

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

**July 19, 2024**

**MINUTES**

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, July 19, 2024, at 10:32 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT

D. Strauss - Chairperson, P. Laskowski - Board Secretary, C. Boyd, J. Schweighardt and M. Djokic - Trustees.

Also present were A. Laframboise & Elizabeth Smires<sup>1</sup>, Active Members; Matt Williams, Crawford Investment Counsel; Tyler Pullen, Pullen Investment Management; Nicholas Rojo, Affiliated Development; Denise D'Entremont<sup>2</sup>, Rhumblin; 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 THE June 28, 2024 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the June 28, 2024, pension board meeting. Mr. Schweighardt made a motion to approve the Minutes of the June 28, 2024 pension board meeting, which was seconded by Mr. Djokic. All board members voted yes.

ATTORNEY'S REPORT

- City Ordinance: Mr. Kaufman advised that the Death Benefit Ordinance passed on second reading. PO-2024-12.
- Benefit Review(s) Miriam Fernandez Spalla & Teresa Molina: Mr. Kaufman indicated that this matter was triggered due to a recent city ordinance change that affected both parties. Teresa Molina received a letter outlining her options & to make an election. Copies reviewed by the Board. Due to the language barrier, the written options were also provided to Mr. Laframboise to assist Mrs. Molina. In terms of the Miriam Fernandez Spalla benefit, it has commenced accordingly.
- Summary Plan Description (SPD): Mr. Kaufman stated a draft of the SPD is underway, due to the passage of the cited ordinance.
- Smires Disability Review: Mr. Kaufman provided an update on the Smires disability claim. Mr. Kaufman indicated the second IME provider was identified (as per the Board action on June 28, 2024) and the member will be attending the assessment. Mrs. Smires was permitted to ask whatever questions she had during this process.
- Sprout Social, Inc. – Mr. Kaufman was contacted by representatives of Saxena White (one of our Security Monitoring firms). The Company allegedly misled investors by claiming that its prior growth was indicative of future growth and that it had smoothly integrated Tagger Media, Inc. ("Tagger"), an influencer-marketing and social-intelligence platform that Sprout acquired in 2023 to supplement its service offerings. Sprout was not equipped to respond to the sales requirements of enterprise customers.

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<sup>1</sup> Attended Remotely.

<sup>2</sup> Attended Remotely.

- Rather, Sprout had misrepresented its ability and success in shifting its customer mix to enterprise customers, and downplayed the effect that the customer shift would have on the Company's financial results. Sprout also concealed its struggles to meet the needs to enterprise customers, which led it to acquire Tagger for \$140 million, financed by a revolving credit line-an acquisition analysts panned as expensive." Even after this acquisition, Sprout continued to highlight acceleration with enterprise customers, claiming that it had "a faster sales cycle than you might see with other enterprise software players." Before investors learned the truth, the Company's three top executives dumped more than 1 million shares for gross proceeds in excess of \$75 million.
- Mr. Kaufman contacted Mr. Strauss to seek authority to proceed with the matter. Mr. Strauss agreed and executed all the required documents to retain Saxena White. At this juncture, as the action took place between meetings, the Board needs to consider affirming the action taken by Mr. Strauss. After review and discussion, a motion was made by Mr. Laskowski to affirm and proceed with the matter of Sprout Social. The motion was seconded by Mr. Boyd. All board members voted yes.

#### ADMINISTRATIVE REPORT

- Administrative Report: Mr. Williams presented and outlined the activity on the Administrative Report to the Board for consideration. After review, a motion was made by Mr. Schweighardt to approve the report, which was seconded by Mr. Laskowski. All board members voted yes.
- 2025 Meeting Schedule released<sup>3</sup>.

#### NEW BUSINESS

- Affiliated Development: Mr. Rojo reflected that Affiliated Development ("Affiliated" or the "Company") is seeking investors for Affiliated Housing Impact Fund II, LP ("Fund II" or the "Fund"). Fund II is the continuation of a successful investment strategy employed in Fund I. The Fund will acquire development sites to construct and operate Class A multifamily, mixed-income housing communities in Florida. Our strategy is to deliver a luxury product at a reduced price to severely cost burned, supply constrained markets in Florida. The greatest housing need in Florida (specifically South Florida) is for quality workforce housing. Affiliated is addressing the demand by utilizing various public finance tools to bridge the gap and develop Class A housing at attainable rents. Given the tremendous demand for workforce housing in our target markets, the strategy also provides our investors a level of insulation from market volatility, as evidenced by Fund I performance.

