

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

April 24, 2015
10:30 AM

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, April 24, 2015, at 10:30 AM, in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT: D. Strauss, Chairman, C. Marano, Secretary; Chris O'Brien, R. Brickman, M. Pollak and V. Szeto.

Excused Absence: P. Laskowski

Also present were Kee Eng, City of Hollywood; Edward Rick, Eagle Asset Management; Steve Cypen, Board Attorney of Cypen & Cypen, and David M. 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 MARCH 27, 2015 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of March 27, 2015. Mr. Szeto made a motion to approve the Minutes of March 27, 2015 which was seconded by Mr. Brickman. All board members voted yes.

ATTORNEY'S REPORT

Mr. Cypen briefed the Board on the Walter Headley Jr., et al. v. City of Miami Case. Mr. Williams noted that he placed a link on the pension website.
<http://wfsu.org/gavel2gavel/viewcase.php?eid=2234>

ADMINISTRATIVE REPORT

Mr. Williams thanked Mr. Fernandez and Mr. Cypen for their respective efforts preparing for and attending the April 9, 2015 pension workshop.

Mr. Williams presented the Administrative Report to the Board.

DROP/PRB Loans: Mr. Williams cited the respective member(s) loan request. He outlined that each member(s) have the funds in his/her personal DROP/PRB account to cover the loan(s) and he/she has been a participant in the DROP/PRB plan for the required amount of time. No conflict exists with the 12-month rule. Mr. Brickman made a motion to approve the loans as noted, which was seconded by Mr. O'Brien. All board members present voted yes.

Equipment: Mr. Williams indicated that he would like permission to purchase and replace two desktops and one laptop that were all beyond their useful life. Mr. O'Brien approved up to \$3,000.00 for the devices based on an IT quote. This motion was seconded by Mr. Szeto. All board members present voted yes.

ACTUARIAL VALUATION REPORT

Matter Tabled until the May 22, 2015 Meeting.

QUARTERLY INVESTMENT REPORT- Eagle Asset

Mr. Edward Rick appeared before the Board to discuss the market and the portfolio return for the period ending March 31, 2015.

Mr. Rick reported that the Russell 2000 Index was up 4.3 percent in the first quarter. In the index, the health care sector (up 12.4 percent) leading individual-sector performance, followed by information technology (5.5 percent). Energy and telecommunication services were the weakest sectors, with both down 0.6 percent. The market experienced fantastic returns in the biotech industry (15 percent).

Mr. Rick began the portfolio review. The Eagle Account was at \$20,732,315 as of March 31, 2015. Since inception (01-08-03) the Eagle Small Cap Account realized an annualized net return of 11.55%. For the quarter ending March 31, 2015, Eagle Small Cap Account returned 5.41% (net), compared to 4.32% for the Russell 2000. The 3 & 5 Year returns were valued at 15.67% & 14.95% in comparison to the benchmark returns of 16.27% & 14.57% respectively.

The portfolio outpaced the benchmark Russell 2000 Index in the quarter primarily due to our information technology and financial sectors. In information technology, the software and communications equipment industries held the best returns for portfolios. In the financials sector, real-estate-related industries and insurance drove relative outperformance. Consumer discretionary was a source of weakness as holdings in catalog retail and diversified consumer service underperformed. The consumer staples sector was a small source of underperformance as household products and personal products were detractors.

OLD BUSINESS

A. Private Equity Update – Brendon Vavrica

Mr. Vavrica joined the meeting via conference call. He presented an asset allocation analysis. Various assumption scenarios were considered. At the conclusion of the presentation, the Board by consensus agreed to further consider an allocation in private equity and international at the May 22, 2015 meeting.

OPEN BOARD DISCUSSION

Israel Bond: Mr. Williams advised the Board that a Bond (valued at \$250,000) was maturing at the end of April. The Board was provided the latest rate sheet to consider. After doing so, the Board (by consensus) felt it would be in the best interest of the Plan to hold off on reinvesting until the rates improve.

Pension Workshop: Mr. Pollak was asked to provide his perspective from the April 9, 2015 pension workshop. Mr. Pollak indicated that all the actuaries were on the same page with the issues. That no matter what action the city commission takes with the active membership, it would not have an affect on the retired members which make up 85% of the liability. Mr. Pollak felt the session was much more informative compared to the March 2, 2015 workshop. This sentiment was echoed by other Trustees who were present or viewed the meeting(s) on-line.

Investment Policy Guidelines: During his telephone conference, Mr. Vavrica reviewed the changes to the investment policy as a result of the impending termination of Buckhead Capital and the retention of Snow Capital and Wells Capital.

Mrs. Marano made a motion to accept the changes and file accordingly. This motion was seconded by Mr. Szeto. All board members present voted yes.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:28 AM.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairman