

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

April 24, 2026

MINUTES

A regular meeting of the Hollywood Police Officers' Retirement System was held on Friday, April 24, 2026, at 10:31 A.M., in the Office of Retirement, 4205 Hollywood Blvd., Suite 4, Hollywood, Florida 33021.

PRESENT:

P. Laskowski – Acting Chairman, J. Schweighardt, A. Stabile, J. Marano, C. Boyd – Trustees & D. Strauss¹.

Also present were Todd Green² and Zachery Smith - CavMac; Patrick Melton - TerraCap; William Lloyd - TCW Private Credit; Andrew Laframboise, Brendon Vavrica - Mariner Consulting³; Lindsey Garber⁴, Legal Counsel - Klausner, Kaufman, Jensen & Levinson; and David M. Williams, Plan Administrator.

PUBLIC COMMENT

None.

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 27, 2026 MEETING

Mr. Laskowski asked if there were any additions or corrections to the Minutes of the March 27, 2026 pension board meeting. Mr. Marano made a motion to approve the Minutes of the March 27, 2026 pension board meeting, which was seconded by Mr. Stabile. All board members voted yes.

ATTORNEY'S REPORT

- Members were informed to complete Form 1 as required.
- Smires – IME Completed awaiting reports to proceed.
- Website requirements were outlined. Administration is working with IT accordingly.
- Driven Brand Matter – Filed further to follow as warranted.

ADMINISTRATIVE REPORT

Mr. Williams distributed the HIPPA Release form and cover letter which will be sent to new members. This will allow us to use the pre-employment physicals from the city instead of sending members for a pension physical. The intent was to save time and money. Documents were reviewed by legal and approved. After review and discussion, Mr. Stabile made the motion to proceed with this new process, which was seconded by Mr. Schweighardt. All board members voted yes.

¹ Attended Remotely.

² <https://cavmacconsulting.com/team-member/todd-green/>

³ Attended Remotely.

⁴ <https://www.klausnerkaufman.com/attorneys-staff/attorneys/lindsey-garber>

Hollywood Police Officers' Retirement Board - Minutes

April 24, 2026

Page 2

Mr. Williams distributed latest rate sheet from Israel Bonds. Mr. Vavrica said the terms were not in the best interest of the Plan. No further action pending.

PRESENTATION OF ACTUARIAL VALUATION REPORT OF OCTOBER 1, 2025

Representatives cited why the Plan needs an Actuary.

- Develop a strategy to systematically fund the promised benefits of the system.
- Measure assets and liabilities (future benefit payments).
- Determine actuarial contribution rates.
- Analyze experience (actual vs. expected).
- Report on trends, risks, accounting, etc.

The Basic Retirement Funding Formula was outlined as follows:

- C = Contributions
- I = Investment Income
- B = Benefits Paid
- E = Expense

It was reported that for a defined benefit pension plan, the ultimate value of future cash flows cannot be predicted with certainty. To estimate the probability and the likely cost of a future event such as disability, retirement, or death, actuaries need to make assumptions.

KNOWN at valuation date:

1. age
2. salary
3. gender
4. service to date
5. membership group

ASSUMED at valuation date:

1. future salary increases
2. retirement date(s)
3. death rates before and after
4. disability rates
5. other termination rates

Actuarial Assumptions

Turnover: Will an employee work long enough to vest and qualify for monthly benefits?

Retirement: When will the employee retire and start collecting benefits?

Mortality: How long will monthly benefits be paid?

Salary Increases: How will salaries grow in future years for each employee?

Discount Rate: What is the present value of all of those future benefits in terms of today's dollars?

If we put money aside today, what rate of return can we expect to earn on it?

Based on the foregoing the representatives cited the following:

The October 1, 2025 Valuation determines the employer contribution for the 2026/2027 fiscal year.

Asset Returns:

- Actuarial value of assets return was 11.98% compared to the assumed rate of 8.00% (3.98% greater than expected).
- Market value of assets return was 11.07% compared to the assumed rate of 8.00% (3.07% greater than expected).
- \$30.6 million unrecognized gain.

Benefit Change:

- Group 3 members including 11.5% member contribution rate.
- Increased cost offset by increased member contributions.

Assumption Change:

- None.

