

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

May 20, 2016
10:30 AM

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, May 20, 2016, at 10:36 AM, in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT: D. Strauss, Chairman, C. Marano, Secretary, P. Laskowski and V. Szeto, Trustees.

Excused Absence: C. O'Brien, M. Pollak & D. Brickman

Also present were John Rochford & Robert Maddock, Inverness Counsel; John McCann, Bogdahn Group; Steve Cypen, Board Attorney of Cypen & Cypen (via conference call), 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 APRIL 29, 2016 MEETING

Tabled

ATTORNEY'S REPORT

No formal report

ADMINISTRATIVE REPORT

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. Laskowski made a motion to approve the loans as noted, which was seconded by Mrs. Marano. All board members present voted yes.

Normal Retirement Approval: Mr. Williams cited the entry date, benefit and option selected by the Member cited below (along with all supporting documentation).

- Philippe Archer (Vested May 31, 2013) – Effective Date - May 1, 2016

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

Actuarial Update: Mr. Fernandez is awaiting feedback from the State of Florida – Division of Retirement on the pre-funding methodology. Mr. Williams is targeting the June meeting for a final presentation.

Annual Report: Filed with the state.

Member Inquiry: Back-up material provided to the Trustees related to the inquiry made by one member.

SNOW Termination & Transition: Mr. Williams reported the Snow transition to Wells Fargo was seamless. All the assets were moved pursuant to the Board's direction.

REPORTING: Trustees were reminded to complete their respective financial reporting forms prior to July 1st.

QUARTERLY INVESTMENT REPORT

Inverness Counsel, Inc.

Mr. Maddock and Mr. Rochford provided the following investment outlook:

Catalysts

- Housing continues to improve, driven by strength in single family home starts.
- Healthy balance sheets and lower debt service costs paving way for loan growth.
- The consumer, which accounts for 70% of the U.S. economy, is employed and getting a raise.
- Multiple foreign central banks maintaining low or even negative interest rates.
- Lower fuel and other commodity prices could be a tailwind for the consumer and some companies.

Concerns

- We expect volatility to remain elevated in both the equity and fixed income markets.
- Slowing worldwide economic growth (i.e. China) and geopolitical concerns continue to impede market growth.
- Earnings growth expectations for 2016 have deteriorated.
- Future profits may be pressured by rising employment costs and increased interest payments.
- 2016 U.S. election creating uncertainty.

We remain optimistic on the U.S. economy and currently tend to favor domestically focused companies.

It was reported that for the quarter that ended March 31, 2016 the equity portfolio returned -0.93% on a gross basis, compared to the S&P 500 which returned 1.35%. For the last twelve months, the account returned -0.72% for the equities, which was outpaced by the benchmark cited. On a longer term basis of 3 years, the account returned 11.82% for the equities, which was in-line with the benchmark. The account was valued at \$53,112,476 as of March 31, 2016.

Mr. Rochford indicated that for the quarter that ended March 31, 2016, the fixed income portfolio returned 3.45%, compared to the Broad Fixed & Intermediate Fixed Benchmark of 2.96%. For the last twelve months, the fixed portfolio returned 3.0% compared to the Benchmark return of 1.91%. On a longer term basis of 3 years, the account returned 2.37%, in comparison to the policy return 2.13%. The account was valued at \$61,954,652 as of March 31, 2016.

Bogdahn Group

Mr. McCann presented the first quarterly report from The Bogdahn Group since transition from Thistle Asset Consulting. The new report layout was reviewed and detailed by Mr. McCann.

Mr. McCann reflected that as of March 31, 2016, the portfolio was valued at \$255,233,407.00. The total fund return on a gross basis was 1.59%. That return ranked the Plan in the TOP 17th percentile of the investment universe. The benchmark slightly outpaced that return and was reported as 1.66% for the same period.

For the fiscal year basis the portfolio returned 4.74% compared to 5.09% for the benchmark. Longer term results were also outlined on a 1, 3 and 5 year basis.

Mr. McCann continued his presentation by providing a breakdown of each manager.

Asset Allocation was also reviewed to ensure policy compliance.

Allocation		
	Market Value	Allocation
■ Inverness Balanced	117,653,168	46.1
■ GHA Equity	35,204,343	13.8
■ Rhumbline Equity	23,201,977	9.1
■ Eagle Equity	19,631,298	7.7
■ Intercontinental Real Estate	17,848,500	7.0
■ GHA Fixed	13,536,971	5.3
■ American Realty	8,897,000	3.5
■ Wells Fargo Equity	8,091,768	3.2
■ Snow Capital Equity	6,316,954	2.5
■ EnTrust	4,344,554	1.7
■ Israeli Bonds	506,874	0.2

OPEN BOARD DISCUSSION

Mr. Williams took this opportunity to play a video created in memory of our fallen officers and tragically the 123 officers who lost their lives in 2015. The video contained a collage of photographs taken at the 2016 Candlelight Vigil presented by the National Law Enforcement Officers Memorial during police memorial week in Washington, DC.

The video was posted to our web site:

<http://www.hollywoodpolicepensionfund.com/modules/media/index.asp>

QR Code



Hollywood Police Officers' Retirement Board - Minutes
May 20, 2016
Page 4 of 4

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:25 AM.

Respectfully submitted,

C. Marano, Secretary

APPROVED:

D. Strauss, Chairman