

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

March 25, 2016
10:30 AM

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, March 25, 2016, at 10:30 AM, in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT: D. Brickman, Acting Chair, P. Laskowski, M. Pollak, V. Szeto, and C. O'Brien.

Also present were Kee Eng, City of Hollywood; Tom Galfano, Wells Fargo 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 FEBRUARY 19, 2016 MEETING

Mr. Brickman asked if there were any additions or corrections to the Minutes of the February 19, 2016 pension board meeting. Mr. Laskowski made a motion to approve the Minutes of February 19, 2016 which was seconded by Mr. O'Brien. All board members voted yes.

ATTORNEY'S REPORT

No formal report provided by Mr. Cypen.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

DROP/PRB Loans: Mr. Williams cited the respective member's loan requests. He outlined that each member has the funds in his/her personal DROP/PRB account to cover the loans 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. O'Brien made a motion to approve the loans as noted, which was seconded by Mr. Szeto. All board members present voted yes.

R-PRB Approval: Mr. Williams cited the entry date, benefit and option selected by the Member cited below.

- Cathleen Marano

Mr. Laskowski made a motion to approve the foregoing as noted, which was seconded by Mr. O'Brien. All board members present voted yes.

GSK Update: Mr. Williams reflected the final financial statements and the state report has not been received to date from GSK. He will monitor and file accordingly with the state upon receipt.

Options: Mr. Williams cited a recent CBOE (The Chicago Board Options Exchange) conference he attended. Mr. Williams reflected that this form of investment is being undertaken in other governmental defined benefit plans. He reported that a dedicated allocations are being made elsewhere. Options were likened to emerging market investments in the early years and are now commonplace in define benefit plans. Various educational materials were sent to the investment consultant (Mr. McCann) to review and consider bringing to the Board.

Snow Capital: Mr. Williams requested a flash report from Snow capital, and was provided to the Board for review

As of March 23, 2016: Snow MTD 11.83% vs. 7.11% for the Russell 1000 Value

Snow QTD 2.79% vs. 1.55% for the Russell 1000 Value

Intercontinental 4th Quarter Distribution: Mr. Williams advised the Board that the net distribution of \$116,013.14 was scheduled for March 25, 2016. The distribution is the result of income generated by the portfolio investments.

QUARTERLY INVESTMENT REPORT - WELLS CAPITAL MANAGEMENT

Mr. Tom Galfano, Wells Fargo Asset Management appeared before the Board to review recent investment results. Mr. Galfano reviewed the MetWest Capital Equity Team briefly.

For the quarter ending December 31, 2015, the portfolio returned 5.65% on a gross basis, which was in line with the Russell 1000 Value Index. Since inception (May 12, 2015), the portfolio returned -3.91% on a gross basis vs. -4.89% for the Russell 1000 Value Index.

Mr. Galfano outlined the following Market and Portfolio review:

Market:

Strong relief rally in the fourth quarter ending the year mostly neutral.

Global economic growth remains tepid.

Investors finally rewarded with U.S. federal funds rate increase to 0.25%.

U.S. dollar advanced approximately 2% against most major currencies.

U.S. oil prices continued dropping as a result of production and demand imbalance concerns.

Active management returning to favor, but reversion to quality has not fully turned.

Largest gap between growth and value investing styles.

Portfolio:

Performance essentially flat for the fourth quarter versus Russell 1000 Value Index.

7 out of 10 sectors contributed to relative performance for the fourth quarter.

Fourth quarter 2015 attribution.

Positives: Stock selection in Consumer Staples and Financials.
Negatives: Stock selection in Information Technology and Industrials.

Mr. Pollak inquired about the

OPEN BOARD DISCUSSION

Mr. Williams expects the Actuarial Valuation at the next meeting. Mortality Tables and Supplemental Distribution funding will also be addressed.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:00 AM.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairman