

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

August 17, 2012

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, August 17, 2012, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman, C. Marano, Secretary, R. Brickman, V. Szeto and P. Laskowski.

Also present were Mitchell Stone - member of public; Kee Eng, City of Hollywood; John McCann and Brendon Vavrica – Thistle Asset Consulting; Janna Hamilton of Garcia Hamilton; Henry Renard & Robert Maddock, III – Inverness Counsel; Steve Cypen, Board Attorney and Dave Williams, Plan Administrator.

Excused Absence: C. O'Brien & L. Wiener

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 JUNE 29, 2012 & JULY 27, 2012 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the June 29, 2012 pension board meeting. Mr. Szeto made a motion to approve the Minutes of the June 29, 2012 pension board meeting, which was seconded by Mr. Laskowski. All board members voted yes.

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

ATTORNEY'S REPORT

Lyle Bien – DROP Issue: Back up material provided to the Trustees. Mr. Cypen spoke about the communication from the city with regard to Mr. Bien entering the DROP. Mr. Cypen indicated that his opinion differed from the city attorney.

Granteed, Legacki & McGarry - Coordination of Benefits: Back up material provided to the Trustees. Mr. Cypen advised that he was contacted by Mr. Ronald Cohen, Attorney for the cited members. Mr. Cypen indicated that Mr. Cohen asked for a continuance of this matter as he was unable to attend. No further discussion ensued.

Hollywood Police Officers' Retirement Board - Minutes

August 17, 2012

Page 2 of 3

INFORMAL DISABILITY HEARING – Ivette Buoni

The independent medical evaluation of Dr. Hammerman & Dr. Worth was provided to the Board for back-up material. Mr. Cypen suggested that the matter be tabled, as we were awaiting an additional independent medical review and a ruling from Chief Wagner on a position for this member. Matter tabled, no further discussion ensued.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

DROP LOAN: 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. Brickman made a motion to approve the DROP loan as noted, which was seconded by Mr. Szeto. All board members voted yes.

Mr. Williams distributed written notice of approval from the State of Florida – Office of Municipal Police Officers' & Firefighters' Retirement Trust Funds. The memorandum was dated August 13, 2012. The status of the payment is unknown at this juncture.

QUARTERLY PRESENTATIONS

Garcia Hamilton and Associates

Mrs. Hamilton appeared before the Board and discussed the investment return for the Equity and Fixed Income Accounts.

Mrs. Hamilton advised for the quarter that ended June 30, 2012 the equity portfolio returned -5.7% for the equities, compared to the Russell 1000 Growth Index -4.0%. For the last twelve months, the account returned 3.9% for the equities, in comparison to the Russell 1000 Growth Index of 5.8%. For the fiscal year, the equity portfolio returned 19.1% for the equities, compared to the Russell 1000 Growth Index 21.8%. On a longer term basis of 3 years, the account returned 15.2% for the equities, in comparison to the Russell 1000 Growth Index of 17.5%. The account was valued at \$23,719,000 as of June 30, 2012.

Mrs. Hamilton indicated that for the quarter that ended June 30, 2012, the fixed income portfolio returned 1.3%, which was in line with the benchmark. Since the portfolio inception date of June 30, 2011, the fixed income return was 5.9%, compared to the Barclays Capital Intermediate Aggregate of 5.3%. The account was valued at \$11,606,000 as of June 30, 2012.

Inverness Counsel, Inc.

Mr. Maddock & Mr. Renard provided the Board with a performance review of the quarter which ended June 30, 2012. Equity sector weightings were detailed, as were Bond attributes. A market recap followed.

Mr. Maddock advised for the quarter that ended June 30, 2012 the equity portfolio returned -4.73% for the equities, compared to the S&P 500, which returned -2.75%. For the last twelve months, the account returned 3.16% for the equities, in comparison to 5.45% for the same benchmark.

Hollywood Police Officers' Retirement Board - Minutes

August 17, 2012

Page 3 of 3

For the fiscal year, the equity portfolio returned 23.24% (Top 8%tile) for the equities, compared to the S&P 500 return of 22.43%. On a longer term basis of 3 years, the account returned 13.28% for the equities, in comparison to the S&P 500, which returned 16.40%. The account was valued at \$48,323,000 as of June 30. 2012.

Mr. Maddock indicated that for the quarter that ended June 30. 2012, the fixed income portfolio returned 1.47%, compared to the Broad Fixed & Intermediate Fixed Benchmark of 2.02%. For the fiscal year, the fixed portfolio returned 4.15% compared to the same policy return of 3.41%. On a longer term basis of 3 years, the account returned 7.22%, in comparison to the policy return 6.57%. The account was valued at \$48,323,000 as of June 30. 2012.

Thistle Asset Consulting

Mr. McCann advised that as of June 30, 2012 the system had 52.0% in equities, 46.5% in fixed income, and the balance in cash. As of June 30, 2012, Inverness Counsel held 63.3% of the portfolio, Garcia Hamilton had 15.8%, Eagle had 5.7%, Rhumblin had 7.0%, Buckhead had 7.7%, and the Israel Bonds were at 0.6%. The total assets were valued at \$223,576,000. For the quarter, Mr. McCann stated that the total fund returned -2.07% vs. -0.65% compared to the benchmark.

The fund returned 11.76% v. 12.73% for the fiscal year to date through June 30, 2012. For the longer term (*three year period*), the fund returned 10.39% vs. 11.79% for the benchmark.

REAL ESTATE INVESTMENT – MANAGER SELECTION & FUNDING

Members discussed moving forward in this matter. By consensus the Board did not feel the need to make a selection at this point, as the fund would miss the next queue for funding either manager. Mr. Williams advised that he was contacted by Mr. O'Brien, who advised him that he would like to retain both firms due to the investment style difference and fund them at the recommended level. The members also felt that it was important that they hear from the city's representative, Mr. Wiener in this matter. Mr. Vavrica advised the next funding queue would be January 2013 and would be attainable. No further action taken, matter tabled.

OPEN DISCUSSION

No formal discussion

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:15 A.M.

The next scheduled meeting is September 28, 2012 at 10:30 AM.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson