

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

December 20, 2024

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, December 20, 2024, at 10:34 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman; C. Boyd¹, A. Stabile, M. Djokic, J. Marano & J. Schweighardt.

Also present were Zachery Smith² & Micki Taylor, Cav Mac; Matthew Barbieri, Active Member; Paul Daragjati – Daragjati Law³; Guillaume Buell, Labaton; Kevin Campbell, Eric Wilcomes, Janna Hamilton & Mark Eisner -Taurus Private; Liridon Gila & Cristine Turner - Sawgrass Asset Management; Brendon Vavrica⁴ - Mariner Institutional; Robert Klausner⁵, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; David M. Williams, Plan Administrator.

PUBLIC COMMENT

- Moment of Silence offered for Anthony Fernandez.
- Mr. Strauss reflected that on behalf of the Hollywood Police Officers' Retirement System, our sincerest congratulations to Paul Lakowski form his graduation from the prestigious FBI National Academy, Session 292. Paul's successful completion of this rigorous program is a testament to his dedication, professionalism, and unwavering commitment to law enforcement excellence. His achievements reflect positively on both him and the Hollywood Police Department. The Board is proud to have Mr. Laskoski as a member of our law enforcement community. His hard work and dedication inspire us all.

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 November 22, 2024 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the November 22, 2024, pension board meeting. Mr. Djokic made a motion to approve the Minutes of the November 22, 2024, pension board meeting, which was seconded by Mr. Marano. All board members voted yes.

INVESTMENT REPORTS

Sawgrass Asset Management: Mr. Gila presented the September 30, 2024 Diversified Large Growth Equity – 3Q24 Portfolio Review.

¹ Attended Remotely.

² Cav Mac Representatives - Attended Remotely.

³ <https://daragjatilaw.com/>

⁴ Attended Remotely.

⁵ Attended Remotely.

The portfolio ended the 3rd quarter on a negative note of 6.35%. That return looked stellar in comparison to the benchmark return of 3.19%. On a one year basis, the portfolio returned 30.08%, which was outpaced the benchmark. Since inception⁶ the Sawgrass portfolio return was valued at 15.69%.

NEW BUSINESS

- Labaton – Security Litigation Update: Mr. Buell provided an update on the General Motors (GM) Matter in which this Plan was the lead plaintiff. Mr. Buell reviewed the losses suffered, which involve autonomous vehicles. It was cited that GM recently settled with the SEC. Further, GM is shutting down its taxi service(s). Oral arguments to dismiss is under consideration. Update to follow as warranted.
- Taurus Private Market – The representatives provided an update on Fund II.

Taurus Private Markets Fund II, LP has \$211.6 million of investor commitments. Taurus Private Markets Fund II, LP held its final close in December 2023. 60.9% of fund capital has been committed to investments.

Completed investments with 11 private equity managers and 4 co-investments / secondaries.

- > 7 leveraged buyout managers
- > 3 venture capital managers
- > 1 private credit manager
- > 4 co-investments / secondaries

6 of the 11 private equity firms are groups that the Taurus Private Markets team members have invested with while at Taurus Private Markets or at previous firms. The representatives feel that they have a strong pipeline of investment opportunities.

Taurus Private Markets Fund II, L.P. generated a +12.9% net return in Q3 2024. It was noted that Taurus distributed the Q3 2024 quarterly report to investors ahead of schedule.

The representatives then spoke about the launch of Taurus Private Markets Fund III. Taurus Private Markets is raising a private equity fund of funds. The target return is 17-20% net return and a 1.75x – 2.0x net multiple on invested capital. Focus on lower middle market leveraged buyout, private credit, and venture capital investment strategies.

Primary Fund Commitments

- 15-17 managers.
- Approximately 200+ underlying investments.
- North America based managers.
- Target 80% leveraged buyout, 10% private credit, 10% venture capital.
- Lower middle market focused.

Co – investments & Secondaries

- Opportunistic investment approach.

Target Fund Size \$225,000,000.

The representatives also spoke of a reduced investment fee for an early closing.

⁶ Inception Date: June 23, 2017.

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At the conclusion of the presentation, Mr. Strauss passed the chair gavel⁷ and made a motion to engage Taurus and invest 8 million dollars in Fund III. Mr. Marano seconded the motion. All board members voted yes. At the conclusion the gavel was returned to Mr. Strauss.

INVESTMENT MONITOR REPORT – MARINER INSTITUTIONAL

Mr. Vavrica presented a flash report for the quarter ending November 30, 2024. The quarterly return was valued at 3.52%.

Mr. Vavrica cited that the Churchill Fund, which is fully funded, has been placed on watch by Mariner. A potential conflict of interest was noted. The watch has a 12-month duration.

