

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

**February 21, 2025**

**MINUTES**

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, February 21, 2025, at 10:31 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

**PRESENT:**

D. Strauss, Chairperson; P. Laskowski, Board Secretary; A. Stabile; J. Schweighardt & C. Boyd.

Also present: Eric Leventhal, Independent Auditor - KSDT; Alexander Hahn, Capital Dynamics; Brendon Vavrica, Mariner Institutional; 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 JANUARY 26, 2025 MEETING**

Mr. Strauss asked if there were any additions or corrections to the Minutes of the January 31, 2025 pension board meeting. Mr. Laskowski made a motion to approve the Minutes of the January 31, 2025 pension board meeting, which was seconded by Mr. Schweighardt. All board members voted yes.

**ATTORNEY'S REPORT**

Smires Matter: Informal meeting scheduled for March 04, 2025. Updated records are forthcoming.

AMSL Matter: The case<sup>1</sup> is before the court to determine lead plaintiff. Further updates will be provided as warranted.

Investment Manager Contracts: Updates provided on the status accordingly. Mr. Kaufman also cited change of Corient ownership now being foreign based. Further review will have to take place as a result.

**ADMINISTRATIVE REPORT**

Administrative Report: Mr. Williams presented and outlined the activity in the Administrative Report provided to the Board for consideration. After review, a motion was made by Mr. Schweighardt to approve the report as presented, which was seconded by Mr. Stabile. All board members voted yes.

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<sup>1</sup> The BOT are being represented by - BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP.

## PRESENTATION OF FINANCIAL STATEMENTS – September 30, 2024

Mr. Eric Leventhal advised his firm<sup>2</sup> audited the accompanying financial statements of the City of Hollywood Police Officers Retirement System, which comprise of the statement of fiduciary net position as of September 30, 2024, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the City of Hollywood Police Officers Retirement System as of September 30, 2024, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion:** We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Hollywood Police Officers Retirement System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements:** Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hollywood Police Officers Retirement System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements:** Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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<sup>2</sup> KSDT <https://www.ksdt-cpa.com/>

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Hollywood Police Officers Retirement System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Hollywood Police Officers Retirement System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information: Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 5-8<sup>3</sup>) and the schedules of contributions from employers and other contributors, schedule of investment returns and schedules of changes in the employer's net pension liability and related ratios (on pages 34-37) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information: Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Hollywood Police Officers Retirement System's basic financial statements. The accompanying schedules of investment and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing

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<sup>3</sup> Financial Statements posted on-line <http://hollywoodpolicepensionfund.com/modules/stateDocs/index.asp>

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Prior Year Comparative Information:** We have previously audited the City of Hollywood Police Officers Retirement System's 2023 financial statements, and our report dated February 16, 2024, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards:** In accordance with Government Auditing Standards, we have also issued our report dated February 21, 2025, on our consideration of the City of Hollywood Police Officers Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hollywood Police Officers Retirement System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Hollywood Police Officers Retirement System's internal control over financial reporting and compliance.

This section of the annual financial report presents Management's Discussion and Analysis (MD&A) of the City of Hollywood Police Officers Retirement System's (the Plan) financial performance. This analysis provides an overview of the financial activities and funding conditions for the fiscal year ended September 30, 2023. Please read it in conjunction with the Plan's financial statements, which immediately follow.

**General Overview of the Plan:** The Plan was first established on March 9, 1976 by Ordinance No. 0-76-12. The Plan is amended from time to time. The most recent ordinance was Ordinance 0-2019-02. The Plan is also governed by certain provisions of Part VII, Chapter 112, and Chapter 185 of the Florida Statutes.

There is a Board of Trustees (the Board) in whom the general administration, management and responsibility for the proper operation of the Plan is vested.

**Overview of the Financial Statements:** The financial section of this annual report consists of five parts: MD&A, the basic financial statements, notes to the financial statements, supplementary information and required supplementary information.

The financial statements provide both long-term and short-term information about the Plan's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other and required supplementary information that further explains and supports the information in the financial statements.

The Plan's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred and appreciation (depreciation) of assets is recognized in the statement of changes in fiduciary net position. All assets and liabilities associated with the operation of the Plan are included in the statement of fiduciary net position.