Results of the Valuation:

	October 1, 2024 Valuation (FY 2025/2026 Contributions)	Final October 1, 2025 Valuation (FY 2026/2027 Contributions)	Before Plan Change October 1, 2025 Valuation (FY 2026/2027 Contributions)
Total Normal Cost Including Expenses	\$9,516,472	\$9,826,783	\$9,618,566
Less Expected Member Contribution	2,837,518	3,333,160	2,910,884
Employer Normal Cost	\$6,678,954	\$6,493,623	\$6,707,682
Interest Adjustment	1,493,025	1,537,457	1,521,336
Amount to Amortize UAL	30,363,604	31,240,123	31,017,715
Total Required City/State Contribution	\$38,535,583	\$39,271,203	\$39,246,733
Expected Chapter 185 Monies	2,623,857	2,791,218	2,791,218
Required Employer Contribution	\$35,911,726	\$36,479,985	\$36,455,515
Unfunded Accrued Liability	\$263,291,062	\$253,371,331	\$251,402,714
Funded Ratio	53.1%	56.5%	56.7%

**The 2026/2027 Fiscal Year Contribution Breakdown for the City
 (Depending on Payment Method)**

Employer contribution payable on October 1, 2026	\$34,942,528 ⁵
Interest for bi-weekly installments during fiscal year	\$1,537,457
Employer contribution payable in bi-weekly installments	\$36,479,985

Mr. Green cited the current assumption rate the Board adopted relative to other Plans. He noted that he and the Plan Consultant support the current assumptions.

At the conclusion of the presentation, Mr. Schweighardt made a motion to accept and approve the October 1, 2025 Actuarial Valuation as presented. Motion was seconded by Mr. Boyd. All board members voted yes.

The Board then discussed the assumed rate of return for the Plan for this year, the next several years and for the long term. The Board, Mr. Green and Mr. Vavrica, agreed by consensus, based on the allocation of the Plan that there is no need to modify the current return assumption. Mr. Marano made the motion to maintain the current assumed rate of return for the Plan for this year, the next several years and for the long term. Motion was seconded by Mr. Schweighardt. All board members voted yes. A notice was transmitted to the state by Mr. Vavrica.

This entire report may be viewed at:

<http://hollywoodpolicepensionfund.com/modules/stateDocs/index.asp>

⁵ Employer Contribution is net of expected State monies.

QUARTERLY INVESTMENT PRESENTATION – TCW

Mr. Lloyd provided the following update:

- Overall platform M&A activity has dropped off dramatically with just 260 deals in 2025, off 65% from the peak in 2021.
- At the same time, the average deal size has gotten bigger increasing from \$0.9 billion in 2021 to \$1.2 billion last year.
- Over the past two years, spreads have compressed substantially as heightened competition for fewer deals has weighed on pricing.
- Default rates and PIK interest have stabilized in recent quarters, showing that stress remains at elevated levels.
- Rising lender foreclosures, particularly in 2021/2022 vintage deals, underscore that stress is surfacing most acutely in over-levered loans in the market.
- Declining base interest rates and tighter spreads are resulting in lower coupons, hurting returns and modestly helping borrowers manage debt service, but are unlikely to change pressure building on over-levered legacy credits.
- Software has become a major concern given the high exposure across private credit, notably we have almost no exposure by design.

TCW Direct Lending VIII LLC – as of December 31, 2025

Fund Level Gross IRR – Since Inception 17.5%
Net IRR After Performance Fees – Since Inception 12.7%

Outlook:

- The recent Blue Owl news has stirred investor concerns related to software exposure and investor liquidity.
- These two issues are occurring within the broader context of concerns from investors about the asset class in general.
- We believe the larger issues include the lack of portfolio diversification and the steady deterioration in underwriting standards seen in recent years are finally starting to show up in challenges for legacy portfolios.
- Should wealth channel or retail investor inflows plateau or decline due to headline concerns, new vintage loans could become very attractive.

QUARTERLY INVESTMENT PRESENTATION – TerraCap Real Estate

Mr. Melton provided the following update of the portfolio:

- Net IRR as of 12/31/2025 was valued at -21.6%.
- Prices Are Down Across Asset Classes.
- Offices Selling At Significant Discounts Across The Country.
- Multifamily Selling At Significant Discounts Across The Country.
- TerraCap Partners V Acquisitions were reviewed.

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.
- 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.

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 2025 down 15.0% compared to 2024 (\$635K in savings).
- Reduction of accounts receivable at multifamily properties – from \$586K in November 2023 to \$200K in December 2025.
- Occupancy push on multifamily and office product.
- Reduction in interest rates typically translates to lower cap rates, resulting in higher sales prices.
- Increase overall NOI by 4-5% per year for 5 years.

INVESTMENT CONSULTANT REPORT – MARINER

- Mr. Vavrica noted the Crescent acquisition. No issues to report.
- Notice of Delegation of Non-Investment Advisory Functions for Allspring Global Investments, LLC. No issues to report.

Mr. Vavrica provided a flash report March 31, 2026:

Total Fund Composite (Gross) MV \$523,627,225, Month -4.02, FYTD 0.16, 1-yr 13.06, 3-yr 11.45, 5-yr 7.30, Inception⁶ 8.22.

OPEN DISCUSSION

It was noted that Affiliated Housing was going to develop another workforce project in Hollywood.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 11:50 A.M.

The next scheduled meeting is May 22, 2026 at 10:30 A.M.

Respectfully submitted,

APPROVED:

P. Laskowski, Secretary

D. Strauss, Chairperson

⁶ 10/01/1992