Mr. Vavrica announced that Affiliated Housing will have a fee reduction for first close in Fund II.

ATTORNEY'S REPORT

Smires – Status Update: Mr. Strauss advised that he was contacted by the Chief of Police who requested the hearing process to resume. Mr. Strauss asked Mr. Klausner to inform Mr. Kaufman accordingly.

Barberi Matter: Mr. Klausner cited the following - This matter came before the Board of Trustees, upon proper notice. Mr. Barberi was present and represented by counsel, Paul Daragjati.

The facts are not in dispute. Mr. Barberi was charged with a crime and relieved of duty without pay for nearly 3 years. Thereafter, Mr. Barberi was terminated from his employment. Mr. Barberi did not withdraw his employee contributions. Mr. Barberi filed a grievance under the labor agreement and, following an arbitration, was reinstated with a 60-day suspension. The arbitration award cited other than the suspension, Mr. Barberi was to be made whole. The arbitrator reserved jurisdiction to resolve any disputes over back pay. The City and the Union were unable to reach agreement on back pay and the parties held supplemental proceedings under the reservation of jurisdiction. The arbitrator determined that the request for the period when Mr. Barberi was relieved of duty was untimely and denied back pay.

What was undecided in that supplemental proceeding was whether the “make whole” decision included credited continuous service under the terms of the pension plan.

The question before the Board is whether Mr. Barbieri can buy the time he was relieved of duty without pay. Code Section 33.126 defines “Continuous Service” to include periods of suspension. Subparagraph (1) says “Such absences from employment duties shall not count toward benefit computation purposes unless otherwise ruled by the Board.”

Code Section 33.136(i) speaks to “continuous service credit.” That section says continuous service credit shall include all periods of time of “actual work for which earnings were received by members in the service of the Police Department and notwithstanding anything to the contrary in this subchapter.” Subparagraph (2) of that section permits a former member to restore prior service credit not later than 90 days after re-employment.

⁷ Mr. Schweighardt.

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In this case, the member did not withdraw his employee contributions. He is seeking service credit for the period he was not in pay status, except the 60-day period of suspension. No credited service can be granted without contributions. The employee, at a minimum, would be required to pay the contributions he would have made had he been employed, plus interest at the Plan's assumed rate of investment return. The question that needs to be answered relates to the City contribution. The member grieved the absence of back pay and was unsuccessful, so the City will not be paying the member any back pay which would have included the employee contribution. If the City is not obligated to pay back pay, there is a question as to whether the City is obligated to pay the employer contribution which would have been paid had the member been in pay status. There is a difference in a member who withdrew contributions and later restored them and a member who did not contribute during a period of time. In the former situation, the city did contribute for the period and the city contribution remained in the plan. In the present situation, there was no city contribution during the employee's period of suspension.

The primary arbitration award directed that but for the 60-day suspension, the member was to be "made whole in all respects." The supplemental award denied the member back pay because it was not the result of a timely grievance. Neither arbitration award conclusively answers the question of whether the employee or the city would be obligated to pay the employer cost plus interest. The Board finds that the resolution of that question, however, is between the City and the employee.

The Plan is silent on the question of whether a member may purchase the service in the present circumstances. This leaves the question to the Board to decide the question in a uniform, non-discriminatory manner.

After review and discussion was afforded to all pertinent parties, Mr. Marano made a motion, based on the foregoing facts outlined by Mr. Klausner, it is deemed within the Board's power under City Code Section 33.132 to allow the purchase. The Board finds it is appropriate and lawful to allow the purchase, provided the Board receives payment of the full actuarial cost. The Board finds it is not the Board's obligation to seek the employer contribution in this instance, should the City decline to pay it. The Board finds the burden is on the member to pursue that issue under the make-whole provisions of the original award. Further, the Board directs that the actuary for Plan calculate both the employee and employer contributions for the period at issue, inclusive of interest at the Plan's assumed rate of investment return. The results of those calculations will be forwarded to the member and the City. It will then be up to those parties to resolve who will pay the cost of the required contributions. Mr. Schweighardt seconded the motion. All board members voted yes. A formal order will follow from Mr. Klausner.

ADMINISTRATIVE REPORT

Administrative Report: Mr. Williams presented the requests for consideration. Mr. Williams also presented the report approved by the Board Actuary relative to 33.128(1)(d). After review, Mr. Schweighardt made a motion to approve the item(s) detailed. This motion was seconded by Mr. Djokic. All board members voted yes.

OPEN DISCUSSION

No discussion ensued.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 12:02 P.M.

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The next scheduled meeting is January 31, 2025, at 10:30 A.M.

Respectfully submitted,

APPROVED:

P. Laskowski, Secretary

D. Strauss, Chairperson