The statement of fiduciary net position reports fiduciary net position and how it has changed. A net asset is the difference between the asset and any related liabilities. It is one measurement of the financial health or current position of the Plan.

Financial Highlights: The Plan's net results from operations for fiscal year 2024 reflected the following financial activities:

- Total net position restricted for pensions was \$469,779,347, which was 20% higher than 2023 total net position restricted for pensions, with the decrease due primarily to improved market conditions.
- Total contributions for the year were \$37,019,660, which was 21% higher than the 2023 contributions. The amount of employer contributions varies from year to year and is actuarially determined. Participants make contributions to the Plan of 9.5% of compensation until retirement.
- Interest and dividend income were \$8,343,613, which was 15% higher than the 2023 income.
- Net investment income was \$85,575,613, which was 103% higher than the 2023 income, with the increase due primarily to more favorable market conditions.
- Pension benefits paid were \$34,980,439, which was 27% higher than the pension benefits paid during 2023, with the increase due primarily to paying a 13th check during the current year, and COLA increases.

Statement of Fiduciary Net Position: The following condensed comparative statement of fiduciary net position is a snapshot of account balances at the fiscal year end of the Plan. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the financial statement date. The resulting net asset value, or assets minus liabilities, represents the value of assets held in trust for pension benefits.

The Plan continues to be evaluated for actuarial soundness by the actuary of the Plan. It should be noted that retirement system funding is based on a long-term perspective and that temporary fluctuations in the market are to be expected.

- Fiduciary net position at September 30, 2024 was \$469,779,347, a 20% increase from the net position at September 30, 2023.
- Total investments at September 30, 2024 were \$468,649,794, a 21% increase from the investments at September 30, 2023.

The table below presents condensed comparative statements of fiduciary net position as of September 30th:

	2024	2023	% Change
Receivables	\$ 1,583,017	\$ 1,966,150	(19%)
Investments, at fair value	468,649,794	388,593,459	21%
Total assets	470,232,811	390,559,609	20%
Total liabilities	453,464	382,988	18%
Net position restricted for pensions	\$ 469,779,347	\$ 390,176,621	20%

Statement of Changes in Fiduciary Net Position: The statement of changes in fiduciary net position presents the effect of Plan transactions that occurred during the fiscal year. On the statement, additions to the Plan minus deductions from the Plan equal net increase or decrease in fiduciary net position.

The funding objective is to meet long-term obligations and fund all Plan benefits.

- Revenues (additions to fiduciary net position) for the Plan were \$122,632,156, which was comprised of total contributions of \$37,019,660, plus net investment income of \$85,575,326, and other income of \$37,170.
- Expenses (deductions from fiduciary net position) increased from \$35,136,063 during 2023, to \$43,029,430 during 2024.

The table below presents condensed comparative statements of the changes in fiduciary net position for the years ended September 30:

	2024	2023	% Change
Total contributions	\$ 37,019,660	\$ 30,646,060	21%
Net investment income	85,575,326	42,137,876	103%
Other income	37,170	89,243	(58%)
Total additions	122,632,156	72,873,179	68%
Total deductions	43,029,430	35,136,063	22%
Net change	79,602,726	37,737,116	111%
Net position restricted for pensions – beginning	390,176,621	352,439,505	11%
Net position restricted for pensions – ending	\$ 469,779,347	\$ 390,176,621	20%

Asset Allocation: The table below indicates the Plan's investment policy limitations and actual asset allocations as of September 30, 2024:

Type of Investment	Investment Policy	Actual Allocation
Equity securities	63% to 73%	73.00%
Alternative investments	0% to 15%	8.65%
Fixed income	7% to 25%	6.88%
Real estate	0% to 20%	9.58%
Cash and cash equivalents	0% to 7%	1.89%

The investment guidelines provide for the appropriate diversification of the portfolio. Investments have been diversified to the extent practicable to control risk of loss resulting from

over-concentration of a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

The Plan's Board of Trustees (the Board) recognizes that some risk must be assumed to achieve the Plan's long- term investment objectives. In establishing the risk tolerances, the Plan's ability to withstand short and intermediate term variability has been considered. However, the Plan's financial condition enables the Board to adopt long-term investment perspective.

Investment Activities: Investment income is vital to the Plan for current and future financial stability. The Board has a fiduciary responsibility to act prudently when making Plan investment decisions. To assist the Board in this area, the Board retains investment managers who supervise and direct the investment of the assets.

The Board also retains an investment monitor to evaluate and report on a quarterly basis compliance by the investment managers with the investment policy of the Board and investment performance of the Plan. The investment policy statement was last amended during September 2023<sup>4</sup>.

The Board and its investment consultant review portfolio performance in compliance with the investment policy statement quarterly. Performance is evaluated both individually by money manager style and collectively by investment type and for the aggregate portfolio.

Financial Analysis Summary: The investment activities for the fiscal year ended September 30, 2024 are a function of the underlying market, money managers' performance and the investment policy's asset allocation model. The Plan has consistently implemented a high quality, conservative approach.

The administrative expenses were reviewed by Mr. Leventhal and valued at 17 basis points. Mr. Leventhal reflected that the expense level was extremely reasonable.

At the conclusion of the presentation the Board thanked Mr. Leventhal for providing this year's report in a timely manner. Mr. Williams echoed the Board's position and included the efforts of Ms. Maribel Munoz-Garcia and our Bookkeeper, Mr. Michael Mangan.

It was noted that we met the City of Hollywood – Finance Department request to have the financial statements presented at the February meeting.

Motion to approve the September 30, 2024 financial statements by Mr. Schweighardt and seconded by Mr. Boyd. All board members voted yes.

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

<http://hollywoodpolicepensionfund.com/modules/stateDocs/index.asp>

Mr. Kaufman reviewed and approved the execution of the management representation letter. Motion to authorize the execution of same by Mr. Laskowski, seconded by Mr. Schweighardt. All board members voted yes.

#### QUARTERLY INVESTMENT PRESENTATIONS

##### Capital Dynamics

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<sup>4</sup> <http://hollywoodpolicepensionfund.com/guidelines.asp>

## Hollywood Police Officers' Retirement Board - Minutes

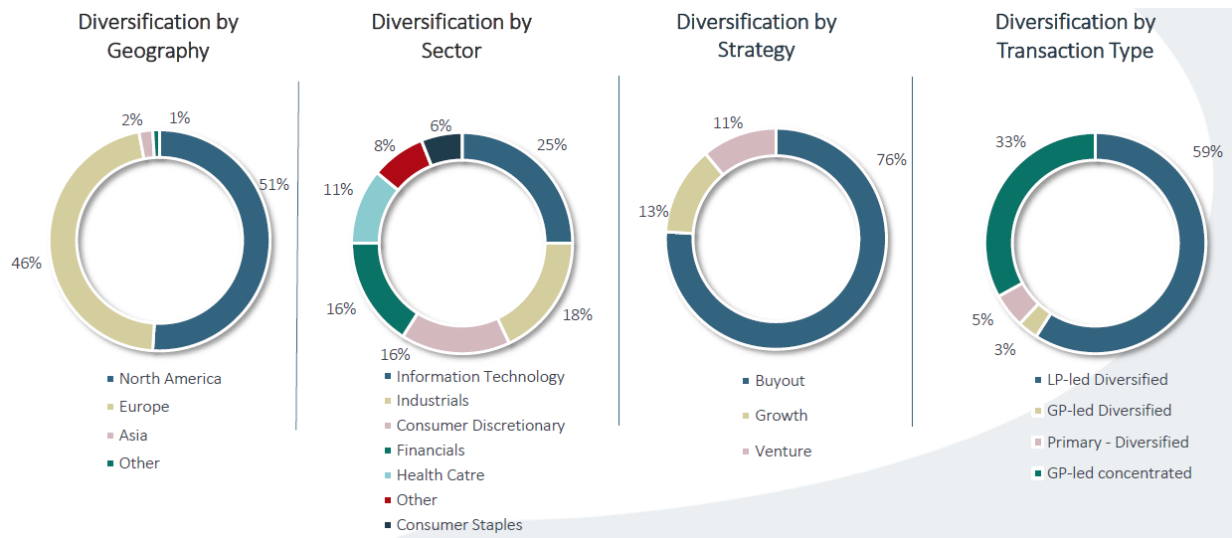
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Mr. Alexander Hahn of Capital Dynamics provided a brief update of the portfolio. State of the Secondaries Market was reported as follows: The secondary market is expected to maintain its momentum in 2025, with both GP-led and LP-led segments continuing to play a pivotal role in portfolio management and liquidity strategies.

A 2025/2026 Secondary Market Volume Outlook was also provided.

GSEC VI Portfolio Diversification:



Mr. Alexander Hahn also spoke about the Capital Dynamics Mid-Market Direct VI product for the Board to consider.

It was conveyed that investing in private mid-market companies involves less competition, better pricing and enhanced exit opportunities compared to large caps. Our direct investment approach offers global exposure at lower cost than traditional GPs with more robust diversification. Periods of market dislocation can lead to attractive buying opportunities.

Our senior direct investment team members have been direct investors for over 25 years. We are involved with the companies in which we invest and we often enjoy influence at board level. We have delivered strong performance across multiple market cycles over nearly three decades 23.2% net IRR since 1994 (including predecessor performance) and 4.4% loss rate in the last ten years.

Powerful deal-sourcing engine supported by our extensive global network and manager relationships. All-weather investment strategy with strict deal selection criteria and validated investment themes. Solid value creation and low loss rate.

Target Fund Size: USD 750 million

Target Return: 2.0x Net Multiple / 20% Net IRR

Investor-friendly fee structure

Planned Next Closing: Q2 2025

Under review by Mariner Institutional and may be considered pending their approval.

### INVESTMENT CONSULTANT'S REPORT

Mr. Vavrica presented the December 31, 2024, investment monitoring report.

## The Economy –

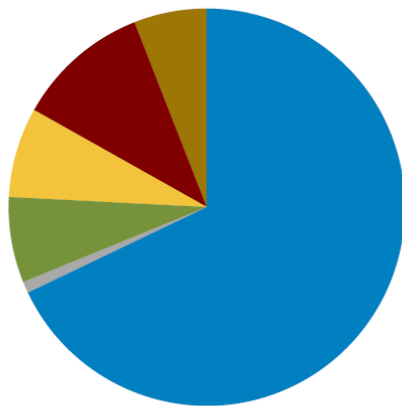
- The US Federal Reserve (the Fed) continued to loosen its policy stance during the quarter with two fed funds rate cuts totaling 0.50%, bringing the year-end rate to a range of 4.25%-4.50%. While the Fed conveyed a degree of confidence that the fight against inflation is progressing in its December press release, Fed Chairman Jerome Powell signaled in his post-meeting press conference that the pace and timing of future rate cuts is unclear. The Fed's December "Dot Plot" now projects only two quarter-point rate cuts in 2025, down from four anticipated cuts in September's plot.
- Growth in the US labor market continued during the fourth quarter. US payrolls grew by 256,000 in December, up from the previous month's total of 212,000, and well above the 155,000 projected. If strength in the labor market continues, this data could support a slower pace Fed action in the form of policy rate reductions in 2025.

## Asset Allocation & Performance Total Fund Composite

	Allocation		Performance(%)									
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	15 YR	Inception	Inception Date
Total Fund Composite	496,993,110	100.0	0.89 (3)	0.89 (3)	13.61 (6)	4.59 (10)	8.98 (6)	8.89 (3)	8.60 (4)	9.02 (9)	8.24 (24)	10/01/1992
Total Policy			1.08 (3)	1.08 (3)	15.13 (2)	5.15 (5)	9.07 (4)	8.83 (4)	8.59 (4)	9.04 (9)	7.69 (70)	
All Public Plans-Total Fund Median			-1.08	-1.08	10.36	2.85	7.09	7.02	7.20	7.99	7.85	

## Asset Allocation Summary

Asset Allocation By Segment as of December 31, 2024 : \$496,993,110



Allocation	Market Value	Allocation
Domestic Equity	337,554,691	67.9
Emerging Equity	4,624,533	0.9
Domestic Fixed Income	34,625,121	7.0
Real Estate	36,345,955	7.3
Alternatives	54,264,480	10.9
Cash Equivalent	29,578,329	6.0

Asset Allocation By Manager as of Dec-2024 : \$496,993,110



Allocation	Market Value	Allocation
Corient Equity	84,230,329	16.9
Rhumbline S&P Mid Cap 400	48,026,816	9.7
Allspring LCV	40,859,372	8.2
Waycross Partners	36,075,018	7.3
Rhumbline R1000G	35,549,766	7.2
Intercontinental Real Estate	26,905,042	5.4
Crawford Small Cap Core	26,333,298	5.3
Receipt & Disbursement	24,567,728	4.9
Sawgrass LCG	22,021,317	4.4
Brandywine LCV	18,795,276	3.8
Tocqueville Fixed Inc	15,734,499	3.2
Ziegler Capital Management	15,123,532	3.0
Pullen Small Cap Equity	9,878,798	2.0
TerraCap Partners V	9,440,913	1.9
Crawford Managed Income	9,433,972	1.9
NIS Core Fixed Income QP Fund	9,040,993	1.8
Affiliated Housing Impact Fund LP	8,348,250	1.7
ETG Co-Invest Opportunities Fund LP (Class B)	7,433,566	1.5
EnTrust Global Blue Ocean Onshore Fund II LP	6,743,942	1.4
EnTrust Global Blue Ocean Onshore Fund LP (class F)	6,700,449	1.3
Israel Bonds	6,000,000	1.2
EnTrust Special Opportunities Fund IV	5,748,628	1.2
ABS Emerging Markets Strategic Portfolio, L.P.	4,624,533	0.9
Capital Dynamics Global Secondaries Fund VI	4,297,863	0.9
Churchill Middle Market Senior Loan Fund V	4,043,057	0.8
Crescent Direct Lending Levered Fund III	3,380,079	0.7
Taurus Private Markets Fund II, LP	2,112,151	0.4
EnTrust Blue Ocean 4Impact LP	1,868,892	0.4
TCW Direct Lending VIII	1,863,025	0.4
PennantPark Credit Opportunities IV	1,724,578	0.3
Vanguard Total Stock Mkt (VTSAX)	87,427	0.0
Polen Capital	-	0.0
Eagle Equity	-	0.0
GHA Fixed	-	0.0

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In a spirit of transparency, the Board of Trustees post the entire investment report, which may be viewed on-line at: <http://hollywoodpolicepensionfund.com/investments.asp>

Mr. Vavrica presented a flash report for the quarter ending January 31, 2025. The quarterly return was valued at 2.21% and 3.11% for the fiscal year. Account balance valued at \$501,525,149.

**NEW BUSINESS**

Option Change Request: Mr. Williams cited he recently met with Mr. Astacio after a review of his benefit election. It was conveyed that the member elected a married option when in fact he was not married. Mr. Astacio has enjoyed a long-term relationship with his domestic partner but nonetheless was unmarried when he made the benefit option election. Mr. Astacio is requesting to correct his selection from Married 100% J&S to Single 75% J&S. A spreadsheet was prepared and presented to the Board to consider, illustrating the impact to the member. That same document was also sent to the Board actuary to confirm. Mr. Kaufman reflected that once an election is made, a member cannot make a change. However, in this particular case, the member elected a benefit option that did not apply to him. In this limited case, Mr. Kaufman felt it would be prudent for the Board to authorize the change. Mr. Kaufman was very particular in his language to ensure this change was not setting a precedent. After review and discussion, Mr. Laskowski made a motion to approve Mr. Astacio's change from Married 100% J&S to Single 75% J&S as he was unmarried at the time he entered the Planned Retirement Benefit (DROP). Further authorizing the necessary adjustment to his DROP and monthly pension payments accordingly. Finally, the foregoing is prefaced on the concurrence/confirmation of the Board Actuary. Mr. Schweighardt seconded the motion. All board members voted yes.

Supplemental Distribution: Mr. Williams informed the Board of the passing of Mrs. Florence F. Ferraro on February 01, 2025. There are no children or named beneficiaries, so the payment is on hold pending the establishment of an estate. Mr. Kaufman was consulted on this matter.

**OLD BUSINESS**

Mr. Williams provided a confirmation letter from Cav Mac, the Board Actuary related to the Barbieri matter, dated February 05, 2025.

**OPEN DISCUSSION**

No open discussion ensued.

**MEETING ADJOURNED**

There being no further business, the meeting was adjourned at 12:06 P.M.

The next scheduled special meeting is March 04, 2025 at 10:30 A.M.

The next scheduled meeting is March 28, 2025 at 10:30 A.M.

Respectfully submitted,

APPROVED:

P. Laskowski, Secretary

D. Strauss, Chairperson