Fund Size	\$200M Target
Strategy	Private R/E: Opportunistic
Property Types	Multifamily Apartment Complexes
Geography	Florida (South Florida Concentration)
Target IRR; Multiple	17% Net IRR; 2.0x
Investment Period	Three years, with a one-year extension if needed
Fund Term	10 years

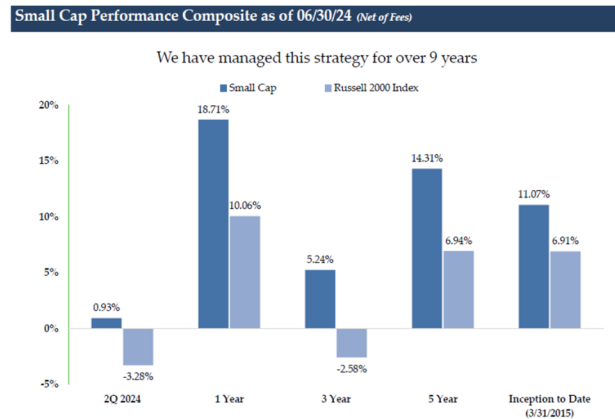
<sup>3</sup> <http://hollywoodpensionfund.com/docs/boardMeetings/2025%20Hollywood%20Meeting%20Dates.pdf#zoom=100>

## Hollywood Police Officers' Retirement Board - Minutes

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- At the conclusion of the presentation, Mr. Strauss passed the gavel to Mr. Laskowski and made a motion to engage Affiliated Development – Fund II for 10 million dollars, based on the approval of the fund by Mariner Institutional. Mr. Schweighardt seconded the motion. All board members voted yes.
- Pullen Investment Capital: Mr. Pullen reviewed their Small Cap Equity strategy and background for the Board to consider.



- It was conveyed that Pullen favors high quality companies that have structural advantages, sustainable profitability, or the ability to grow their cash flow. These attributes carry on after cycles turn and catalysts pass. Pullen wants to buy stocks that do not fully reflect the value of the underlying business. However, they recognize that what looks inexpensive today might stay that way for some time; therefore, they look for the catalyst that will unlock that value.
- At the conclusion of the presentation, the Board thanked Mr. Pullen for the thought-provoking presentation.
- Buyback of Service: Mr. Williams conveyed that he was contacted by a member who wanted to enter into a buyback agreement to buy his time over his career instead of a period of 5 years. Mr. Williams reflected he was not opposed to extending the length of the buyback period, but the cost to finance is based on the assumed rate of return, and the interest cost is very impactful. An example was presented where the cost of the buyback was \$36,000 dollars. To finance that over a career, the cost skyrockets to \$68,000 dollars. A round robin session ensued, and the consensus of the Board was it should be up to the members. Motion by Mr. Laskowski to amend the Buyback Policy to allow the purchase to be financed over the member's career but must be paid in full prior to drop/or retirement. Mr. Djokic seconded the motion. All board members voted yes. Mr. Kaufman will amend accordingly for adoption at the next meeting.

INVESTMENT MANAGER REPORT – RHUMBLINE

Russell 1000 Growth Pooled Index Fund

PERFORMANCE (Gross of Management Fees thru 06/30/24)		
	PORTFOLIO	RUSSELL 1000 GROWTH INDEX
2024 - YTD thru June	20.68%	20.70%
Trailing 1 Year	33.45%	33.48%
Trailing 3 Year (Annualized)	11.27%	11.28%
Trailing 5 Year (Annualized)	19.33%	19.34%
Since Inception (Annualized)	18.63%	18.64%

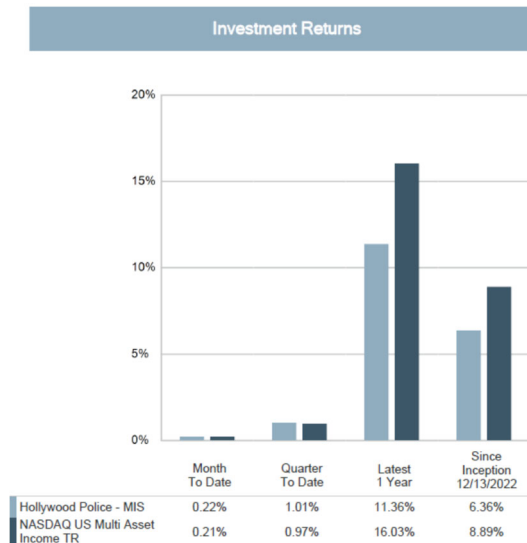
S&P 400 Pooled Index Fund

PERFORMANCE (Gross of Management Fees thru 06/30/24)		
	PORTFOLIO	S&P 400 INDEX
2024 - YTD thru June	6.18%	6.17%
Trailing 1 Year	13.59%	13.57%
Trailing 3 Year (Annualized)	4.47%	4.47%
Trailing 5 Year (Annualized)	10.26%	10.27%
Trailing 10 Year (Annualized)	9.12%	9.14%
Since Inception (Annualized)	13.93%	13.94%

INVESTMENT MANAGER REPORT – CRAWFORD INVESTMENT COUNSEL

Mr. Williams provided the following update on the Managed Income Strategy portfolio: The goal of our investment process is to identify income-producing, high-quality securities across a group of diversified asset classes in all market capitalization spectrums and invest in those that we believe are the most attractive.

- Equity Investment Team actively follows over 250 dividend-paying companies in which the strategy may invest across the capital spectrum.
- Securities with a yield of ~4% or higher.
- Utilize the investment team's current coverage and research to generate a focus list of both equity and fixed income securities.
- Continually screen the finite preferred equity universe for quality and value.



INVESTMENT MONITOR REPORT – MARINER INSTITUTIONAL

- Mr. Vavrica presented a monthly flash report for June 30, 2024. The fiscal year return was valued at a stellar 15.97%<sup>4</sup>. The Fund was valued at \$453,458,565.00.
- Mr. Vavrica spoke about cash flow requirements to pay for benefits on a monthly basis. Upon doing so, he identified Polen Capital as the manager he would suggest pulling the necessary funding of 5 million dollars form. Mr. Laskowski placed the foregoing in the form of a motion which was seconded by Mr. Djokic. All board members voted yes.

<sup>4</sup> Net Basis.

OPEN DISCUSSION

Mr. Laskowski announced that he will be away for official department training for the months of September to December.

Cavanaugh Macdonald (our Board Actuary) has announced their rebranding. A notice was provided to the Board accordingly.

FPPTA – Pension Data Plan Study for FY 2022 was provided to the Board.

53<sup>rd</sup> Annual Police/Fire Conference sponsored by the state was announced (November 13-15, 2024).

Mr. Williams reflected that he attended Intercontinental Real Estate Corporation – Annual Investor Meeting.

Intercontinental U.S. REIF Fund Status Pandemic to Present:

As of March 31, 2020		As of June 30, 2024	
ASSETS UNDER MANAGEMENT (billions)*	\$10.6	ASSETS UNDER MANAGEMENT (billions)*	\$12.2
GROSS ASSET VALUE (billions)	\$9.9	GROSS ASSET VALUE (billions)	\$11.9
NET ASSET VALUE (billions)	\$6.4	NET ASSET VALUE (billions)	\$8.7
NUMBER OF PROPERTIES*	128	NUMBER OF PROPERTIES	155
CASH POSITION (% of NAV)	0.9%	CASH POSITION (% of NAV)	2.4%
DEBT TO TOTAL ASSETS	29.1%	DEBT TO TOTAL ASSETS	28.5%
WEIGHTED AVERAGE COST OF DEBT	3.8%	WEIGHTED AVERAGE COST OF DEBT	4.2%
TOTAL SQUARE FOOTAGE (millions)	26.8	TOTAL SQUARE FOOTAGE (millions)	37.0
LEASED	93.0%	LEASED	91.0%
UNITS (multifamily, senior living, hotel, student housing)	12,564	UNITS (multifamily, senior living, hotel, student housing)	15,668
NUMBER OF INVESTORS	416	NUMBER OF INVESTORS	564

Key Economic Risk Factors Reviewed by the representatives-

Geopolitical risk:

- U.S. election uncertainty is likely causing delays in investment decisions.
- Wars in Ukraine and Israel/Gaza drag on, hampering economies around the world.
- Inflation: The Fed continues to hold rates at elevated levels, waiting on enough data to prove that inflation is fully stamped out.
- Consumer spending is holding up, but not amongst lower income consumers who have been squeezed badly by recent inflation.
- Labor market is cooling but slowly.
- Home prices are at record highs, putting home ownership further out of reach for many.
- Recession?: Sentiment seems to be building that recession is not likely. Goldman Sachs has revised likelihood of recession this year down to 15%.

Intercontinental U.S. REIF 2Q24 Performance -

Intercontinental U.S. REIF Performance								
	Gross Income	Net Income	Gross Real Estate Appreciation	Gross Debt Appreciation	Total Gross Appreciation	Total Net Appreciation	Total Gross Return	Total Net Return
Q2 2024	1.20%	1.00%	-1.14%	-0.15%	-1.30%	-1.30%	-0.10%	-0.30%
2024 YTD	2.23%	1.83%	-5.70%	-0.28%	-5.97%	-5.97%	-3.82%	-4.21%
1 yr Rolling	4.30%	3.51%	-14.84%	0.11%	-14.75%	-13.80%	-10.94%	-10.66%
3 yr Rolling	4.07%	3.35%	-4.59%	1.21%	-3.48%	-4.05%	0.48%	-0.81%
5 yr Rolling	4.24%	3.49%	-1.72%	0.70%	-1.06%	-1.44%	3.14%	2.01%
7 yr Rolling	4.49%	3.71%	0.05%	0.48%	0.52%	0.14%	5.02%	3.85%
10 yr Rolling	4.72%	3.91%	1.97%	0.65%	2.62%	2.06%	7.42%	6.02%
Since Inception	5.11%	4.15%	-0.54%	0.76%	0.24%	-0.24%	5.36%	3.90%

\*Since inception returns commence at the beginning of the first full year of the Fund's life, Jan 01, 2008.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:55 AM.

The next scheduled meeting is August 16, 2024 at 10:30 A.M.

Respectfully submitted,

APPROVED:

P. Laskowski, Secretary

D. Strauss, Chairperson