

Item 4.a.

**September 23, 2025
Regular Meeting Minutes**

MINUTES
SEPTEMBER 23, 2025 REGULAR BOARD MEETING
CITY OF DELRAY BEACH POLICE OFFICERS' RETIREMENT SYSTEM

1. CALL TO ORDER, ROLL CALL

Chair Weber called the meeting to order at 8:47 a.m.

Board Members present: Chair Paul Weber, John Brinkerhoff (remote, left at 11:05 a.m.), Alan Kirschenbaum (left at 11:40 a.m.), Edward McCabe, and Luis Skeberis.

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

Public attendees: none

2. AGENDA ADOPTION

MOTION made by Mr. Skeberis, seconded by Mr. Kirschenbaum, to adopt the September 23, 2025 Regular Board Meeting Agenda as amended to add 5.a. Selection of Medical Committee, and rename 5.a. Custodian Report to 5.aa. Custodian Report. In a voice vote by the members present, **Motion** passed 5-0.

3. COMMENTS

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

4. CONSENT AGENDA

- a. May 22, 2025 Regular Meeting Minutes
- b. Warrant Ratification – 283, 284
- c. Warrant Approval - 285
- d. Ratify/Approve – Refunds/Benefit Enhancements/New Retirement/DROP/Vested/Death Annuities
- e. Administrative Expense Budget for 2025-26

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

5. REPORTS

aa. Selection of Medical Committee

Mr. Herrera said Ms. Castronovo had received a work-related disability application from Officer Gina Gallina. He said the Board needed to now appoint a medical committee.

MOTION made by Mr. Skeberis, seconded by Mr. Kirschenbaum, to appoint Chair Weber, Ms. Castronovo, and Mr. Herrera to the medical committee for Officer Gallina's disability application. In a roll call vote of the members present, **Motion** passed 5-0.

MOTION made by Mr. Skeberis, seconded by Mr. Kirschenbaum, to add the independent physician to the medical committee for Officer Gallina's disability application. In a voice vote by the members present, **Motion** passed 5-0.

a. Custodian Report

Ms. Russo reported that in mid-June 2024, her office mailed information about their new pensioner portal to the Plan's 150+ retirees. To date, only 31 retirees have signed into the

portal. Due to overall poor enrollment, in 2026 Salem Trust planned to do another campaign for their portal.

Ms. Russo told the trustees about a new Salem Trust requirement that someone be the designated person for Salem Trust to call regarding wire authorizations; the Board designated Ms. Castronovo.

b. Investment Review - Mariner Institutional

i. Portfolio Performance Review – Quarter End June 30, 2025

Report made part of these Minutes.

Mr. Vavrica reviewed the June 30, 2025 performance report. The Plan's total net return for the quarter ended June 30, 2025, was 8.01% vs. the benchmark of 7.93% and was 5.99% for the fiscal year to date vs. the benchmark of 6.50%. The Plan's assets increased from \$150.8M on March 31, 2025, to \$160.2M on June 30, 2025.

ii. Flash Report – August 2025

Report made part of these Minutes.

For the month ending August 31, 2025, the Plan's return, net of fees, was 2.06% vs. the benchmark of 2.01%. The fiscal year to date return was 8.80% vs. the benchmark of 9.76%.

Chair Weber said he would like to shift to indexed funds, especially for large cap growth equity. He added he was not happy with SMID cap Eaton Vance's performance. Mr. Evatt said research showed it to be very hard for large cap managers to outperform index funds by enough to make it worth using an active large cap manager. He said it was worth using active managers for small and mid-cap equity, but only about 10% worth it to use active large cap managers. Mr. Kirschenbaum was in favor of giving Eaton Vance more time to turn around performance. Chair Weber directed Mariner to put a discussion item regarding Eaton Vance on the February 2026 meeting agenda. Mr. Evatt said he was more concerned about Brandywine's performance due to their lengthy period of underperformance. When asked for a recommendation to replace Brandywine, Mr. Vavrica responded he did not have one at this time.

iii. Asset Allocation, Investment Policy Statement Update

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

MOTION made by Mr. Kirschenbaum, seconded by Mr. Skeberis, to adopt the revised Investment Policy Statement as presented by Mariner. In a voice vote by the members present, **Motion** passed 5-0.

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

After the City makes its \$8.3M on or around October 1, 2025, the System will have \$9.1M in cash, be 6% overweight in equity, and only be 4.2% invested in fixed income. Mr. Kirschenbaum said part of the City contributions should go to fixed income to get it back to 5% of the total investments and invest the remainder wherever the trustees want it to be. Mr. Vavrica suggested investing \$2M in core fixed income manager Baird. Chair Weber said he would prefer to invest the \$2M in Loomis Sayles since they performed more like an equity fund. Mr. Kirschenbaum then suggested investing \$1M with Baird and \$1M with Loomis Sayles. Mr. Evatt said the Investment Policy statement could be amended to change the core fixed income range to 0% - 15% and then the Board could do whatever they wanted to do. He cautioned, however, that if the economy went into recession, the

System would need money in fixed income to draw on to pay benefits and expenses so that equity holdings would not have to be sold when they were performing poorly. Mr. Brinkerhoff said he thought it would be best to invest the \$2M in Baird.

MOTION made by Mr. Kirschenbaum, seconded by Mr. Skeberis, to invest \$2M with Baird and the remainder in the Fidelity 500 Index fund. In a voice vote by the members present, **Motion** passed 5-0.

MOTION made by Mr. Kirschenbaum, seconded by Mr. Skeberis, to amend the adopted Investment Policy Statement to have 0% to 15% be the range for core fixed income. In a voice vote by the members present, **Motion** passed 5-0.

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

- i. Mr. Herrera said a draft amendment for the removal of interest accrual on member contribution refunds would be presented to City Attorney for final approval and then get before the City Commission for adoption before the end of 2025.

- ii. 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 Police Officers' Board should make the best decision for the Police Officers' Retirement System without consideration for what the GE Plan's Retirement Committee or Firefighters' 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 Police Officers' 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.

MOTION made by Mr. Skeberis, seconded by Mr. Kirschenbaum, 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.

Mr. Brinkerhoff left at 11:05 a.m.

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

6. Administrative Items

a. 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. Skeberis, seconded by Mr. Kirschenbaum, that, for Board ratification, 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 4-0.

b. Refund of Enhanced Multiplier Contributions for Disability Retirees

Ms. Castronovo asked the trustees if disability retirees who attained more than 10 years of service, but less than 20 years of service, should receive a refund of the contributions they made for the enhanced multiplier while they were actively employed. The trustees collectively agreed that since such refunds had not been paid in the past, a precedent to not do it had been set and thus no refunds would now be paid.

Chair Weber asked Mr. Herrera what could be done about officers who purchased military service in the System who were going to also receive service-based pension from the military. Mr. Herrera said in this situation, a refund of the contributions paid to purchase the military service needed to be refunded to the officer. Before such refund was paid, the Board needed to confirm the officer was entitled to receive a pension from the military based on the service also purchased for City service purposes. The problem was with officers who were in the military reserve.

Mr. Kirschenbaum left at 11:20 a.m.

MOTION made by Mr. Skeberis, seconded by Mr. McCabe, for Mr. Kirschenbaum to serve as

the Board's Vice-chair. In a voice vote by the members present, **Motion** passed 3-0.

ADJOURNMENT

The meeting adjourned at 11:32 a.m.

I, Paul Weber, the undersigned, am the Chair of the City of Delray Beach Police Officers' Retirement System Board of Trustees ("Board"). The information provided herein is the Minutes of the September 23, 2025, regular meeting of said body. These Minutes were formally approved and adopted by the Board on _____.

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.