

**MINUTES
REGULAR BOARD OF TRUSTEES MEETING
CITY OF DELRAY BEACH FIREFIGHTERS' RETIREMENT SYSTEM
OCTOBER 16, 2025**

1. CALL TO ORDER, ROLL CALL

Chair Mahoney called the meeting to order at 9:00 a.m.

Board Members present: Craig Mahoney, Tom Glanfield (remote, joined at 9:20 a.m.), Jay Gunsten, Jack Warner (remote), and Chip Dickson.

Also present: Jack Evatt (Mariner Institutional), Pedro Herrera (Sugarman, Susskind, Braswell, & Herrera as designated by City Attorney), Lisa Castronovo and Elizabeth Brown (City of Delray Beach)

Public attendees: none

2. AGENDA ADOPTION

MOTION made by Mr. Warner, seconded by Mr. Glanfield, to adopt the October 16, 2025, Regular Board Meeting Agenda. In a voice vote by the members present, **Motion** passed 4-0.

3. COMMENTS

- a. Public
None
- b. Board of Trustees of Firefighters' Retirement System
None
- c. Active and Retired Members of the Plan
None

4. CONSENT AGENDA

- a. May 15, 2025 Regular Meeting Minutes
- b. May 29, 2025 Special Meeting Minutes
- c. Warrant Ratification (#291)
- d. Warrant Approval (#292)
- e. Ratify/Approve – Refunds/Benefit Enhancements/New Retirement/DROP/Vested/Death Annuities
- f. Administrative Expense Budget for 2025-26

MOTION made by Mr. Warner, seconded by Mr. Glanfield, to add Warrant 293 to Consent Agenda Item 4.d. In a voice vote by the members present, **Motion** passed 4-0.

MOTION made by Mr. Warner, seconded by Mr. Glanfield, to approve the Consent Agenda. In a voice vote by the members present, **Motion** passed 4-0.

5. REPORTS

- a. Investment Reports – Mariner Institutional
 - i. Portfolio Performance Review – Quarter End June 30, 2025
Report made part of these Minutes.
The Plan's net rate of return for quarter end June 30, 2025, was 7.87% compared to its benchmark of 8.18%. The Plan's market value increased from \$179.0M on March 31, 2025, to \$190.1M on June 30, 2025.

ii. Flash Report – July, August 2025

Reports made part of these Minutes; not reviewed at meeting.

Mr. Evatt reviewed the September 2025 flash report (made part of these Minutes) noting the Plan's preliminary net rate of return for fiscal year end September 30, 2025, was 12.36% compared to its benchmark of 13.04%.

iii. International Developed Core Equity Manager Analysis

Report made part of these Minutes.

Mr. Evatt presented information on five international developed core equity money managers as alternatives to American Funds EuroPacific: EARNEST Partners, Fidelity Management & Research Company (index fund), Harbor Capital Advisors, Capital Research & Management Company, and Dimensional Fund Advisors.

The System's currently held EuroPacific skewed to growth while the current DFA holding skewed to value, so any of the managers presented would be a good addition to what the System already held. EARNEST was underexposed to Japan which could see them perform poorly if Japan performed well, but it was the only manager who had emerging markets exposure. Harbor Capital experienced the most consistent returns, though not necessarily all that great. Chair Mahoney noted that DFA was the most consistent (other than 2018) and of the two international managers the System used, EuroPacific was the most challenged. Chair Mahoney said the System should liquidate EuroPacific and go with Fidelity's index fund. Mr. Evatt agreed that by using Fidelity the fees would be less while the returns would be more consistent with the benchmark.

MOTION made by Mr. Dickson, seconded by Mr. Gunsten, to move all funds held by EuroPacific to the Fidelity Total International Index fund. In a voice vote by the members present, **Motion** passed 5-0.

iv. Introduction to Infrastructure

Report made part of these Minutes.

Mr. Evatt said he was presenting the report as an introduction to infrastructure; no managers were included, but if there was interest, a manager search would be done.

Mr. Evatt said the major difference between infrastructure investments and real estate investments was that, for the most part, real estate investments are United States based whereas infrastructure investments are international and most often for very large projects. Infrastructure's target net rate of return for infrastructure is about 7%. There is a need for infrastructure projects globally so there has been a lot of discussion of private investors joining governments in the projects. Infrastructure investments smooth portfolio volatility.

The Board asked Mariner to present infrastructure money managers at their next meeting.

v. Investment Policy Statement Update

Mr. Evatt reviewed the updates made to the Investment Policy, reflecting new asset class targets as directed by the Board.

MOTION made by Mr. Dickson, seconded by Mr. Gunsten, to adopt the Investment Policy Statement as amended for Part 1, 3rd paragraph and on page 2 to add lines for infrastructure and precious metals, and corresponding changes on page 3. In a voice vote by the members present, **Motion** passed 5-0.

vi. Cashflow Projection, How to Invest City and State Contributions

The Plan was overweight in all equity classes and underweight in real estate. Mr. Evatt suggested investing \$4M each in fixed income managers Baird and Dodge & Cox.

MOTION made by Mr. Dickson, seconded by Mr. Gunsten, to invest \$4,000,000 in Baird and \$4,000,000 in Dodge & Cox. In a voice vote by the members present, **Motion** passed 5-0.

c. Legal Report, Sugarman, Susskind, Braswell & Herrera

i. Investment Consultant RFP; select Board Representative

Mr. Herrera explained that the Retirement Committee of the General Employees' Retirement Plan (GE Plan) issued a request for proposal (RFP) for investment consultant services. Based on what was understood at the time of existing "safe harbor" provisions for the Firefighters' and Police Officers' Retirement Systems, the issued RFP included the assets of the two Retirement Systems in addition to the GE Plan's assets. It was also believed at the time the GE Plan's Retirement Committee would select the investment consultant, without input from the two Retirement Systems' Boards of Trustees, who would provide investment consulting services for all three plans.

After the RFP was issued, the "safe harbor" provision was researched and discussed in greater detail. In the discussions, it was clarified that the "safe harbor" provisions were included in the Firefighters' and Police Officers' respective collective bargaining agreements as a way to state that should either the Firefighters' or Police Officers' retirement systems engage a different service provider than the GE Plan, the City could opt out of the F.S. 175/185 without violating the CBA or needing to collectively bargain such action. However, the "safe harbor" provisions were not codified in the City Ordinance so its provisions were not binding on the Firefighters' or Police Officers' Boards of Trustees. The GE Plan's Retirement Committee and the Retirement Systems' Boards of Trustees are their own separate and distinct entities with each body serving as fiduciaries to their respective pension fund with "sole and exclusive" authority to administer such. Consequently, one entity cannot make decisions for either of the other two entities.

Mr. Herrera reiterated that the Firefighters' and Police Officers' Boards of Trustees were not required to select and employ the same service providers as selected and employed by the GE Plan's Retirement Committee. Should either of the respective Retirement Systems' Boards of Trustees choose not to employ the same provider as used by the GE Plan, such decision would become a matter for the unions and City to address. The Firefighters' Board should make the best decision for the Firefighters' Retirement System without consideration for what the GE Plan's Retirement Committee or Police Officers' Board might or might not do.

Based on the new understanding of the application of the "safe harbor" provisions, Mr. Herrera said he needed to know if the Firefighters' Board wished to join the GE Plan's Retirement Committee in the current investment consultant RFP as based on that decision, he would issue a clarification letter to all vendors to whom the initial RFP was provided asking each vendor to either rebid or update their pricing based on serving one, two, or all three Plans.

Discussion ensued. Mr. Warner said he would like to issue two RFP's, one for performance monitoring only and one for investment consulting only. Mr. Herrera said very few boards had that set up. Chair Mahoney said the problem with such a set up would be the increased fees. Mr. Warner asked Chair Mahoney if he was okay with using

a different provider than who might be used by the GE Plan; Chair Mahoney stated he was okay with it due to his fiduciary obligation to the Retirement System, the Board, and the members it served.

MOTION made by Mr. Gunsten, seconded by Mr. Dickson, to join the General Employees' Retirement Plan's RFP for investment consulting services. In a voice vote by the members present, **Motion** passed 5-0.

- d. Pension Administrator's Report
Ms. Castronovo shared her quarterly report.

6. Administrative Items

- a. Interest on Return of Member Contributions (Refunds)

Ms. Castronovo reminded the Board about the issue of in-perpetuity interest accrual on unpaid employee contributions for terminated participants who are due, but do not receive, a refund of the contributions they made to the System. She said that she, with Mr. Herrera, drafted two Ordinance amendments for consideration that could be adopted to stop interest accrual once a participant terminates employment. One draft allowed interest accrual during the participant's City employment but ceased interest accrual after the participant terminated employment. The second draft would return to the employee the contributions they made to the Plan, but without any interest credit. Ms. Castronovo asked the Board to decide which amendment they wanted.

MOTION made by Mr. Gunsten, seconded by Mr. Dickson, to remove interest on all refunds of employee contributions. In a voice vote by the members present, **Motion** passed 5-0.

- b. DROP Plan Fiduciary Investment Review

Ms. Castronovo told the Board the City's Deferred Compensation Plans Committee (DCPC) met quarterly to review the investment performance of the City's 457 plan and two smaller 401(a) plans. At each meeting, the DCPC reviewed NFP's quarterly investment report, heard NFP's presentation regarding market conditions and pertinent federal and state legislation that could impact the City's deferred compensation plans, and, based on NFP recommendations, made decisions regarding the investment line-up of the City's three non-DROP plans. Ms. Castronovo asked the Board if they would like the DCPC to make, on their behalf, investment line-up decisions for the Plan's DROP with such decision(s) to either be approved or ratified at the next subsequent Board meeting.

MOTION made by Mr. Dickson, seconded by Mr. Gunsten, that, for Board approval, the Pension Administrator present at each Board meeting all NFP-recommended 401(a) DROP investment fund lineup changes as presented at the preceding Deferred Compensation Plans Committee meeting. In a voice vote by the members present, **Motion** passed 5-0.

ADJOURNMENT

The meeting adjourned at 11:26 a.m.

I, Craig Mahoney, the undersigned, am the Chair of the City of Delray Beach Firefighters' Retirement System Board of Trustees ("Board"). The information provided herein is the Minutes of the October 16, 2025, regular meeting of said body. These Minutes were formally approved and adopted by the Board on 12/4/2025.



Board of Trustees, City of Delray Beach
Firefighters' Retirement System

NOTE TO THE READER: If the Minutes you have received are not complete as indicated above, this means these are not the official minutes of the Board of Trustees of the City of Delray Beach Firefighter's Retirement System. Minutes will become official only after they have been reviewed and approved, which may involve some amendments, additions or deletions to the Minutes as set forth above.

NOTE: upon official approval by the Board of Trustees, the Minutes will be posted on the City of Delray Beach website at: www.delraybeachfl.gov.