

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

PENSION AND INVESTMENT COMMITTEE MEETING **10:00 a.m., Wednesday, December 16, 2020**

The Pension and Investment Committee Meeting of the North Broward Hospital District was held at 10:00 a.m. on December 16, 2020, at the Broward Health Corporate Spectrum Location, 1700 NW 49th Street, Suite 150, Fort Lauderdale, Florida 33309.

1. NOTICE

Official notice and agenda of this meeting is attached to the minutes, titled EXHIBIT I and EXHIBIT II, as presented for consideration of the Committee.

2. CALL TO ORDER

There being a quorum present, the meeting was called to order by Chair Stacy L. Angier at 10:09 a.m.

3. COMMITTEE MEMBERS

Present:

Commissioner Ray. T. Berry
Commissioner Marie C. Waugh, Vice Chair
Commissioner Stacy L. Angier, Chair

Senior Leadership

Additionally Present:

Nancy W. Gregoire, Commissioner
Gino Santorio, President/Chief Executive Officer
Alan Goldsmith, EVP/Chief Operating Officer
Alex Fernandez, SVP/Chief Financial Officer
Linda Epstein, Corporate General Counsel
Jerry Del Amo, Deputy General Counsel

4. PUBLIC COMMENTS

Chair Angier opened the floor for public comments, in which the following speakers came forward.

Ms. Beverly Langley Stephens, former Broward Health employee, inquired as to the process of employee pensions and its funding.

It was confirmed that the retiree health care benefits were funded through a corporate budget line item within the organization's financial statements.

In regard to Commissioner Angier having recently been elected as chair of the Pension and Investment Committee, she noted that she had been meeting with CFO, Alex Fernandez,

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Broward Health Treasurer, Mary Beth Begley, and money managers, Chris Lagan of Congress Assets and Rosemary Guillette of Segal Marco Financial Advisers, for an orientation and portfolio overview.

*Item 6.1, Introduction, was heard prior to Item 5, Approval of Minutes.

6.1 Introduction (Presenter – Mary Beth Begley, Treasurer, Broward Health)

Broward Health Treasurer, Mary Beth Begley gave a brief history to her tenure with Broward Health, which began in October 2018.

A high-level PowerPoint presentation was shared, outlining the roles and functions of the Pension and Investment Committee. (For details, please see pages 5 through 8 of the Meeting Book.)

- Duties and roles of committee members.
- Roles of advisors and staff.
- Recent decisions of the committee.

It was agreed that Ms. Begley would share brief presentations related to the different funds at a future meeting.

5. APPROVAL OF MINUTES

Without objection, Chair Angier approved the minutes, dated August 19, 2020.

Motion *carried* without dissent.

6.2. Review Private Equity Investment Quarter Ending 6/30/2020 (Presenter – Chris Lagan, Congress Asset Management)

Mr. Lagan gave an overview of Congress Asset Management's role as the private equity consultant to Broward Health. Congress's responsibilities include sourcing, diligence, committing and managing the private equity unrestricted fund and pension fund. The firm has worked with Broward Health for 10 years.

Mr. Lagan also noted that the three goals of a private equity consultant are diversification, lower volatility, and excess return. This process includes researching, sourcing, recommending, and approving investments.

Mr. Lagan presented the private equity portion of the quarterly report, detailing Q2 2020 results. (For details, please see pages 9 through 23 of the Meeting Book.)

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*Mr. Lagan noted that the September 2020 numbers are much stronger than those of June 2020, shown below.

- Unrestricted Funds
 - Valuation Summary
 - Commitment \$96,150,000
 - Paid-In \$60,267,351
 - Distributed \$51,152,330
 - Market Value \$35,236,285
 - Total Value \$86,388,615
 - Net Benefit \$26,121,264
 - Remaining Commitment \$41,485,074
 - Subsequent Commitment \$
 - \$ Adj. Remain Commitment (06/30) \$
 - Performance
 - Mr. Lagan gave an overview of Benchmarking through June 30, 2020.
- Pension Fund
 - Valuation Summary
 - Commitment \$73,050,000
 - Paid-In \$41,218,946
 - Distributed \$39,146,570
 - Market Value \$20,985,883
 - Total Value \$60,132,453
 - Net Benefit \$18,913,507
 - Remaining Commitment \$33,466,446
 - Subsequent Commitment \$
 - Adj. Remain Commitment (06/30) \$
- Watch List
 - Two remain on list.
 - Banyan Mezzanine Fund.
 - WAVE Equity Fund.
 - Two removed from list.
 - Z Capital Partner II.
 - Sentinel Capital Partners V.

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- Commitments Year-to-Date
 - Unrestricted Funds
 - \$15m across four funds.
 - Tenex Fund III.
 - HGGC Fund IV.
 - Trivest Discovery Fund.
 - Trivest Growth Investment Fund II.
 - Pension Fund
 - \$10m across four funds.
 - Tenex Fund III.
 - HGGC Fund IV.
 - Trivest Discovery Fund.
 - Trivest Growth Investment Fund II.
 - Allocation Review and Action Items
 - No additional allocation recommended at the present time.
 - Recommends rounding up \$3m unallocated during 2020 to a \$5m commitment to W Capital V fund in 2021.

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

The Pension and Investment Committee authorize Commissioner Gregoire as a substitute for Commissioner Waugh throughout the remainder of the Pension and Investment Committee Meeting.

Motion *carried* unanimously.

*Commissioner Waugh departed the meeting at 10:56 a.m.

6.3. Review Broward Unrestricted Summary 3Q20 (Presenter – Rosemary Guillette, Segal Marco Financial Advisors)

Ms. Guillette gave an overview of Segal Marco's role as investment consultant to Broward Health, managing the entire plan with the exception of the private equity portion. It was noted that the responsibilities included reviewing Broward Health's portfolio for both the pension and unrestricted funds, in addition to performing an asset and allocation study every three to five years. Ms. Guillette's specific role is to act as a manager, giving guidance to Broward Health.

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Ms. Guillette presented the Unrestricted Summary, as of June 30, 2020, highlighting gains and losses to the portfolio. (For details, please see pages 32 through 60 of the Meeting Book.)

- Summary of investment returns.
- 3Q20 index returns.
- Comparative performance.
- Schedule of investable assets.
- Investment manager roster (fees).

6.4. Review Broward Pension Fund 3Q20 (Presenter – Rosemary Guillette, Segal Marco Financial Advisors)

Ms. Guillette presented the Pension Fund Summary, as of June 30, 2020, highlighting gains and losses to the portfolio. (For details, please see pages 61 through 89 of the Meeting Book.)

- Asset allocation comparison.
- Comparative performance.
- All public plans-total fund.
- Schedule of investable assets.

Ms. Guillette gave a brief overview of the November 2020 returns.

- The Unrestricted Fund was at \$664m at the end of November. Year to date, January through November, the rate of return was at 7.49%.
- The Pension Fund was at \$403m as of November. Year to date, January through November, the rate of return was at 8.5%

7. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 11:22 a.m.

Respectfully submitted,

Commissioner Marie C. Waugh, Secretary/Treasurer