

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

**May 17, 2024**

**MINUTES**

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, May 17, 2024, 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, J. Schweighardt, A. Stabile, J. Marano<sup>1</sup>, C. Boyd and M. Djokic - Trustees.

Also present were Jason Jarjosa & Mike Lucci, Bloomfield Capital; Andrew Laframboise, Brendon Vavrica, Mariner Consulting; Stuart Kaufman, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; Anthony Xeureb & Steve Atkins– Polen Capital and David M. Williams, Plan Administrator.

**ABSENT:**

None

**PUBLIC COMMENT**

Mr. Andrew Laframboise spoke about the recent pension benefit election and what he felt was a lack of communication. He advised that he was not aware of the election until the Ballot Box was posted the morning of the election<sup>2</sup>. Mr. Strauss stated the matter was discussed at the last meeting (April 26, 2024) and at that meeting it was reported the election results would be announced at this meeting (May 17, 2024). Due to the commission break, the election was held immediately in order to get the item placed on the June 2024 City Commission Agendas and not have it deferred until after the commission recess.

**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 26, 2024 MEETING**

Mr. Strauss asked if there were any additions or corrections to the Minutes of the April 26, 2024 pension board meeting. Mr. Laskowski made a motion to approve the Minutes of the April 26, 2024 pension board meeting, which was seconded by Mr. Boyd. All board members voted yes.

**ATTORNEY'S REPORT**

Mr. Kaufman briefed the Board of Trustees regarding the latest filing in the General Motors Security Litigation Matter<sup>3</sup>. Amended consolidated class action complaint for violations of the federal securities laws provided accordingly.

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<sup>1</sup> Attended Remotely.

<sup>2</sup> Mr. Williams sent an e-mail to the Board of Trustees & Mr. Laframboise on Tue, Apr 30, 1:18 PM, citing: "I project the election will begin May 6th as affirmed by the BOT at the April 26th meeting".

<sup>3</sup> Case No. 4:23-cv-13132-SDK-EAS.

ADMINISTRATIVE REPORT

No formal report.

QUARTERLY INVESTMENT PRESENTATION – POLEN CAPITAL

Mr. Anthony Xeureb & Mr. Steve Atkins – Polen Capital presented a portfolio update through March 31, 2024. The value of the portfolio was reported to be \$16,388,481.00. For the quarter the return was valued at 8.46%<sup>4</sup> vs. the benchmark return of 11.41%. On a fiscal year basis, the portfolio returned 24.46%.

Q1 Focus Growth Portfolio Review:

We seek to deliver mid-teens returns, net of fees, on the back of mid-teens earnings growth over time. Longer term, this approach tends to translate to outperformance relative to the Russell 1000 Growth Index ("the Index"). Since the inception of Focus Growth in 1989, we have delivered relative outperformance (net of fees) vs the Russell 1000 Growth in 74% of rolling five-year periods.

- Over the last five years, however, Focus Growth has underperformed the Index despite delivering mid-teens returns. What is driving this underperformance?

- Returns driven by multiple expansion versus earnings growth:

- Nearly 50% of the Index's 18.5% five-year return has come from multiple expansion—the Index delivered 9.8% earnings growth and the Fwd P/E multiple expanded from 20.5x in March 2019 to 27.6x today.

- Focus Growth delivered 22.6% earnings growth over the past five years, but multiple contraction has represented a significant headwind to returns, particularly in 2022 amid a quick and steep rise in rates and growth sell-off largely irrespective of quality.

- 2023: Historically narrow markets—combined with historic concentration in the Index—presented a unique challenge. Despite delivering attractive absolute returns and the success of our high conviction Amazon position, not owning one company—NVIDIA—presented a substantial headwind.

- Q1 2024: NVIDIA stock rose another 82%. The relative impact of not owning it became more pronounced as it became a larger weight (now 8.5%) in the Index, representing a -350 bps headwind for the period.

- Looking ahead, we believe it's unlikely that the Index can sustain historically high returns on the back of single-digit earnings growth, as that would require further multiple expansion from already elevated levels. If the Index sees a reversion to the mean, multiple contraction would represent a material headwind to performance. If we project that growth forward ten years and assume the P/E multiple reverts to the long-term average of 22x, the Index's implied 10-year annualized return is ~5%.

- By contrast, we expect our Portfolio's earnings growth to deliver its normal mid-teens or better rate, even with the difficult comparisons from a robust earnings growth in 2023.

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<sup>4</sup> Gross Basis.

INVESTMENT CONSULTANT REPORT – MARINER

Mr. Vavrica informed the Board about the unannounced “retirement” of Mrs. Jana Hamilton, from Garcia Hamilton (GHA). Although Mrs. Hamilton is a principal of GHA, Mr. Vavrica cited her departure would not affect the portfolio.

Mr. Vavrica stated funds would be needed for anticipated capital calls. After reviewing the options, the Board by consensus agreed to raise 1 million dollars each from Waycross, Corient and Sawgrass.

Mr. Vavrica provided a flash report April 30, 2024:

Asset Allocation & Performance	Allocation				Performance(%)						
	Market Value \$	%	MTH	QTD	YTD	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund Composite (Gross)	437,253,747	100.0	-3.52	-3.52	2.68	10.69	12.81	4.23	8.25	8.07	10/01/1992
Total Policy			-3.70	-3.70	2.64	12.05	13.37	3.86	8.17	7.46	
Total Fund Composite (Net)	437,253,747	100.0	-3.56	-3.56	2.55	10.52	12.46	3.80	7.81	7.67	10/01/1992
Total Policy			-3.70	-3.70	2.64	12.05	13.37	3.86	8.17	7.46	

Mr. Vavrica also reviewed the March 31, 2024, investment performance report. In a spirit of transparency, the report may be viewed on-line at:

<http://hollywoodpensionfund.com/docs/investments/2024-03-31%20Hollywood%20Police%20Quarterly%20Report.pdf>

NEW/UNFINISHED BUSINESS

Reallocation of Bond Portfolio: Mr. Strauss passed the gavel to Mr. Laskowski. Upon doing so, Mr. Strauss made a motion to terminate Garcia Hamilton, and split the proceeds from the portfolio with NIS and Tocqueville. Mr. Marano seconded the motion. All board members voted yes<sup>5</sup>.

Benefit Election Results: Mr. Williams reported that the Board of Trustees held a pension benefit election in compliance with City of Hollywood - Ordinance 33.138(A). The election was open to all active (non-dropped) members. The election dates were May 06 – May 15, 2024. The official voting ballot is attached hereto.

The certified results are as follows:

- 280 eligible voting members.
- 176 voted to approve the changes proposed.
- 0 voted to not approve the changes proposed.

Mr. Williams advised the city clerk of the results.

Bloomfield Capital: Mr. Jason Jarjosa & Mike Lucci, reviewed the Bloomfield Capital Income Fund V. It was reported that Bloomfield deploys capital through two primary avenues: originations and acquisitions. Investments are generally sized, structured and priced to provide diversification, reliable cash flows, and to maximize risk-adjusted returns. The Board of Trustees thanked the presenters for a thought-provoking presentation<sup>6</sup>. No formal action taken at this juncture.

<sup>5</sup> Upon the conclusion of this matter, the gavel was returned to Mr. Strauss.

<sup>6</sup> Mr. Vavrica presented his search results, which included Bloomfield Capital, Torchlight Investors & Virtus.

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Presentation of the Service Provider of the Year: On behalf of the Board of Trustees, Mr. Strauss presented Mr. Vavrica a plaque awarding him and his firm<sup>7</sup> the Service Provider of the Year<sup>8</sup>. Mr. Vavrica was congratulated on a job well done!

OPEN DISCUSSION

Mr. Williams provided the Board with a copy of the annual report required pursuant to Chapter 112.664(1), Florida Statutes<sup>9</sup>.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:52 A.M.

The next scheduled meeting is June 28, 2024 at 10:30 A.M.

Respectfully submitted,

APPROVED:

P. Laskowski, Secretary

D. Strauss, Chairperson

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<sup>7</sup> Mariner Institutional.

<sup>8</sup> <http://hollywoodpolicepensionfund.com/inTheBoardroom.asp>

<sup>9</sup> [http://hollywoodpolicepensionfund.com/docs\\_state/Chapter112/Chapter%20112.664%20Disclosures%20-%202023.pdf#zoom=100](http://hollywoodpolicepensionfund.com/docs_state/Chapter112/Chapter%20112.664%20Disclosures%20-%202023.pdf#zoom=100)