

**Item 4.a.**

**November 30, 2023  
Regular Meeting Minutes**

**MINUTES**  
**NOVEMBER 30, 2023 REGULAR BOARD MEETING**  
**CITY OF DELRAY BEACH POLICE OFFICERS' RETIREMENT SYSTEM**

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

Chair Rasor called the meeting to order at 9:04 a.m.

Board Members present: Chair Jeffrey Rasor, Vice-chair Paul Weber, Secretary Meer Deen, Jim Hoesley, and Scott Privitera.

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), and Elizabeth Brown (City of Delray Beach)

Public attendees:

**2. AGENDA ADOPTION**

**MOTION** made by Mr. Weber, seconded by Mr. Deen, to adopt the November 30, 2023 Regular Board Meeting Agenda, as amended to move Agenda Item 6.d. to be part of Item 5.b. 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. September 20, 2023 Regular Meeting Minutes
- b. Warrant Ratification (#270)
- c. Warrant Approval (#271)
- d. Ratify/Approve – Refunds/Benefit Enhancements/New Retirement/DROP/Vested/Death Annuities

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

**5. REPORTS**

- a. **Legal Report**, Sugarman, Susskind, Braswell & Herrera, Pedro Herrera  
Mr. Herrera said the Florida Department of Management Services (DMS) had begun implementing House Bill 3, the law prohibiting public pension plans from considering non-pecuniary factors when making investment decisions. Specifically, DMS will require each public plan submit a comprehensive report on the plan's investment policies. Mr. Herrera said the comprehensive report will be a one-page report that the Board can submit along with its Investment Policy Statement. To get everything set before the filing deadline (December 15, 2023), Mr. Herrera recommended the Board make two motions, the first one authorizing the Pension Administrator to file the required report on the Board's behalf.

**MOTION** made by Mr. Weber, seconded by Mr. Hoesley, authorizing the Pension Administrator to file the required reports with the Division of Management Services on the Board's behalf. In a voice vote of the members present, **Motion** passed 5-0.

The second motion Mr. Herrera recommended was for the Board to officially certify its compliance with Chapter 2023-28 authorizing the filing of the pecuniary factors report subject to final legal approval.

**MOTION** made by Mr. Deen, seconded by Mr. Weber, to officially certify its compliance with Chapter 2023-28 authorizing the filing of the pecuniary factors report subject to final legal approval. In a voice vote by the members present, **Motion** passed 4-0.

Mr. Herrera reminded the trustees of the State's reporting requirements if they accepted any gift. Mr. Herrera added that Sugarman, Susskind, et. al. would make a \$25 contribution in the Board's name to a local foodbank. The Trustees asked Mr. Herrera to make their contribution to The Miracle League.

Mr. Herrera told the Board the City settled their case with Ofc. Nicole Lucas via arbitration, but that her service incurred disability application was still active and that she had retained an additional attorney to represent her. The Board decided to hold a special meeting to continue two motions filed by Ms. Lucas's attorneys.

- b. **September 30, 2023 Fiduciary Investment Review**, NFP Retirement Inc., Matt Dickey  
Report made part of these Minutes

Mr. Dickey said of the new SECURE 2.0 Act provisions on which he reported in September 2023, to date there was one major change: the required Roth provision for employees earning more than \$145,000 which was slated to be effective January 1, 2024, was changed to be effective January 1, 2026 instead.

As Mr. Dickey began reviewing NFP's September 30, 2023 quarterly report, he told the Board they had never officially adopted an investment policy statement which included the Scorecard System Methodology NFP used to quantitatively and qualitatively evaluate fund managers and their investment strategies. The Scorecard System Methodology was built around a pass/fail criterion and had the ability to measure active, passive, and asset allocation investing strategies.

**MOTION** made by Mr. Weber, seconded by Mr. Deen, to adopt the use of the Scorecard System Methodology as used by NFP. In a voice vote of the members present, **Motion** passed 5-0.

Mr. Dickey reported two funds on the watch list: 1) Invesco Global – third quarter below a 7, but not too concerned as it was starting to rebound; and 2) Western Asset Core Bond – third quarter in a row below a 7. If the funds are on the watch list at quarter end December 31, 2023, NFP will recommend replacement funds.

- 6.d. RFP for Recordkeeping Services.

Mr. Dickey told the trustees that the City's Deferred Compensation Plans Committee approved doing an RFP for recordkeeping services for the City's 457(b) plan and two 401(a) plans. Ms. Castronovo added that in early 2023, the Firefighters' Retirement System Board of Trustees approved doing an RFP for their DROP plan. Ms. Castronovo asked the trustees if they wanted the Police Officers' Retirement System's DROP plan included in the same RFP.

**MOTION** made by Mr. Deen, seconded by Mr. Weber, to approve including the Police Officers' Retirement System DROP plan with City's 457 and 401(a) plans, the Firefighters' Retirement System's DROP, and the General Employees' Retirement Plan's DROP in a request for proposals for recordkeeping services. In a voice vote of the members present, **Motion** passed 5-0.

Ms. Castronovo reminded the Committee that in past years they authorized the disbursement of 75% of the prior March 31<sup>st</sup> Administrative Allowance Account (“AAA”) to all DROP participants who had money in the DROP account at MissionSquare on the date of the distribution.

**MOTION** made by Mr. Weber, seconded by Mr. Deen, to disburse in December 2023, 75% of the March 31, 2023, Administrative Allowance Account balance to all participants with funds in their DROP account at MissionSquare on the date of the distribution. In a voice vote of the members present, **Motion** passed 5-0.

c. **Investment Reports**, AndCo Consulting, Inc., Brendon Vavrica

i. Portfolio Performance Review – Quarter End September 30, 2023

Report made part of these Minutes.

Mr. Vavrica reported the Plan’s net rate of return for the quarter ended September 30, 2023, was -3.28% compared to its benchmark of -3.10%, but for the fiscal year end September 30, 2023, it was 11.94% versus the benchmark of 12.11%. The Plan’s market value decreased from \$129.1 on June 30, 2023 to \$123.7M on September 30, 2023.

Mr. Hoesley asked Mr. Vavrica to bring to the next Board meeting an in-depth review of all investment managers.

ii. Flash Report – October 2023

Report made part of these Minutes.

For the month ended October 31, 2023, the Plan’s return was -2.36% vs. the benchmark of -2.41%. November 2023 saw returns substantially higher than the returns seen August – October 2023.

iii. Capital Call Pacing Model

Presentation report made part of these Minutes.

The Capital Call Pacing model looked at each of the Fund’s current private equity commitments to model when each commitment was expected to meet its target. The Pacing model further detailed how the Board could keep the Fund on target with its overall private equity commitments. Per the Pacing model, the Fund will reach its target in 2-3 years, stay at target for 2-3 years, then back off as distributions are made. In conclusion, the model showed that no commitments were needed now, but to remain on target in the future, new commitments would be needed starting in 2026.

iv. Non-Core Real Estate Manager Analysis

Presentation report made part of these Minutes.

Mr. Vavrica asked the trustees if, given that the Plan was already in the real estate space with investments in five real estate funds (American Realty Core Property, Angelo Gordon Net Lease Realty Fund, Dune Real Estate (in the process of closing), Carlyle Property Investors, and the Fidelity Real Estate Index Fund), were they interested in making additional commitments to real estate. Mr. Vavrica introduced six managers for the trustees’ consideration: Virtus Real Estate, Pennybacker Capital Management, Angelo, Gordon & Co., Torchlight, Harrison Street Real Estate Capital, and Oak Street Real Estate Capital. The Trustees decided to hold off on a discussion of the presented managers until the February 2024 meeting when Mr. Vavrica would present an in-depth review of all of the Board’s existing managers.

Mr. Vavrica said about \$1M was needed in the receipts and disbursements account to cover upcoming monthly expenses.

**MOTION** made by Mr. Deen, seconded by Mr. Privitera, to transfer \$1M from BlackRock Multi-Asset Income Fund to Fidelity Total Market Index Fund to cover upcoming monthly expenses. In a voice vote of the members present, **Motion** passed 5-0.

- d. **Pension Administrator**, Lisa Castronovo  
Ms. Castronovo presented her quarterly report.

**6. ADMINISTRATIVE ITEMS**

- a. Annual Board Officers' Election

**MOTION** made by Mr. Deen, seconded by Mr. Privitera, for Mr. Weber to serve as Board Chair. In a voice vote by the members present, **Motion** passed 5-0.

**MOTION** made by Mr. Weber, seconded by Mr. Mr. Privitera, for Mr. Hoesley to serve as Board Vice-Chair. In a voice vote by the members present, **Motion** passed 5-0.

**MOTION** made by Mr. Weber, seconded by Mr. Privitera, for Mr. Rasor to serve as Board Secretary. In a voice vote by the members present, **Motion** passed 5-0.

- b. 2024 Board Meeting Schedule

**MOTION** made by Mr. Rasor, seconded by Mr. Deen, to adopt the 2024 quarterly Board meeting schedule as presented by Ms. Castronovo. In a voice vote by the members present, **Motion** passed 5-0.

- c. Fiduciary Liability Insurance

**MOTION** made by Mr. Hoesley, seconded by Mr. Rasor, to accept the fiduciary liability insurance policy for calendar year 2024 for \$5M coverage with a premium not to exceed \$17,000. In a voice vote by the members present, **Motion** passed 5-0.

There was discussion regarding leaves of absence, paid and unpaid, and how such leaves were valued for vesting and benefit accrual purposes. The Board directed Mr. Herrera to contact the actuaries to find out how they value unpaid leaves of absence and directed Ms. Brown to work with the Police department's payroll administrator to compile a list of officers who had taken unpaid leave.

**ADJOURNMENT**

The meeting adjourned at 11:42 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 November 30, 2023 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](http://www.delraybeachfl.gov).