



# Agenda

## Attendees

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### **Delray Beach**

Daniel De Franceschi  
Duane D'Andrea  
Henry Dachowitz  
Lisa Castronovo, Pension Administrator  
Matt Naparstek

### **Wealthspire Retirement Advisory**

Jamie Hayes, CPFA, C(k)P, AIF, Senior VP

## Meeting Details

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## Topics to Discuss

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- Opening Comments
- Administrative Update
  - Regulatory/administrative update
  - Review and approve prior meeting minutes
  - Empower conversion
- Fiduciary Investment Review
  - Market review
  - Scorecard review & recommendations
- Fiduciary Education & Best Practices
- Plan Fees Review
- Participant Demographics & Plan Statistics
- Next Steps & Action Items

## Disclosures

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Investment advisory services offered through Wealthspire Retirement, LLC, a Registered Investment Adviser, dba Wealthspire Retirement Advisory. Securities may be offered through Kestra Investment Services, LLC (Kestra IS), Member FINRA/SIPC. Kestra IS is not affiliated with Wealthspire Retirement, LLC.

## Advisor Disclosure

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## Q3 2025 Meeting Minutes

**Delray Beach**  
**City of Delray Beach- 457 Plan**

**Meeting Date: 11/20/2025**

### Attendees

Committee Members	Daniel De Franceschi	Duane D'Andrea
	Henry Dachowitz	Lisa Castronovo
	Matt Naparstek	
Wealthspire Retirement Advisory	Matt Dickey	

### Administrative Review

Reviewed Prior Meeting Notes

Reviewed Service Plan

Signed IPS on file

Signed Committee Charter on file

Notes: 1. Call to Order, Roll Call - Chair Castronovo called the meeting to order at 9:30am. All members were present. H. Dachowitz attended the meeting virtually.

2. Agenda adoption - Motion to accept agenda by D. Franceschi and seconded by M. Naparstek. Passes unanimously.

3. Comments

- a. Public comments - none
- b. Committee members - none

4. Consent agenda - motion to approve the August 12, 2025 regular meeting minutes and the proposed 2026 meeting schedule by D. D'Andrea and seconded by D. Francheschi. Passes unanimously.

5. Administrative items



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**Q3 2025**  
**Meeting Minutes**

**Delray Beach**  
**City of Delray Beach- 457 Plan**

**Meeting Date: 11/20/2025**

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	Henry Dachowitz	Lisa Castronovo
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Wealthspire Retirement Advisory	Matt Dickey	

**Administrative Review**

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5. Administrative items

## **Q3 2025 Meeting Minutes**

- a. Empower presentation – Aaron Schlupe; Lori Reed provided an update on communications to participants regarding the Empower conversion. February 2, 2026 enter blackout period. February 22<sup>nd</sup> blackout end. No earlier than 60 days before blackout or 30 days before end of blackout. Empower communications should go out through both Empower and the City of Delray Beach. There will be employee meetings in Chambers Jan 27<sup>th</sup>, 28<sup>th</sup>, 29<sup>th</sup>. Follow up meetings after blackout second week of March. Look to record video and post to intrasite for employee reference.
  - b. 457b plan provisions, SECURE 2.0 and recommendations – Looking at loans for plans, also offer hardship withdrawals; SECURE Act 2.0 provisions – optional provisions already in place from MissionSquare. 457 1<sup>st</sup> of the month. Emergency withdrawal. Self-cert on 457b unforeseeable withdrawals. Federally declared natural disasters. No super catch-up, will add. No Qualified birth and adoptions. 1) D. D'Andrea motion to add loans, hardship distributions and super catch-up provisions and qualified birth and adoptions to 457b plan and 401a. Vested balances on 401a. 2) D. Defrancheschi – passes unanimously
  - c. Roth IRA – payroll concerns. Wealthspire to provide communication on that to send to City. Benefits and background.
  - d. RHS discussion – discussion to leave MissionSquare and move to Empower. City has closed it for some time now. Not interested in re-opening it to new employees. Should committee leave it at MS or move to Empower. Rattle MissionSquare cage on this. Especially on deceased participants. Wealthspire to connect with MissionSquare and initiate regular updates.
  - e. Travel Policy – how is this going to be paid? Of consideration, table item to Q4 2025
6. Reports - Wealthspire Retirement Advisory - market summary and investment recommendations listed below.
- a. Fiduciary investment review - Motion to change CIT share class for Janus Henderson by D. Defrancheschi, seconded by D. D'Andrea. Passes unanimously. Motion to map MissionSquare Retirement Income Advantage fund to Empower Day One by D. D'Andrea and seconded by Defrancheschi. Passes unanimously.

