

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

April 28, 2023

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, April 28, 2023, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

P. Laskowski, Acting Chairperson, C. Marano, Board Secretary, D. Strauss¹, J. Schweighardt², J. Marano, C. Boyd, M. Djokic.

Also present were Laurette Jean – City of Hollywood, Finance Department; Patrick Melton & W. Stephen Hagenbuckle, TerraCap Partners; Todd Green, Board Actuary – Cavanaugh Macdonland Consulting; Brendon Vavrica, AndCo Consulting; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

PUBLIC COMMENT

No Comments.

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 31, 2023 MEETING

Mr. Laskowski asked if there were any additions or corrections to the Minutes of the March 31, 2023 pension board meeting. Mr. Djokic made a motion to approve the Minutes of the March 31, 2023 pension board meeting, which was seconded by Mr. Marano. All board members voted yes.

ATTORNEY'S REPORT

Mr. Kaufman cited the action taken by the authority of the Chairman related to the VISA Matter. A complaint was filed to compel VISA to produce Books and Records inspection. VISA has failed to produce records pursuant to Section 220 and as such a Complaint was filed. After review, Mr. Strauss made a motion to support and affirm the action taken as detailed, a motion seconded by Mrs. Marano. All board members voted yes.

Mr. Kaufman outlined action approved by the Chairman related to filing a complaint for violation of Federal Securities Laws related to First Republic Bank. The back up was provided for all Board members to review and consider. The lead plaintiff's status is pending. After review and discussion, Mrs. Marano made a motion to ratify and affirm the action taken by Mr. Strauss, seconded by Mr. Boyd. All board members voted yes.

Mr. Kaufman provided an overview of HB 3³ signed into law in the State of Florida and the reporting requirements thereof. Further details to follow as warranted.

¹ Attended Remotely.

² Attended Remotely.

³ Related to ESG <https://laws.flrules.org/2023/28>

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

Return of Pension Contributions: Mr. Williams outlined the request of former member Mr. Jonathan Santiago who asked for a refund of pension contributions. Mr. Boyd made a motion to approve the foregoing, which was seconded by Mr. Marano. All board members voted yes.

DROP Loan(s): Mr. Williams cited a member's loan request(s). He outlined that the member(s) has the funds in his/her personal DROP account to cover the loan and he/she has been a participant(s) in the DROP plan for the required amount of time. No conflict exists with the 12-month rule. Mr. Boyd made a motion to approve the foregoing, which was seconded by Mr. Marano. All board members voted yes.

DROP Liquidation: Mr. L. Soccol (deceased) drop account to cited beneficiary. Mr. Boyd made a motion to approve the foregoing, which was seconded by Mr. Marano. All board members voted yes.

City Ordinance PO-2023-02 was reviewed by Mr. Green and Mr. Kaufman as it related to the minimum benefit entitlement to a survivor. Mr. Kaufman and Mr. Green stated it appears that the city removed pertinent language that should have remained. Mr. Kaufman indicated he would need to see the collective bargaining agreement to confirm same. Matter Pending.

PRESENTATION OF ACTUARIAL VALUATION REPORT OF OCTOBER 1, 2022

(Tabled April 28, 2023) - Mr. Green presented the revised report to include the impact of the adoption of city ordinance PO-2023-02. After review and discussion, Motion by Mr. Strauss to approve the cited report as presented, seconded by Mrs. Marano. All board members voted yes.

In a spirit of transparency, the report may be viewed on-line at:

http://hollywoodpolicepensionfund.com/docs_state/ActuarialValuation/10-1-2022%20Hollywood%20Police%20Valuation%20Report%20FINAL.pdf#zoom=100

As a result of the passage of foregoing report, the Board discussed the investment return assumption used by the Plan. Input was received by the Plan's professionals to include Mr. Vavrica and Mr. Green. While the Board recognizes the market fluctuations at times, they still felt the existing investment assumption is reasonably stated for the short, medium and long term. Motion to adopt by Mr. Marano and seconded by Mrs. Marano. All board members voted yes.

QUARTERLY INVESTMENT PRESENTATIONS

AndCo Consulting - Flash Report March 31, 2023:

Asset Allocation & Performance Total Fund Composite (Net) As of March 31, 2023											
Asset Allocation & Performance	Allocation		Performance(%)								
	Market Value \$	%	MTH	QTD	YTD	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund Composite (Gross)	388,938,206	100.0	0.52	3.96	3.96	8.54	-5.00	11.64	7.55	7.90	10/01/1992
Total Policy			1.17	4.59	4.59	9.63	-5.18	12.19	7.52	7.32	
Total Fund Composite (Net)	388,938,206	100.0	0.50	3.87	3.87	8.38	-5.39	11.16	7.08	7.50	10/01/1992
Total Policy			1.17	4.59	4.59	9.63	-5.18	12.19	7.52	7.32	

TerraCap Partners VI

Mr. Patrick Melton & Mr. W. Stephen Hagenbuckle reviewed the Average TerraCap commercial income fund performance over 12 years.

- Fund II: 12.2% Net IRR
- Fund III: 9.8% Net IRR
- Fund IV: 11.3% Net IRR
- Fund V: 12.9% Net IRR

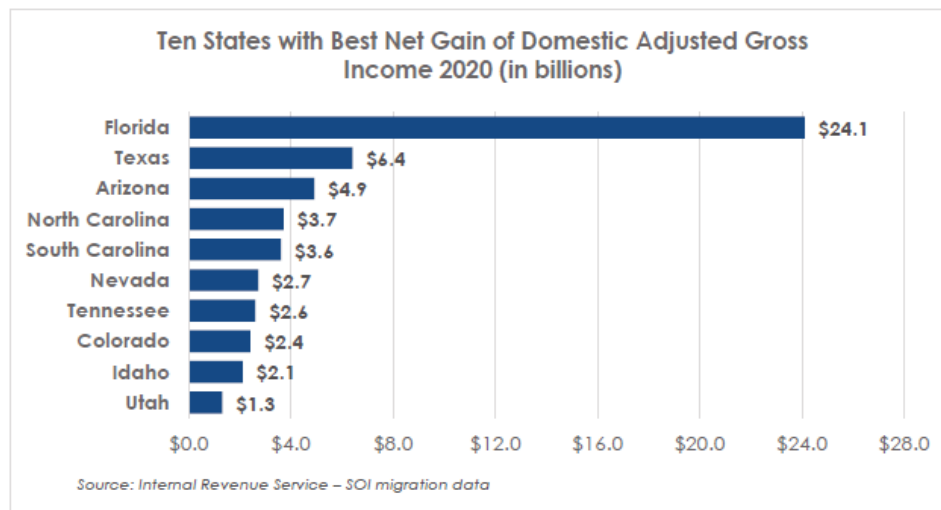
Average rent increases across Fund V Apartments since inception = 20%.

Morgan Stanley research forecasts the smallest real estate pricing corrections in Apartments & Industrial – anticipated 15% correction vs. 35-40% correction in other asset classes.

Following Federal Reserve interest rate hikes, the 30-year historical average time of a plateau before interest rates decreased was 9 months.

Approximately \$1.5 trillion of U.S. commercial real estate debt matures before the end of 2025 per Bloomberg.

Population growth rates by state were reviewed as well as domestic migration by state. States receiving the domestic migration are seeing a positive financial impact.



OPEN DISCUSSION

Mr. Williams announced that Office of Municipal Police Officers' and Firefighters' Retirement System approved the Plan's Annual Report. Mr. Williams thanked Mr. Mangan (Bookkeeper) and all the auditing personnel from Kabat Schertzer De La Torre Taraboulos & Co for a job well done!

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:37 A.M.

The next scheduled meeting is May 19, 2023 at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson