



MINUTES FROM MEETING – AUGUST 21, 2024

The meeting was held on Wednesday, August 21, 2024, in the Veterans Conference room on the second floor of City Hall. Chairman Zabin telephoned Ms. Jensen and Mr. Schider-Heisel and called the meeting to order at 9:04 AM. The Board had a quorum.

<u>Members</u>	<u>Also Present</u>
Douglas Zabin	Bonni Jensen, Board Attorney (by phone)
Jason Franklin	Andrea Morgan, Department Advocate
Quincy Schider-Heisel (by phone)	Kevin Leonard, NEPC
Mario Garcia	Nicholas Massot, Health & Safety Officer (9:09 AM)
Katrina Laudeman	Michele Keane, Pension Coordinator

1) PUBLIC COMMENT

Chairman Zabin asked for public comment. There was none.

3) APPROVAL OF MINUTES – July 17, 2024 (Taken out of order)

A MOTION TO APPROVE THE MINUTES OF THE JULY 17, 2024 MEETING was made by Mr. Franklin and seconded by Mr. Garcia; **MOTION CARRIED UNANIMOUSLY.**

4) CONSENT AGENDA (Taken out of order)

A MOTION TO APPROVE THE CONSENT AGENDA was made by Mr. Franklin and seconded by Ms. Laudeman, **MOTION CARRIED UNANIMOUSLY.**

5) PENDING / OLD BUSINESS UPDATE (Taken out of order)

a. Disability Update

France (Anthony) Felix

Chairman Zabin stated there is no update on Mr. Felix’s case.

Jimmy Madriaga Jr.

Chairman Zabin noted there is not an update on Mr. Madriaga’s case.

Matthew Erdmann

Chairman Zabin stated Mr. Erdmann is scheduled for surgery on August 27, 2024. He will be reviewing his notebook with Ms. Keane on August 22, 2024; however, he is still hopeful the surgery will allow him to withdraw his disability application and return to work.

Leslie Kinsella

Chairman Zabin stated there is no update on Mr. Kinsella's case.

b. Securities Litigation Update

Chairman Zabin asked if there was anything to add to the report? Ms. Laudeman stated there was not.

c. Nyhart Contract Signing

Chairman Zabin noted the Nyhart contract was approved by the Board at the June 26, 2024 meeting. Ms. Jensen noted there are not any references to public records or using the E-Verify system. She will work with Nyhart to have the necessary language added to the contract.

6) NEW BUSINESS (Taken out of order)

a. Policy 23 – Virtual Meetings

Ms. Jensen stated she has updated the policy using the Attorney General's guidelines. She noted there must be a quorum in the room for a meeting to be conducted.

A MOTION TO ACCEPT THE UPDATES TO POLICY #023 was made by Mr. Franklin and seconded by Mr. García; **MOTION CARRIED UNANIMOUSLY.**

(Chief Massot joined the meeting at 9:09 AM.)

b. Pension Board Election Reminder

Chairman Zabin stated the Department sent out the nomination information. He plans to have Chief Salazar's assistant confirm all nominees are interested in participating in the election. Chairman Zabin noted he will not be continuing to serve on the Board. Some discussion ensued.

2) ASSET ALLOCATION DISCUSSION (Taken out of order)

Chairman Zabin turned the meeting over to Mr. Leonard of NEPC. Mr. Leonard reminded the Board that NEPC makes annual forecasts and described the building blocks used to project these forecasts.

He reviewed the different asset classes and their performance through June 30, 2024. Mr. Leonard stated he is recommending retitling the Real Estate classification to Real Assets which will allow more diversification. This will include infrastructure, timber, oil, airport terminals, and real estate.

Mr. Leonard is also recommending combining the Core and Core Plus classifications to Core Bonds.

Neither of these reclassifications will change the allocations.

Mr. Leonard spoke about re-ups, committing additional money to managers that are already performing well. He recommends investing \$10.0 million in the Harbourvest Co-Investment Fund VII (Combined Fund) for Private Equity .

Next, Mr. Leonard reviewed the 400 Capital Asset Based Term Fund IV and recommended allocating \$8.0 million for Private Debt.

Mr. Leonard then reviewed Ares Secondaries Fund III and recommended allocating \$4.0 million for Real Assets. Discussion ensued.

(Chairman Zabin noted that his call with Mr. Schider-Heisel had disconnected. Chairman Zabin was able to re-establish contact with him.)

Chairman Zabin called for a motion to allow Mr. Schider-Heisel to participate in the meeting while attending by telephone.

A MOTION TO ALLOW MR. SCHIDER-HEISEL TO PARTICIPATE IN THE MEETING, WHILE ATTENDING BY TELEPHONE was made by Mr. Garcia and seconded by Mr. Franklin; **MOTION CARRIED UNANIMOUSLY.**

A MOTION TO FOLLOW THE RECOMMENDATIONS OF NEPC AS PROVIDED: CHANGING THE ASSET CLASSIFICATION OF REAL ESTATE TO REAL ASSETS AND CHANGING THE CORE PLUS CLASSIFICATION TO CORE BONDS, WITH NO CHANGES TO THE ALLOCATIONS. TO ALLOCATE \$10.0 MILLION TO THE HARBOURVEST CO-INVESTMENT FUND VII (COMBINED FUND) FOR PRIVATE EQUITY, TO ALLOCATE \$8.0 MILLION TO THE 400 CAPITAL ASSET BASED TERM FUND IV FOR PRIVATE DEBT AND TO ALLOCATE \$4.0 MILLION TO THE ARES SECONDARIES INFRASTRUCTURE SOLUTIONS FUND III FOR REAL ASSETS was made by Mr. Schider-Heisel and seconded by Mr. Franklin; **MOTION CARRIED UNANIMOUSLY.**

Mr. Leonard reviewed the June 30, 2024 Flash Reports and made two recommendations. He recommends terminating the active Jennison Fund and searching for a new Small- Mid Capital ("SMID") investment company. Mr. Leonard mentioned a Winter Park investment company, De Prince Race & Zollo, Inc., ("DRZ") that the Police Pension Board asked to be considered as part of NEPC's preferred list of companies. NEPC will include DRZ as an option for a SMID company for this Board also.

A MOTION TO SEARCH FOR A NEW SMID VALUE MANAGER, TERMINATE JENNISON, AND MOVE THEIR FUNDS TO AN INDEX FUND was made by Ms. Laudeman and seconded by Mr. Franklin.

The Board asked NEPC to work with staff to arrange a joint meeting with the Police Pension Board and Polen and to discuss their philosophy and investing strategies.

8) ADJOURNMENT

A MOTION TO ADJOURN THE MEETING was made by Mr. Garcia and seconded by Mr. Franklin; **MOTION CARRIED UNANIMOUSLY.** The meeting adjourned at 10:35 AM.

Respectfully submitted,

Michele Keane

Michele Keane
Pension Coordinator