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### **Meeting Minutes**

b. Investment lineup recommendations - GE DROP and FIRE DROP will confirm fund recommendations at separate meetings. Police DROP will ratify investment recommendations made to Deferred Compensation Committee.

i. 457(b), Management 401(a)

ii. GE DROP - no recommendations

iii. Firefighter DROP - CIT share class change motion by D. Defranchesci and seconded by M. Naparstek. Passes unanimously.

iv. Police DROP - CIT share class change motion by M. Naparstek and seconded by Defranchesci. Passes unanimously.

Meeting adjourned at 11:42am.

#### Investment Due Diligence

#### Investment Analysis Summary

- Wealthspire Retirement Advisory provided an economic and market commentary for Q3 2025.
- Wealthspire Retirement Advisory reviewed the investment scoring methodology and criteria for monitoring, watchlisting and removing investments from the fund menu.
- Wealthspire Retirement Advisory reviewed plan asset balances across all investment options.
  - Assets of the Plan as of 09/30/25 were \$90,022,826.63
  - 35.64% in Asset Allocation
  - 14.20% in Cash Alternatives
  - 3.10% in Fixed Income
  - 7.03% in International/Global Equity
  - 6.87% in Specialty
  - 33.15% in U.S. Equity
- Wealthspire Retirement Advisory reviewed the Plan's investment scorecard covering available funds as well as their current scores and performance metrics, scoring history, asset class coverage, as well as other key metrics.
  - All funds were reviewed from a quantitative and qualitative perspective.
  - 22 funds are acceptable:



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- Fidelity Mid Cap Index, FSMDX (9)
- Fidelity Small Cap Index, FSSNX (10)
- Fidelity 500 Index, FXAIX (10)
- Carillon Eagle Mid Cap Growth R6, HRAUX (7)
- BlackRock Lifepath Index Target Date Series CL R1 (8)
- MassMutual High Yield I, MPHZX (10)
- PIMCO Income Instl, PIMIX (10)
- American Funds Bond Fund of Amer R6, RFBGX (10)
- Vanguard Information Technology Idx Adm, VITAX (10)
- Vanguard Treasury Money Market Investor, VUSXX
- Thornburg International Equity R6, TGIRX (10)
- Victory Sycamore Established Value R6, VEVRX (10)
- Cohen & Steers Real Estate Securities Z, CSZIX (10)
- Victory RS Global R6, RGGRX (10)
- Fidelity Puritan K6, FPKFX (7)
- MissionSquare PLUS Fund Class R5, 92208J303
- Large Cap Value Fund CL I1, 97183K381 (10)
- International Growth Fund II Class I1, 97183C728 (9)
- Large Cap Growth Fund III CL I1, 97184D766
- Small Cap Value Fund III CL I1, 97184J383
- Mid Cap Value Fund II CL I1, 390933232
- BlackRock LifePath Idx Ret Fund CL R1, 39052C876 (6)
- 1 fund is on watchlist:
  - MissionSquare Retirement IncomeAdvantage R5, 74440A696.icma (5)
- Potential Replacements:
  - Mid Cap Growth Fund II CL I1, 97184K158

#### Market Summary - Q4 2025

Global Equity markets posted another positive quarter with International Markets leading the way to cap off a very strong

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year. Fixed income markets posted a small positive return over the quarter. U.S. equities returned 2.4% (Russell 3000) with Health Care and Telecommunication Services as the best performing sectors and Real Estate and Utilities as the worst. Large cap value outperformed large cap growth on the quarter by about 270 basis points (3.8% for Russell 1000 Value vs. 1.1% for Russell 1000 Growth). International equities and Emerging Markets equities performed well over the quarter, returning 4.9% (MSCI EAFE) and 4.7% (MSCI Emerging Markets), respectively. The broad U.S. fixed income market returned 1.1% (Bloomberg Barclays Aggregate) over the quarter as the Fed cut the Fed Funds Rate by 50 basis points (one 25 basis point cut in both October and December). The 10-year treasury rate remained largely unchanged from the previous quarter end. (All data from MPI)

### Scorecard Methodology

The Scorecard Methodology supports upholding the impartial conduct standards as the scores and analytics do not include any adviser compensation components and are calculated incorporating all investment fees and revenue sharing. Any and all compensation earned by the adviser (if any) is explicitly disclosed and reasonable given services provided. All information to any investment consideration has been disclosed and no misleading information has been provided to fiduciaries in their determination of action.

### Fund Review

#### **Moderate**

MissionSquare Retirement IncomeAdvantage R5 (74440A696.icma) (Recent Scores: 5,5,5,7) is on the watchlist  
Asset Value: \$3,062,365.47

#### **Mid Cap Growth**

Eliminate Mid Cap Growth Fund II CL I1 (97184K158)  
Map to Janus Henderson Enterprise Collective Fund Class N (PROXY) (39052C744)  
Asset Value: \$389,703.06

### Fiduciary Governance

### Legislative Update - Q4 2025

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### Caesars Case Highlights the Value of Retaining a 3(38) Investment Manager

A recent federal court decision involving the Caesars Entertainment 401(k) plan underscores the practical benefits a plan sponsor or other employer plan fiduciary obtain when they hire a third-party, 3(38), discretionary investment manager with day-to-day responsibility to select, monitor, and replace investments in the plan lineup.

In *Wanek et al. v. Russell Investments Trust Company*, plan participants brought fiduciary breach claims under ERISA against the employer plan fiduciary (a committee of plan sponsor employees), the plan sponsor, and the plan's 3(38) discretionary investment manager that the committee had retained. In a decision on summary judgment, the court allowed claims against the investment manager to proceed, finding that there were factual questions about whether investment decisions were influenced by business interests rather than participant outcomes. However, the court granted summary judgment in favor of the plan sponsor and committee, citing documentation of a **prudent process** for appointing and monitoring the investment manager, including evidence of a robust RFP process to identify select the investment manager and quarterly meetings to supervise the manager.

### Why this matters for employer plan fiduciaries and advisors

The ruling reinforces that plan sponsors and other employer plan fiduciaries can mitigate liability when they:

- Retain, via a prudent selection process, a third-party 3(38) investment manager with day-to-day discretion over the plan investment lineup, and
- Prudently monitor and supervise the investment manager on an ongoing basis.

For plan advisors, the ruling illustrates how offering 3(38) discretionary investment services can be a differentiator. It also demonstrates the importance of regular engagement with plan clients to help clients fulfill their supervisory responsibilities over the 3(38) investment manager.

<https://dockets.justia.com/docket/nevada/nvdce/2:2021cv00961/152649>

<https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/fiduciary-responsibilities>

### 403(b) Plans and CIT Access: What to Watch as Legislation Moves to the Senate

In December 2025, the U.S. House of Representatives passed, as part of the INVEST Act, bipartisan legislation that would allow 403(b) retirement plans to have the same access to collective investment trusts (CITs), as virtually all other workplace retirement plans, including 401(k)s, governmental 457(b) plans, and the Federal Thrift Savings Plan. While the

## **Q3 2025 Meeting Minutes**

bill has advanced out of the House, it must still be passed by the Senate before becoming law.

Currently, 403(b) plans are disadvantaged by this lack of access. CITs are neck-in-neck with mutual funds as the most prevalent investment vehicle used by defined contribution plans and often offer meaningful cost savings compared to mutual funds. CIT access would expand the investment toolkit available to 403(b) plan decisionmakers and, when selected, can result in meaningful improvements in financial retirement security for participants. Even seemingly small cost savings, compounded over the course of a career, can result in a major improvement in retirement readiness and financial security.

### **Why this matters for 403(b) plan decisionmakers and advisors**

If enacted, the legislation would:

- Reduce structural disparities between 403(b) plans and other workplace retirement plans, and
- Expand access to investment vehicles that may offer lower fees and ERISA-level oversight.

Advisors that serve 403(b) plans should monitor legislative developments and may want to prepare now for CIT access by learning more about this investment vehicle.

<https://www.callan.com/blog/2024-dc-survey/>

<https://www.kiplinger.com/retirement/collective-investment-trusts-should-your-401-k-hold-them/>

<https://greatgray.com/cits-in-403b-plans-back-on-the-table/>

<https://www.asppa-net.org/news/2025/2/polar-express-not-for-private-db-plans/legislation-to-allow-cits-in-403b-plans-reintroduced/>

### **Private Markets and ESG: Legal Boundaries Remain Unchanged**

Private market exposure in defined contribution plan investments and environmental, social, and governance (ESG) considerations continue to be retirement industry hot topics. However, with increased focus in the media, politicization, evolving market practices, and regulatory discussion, it is important for advisors to understand that the underlying fiduciary standard governing these and all other ERISA plan investments has not changed/remains the same.

Under ERISA, fiduciaries must base investment decisions on **financial risk and return considerations**, acting solely in the best financial interest of plan participants and beneficiaries.