

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

April 25, 2025

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, April 25, 2025, at 10:30 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

D. Strauss, Chairman, P. Laskowski, Board Secretary, J. Marano, A. Stabile, J. Schweighardt, C. Boyd & M. Djokic.

Also present were Steve Hagenbuckle, Nick Vician & Patrick Melton, TerraCap Partners; William Lloyd & Mark Gertzof, TCW Direct Lending; Brendon Vavrica¹, Mariner Institutional; Lindsey Garber, 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 MARCH 28, 2025 MEETING

Mr. Strauss asked if there were any additions or corrections to the Minutes of the March 28, 2025 pension board meeting. Mr. Marano made a motion to approve the Minutes of the March 28, 2025 pension board meeting, which was seconded by Mr. Laskowski. All board members voted yes.

ATTORNEY'S REPORT

Ms. Garber cited a motion to reconsider is being filed with the court in the General Motors Matter.

Ms. Garber reaffirmed the Plan was named co-lead plaintiff in the ASML Matter.

Finally, Ms. Garber reminded the Trustees the requirement to complete their respective Form 1² by July 1st.

ADMINISTRATIVE REPORT

Mr. Williams presented the Administrative Report to the Board.

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. Boyd to approve the report as presented, which was seconded by Mr. Laskowski. All board members voted yes.

¹ Attended Remotely.

² <https://disclosure.floridaethics.gov/Account/Login>

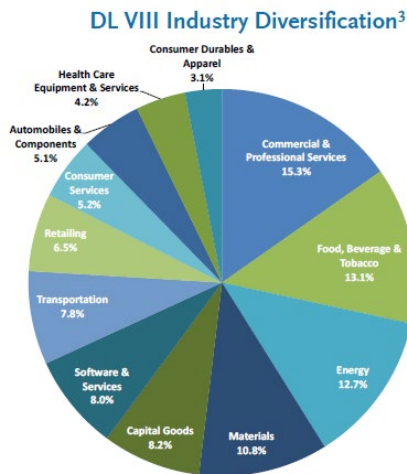
Administrative Budget: 2025/26: Mr. Williams outlined the Administrative Expense Budget³ provision. 175.061(8) and 185.05(8) require that all firefighter and police Boards of Trustees shall provide a detailed accounting report and operate under an administrative expense budget. A copy of the budget shall be provided to the plan sponsor and made available to plan members before the beginning of the fiscal year. If the Board amends the administrative expense budget, the Board must provide a copy of the amended budget to the plan sponsor and make available a copy of the amended budget to plan members. For plans that use a September 30 - October 1 fiscal year, the new administrative expense budget must be prepared and made available prior to October 1st. After review and discussion, Mr. Laskowski made a motion to approve the 2025/26 Administrative Expense Budget as presented, which was seconded by Mr. Stabile. All board members voted yes.

NEW BUSINESS

Mr. Williams presented a DROP Distribution request from Mr. K. Shaw, as a result of a court order directed at the member. After review and consideration, a motion was made to approve the request, which was seconded by Mr. Djokic. All board members voted yes.

QUARTERLY REPORT

TCW: Mr. William Lloyd & Mr. Mark Gertzof provided a portfolio review. The representatives provided an investor capital statement and portfolio metrics.



New investment activity was also detailed for informational purposes, as well as repayment activity.

TerraCap: The representatives provided a detailed real estate commentary.

WHAT HAPPENED IN THE REAL ESTATE SECTOR?

- Inflation peaked at 8.0% in 2022.
- Federal Reserve increased interest rates 11 times in 17 months to combat inflation.

³ A copy of all required disclosures may be viewed at: <http://hollywoodpolicepensionfund.com/modules/stateDocs/index.asp>

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- Sales volumes and pricing across asset classes have significantly declined from 2021-2022 levels.
- Real estate demand fundamentals strong in most asset classes, with the exception of office.
- Multifamily demand strong due to nationwide housing shortage – estimated at 4,000,000 to 6,000,000 units.
- Industrial demand strong due to shift in supply chain fundamentals – companies keeping more inventory on hand, nearshoring due to geopolitical risk, growth in e-commerce, etc.
- Economy is strong as evidenced by GDP growth, will likely require Federal Reserve to keep rates higher for longer.
- Unprecedented increase in interest rates impacts real estate values.
- Equity markets have been volatile over the past several years.
- S&P US REIT Index has rebounded off 2023 lows; indicates investor optimism.

STRATEGY OF REBUILDING VALUE

- Restarted the unit renovation business plan with a focus on CapEx efficiency – charge higher rents for upgraded units.
- Resume organic rent growth as markets work through supply in 12-18 months.
- Control operating expenses as inflation recedes – inflation down from high of 9% to 3%.
- Insurance renewals in 2024 down 15.2% compared to 2023 (\$764K in savings).
- Reduction of accounts receivable at multifamily properties – from \$1.07M in November 2023 to \$482K in November 2024.
- Occupancy push on multifamily and office product.
- Reduction in interest rates typically translates to lower cap rates, resulting in higher sales prices.
- Increase overall NOI⁴ by 4-5% per year for 5 years.

RENT GROWTH IN TERRACAP MARKETS EXCEEDS NATIONAL AVERAGE

- Fund V Average Multifamily Rent Growth Since Q4 2020*: 19.2%.
- National Average Multifamily Rent Growth Since Q4 2020: 16.6%.
- Fund V Average Industrial Rent Growth Since Q4 2020: 46.9%.
- National Average Industrial Rent Growth Since Q4 2020: 31.4%.

FUND V MULTIFAMILY REVENUE GROWTH

- Our Fund V Multifamily total revenue increased by 9.1% since January 2023.
- As the red trendline in the graph below shows, we see a steady upward revenue trend, even in times of major volatility and headwinds.

INVESTMENT CONSULTANT REPORT – Mariner Institutional

Mr. Vavrica provided a flash report for the quarter ending March 31, 2025.

	Allocation		Performance(%)								
	Market Value \$	%	MTH	QTD	YTD	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund Composite (Gross)	469,467,557	100.0	-3.88	-3.18	-3.18	-2.32	3.34	5.08	11.19	8.06	10/01/1992
Total Policy			-4.02	-3.24	-3.24	-2.12	4.60	5.42	11.69	7.52	
Total Fund Composite (Net)	469,467,557	100.0	-3.90	-3.26	-3.26	-2.50	3.00	4.72	10.77	7.66	10/01/1992
Total Policy			-4.02	-3.24	-3.24	-2.12	4.60	5.42	11.69	7.52	

Mr. Vavrica advised the due diligence review of Capital Dynamic VI is completed.

⁴ Net Operating Income.

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Mr. Vavrica will be bringing a pacing model to a future meeting for the Board to consider.

Mr. Vavrica outlined the rolling excess performance of the Russell 1000 Growth and the Russell 1000 Value Index for informational purposes only.

OPEN DISCUSSION

Mr. Boyd advised that the city clinic timeline to open is end of 2025.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:38 A.M.

The next scheduled meeting is May 16, 2025 at 10:30 A.M.

Respectfully submitted,

APPROVED:

P. Laskowski, Secretary

D. Strauss, Chairperson