

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

August 19, 2011

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, August 19, 2011, at 9:00 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, V. Szeto and P. Laskowski.

Also present were Micheline Vitale, City of Hollywood; John McCann and Brendon Vavrica – Thistle Asset Consulting; Janna Hamilton of Garcia Hamilton; Robert Maddock, III – Inverness Counsel; Steve Cypen, Board Attorney and Dave Williams, Plan Administrator.

Excused Absence: R. Brickman

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 JULY 29, 2011 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the July 29, 2011 pension board meeting. Mr. Laskowski made a motion to approve the Minutes of the July 29, 2011 pension board meeting, which was seconded by Mr. O'Brien. All board members voted yes.

ATTORNEY'S REPORT

Mr. Cypen advised the Board that the court's findings in the Miami Beach case solidifies the Boards position on the ordinance change, requiring a referendum.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

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

Mr. Williams advised the release of the state funds expected on or about August 22, 2011. The sum of the distribution is \$1,052,884.62.

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Mr. Williams also highlighted the supplemental information included in the Trustee's packets.

RHUMBLINE – NOTICE OF ASSIGNMENT

The Board was also apprised of a change of ownership interest in Rhumbline (mid cap index manager). Mr. Cypen indicated that the change would have no effect in the existing relationship. Rhumbline submitted an assignment letter for the Board to execute. Mrs. Marano made the motion to accept the change in assignment and directed the Chairman to execute the letter on behalf of the Board. Mr. Laskowski seconded the motion. All board members voted yes.

QUARTERLY PRESENTATIONS

Garcia Hamilton and Associates

Mrs. Hamilton advised for the quarter that ended June 30, 2011, the portfolio returned -1.1% for the equities compared to the Russell 1000 Growth Index of 0.8%. On the fiscal year basis, the account returned 18.2% for the equities, in comparison to the Russell 1000 Growth Index of 19.5%. For the last twelve months, the account returned 34.0% for the equities, in comparison to the Russell 1000 Growth Index of 35.0%. The account was valued at \$22,140,809.92 as of June 30, 2011. Mrs. Hamilton provided a market commentary and market outlook. Also highlighted was the rising middle class in emerging markets, which is forecasted to increase the demands on western goods.

Inverness Counsel, Inc.

Mr. Maddock provided the Board with a performance review of the quarter which ended June 30, 2011. Equity sector weightings were detailed, as were Bond attributes. A market recap followed.

For the quarter that ended June 30, 2011, the account was valued at \$144,647,000. For the quarter the portfolio returned -2.62% for the equities and 2.18% for fixed income vs. the benchmark returns of 0.10% and 2.22% respectively. On the fiscal year basis, the account returned 1.16% for the fixed income, in comparison to the benchmark return of 0.68%. For the same period, the equity portion of the account returned 13.27% compared to the benchmark return of 17.43%. For the last twelve months, the account returned 26.04% for the equities, in comparison to the benchmark of 30.68%.

Thistle Asset Consulting

Mr. McCann advised that due to the recent volatile events in the market, he will be bringing an asset allocation and equity analysis to the next quarterly meeting for purposes of rebalancing the portfolio.

Mr. McCann advised that as of June 30, 2011 the system had 51.4% in equities, 45.8% in fixed income, and the balance in cash. As of June 30, 2011, Inverness Counsel held 65.2% of the portfolio, Garcia Hamilton had 13.1%, Eagle had 9.5%, Rhumbline had 4.2%, Buckhead had 7.3%, and the Israel Bonds were at 0.6%. The total assets were valued at \$221,859,000. For the quarter, Mr. McCann stated that the total fund returned -0.14% vs. 0.99% compared to the target index.

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The fund returned 9.15% v. 9.51% for the fiscal year to date through June 30, 2011. For the longer term (*five year period*), the fund ranked in the top 14th percentile returning 5.15% vs. 4.93%.

Mr. Vavrica gave an estimate on the fiscal year return of the portfolio as of August 18, 2011. Due to the dismal events of late in the market, the fiscal year portfolio return is approximately 1%.

OPEN DISCUSSION

Mr. Williams updated the Board on the August 7th, 2011 revised results of the frozen pay impact statement from Mr. Jose Fernandez.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 10:00 A.M.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairperson