

**MINUTES  
REGULAR BOARD OF TRUSTEES MEETING  
CITY OF DELRAY BEACH POLICE OFFICERS' RETIREMENT SYSTEM  
FEBRUARY 27, 2025**

**1. CALL TO ORDER, ROLL CALL**

Chair Weber called the meeting to order at 8:31 a.m.

Board Members present: Chair Paul Weber, Jim Hoesley, Alan Kirschenbaum, Edward McCabe, and Luis Skeberis.

Also present: Jorge Friguls and 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. Skeberis, seconded by Mr. McCabe, to adopt the February 27, 2025, Agenda. In a voice vote by the members present, **Motion** passed 5-0.

**3. COMMENTS**

- a. Public Comments – None
- b. Board of Trustees of Police Officers' Retirement System - None
- c. Active and Retired Members of the System - None

**4. CONSENT AGENDA**

- a. December 10, 2024 Regular Meeting Minutes
- b. Warrant Ratification (#279)
- c. Warrant Approval (#280)
- d. Ratify/Approve – Refunds/Benefit Enhancements/New Retirement/DROP/Vested/Death Annuities

**MOTION** made by Mr. Hoesley, seconded by Mr. Skeberis, to approve the Consent Agenda. In a voice vote by the members present, **Motion** passed 5-0.

**5. REPORTS**

- a. Investment Reports, Mariner Institutional

Mr. Friguls explained that money manager Neuberger Berman, with whom some Plan assets were invested, had recently invested in Mariner Institutional. He told the trustees they committed a Plan investment with Neuberger prior to Neuberger investing in Mariner, and thus, in Mariner's opinion, there was no conflict of interest. Mr. Herrera agreed there was no conflict of interest or any legal issue. He added his firm would draft a memorandum disclosing the issue.

- i. Portfolio Performance Review – Quarter End December 31, 2024

Report made part of these Minutes.

Mr. Friguls began the presentation by stating the economic outlook was not great with both inflation and the labor market trending the wrong way. The GDP was growing at 3%, but debt was increasing by 7%. Under the new presidential administration, a lot of uncertainty had entered the markets.

Mr. Friguls reported the Retirement System's net rate of return for quarter end December 31, 2024, was -0.70% compared to its benchmark of -0.46%. The System's market value increased from \$150.0M on September 30, 2024, to \$154.9M on December 31, 2024, mostly due to receipt of the City contribution in early October 2024.

Mr. Friguls said the Plan was overweight in domestic equity while, on the other hand, fixed income was not only underweight, it was below the Investment Policy benchmark. Mr. Hoesley and Chair Weber said they were unhappy with Clarkston Partners' performance over the last several years as it continually underperformed its benchmark. Mr. Friguls said he was okay with moving all funds from Clarkston to a split between MassMutual and Eaton Vance.

**MOTION** made by Mr. Kirschenbaum, seconded by Mr. Hoesley, to exit Clarkston Partners and split its funds proportionately between MassMutual and Eaton Vance. In a voice vote by the members present, **Motion** passed 5-0.

ii. Flash Report – January 2025

Report made part of these Minutes.

For the month ending January 31, 2025, the Plan's return was 2.52% vs. the benchmark of 2.38%. Domestic equity experienced some underperformance, international equity did well.

iii. Asset Allocation, Fixed Income, & International Equity Review

Report made part of these Minutes.

Mr. Evatt said that per the Board's Investment Policy, the fixed income target for aggregate bonds was 15%. He explained that most of the Plan's peer groups target 25% to aggregate bonds, so the Plan was significantly lower than its peers. Mr. Evatt reminded the trustees that fixed income is where plan funds are placed when a board does not want everything invested in equity, private equity. Discussion ensued regarding what a good target percentage was for fixed income. Mr. Kirschenbaum said he doubted fixed income would get close to the Plan's expected rate of return any time soon.

Mr. Evatt said he would research hedge funds as an alternative to BlackRock and provide information at the next meeting. Mr. Evatt noted the Investment Policy Statement needed to be amended to reflect the Board's desire to keep the target for fixed income at 15%. Mr. Kirschenbaum agreed with Mr. Friguls' suggestion of decreasing the target allocation for real estate. Mr. Kirschenbaum added he would like to decrease the target allocation for international equity even though the current 15% target was in line with the Plan's peers.

Mariner agreed to bring to the next meeting information on 1) decreasing fixed income, real estate, and international equity target allocations, 2) increasing domestic equity and private equity investments, and 3) alternatives to BlackRock.

b. Legal Report

Mr. Herrera provided several updates:

- 1) he responded directly to a letter submitted by retiree Peter Sosa to Ms. Castronovo about the annual benefit verification letter.
- 2) in response to a question posed at the last Board meeting regarding whether or not an employee can self-contribute for the time they are on unpaid leave, the answer was "no," since they have no earnings on which to base the contribution. Mr. Skeberis asked if unpaid leave extended the date an employee could retire, i.e. would a three-month unpaid leave extend a member's otherwise "20 and out" retirement to 20 years, 3 months. Ms. Castronovo added the City ordinance states that no officer can work beyond their 30-year employment anniversary so does an unpaid three-month leave extend the 30 years? Mr.

Herrera said he would ask the City Attorney to provide an opinion on the issue.

- 3) the Social Security Safety Act repealed two pieces of legislation that had been in effect for 40 years, neither of which affected the Plan. The repealed laws offset SS benefits with pension benefits. Benefits back to January 1, 2024, would be adjusted for about three million people nationwide.
- 4) the IRS changed the way they enforced the law regarding the taxes on duty-disability benefits.
- 5) the Retirement Committee of the General Employees' Retirement Plan decided at its February 2025 meeting to issue an RFP for investment consultant. The Retirement Committee would not include the Firefighters' and Police Officers' Retirement System Boards of Trustees in the drafting or issuance of the RFP but would include both in the response review process.

**MOTION** made by Mr. Kirschenbaum, seconded by Mr. Skeberis, to authorize the issuance of an RFP for investment consultant. In a voice vote by the members present, **Motion** passed 5-0.

c. Pension Administrator Report

Ms. Castronovo shared her quarterly report.

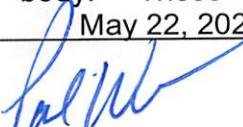
Ms. Castronovo told the trustees of the decision made by the deferred compensation plans committee to change the City's 457 investment fund lineup from revenue sharing to zero revenue sharing. She explained that plan participants would see an expense (fee) line item on their statements, but that overall fees would be lower than what they were previously.

**MOTION** made by Mr. Skeberis, seconded by Mr. Kirschenbaum, to change the investment fund lineup in the Plan's DROP from revenue share to zero revenue share. In a voice vote by the members present, **Motion** passed 5-0.

**ADJOURNMENT**

The meeting adjourned at 10:45 p.m.

I, Paul Weber, the undersigned, am the Chair of the Board of Trustees of the City of Delray Beach Police Officers' Retirement System ("Board"). The information provided herein is the Minutes of the February 27, 2025 regular meeting of said body. These Minutes were formally approved and adopted by the Board on May 22, 2025.

  
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Board of Trustees, City of Delray Beach  
Police Officers' 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 Police Officers' 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](http://www.delraybeachfl.gov).