

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

May 16, 2014

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, May 16, 2014, at 10:41 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, M. Pollak and V. Szeto

Excused Absence: P. Laskowski and R. Brickman

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

PUBLIC COMMENT

No public comments presented

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 25, 2014 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of April 25, 2014. Mr. Szeto made a motion to approve the Minutes of April 25, 2014 which was seconded by Mr. O'Brien. All board members voted yes.

ATTORNEY'S REPORT

Mr. Cypen had no formal report, but indicated the ruling of the 4th DCA was being actively pursued.

ADMINISTRATIVE REPORT

Mr. Williams advised the Board that he received an unsigned letter from Mr. Lyle Bien, Mr. Mark Ruggles and Mr. Derrick Austin. The letter is asking that they receive a refund of their contributions since they are in the DROP and the city continues to withhold pension contributions at 9.25%. Mr. Williams advised that they were still involved in a law suit with the city as well. Mr. Williams voiced concern about refunding the contributions, and then the members attempting to subsequently enter the Planned Retirement Program (PRB) where contributions are required. Mr. O'Brien made a motion to approve the refund through Official Warrants on a quarterly basis, if the members sign a release that they will not attempt to enter the (PRB). This motion was seconded by Mrs. Marano. All board members voted yes.

Mr. Williams advised that for the first time since Mr. Brickman was appointed to the Board, he was required to re-apply for his position as city commission representative. The commission meeting is June 25, 2014.

QUARTERLY INVESTMENT PRESENTATIONS

Inverness Counsel, Inc.

Mr. Maddock & Mr. Rockford provided the Board with a performance review of the quarter which ended March 31, 2014. Mr. Maddock detailed the top ten equity holdings as well as equity sector weightings. Market performance by sector was also cited, with consumer discretionary being down by -4.1% for 2014, in comparison to utilities being up 14.8% for the same time period. On the Bond side Mr. Rockford cited that yields fell in all sectors of the fixed income market as investors pursued safety. Quantitative easing was also cited as a factor that drove the yields even lower.

Highlights of the presentation included:

Mr. Maddock advised for the quarter that ended March 31, 2014 the equity portfolio returned 2.15% for the equities, compared to the S&P 500 which returned 1.81%. According to the Thistle report for the same time period, that investment return ranked in the TOP 22 percentile. For the fiscal year, the account returned 12.76% for the equities (Top 19 percentile), in comparison to 12.51% for the same benchmark. For the last twelve months, the account returned 24.55% for the equities (Top 20 percentile), in comparison to 21.86% for the same benchmark.

On a longer term basis of three years, the account returned 14.70% for the equities, in comparison to the S&P 500, which returned 14.66%. The account was valued at \$45,657,000 as of March 31, 2014.

Mr. Rockford indicated that for the quarter that ended March 31, 2014, the fixed income portfolio returned 1.35%, compared to the Broad Fixed & Intermediate Fixed Benchmark of 1.49%. For the last twelve months, the fixed portfolio returned -0.41% compared to the same policy return of -0.19%. On a longer term basis of three years, the account returned 3.95%, in comparison to the policy return 3.67%. The account was valued at \$86,878,000 as of March 31, 2014.

Thistle Asset Consulting

Mr. John McCann appeared before the Board and presented the March 31, 2014 investment report. Mr. McCann advised that as of March 31, 2014 the system had 52.3% in equities, 38.9% in fixed income, 6.1% in real estate and the balance in cash. As of March 31, 2014, Inverness Counsel held 53.6% of the portfolio, Garcia Hamilton had 16.6%, Eagle had 7.3%, Rhumblin had 8.3%, Buckhead had 7.7%, American Realty had 3.0%, Intercontinental Realty had 3.1% and the Israel Bonds were at 0.4%. The total assets were valued at \$258,365,000. For the quarter, Mr. McCann stated that the total fund returned was 1.43% vs. 1.72% compared to the benchmark. The total fund returned 6.73% vs. 6.64% on the fiscal year basis. The total fund returned 11.02% vs. 10.80% for the last twelve months. For the longer term (*five year period*), the total fund returned 12.47% vs. 13.19% for the benchmark, but handily beat the assumed rate of return. An overview of the managers was provided to the Board to consider, but Mr. McCann made no recommendations at this juncture.

Mr. McCann congratulated Garcia Hamilton & Associates for their accomplishment of being named the Institutional Investor 2014 Fixed Income Manager of the Year.

OPEN DISCUSSION

No discussion ensued

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:35 A.M.

The next scheduled meeting is June 27, 2014 at 10:30 AM.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairperson