

**Q4 2025  
Meeting Minutes  
Delray Beach  
City of Delray Beach- 457 Plan**

**Meeting Date: 03/03/2026**

**Attendees**

Committee Members	Daniel De Franceschi	Duane D'Andrea
	Henry Dachowitz	Lisa Castronovo
	Matt Naparstek	

Wealthspire Retirement Advisory	Matt Dickey
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**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 - L. Castronovo 11:02am call to order.**
- 2. Agenda Adoption 1) D. Defranceschi 2) H. Dachowitz passes unanimously**  
March 3, 2026
- 3. Comments**
  - a. Public Comments - none
  - b. Committee Members - none
- 4. Consent Agenda** a. November 20, 2025 Regular Meeting Minutes - Motion to approve 1) D. D'Andrea 2) D. Defrancehsi. Passes unanimously.
- 5. Reports,** Wealthspire Retirement Advisory - Blackout update from Aaron Schluep at Empower. Issue with assets moving from MissionSquare to Empower. Great Gray agreements did not change custodian from MissionSquare to Empower and when MissionSquare was wiring funds out they were recirculating those funds back to MissionSquare, Updated Great Gray agreements and notified MissionSquare to wire funds to Empower. Empower will prepare and send out communication to all participants to notify them of extended delay and rationale. Empower will continue to host on-site education days for assist employees post-conversion.

SDBA added to the plan – Schwab agreements were added post contract which delayed implementation.

- a. December 31, 2025 Fiduciary Investment Review
  1. News, Market Overview, Legislation – administrative allowance accounts transition, WRA will ensure all excess has been liquidated as part of transition to Empower.
  2. 457(b), Management 401(a) Review; Investment Fund Lineup Change Recommendation – no recommendations for any plans
  3. Firefighters' 401(a) DROP Review
  4. General Employees' 401(a) DROP Review
  5. Police Officers' 401(a) DROP Review
- b. Fiduciary Fitness Program - The Plan Committee reviewed the Fiduciary Fitness Program Module 6 - ERISA Section 404(c) Compliance. While the City's plans are not subject to ERISA we use it as a best practice framework. By following a similar methodology for fiduciary oversight as ERISA and Section 404(c) compliance the City's plans have been designed with the intent to satisfy the regulation and receive protection from liability should the plan deviate from those requirements.

Motion to adjourn 1) H. Dachowitz 2) M. Naparstek 11:54am

**Investment Due Diligence**

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### Investment Analysis Summary

- Wealthspire Retirement Advisory provided an economic and market commentary for Q4 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 12/31/25 were \$87,393,651.07
  - 36.91% in Asset Allocation
  - 12.66% in Cash Alternatives
  - 3.16% in Fixed Income
  - 7.02% in International/Global Equity
  - 7.16% in Specialty
  - 33.10% 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.
  - 31 funds are acceptable:
    - 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)
    - MML Barings 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 (9)
    - Goldman Sachs Small Cap Growth R6, GSBEX (10)
    - MissionSquare PLUS Fund Class R5, 92208J303
    - Large Cap Value Fund CL I1, 97183K381 (10)
    - International Growth Fund II Class I1, 97183C728 (10)
    - Large Cap Growth Fund III Class I1, 97184D766
    - Small Cap Value Fund III CL I1, 97184J383
    - Mid Cap Growth Fund II CL I1, 97184K158
    - Mid Cap Value Fund II CL I1, 390933232
    - Great Gray BlackRock LifePath Index Retirement
    - Great Gray BlackRock LifePath Index 2060
    - Great Gray BlackRock LifePath Index 2055
    - Great Gray BlackRock LifePath Index 2050
    - Great Gray BlackRock LifePath Index 2045
    - Great Gray BlackRock LifePath Index 2040
    - Great Gray BlackRock LifePath Index 2035
    - Great Gray BlackRock LifePath Index 2030
  - 1 fund is on watchlist:
    - MissionSquare Retirement IncomeAdvantage R5, 74440A696.icma (5)
  - Potential Replacements:

### Market Summary - Q4 2025

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

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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)

#### Fund Review

##### Moderate

MissionSquare Retirement IncomeAdvantage R5 (74440A696.icma) (Recent Scores: 5,5,5,5) is on the watchlist  
Asset Value: \$3,086,820.92

#### Fiduciary Governance

##### Fiduciary Governance Summary

Reviewed Fiduciary Education Module/s

Modules Reviewed:

#### Legislative Update - Q4 2025

##### 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 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

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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.

When considering investments with private market exposure—whether through private equity, private credit, or other non-publicly traded investments—advisors should evaluate their unique attributes (e.g., liquidity, valuation). But, ultimately, the fiduciary investment standard is unchanged: advisors should select an investment with or without private market exposure if reasonably determined to maximize risk adjusted financial returns. Likewise, ESG factors may be considered only when relevant for this determination. Fiduciaries cannot subordinate financial interests to policy, social, or non-financial objectives.

### Why this matters for fiduciaries

- Media hype and politicization can generate misunderstandings about how fiduciary advisors and their clients should consider hot button issues like private market exposure in DC plans and ESG investing.
- It is important for all stakeholders to understand the fundamental ERISA fiduciary investment standard that applies to all investment decisions: the decision should be made for the sole purpose of maximizing risk-adjusted financial returns.
- Regulatory action is expected to address both private market exposure and ESG factors in the coming months.
- While regulation may provide guidance on how unique aspects of private market exposure and ESG should be considered in plan investment decisions, regulation cannot, and will not, alter the ERISA fiduciary investment standard.

Regardless of investment type, advisors and their plan sponsor and other employer plan fiduciary clients should ensure their governance processes, policies, and advisor conversations consistently adhere to ERISA's long-standing fiduciary duties – and should remember that the fiduciary standard has not changed, even as product offerings evolve.

<https://www.dol.gov/agencies/ebsa/laws-and-regulations/rules-and-regulations/completed-rulemaking/1210-AC03>

<https://www.federalregister.gov/documents/2022/11/22/2022-25783/prudence-and-loyalty-in-selecting-plan-investments-and-exercising-shareholder-rights>

<https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/information-letters/06-03-2020>

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### Disclosures

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