portfolio will be compared to the return of a portfolio comprised of 44.5% BCGC, 44.5% BCIGC and 11% BCIAB.**

Total Fund Performance: **Beginning July 1, 2011, the performance of the portfolio will be compared to the return of a portfolio comprised of 35% S&P500 Index, 30% of the BCGC Index, 30% BCIGC & 5% TBill.**

As Inverness is the sole ~~main~~ Fixed Income manager, as of ~~October 1, 2009~~ **July 1, 2011**, their Total Fund portfolio will have a minimum allocation to Fixed Income of ~~fifty five percent (55%)~~ **fifty percent (50%)** and a maximum allocation of one hundred percent (100%).

Investment Guidelines: The portfolio may be invested up to one hundred percent (100%) in equities. **Beginning July 1, 2011 the portfolio may be invested in sixty-six point seven percent (66.7%) in equities and thirty-three point three percent (33.3%) in fixed income securities (subject to the Investment Guidelines section shown above).**

Returns will be measured against appropriate indexes and universes reflecting a large capitalization equity growth style. For this purpose, the manager has indicated that the appropriate index is the Russell 1000 Growth Index (R1000G) **and the Barclays Capital Intermediate Aggregate Bond Index (BCIAB).**

Mr. McCann indicated that these changes were reviewed by the Board Attorney, Mr. Steve Cypen who concurred with the changes.

Mr. Brickman made the motion to change the Investment Guidelines as proposed, with an effective date of July 1, 2011. This motion was seconded by Mr. Laskowski. All Trustees voted yes.

Mr. McCann indicated as Garcia Hamilton would not be considered a balanced manager, a new account would have to be open with our custodian. Mr. Laskowski made the motion to authorize & direct Mr. Williams to open a new account for the new Garcia Hamilton Bond Portfolio, when administratively practical. This motion was seconded by Mr. O'Brien. All Trustees voted yes.

Mr. Williams stated that he would need the authority to redirect new contributions from Inverness Counsel to the Garcia Hamilton Bond Portfolio when administratively practical. Mr. Szeto made the motion to authorize & direct Mr. Williams to redirect 4 million dollars in new contributions from the Inverness Counsel Portfolio to the Garcia Hamilton Bond Portfolio when deemed appropriate. Mr. Szeto's motion also advised Mr. Williams to continue making Fund payments from the Inverness Counsel Account. Furthermore, once the 4 million was transferred, to revert back the new contributions to Inverness Counsel. The foregoing motion was seconded Mr. O'Brien. All Trustees voted yes.

Mr. McCann advised that he would report the March 31, 2011 results at the May 20, 2011 meeting.

ACTUARIAL VALUATION REPORT

Mr. Williams informed the Board that representative's from Cavanaugh Macdonald Consulting, LLC. advised him that the October 1, 2010 report was not complete, therefore no report will be presented at this meeting.

OPEN BOARD DISCUSSION

Mr. Wiener made an announcement that he was a principal of a financial institution. The unnamed institution had no affiliation with his duties as a "Board Trustee" and that there was no conflict directly or indirectly. Mr. Wiener felt obligated to disclose this at a public meeting.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 9.55 A.M.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairman