Item 3.B.

September 22, 2025 Special Meeting Minutes

MINUTES
SPECIAL RETIREMENT COMMITTEE MEETING
CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN
SEPTEMBER 22, 2025

1. **Call to Order**
   Chair MacManus called the meeting to order at 9:02 a.m.

   Roll Call
   Committee Members present: Chair Thomas MacManus, Vice-chair Adam Frankel, Howard Ellingsworth, Henry Dachowitz, and Martin Dorow.

   Also present: Pedro Herrera (Sugarman, Susskind, Braswell & Herrera as designated by City Attorney, remote) and Lisa Castronovo (City of Delray Beach).

   Public present: Jeri Pryor

   Agenda Adoption
   MOTION made by Mr. Frankel, seconded by Mr. Dorow, to adopt the September 22, 2025, Agenda removing Item 3 and renumbering Items 4 and 5 to Items 3 and 4, respectfully. In a voice vote by the members present, **Motion** passed 5-0.

2. **Public Comments**
   None

3. **Investment Consultant RFP**
   A. Discussion
      Mr. Herrera explained that pursuant to state and local law, the Retirement Committee for the General Employees' Retirement Plan (GE Plan), the Board of Trustees for the Firefighters' Retirement System, and the Board of Trustees for the Police Officers' Retirement System were 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 explained that after researching the matter, the "safe harbor" provisions were a product of collective bargaining between the City and the firefighters' and police officers' unions in the mid-2010's. The "safe harbor" terms essentially provided that should either the Firefighters' or Police Officers' retirement systems engage a different service provider than the GE Plan, the City would then be permitted to opt out of the F.S. 175/185 program without violating the CBA or needing to collectively bargain such action. While such terms were memorialized in the respective CBA's, the "safe harbor" provisions were not codified in any way so as to bind the respective pension plans to use the same service providers or have the GE Plan's Retirement Committee decide which service providers will be engaged by all three pension plans.

      The "safe harbor" provisions do not compel the respective Firefighters' and Police Officers' Boards of Trustees to employ the same service providers for their respective plans as those used by the GE Plan's Committee. It is strictly a term that the bargaining parties have agreed to which gives the City the ability to elect not to participate in the F.S. 175/185 programs unilaterally.

      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 Committee. Should either of the respective Boards of Trustees choose not to employe the same provider, then that would be a matter for the unions and City to address. The Committee should make the best decision for the GE Plan without consideration for what the Firefighters' and Police

Officers' Boards might or might not do and the same would hold true for each of the other two pension plans in that each should make the best decision for its own plan members and beneficiaries as fiduciaries.

Based on the new understanding of the application of the "safe harbor" provisions, Mr. Herrera said he needed to ask the Firefighters' and Police Officers' Boards if they wished to join the Committee in the current investment consultant RFP. Once that was known, he would then 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. The Committee decided to follow Mr. Herrera's suggestion regarding his office sending a clarification letter to all potential bidders once the Firefighters' and Police Officers' Boards decided how they would proceed.

B. Select Retirement Committee Representative
This Item was not addressed as the Committee decided all Committee members would participate in the selection process.

4. ADJOURNMENT
The meeting adjourned at 10:30 a.m.

___________________________________ _______________________
Thomas MacManus Date