

North Broward Hospital District Board of Commissioners  
1601 South Andrews Avenue, Suite 100, Fort Lauderdale, FL 33316

## **PENSION AND INVESTMENT COMMITTEE MEETING** **11:30 a.m., Wednesday, June 28, 2023**

The Pension and Investment Committee Meeting of the North Broward Hospital District was held at the Broward Health Sports Medicine Building, 1601 South Andrews Avenue, Suite 100, Fort Lauderdale, FL 33316.

### **1. NOTICE OF MEETING**

Official notice is attached to these minutes, titled EXHIBIT I. Agenda of this meeting is attached to the minutes, titled EXHIBIT II. Supporting documents, if applicable, are attached to these minutes, titled EXHIBIT III. These exhibits are presented for consideration of the Committee.

### **2. CALL TO ORDER**

There being a quorum present, the meeting was called to order by Chair Christopher J. Pernicano at 11:43 a.m.

### **3. ROLL CALL**

*Present:*

Commissioner Ray T. Berry (via TEAMS)  
Commissioner Christopher J. Pernicano, Chair

*Not Present:*

Commissioner Paul C. Tanner, Vice Chair

*Additionally Present:*

Jonathan K. Hage, Commissioner (via TEAMS at 11:57 a.m.)  
Levi G. Williams, Jr., Commissioner (arrived at 11:45 a.m.)  
Nancy W. Stamper, Commissioner, *Substitute member*  
Stacy L. Angier, Commissioner  
Shane Strum, President, Chief Executive Officer  
Alan Whaley, EVP/Chief Operating Officer  
Alisa Bert, VP, Interim Chief Financial Officer  
Linda Epstein, Corporate General Counsel

Consistent with article III, section 12(e) of the Bylaws of the Board of Commissioners of North Broward Hospital District and section 3.12(e) of the Board's Codified Resolutions, Chair Pernicano of the Pension and Investment Committee, appointed Commissioner Nancy W. Stamper to serve as a substitute committee member on the Pension and Investment Committee to conduct Committee business and to be counted for the establishment of quorum.

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#### 4. **PUBLIC COMMENTS**

Chair Pernicano opened the floor for public comments, in which there were none.

#### 5. **APPROVAL OF MEETING MINUTES**

- 5.1. Approval of Pension and Investment Committee Meeting Minutes dated February 22, 2023

Without objection, Chair Pernicano approved the minutes, dated February 22, 2023.

Motion *carried* without dissent.

#### 6. **TOPIC OF DISCUSSION**

- 6.1. Review Private Equity Investments quarter ending 3/31/2023 (Presenter – Chris Lagan, Congress Asset Management)

Mr. Lagan, who presented via Teams, reported that both the Unrestricted Fund and Employees' Pension Fund continued to perform quite well.

- Returns remain strong for both funds, ahead of the comp set S&P 500 +300 basis points
- Both plans are moving down towards 7.5% Target Allocation

Mr. Lagan provided the following high-level summary:

- Internal Rate of Return (IRR) - estimated
- Capital Calls & Returns
- Valuation Summary (Estimated) by Vintage Year

Mr. Dean Raymond, Congress Asset Management Analyst, presented the following via Teams:

- Unrestricted Fund Valuation and Performance Summary
- Unrestricted Fund Private Equity Allocation Forecast

- 6.2. Review Investments (non-Private Equity) quarter ending 3/31/2023 (Presenter – Rosemary Guillette, Segal Marco Financial Advisors)

6.2.1. Broward Pension Composite 1Q23

6.2.2. Broward Unrestricted Composite 1Q23

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Segal Marco Financial Advisors representative, Rosemary Guillette, provided a high-level overview of the Compliance Checklist for the following:

- Pension Fund; and
- Unrestricted Fund.

### 6.2.3. Fee Analysis Review

As a follow-up to the February 22, 2023, Pension and Investment Committee Meeting, Ms. Guillette reviewed the Fee Analysis Review for each Investment Manager of the District. It was noted that analysis focused and based upon peer group fee distributions, not versus an “average” fee. Further noted, analysis is used to determine if the District’s current fees are appropriate in today’s investment environment.

For further detail, related slides are available within the June 2023 Pension and Investment Committee Meeting book on the Board of Commissioners’ webpage.

### 6.2.4. Recommendation to remove Investment Manager, Brandes Emerging Markets Equity Portfolio, from the Watch List

**MOTION** It was *moved* by Commissioner Stamper, *seconded* by Commissioner Berry, that:

The Pension and Investment Committee recommend that the Board of Commissioners of the North Broward Hospital District remove Brandes Emerging Markets Equity Portfolio in both the Pension and Unrestricted Funds from the Watch List based on improved performance.

Motion *carried* unanimously.

### 6.3. Review House Bill 3 (HB3) Legislation and Impact on Broward Health’s Investments (Presenter – Alisa Bert, Interim CFO)

#### 6.3.1. Replacement of SSgA S&P Index Fund ex Tobacco

- 6.3.1.1. Vote to terminate the SSgA S&P 500 Index Fund ex Tobacco and Replace with SSgA S&P 500 Index Fund

#### 6.3.2. Review and Approval of Investment Policy Statements (IPS)

- 6.3.2.1. Vote on the Unrestricted IPS
- 6.3.2.2. Vote on the Pension IPS

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Ms. Bert reviewed a summary of the recent HB3 legislation signed on May 2, 2023, that is scheduled to take effect on July 1, 2023. It was noted that legislation impacts a majority of the District's investments (i.e., cash balance plan, unrestricted investments, operating funds, and any investments in surplus funds). It was further noted that legislation excludes Defined Contribution Plans, such as Broward Health's 403B and 457B plans.

Based on HB3 Legislation, Ms. Bert presented a summary of proposed changes to the Pension and Unrestricted Funds Investment Policy Statements (IPS).

Discussion ensued regarding HB3 legislation and the proposed replacement fund recommendation and proposed changes for the Pension and Unrestricted Funds IPS. Based on recent notice of the HB3 legislation, it was requested that by the next Pension and Investment Committee meeting, Segal Marco develop a strategic plan for the organization to mitigate any potential future degradation of the District's Pension and Unrestricted plans, prior to the committee's consideration.

**AMENDED MOTION** It was *moved* by Commissioner Stamper, *seconded* by Commissioner Berry, that:

The Pension and Investment Committee recommend that the Board of Commissioners of the North Broward Hospital District table all action items under 6.3., Review HB3 Legislation and Impact on Broward Health's Investments, for the June 28, 2023, Pension and Investment Committee meeting agenda to the August 30, 2023, Pension and Investment Committee Meeting.

Motion *carried* unanimously.

## 7. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 1:14 p.m.

Respectfully submitted,  
Commissioner Christopher J. Pernicano, Chair