

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

October 25, 2024

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, October 25, 2024, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman; J. Schweighardt, J. Marano, A. Stabile and M. Djokic - Trustees.

Also present were Andrew Laframboise, Active Member; Tim Nash¹, Intercontinental Real Estate; Nick Rojo & Jeff Burns, Affiliated Housing Impact Fund²; Brendon Vavrica³, AndCo Consulting; Lindsey Garber, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; & David M. Williams, Plan Administrator.

PUBLIC COMMENT

No public comment ensued.

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 SEPTEMBER 27, 2024 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the September 27, 2024, pension board meeting. Mr. Djokic made a motion to approve the Minutes of the September 27, 2024, pension board meeting, which was seconded by Mr. Marano. All board members voted yes.

ATTORNEY'S REPORT

Security Litigation Updates -

- Nextera Matter: Ms. Garber reported that the case was dismissed by the court, but the dismissal is being appealed.
- Gilead: Ms. Garber reflected that the books & records matter was not being pursued any longer and reimbursement for Mr. Williams' efforts in the case will follow shortly.
- GM: Ms. Garber motions are pending to dismiss. Further updates as the matter progresses.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

¹ Tim Nash, Director, Institutional Services

Tim Nash is responsible for establishing and maintaining Intercontinental's client and consultant relations with a primary focus on the public fund sector in Florida.

B.A. from Stetson University.

M.B.A. from the Crummer Graduate School of Business at Rollins College.

Joined Intercontinental in 2022.

² Attended Remotely.

³ Attended Remotely.

Administrative Report: Mr. Williams presented and outlined the activity on 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. Marano. All board members voted yes.

Public Pension Coordinating Council (PPCC): Mr. Williams congratulated the Board of Trustees and the Plan Sponsor (City of Hollywood) for attaining the Public Pension Standards Award for Funding and Administration 2024.

The Public Pension Coordinating Council (PPCC) is a coalition of three national associations that represent public retirement systems and administrators: NASRA, the National Council on Teacher Retirement (NCTR) and the National Conference on Public Employee Retirement Systems (NCPERS). Together, these associations represent more than 500 of the largest pension plans in the United States, serving most of the nation's 18+ million state and local government employees.

The PPCC established the Public Pension Standards to reflect minimum expectations for public retirement system management, administration, and funding. The Standards serve as a benchmark to measure public defined benefit plans. All public retirement systems and the state and local governments sponsoring them are encouraged to meet the standards.

RECOGNITION AWARD FOR ADMINISTRATION

To receive the Recognition Award for Administration, the retirement system must certify that it meets the requirements in five areas of assessment.

Those areas are:

1. Comprehensive Benefit Program. The system must provide a comprehensive benefit program including service retirement benefits, in-service death benefits, disability benefits, vesting, and provisions for granting a cost-of-living adjustment.
2. Actuarial. An Actuarial Valuation must be completed at least every two years using generally-recognized and accepted actuarial principles and practices.
3. Audit. The system must obtain an unqualified opinion from an independent audit conducted following government auditing standards generally accepted in the United States.
4. Investments. The system must follow written investment policies and written fiduciary standards and the system must obtain an annual investment performance evaluation from an outside investment review entity.
5. Communications. Members must be provided a handbook or summary plan description, regular updates to the documents, and an annual benefit statement. Meetings of the governing board of the system are conducted at least quarterly with adequate public notice.

RECOGNITION AWARD FOR FUNDING

To receive the Recognition Award for Funding, the retirement system must certify that it meets the requirements for funding adequacy, as defined as meeting one or more of the following criteria:

- a. A funded ratio of 100 percent;
- b. Contribution rates equal to or greater than 100 percent of the Annual Required Contribution;
- or
- c. A plan has been approved by the governing body to achieve one or both of these criteria within five years.

Mr. Williams reminded the Board that once the city gutted the Plan in 2011, we were no longer qualified to achieve this national honor. Thanks to the city leadership and the union, the Plan is back on course to maintain this notable accomplishment.

The PPCC Award may be viewed on-line at:

<http://hollywoodpensionfund.com/docs/announcements/HPD%20Pension%20PPCC%20Award%202024.pdf#zoom=100>

INVESTMENT MONITOR REPORT – MARINER INSTITUTIONAL

Mr. Vavrica presented a monthly flash report for September 30, 2024. The fiscal year return was valued at A STELLAR 21.46%.

Mr. Vavrica reported that Affiliated Housing Impact Fund II, LP has been approved by Mariner Institutional.

Transitional Update provided to the Trustees for the recent firms retained.

Addendum to Statement of Policy presented to the Trustees for Pullen & Great Lakes Advisors to consider. After review, Mr. Schweighardt made a motion to approve, which was seconded by Mr. Marano. All board members voted yes.

INVESTMENT REPORTS

Affiliated Housing Impact Fund, LP: Mr. Nick Rojo provided the following update to the Board.

Affiliated Housing Impact Fund, LP (the “Fund”) is pleased to provide an investment update to the Hollywood Police Pension Board (“Hollywood Police”).

- Initial Fund closing occurred in December 2020 followed by seven subsequent closings.
- \$56.4M in capital called (80% of fund).
- Current capital commitment is \$7.5M.
- Currently in investment period; ends December 2025.
- Currently exceeding return expectations.
- 24% Gross IRR and 20% Net IRR.
- \$79M NAV on \$56M in called capital.

The Fund has two stabilized projects, two projects under construction and four under development.

Stabilized Projects: The Bohemian and The Grand

Projects Under Construction: The Tropic (45% Complete) and The Spruce (5% Complete).

Near Term Closings: The Era.

Projects Under Development: The Dune, The Pierce, The Cove.

Fundamentals: Continued Strong Employment, Migration, and Market Demand.

Workforce Model: Ability to construct and deliver inventory throughout cycles.

Rent vs Buy: Cost of buying a home versus renting is at its most extreme since at least 1996.

New Programs: Municipalities, counties, and the state are creating new programs to address workforce housing.

Update on the Tropic, Hollywood:

- 223 unit mixed-income, workforce housing community in downtown Hollywood. 50% of the units restricted at 80%-120% AMI.
- 50% of the units are market rate.

- Bank United and Key Bank provided the construction financing. Rate fixed through interest rate hedge.
- Construction began in March 2024. Currently 40% complete, on schedule and on budget.
- November 2025 anticipated completion.
- Project is expected to stabilize by July 2026, 8 months after construction completion.

Fund Performance through Q3 2024

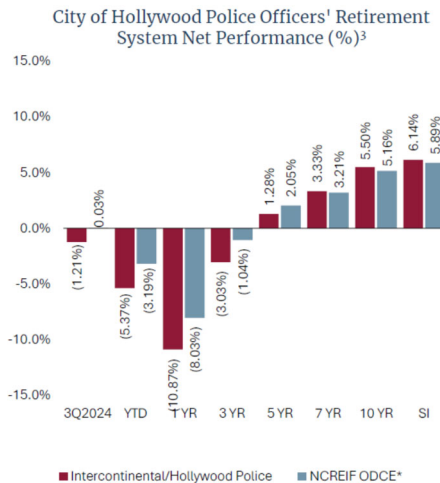
- The Fund has called \$56,355,774 of capital through Q3 2024 (\$5,975,222 from Hollywood Police)
- Q3 2024 NAV of \$78,914,478
 - 24.0% Gross IRR
 - 20.2% Net IRR

Gross & Net Returns	Fund Total	Hollywood
Capital Called	\$56,355,774	\$5,975,222
Distributions	-\$843,708	-\$89,456
Investment Gain	\$28,349,679	\$3,005,825
Expenses	-\$4,947,266	-\$543,341
Net Asset Value	\$78,914,478	\$8,348,250
Q3 2024 IRR	24.0%	20.2%

Intercontinental Real Estate: Mr. Tim Nash provided an update for the Intercontinental U.S. REIF portfolio. It was conveyed that Intercontinental's primary objective always is to maximize the financial returns for investors.

U.S. REIF currently owns four assets in Florida; Midtown Delray, Delray Beach (Multifamily Apartments), One Coach Way, Jacksonville (Industrial), Lakeland Logistics Center, Lakeland (Industrial), Ancora Apartments, Orlando (Multifamily Apartments). Our Asset Managers and Property Managers have worked diligently to stay in communication with the tenants of the properties. Proper precautions were taken to provide all tenants with the necessary safety measures and to prepare the buildings for the storm. We are pleased to say that all tenants and residents are safe. Additionally, the assets have sustained very minor, non-reportable, damage.

Mr. Williams reflected that Intercontinental Real Estate was the only real estate firm to provide a hurricane report in advance of the meeting and he thanks them for the communications.



Mr. Nash reported a redemption payment of \$131,325.41 coming to the Plan on October 30, 2024.

The real estate market has taken a positive turn, and earnings will follow.

OPEN DISCUSSION

Mr. Williams advised, in an effort to reduce administrative costs, he will be switching service providers for the office internet and phones.

Manager Appearance Schedule was updated for 01/01/2025⁴.

JAN	Pullen	ABS
FEB	Capital Dynamics	Taurus
MAR	Great Lakes	Allspring
APR	Terracap	TCW
MAY	Bloomfield	NIS
JUN	Boyd Watterson	Entrust
JUL	Crawford	*Rhumbline
AUG	Crescent	Pennant Park
SEP	Tocqueville	F/m Investments
OCT	Intercontinental	Affiliated
NOV	Corient	Churchill
DEC	Sawgrass	Waycross

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:19 A.M.

The next scheduled meeting is November 22, 2024 at 10:30 A.M.

Respectfully submitted,

APPROVED:

C. Marano, Secretary

D. Strauss, Chairperson

⁴ Posted to the website as well.