

Item 5.a.

February 29,2024 Regular Meeting Minutes

MINUTES
CITY OF DELRAY BEACH FIREFIGHTERS' RETIREMENT SYSTEM
FEBRUARY 29, 2024 REGULAR BOARD MEETING

1. CALL TO ORDER, ROLL CALL

Chair Mahoney called the meeting to order at 1:00 p.m.

Board Members present: Craig Mahoney, Jay Gunsten, Thomas Glanfield, Alan Kirschenbaum (joined remotely at 1:23 p.m.), and Jack Warner.

Also present: Matt Dickey (NFP Retirement, Inc.), Brendon Vavrica (AndCo Consulting), Pedro Herrera (Sugarman, Susskind, Braswell, & Herrera as designated by City Attorney), Lisa Castronovo (City of Delray Beach, remotely), and Elizabeth Brown (City of Delray Beach)

Public attendees: Jeffrey Wunsch

2. AGENDA ADOPTION

MOTION made by Mr. Gunsten, seconded by Mr. Kirschenbaum, to adopt the February 29, 2024 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. Initial Disability Hearing (continued) – Jeffrey Wunsch

Mr. Wunsch waived the requirement that all five trustees be present.

Mr. Herrera opened the hearing by stating the Board could approve a nonservice-connected disability if they chose to do so. Chair Mahoney said, that per the documents and report provided, Mr. Wunsch's condition was pre-existing so the Board should not grant a disability of any kind.

When asked by Mr. Warner what were the Board's options, Mr. Herrera replied they could grant a service-connected disability, deny the service-connected disability, or table the hearing. Mr. Herrera added that because Mr. Wunsch was receiving a disability benefit from the military, he could not use the three years military service he purchased in 2018 for City service. Without the three years military service, Mr. Wunsch would not have 10 or more years of credited service required to be granted a nonservice-connected disability. Ms. Castronovo and Mr. Glanfield questioned if the military disability benefit was based on service because if it was not, in their opinion, Mr. Wunsch could count the three years military service he purchased as part of his City service. Mr. Herrera recommended tabling the hearing until he could clarify how the VA calculated disability benefits.

MOTION made by Mr. Gunsten, seconded by Mr. Glanfield, to table the initial disability hearing for Jeffrey Wunsch. In a voice vote by the members present, **Motion** passed 5-0.

Chair Mahoney suggested the Board ask the City for a copy of the psychology evaluation Mr. Wunsch took prior to his City employment.

5. CONSENT AGENDA

- a. December 5, 2023 Regular Meeting Minutes
- b. Warrant Ratification (#277, 278)
- c. Warrant Approval (#279)
- d. Ratify/Approve – Refunds/Benefit Enhancements/New Retirement/DROP/Vested/Death Annuities

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

6. REPORTS

- a. **December 31, 2023 Fiduciary Investment Review**, NFP Retirement Inc., Matt Dickey
Report made part of these Minutes
Mr. Dickey recommending removing Invesco Global and map its assets to Victory RS and removing Western Asset Core Bond and map its assets to American Funds Bond.

MOTION made by Mr. Glanfield, seconded by Mr. Warner, to remove Invesco Global and map its assets to Victory RS and remove Western Asset Core Bond and map its assets to American Funds Bond. In a voice vote by the members present, **Motion** passed 5-0.

- b. **Investment Reports**, AndCo Consulting, Inc., Brendon Vavrica
Mr. Vavrica said TCW wanted to extend the TCW Direct Lending VIII LLC closing period by two months.

MOTION made by Mr. Warner, seconded by Mr. Glanfield, approving the extension of the closing period for the TCW Direct Lending VIII LLC as requested by TCW. In a voice vote by the members present, **Motion** passed 5-0.

- i. Consent Form for Mariner's Acquisition of AndCo Consulting, Inc.
Mr. Vavrica told the Board that effective April 1, 2024, Mariner, LLC was acquiring AndCo Consulting, Inc. The two primary changes for AndCo: 1) Mariner's ownership of it, and 2) AndCo's name change to Mariner Institutional. Other than the two changes, AndCo's clients would not see a difference as AndCo/Mariner Institutional would continue its dedication to providing institutional investment consulting with the same consultants and staff currently providing such services under AndCo.

MOTION made by Mr. Glanfield, seconded by Mr. Warner, to authorize the signing of AndCo's Consent for Assignment of Investment Advisory Contract to Mariner. In a voice vote of the members present, **Motion** passed 5-0.

- i. Portfolio Performance Review – Quarter End December 31, 2023
Report made part of these Minutes.
Mr. Vavrica reported the Plan's net rate of return for the quarter ended December 31, 2023, was 8.46% compared to its benchmark of 8.87%. The Plan's market value increased from \$143.4 on September 30, 2023 to \$162.1M on December 31, 2023.

ii. Flash Report – January 2024

Report made part of these Minutes.

For the month ended January 31, 2024, the Plan's return was -0.24% vs. the benchmark of 0.37%. When asked, Mr. Vavrica said the Firefighters' plan's return was comparable to the Police Officers' plan, but a bit behind the General Employees' plan due mainly to the fact that the General Employees' plan had more equity investments and no real estate exposure, which at this time was a negative pull on fund returns.

iii. Investment Manager Review

Mr. Vavrica explained that since the Firefighters' and Police Officers' funds were similar, he was sharing two reports he shared with the Police Officers' board. The first report compared the two growth managers, RhumbLine Growth and Polen, to MainStay, Fred Alger, and MFS. The second report compared international equity manager Harding Loevner with Dimensional Fund Advisors, Dodge and Cox, and Capital Group. Mr. Vavrica said all international equity managers were struggling with performance due to the strength of the dollar throughout the global financial community, but he didn't think the Fund should exit international investments.

MOTION made by Mr. Glanfield, seconded by Mr. Gunsten, to transfer fifty percent (50%) of Harding Loevner's assets to DFA International Core Equity. In a voice vote of the members present, **Motion** passed 5-0.

Mr. Vavrica said funds would be needed to cover monthly benefits and expenses for the next three months. Noting that the overall asset allocation was in line, he asked the trustees if they wanted to move money between funds or if they were comfortable continuing to use the cash in the mutual fund. The trustees agreed they were fine to continue using the cash.

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

i. Gabriel, Roeder, Smith & Company Contract Extension

Mr. Herrera reported that the actuarial services contract with Gabriel, Roeder, Smith & Company (GRS) was up for renewal and Board approval was needed to extend the contract another year. Due to the safe harbor provisions, since the General Employees' Retirement Committee already agreed to the extension, the trustees had to agree to the extension. Mr. Herrera added the Police Officers' Board agreed to the extension but requested a fee reduction from the proposed 3% increase to 1%.

MOTION made by Mr. Warner, seconded by Mr. Gunsten, to accept the contract extension but have the Chair ask GRS to lower the fee. In a voice vote by the members present, **Motion** passed 5-0.

ii. Robbins Gellar contract

Mr. Herrera reported that Robbins Gellar, a law firm the Police and Firefighters' Board hired to monitor the Fund's securities, requested the Board sign a new contract exclusively between the Firefighters' Retirement System and Robbins Gellar.

MOTION made by Mr. Warner, seconded by Mr. Gunsten, to sign Robbins Gellar contract. In a voice vote by the members present, **Motion** passed 5-0.

iii. Staggered trustee terms

As requested by the Trustees at a prior meeting, Mr. Herrera presented a draft proposed amendment providing staggered trustee terms. The trustees directed Mr. Herrera and Ms. Castronovo to present the proposed amendment to the City Attorney to present to the City Commission for consideration.

iv. Changes to Annual Financial (Form 1) Filing Requirements

Mr. Herrera told the Board that per an amendment to Chapter 112.3145, all pension fund trustees must file their annual financial disclosure (Form 1 – Statement of Financial Interests) electronically with the State via an online portal rather than with their respective county of residence Supervisor of Elections office.

e. **Pension Administrator**, Lisa Castronovo

Ms. Brown presented the Pension Administrator's Report noting the 2023-24 administrative expense budget versus actual expenses through February 23, 2024 was included, and that through February 23, 2024, 112 of the 128 benefit verification letters she mailed in early January 2024 had been returned.

ADJOURNMENT

The meeting adjourned at 3:49 p.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 February 29, 2024 regular meeting of said body. These Minutes were formally approved and adopted by the Board on _____.

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.