

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

**May 18, 2012**

**MINUTES**

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, May 18, 2012, at 9:03 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 R. Brickman.

Also present were Kee Eng, City of Hollywood; John McCann - Thistle Asset Consulting; Ana Lopez, Henry Renard and Robert Maddock, III – Inverness Counsel; Steve Cypen, Board Attorney and Dave Williams, Plan Administrator.

Excused Absence: P. Laskowski

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 APRIL 27, 2012 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the April 27, 2012 pension board meeting. Mr. Szeto made a motion to approve the Minutes of the April 27, 2012 pension board meeting, which was seconded by Mr. O'Brien. All board members voted yes.

ATTORNEY'S REPORT

No formal report provided.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

DROP LOANS: Mr. Williams cited the respective member's loan requests. Mr. Williams 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. Mrs. Marano made a motion to approve the DROP loans as noted, which was seconded by Mr. Szeto. All board members voted yes.

Mr. Williams provided all Trustees a copy of the 2011 Pension Survey for review and consideration. As a matter of transparency, the report will also be published on the fund web site.

## QUARTERLY PRESENTATIONS

### Thistle Asset Consulting

Investment Guidelines: Mr. McCann provided and reviewed the proposed changes (highlighted in bold below) to the investment guidelines:

#### INVESTMENT PERFORMANCE OBJECTIVES - QUARTERLY EVALUATION

##### **The Total Fund**

**Beginning July 1, 2012, the performance of the portfolio will be compared to the return of a portfolio comprised of 19% 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, 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 Equity Portfolio**

**Beginning July 1, 2012, the performance of the total equity portfolio will be compared to the return of a portfolio comprised of 38% S&P500, 14% R2000, 20% R1000G, 14% R1000V & 14% S&P400.**

##### **For Inverness Counsel**

The below listed performance measures will be used as objective criteria for evaluating effectiveness of the investment manager.

##### **Total Fund Performance**

**Beginning July 1, 2012, the performance of the portfolio will be compared to the return of a portfolio comprised of 30% S&P500 Index, 32% of the BCGC Index, 32% BCIGC & 6% TBill.**

Mr. Brickman made a motion to accept and approve the proposed changes after general board discussion. The motion was seconded by Mr. O'Brien. All board members voted yes. Mr. Williams was advised to make the required notice to the plan sponsor, the Actuary and the State of Florida.

Quarterly Review: Mr. McCann advised that as of March 31, 2012 the system had 52.8% in equities, 43.7% in fixed income, and the balance in cash. As of March 31, 2012, Inverness Counsel held 63.5% of the portfolio, Garcia Hamilton had 15.5%, Eagle had 5.7%, Rhumblin had 7.0%, Buckhead had 7.7%, and the Israel Bonds were at 0.5%.

The total assets were valued at \$233,397,000. For the quarter, Mr. McCann stated that the total fund returned 7.17% vs. 6.50% compared to the target index. That return placed the fund in the 67<sup>th</sup> percentile.

The fund returned 14.12% v. 13.47% for the fiscal year to date through March 31, 2012. That return ranked the fund in the 76<sup>th</sup> percentile. For the longer term (*five year period*), the fund ranked in the top 22<sup>nd</sup> percentile returning 4.33% vs. 4.19%.

Manager Search: Mr. McCann presented a real estate search for the Board to consider. Real estate was presented as further diversification to the investments. Mr. McCann stressed real estate should be considered a long term investment. The key to real estate investing discussed was the entry point into the market and if and when the exit point would be. The firms presented for consideration by Mr. McCann was American Realty Advisors and Intercontinental Real Estate Corp. The Board by census agreed to move forward on this issue at the next meeting.

Inverness Counsel, Inc.

Mr. Renard & Mr. Maddock provided the Board their positions relative to the economy, as well as the investment markets on the national and international level. A market recap followed.

For the quarter that ended March 31, 2012, the account was valued at \$149,317,000, for the quarter the portfolio returned 13.24% for the equities and 1.39% for fixed income vs. 12.59% and 0.35% respectively.

For the fiscal year, the Inverness portfolio returned 29.36% for the equities, in comparison to the S&P 500 which returned 25.89%. The fixed assets for the same time period returned 2.64%, compared to the target of 1.36%.

OPEN DISCUSSION

Mr. Williams reminded the Trustees to complete the annual financial disclosures.

Mr. Williams also stated that the Actuarial valuation was expected to be presented at the next meeting.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 10:20 A.M.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairperson