

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF DELRAY BEACH POLICE OFFICERS' RETIREMENT FUND  
SEPTEMBER 22, 2021**

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

Chair Weber called the meeting to order at 12:03 p.m.

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

Also present: Board Attorney Janice Rustin (Lewis, Longman & Walker as designated by City Attorney), Brendon Vavrica (AndCo Consulting), Pension Administrator Lisa Castronovo, and Pension Specialist Elizabeth Brown.

Guests present: Terrence Moore, John Mainville, Madison Martinez, Darrell Hunter, Eddie DeMicco, Vincent Gray

Prior to the start of the meeting, Ms. Castronovo asked for Board approval to record the meeting through Item 3, Initial Disability Hearings.

**MOTION** made by Mr. Privitera, seconded by Mr. Deen, to allow the recording of the meeting through Item 3, Initial Disability Hearings. In a voice vote by the members present, **Motion** passed 5-0.

**2. AGENDA ADOPTION**

**MOTION** made by Mr. Privitera, seconded by Mr. Deen, to adopt the September 22, 2021 Agenda. In a voice vote by the members present, **Motion** passed 5-0.

City Manager Terrence Moore introduced himself and provided a synopsis of his background.

**3. INITIAL DISABILITY HEARING**

a. Christine Suarez

Ms. Rustin reviewed the ground rules for an initial disability hearing noting there were four motions for the Board to make and vote on:

- 1) Does the member satisfy the conditions of the disability application?
- 2) Does the member satisfy the Police Officers' Retirement System's ("Retirement System") definition of disability?
- 3) Was the disability a service-incurred disability?
- 4) When should disability benefits commence?

Marcella Brouchard, legal counsel for Ofc. Suarez, presented Ofc. Suarez's case noting specifically that all physicians who examined Ofc. Suarez opined that she suffered PTSD stemming from an August 4, 2018 occurrence that happened while she was on duty. Ms. Brouchard stated Ofc. Suarez submitted her application in a timely manner, all application requirements had been met, and that Ofc. Suarez applied for Social Security disability benefits as required by the Ordinance.

Ms. Brouchard stated Ofc. Suarez's disability was permanent as determined by all of the medical providers with whom she had met since she could no longer perform her regular police officer duties. Further, Ofc. Suarez would never again be able to work as a police officer for the City or any other agency since such work would trigger her PTSD and thus be cause harm to herself and potentially any other officer with whom she might work. Ms. Brouchard concluded her presentation by stating Ofc. Suarez's disability was clearly linked to the August 4, 2018 on-the-job incident.

Chair Weber and Mr. Rasor asked Ms. Brouchard if Ofc. Suarez could be employed by the City in a position other than a police officer to which Ms. Brouchard responded that Ofc. Saurez was permanently disabled and could not be a police officer. Ms. Brouchard added that per the Ordinance, Ofc. Suarez met the requirements to e granted a duty disability from the Police Officers' Retirement System ("Retirement System") which was all she needed to do for the Board to grant her a duty disability retirement.

Mr. Rasor noted that none of the records presented on behalf of Ofc. Suarez indicated she could not enter Delray Beach so he wondered what would prevent her from being employed by the City in a position other than a police officer. Ms. Rustin responded the Board could authorize follow-up research after the initial hearing to see if Ofc. Suarez could be employed by the City in any other position. Ms. Rustin reminded the Trustees that for Ofc. Suarez to be an active member of the Retirement System, she must be a police officer. Therefore, if the Trustees found that Ofc. Suarez could no longer work for the City as a police officer, she could be retired from the Retirement System.

Mr. Hoesley asked when did Ofc. Suarez first seek medical help for her PTSD which was answered by Ms. Brouchard who said it was about one year after the incident. Mr. Deen asked if the Board was evaluating whether Ofc. Suarez could work as a police officer as per the Ordinance.

**MOTION** made by Mr. Deen, seconded by Mr. Privitera, that Ofc. Suarez satisfied the conditions of the disability application. In a voice vote of the members present, **Motion** passed 5-0.

**MOTION** made by Mr. Deen, seconded by Mr. Hoesley, that Ofc. Suarez satisfied the Retirement Systems' definition of disability. In a voice vote of the members present, **Motion** passed 5-0.

**MOTION** made by Mr. Hoesley, seconded by Mr. Deen, that Ofc. Suarez's disability was a service-incurred disability. In a voice vote of the member's present, **Motion** passed 5-0.

Discussion ensued regarding the date of the disability and when benefits should start.

**MOTION** made by Mr. Deen, seconded by Mr. Privitera, that Ofc. Suarez's date of disability was September 22, 2021. In a voice vote of the members present, **Motion** passed 3-2 (Chair Weber and Mr. Hoesley opposed).

b. Marques Brown

Ms. Rustin reviewed the ground rules for an initial disability hearing reminding the Trustees there were four motions they needed to make and vote on:

- 1) Does the member satisfy the conditions of the disability application?
- 2) Does the member satisfy the Police Officers' Retirement System's ("Retirement System") definition of disability?
- 3) Was the disability a service-incurred disability?
- 4) When should disability benefits commence?

Ms. Rustin reminded the Trustees that this hearing for Ofc. Brown was a continuation of the initial hearing started on May 20, 2021.

Alan Aronson, legal counsel for Ofc. Brown, started his case for Ofc. Brown noting that Ofc. Brown's disability application was properly completed and thus satisfied the conditions of the disability application. Mr. Aronson stated that Ofc. Brown satisfied the Retirement System's definition of disability since both Ofc. Brown's physician, Dr. Stucken, and the Board's hired independent physician, Dr. Chayet, determined that Ofc. Brown could no longer provide the essential functions of a police officer. Mr. Aronson said the date of disability could be determined to be the date of the incident, the date MMI was reached, or today's date.

**MOTION** made by Mr. Rasor, seconded by Mr. Deen, that Ofc. Brown satisfied the conditions of the disability application. In a voice vote of the members present, **Motion** passed 5-0.

Chair Weber passed the gavel to Mr. Hoesley.

**MOTION** made by Mr. Privitera, seconded by Mr. Weber, that Ofc. Brown did not satisfy the Retirement Systems' definition of disability. In a voice vote of the members present, **Motion** passed 3-2 (Mr. Rasor and Mr. Deen opposed).

Gavel was passed back to Chair Weber.

Discussion ensued. Ofc. Brown said the injury occurred in December 2018, but he was not put on light duty until November 2019. Ofc. Brown said he was initially sent to an orthopedist who specialized in back injuries rather than one who specializes in knee injuries. After he hired an attorney, he was sent to a knee specialist, Dr. Stucken, but prior to his first appointment with Dr. Stucken he reinjured his knee. Discussion followed as to what caused the knee injury and that there were no physical therapy records included in the back-up materials. Mr. Privitera stated he believed physical therapy should have been done and followed through to its entirety.

Ms. Rustin stated the Trustees had the right to ask for a full evidentiary hearing at which Mr. Brown could present more evidence along with his own witnesses.

The trustees were requested to respond via a roll call vote if Ofc. Brown satisfied the Retirement System's definition of disability:

Chair Weber: no  
Mr. Hoesley: no  
Mr. Rasor: yes  
Mr. Privitera: no  
Mr. Deen: yes

Ms. Rustin recommended the Board hire an attorney to represent them in an evidentiary hearing, if needed, and that she could provide names of attorneys for consideration at the November meeting.

When Mr. Aronson asked what would happen to Ofc. Brown when his light-duty accommodations stopped November 1, 2021, the Board responded it would be up to the Police Chief to decide whether or not his light duty employment was continued.

#### 4. Comments

a. Public Comments

None

b. Board of Trustees of Police Officers' Retirement System

Mr. Rasor stated that Chair Weber made a good point when he asked why couldn't Ofc. Suarez work for the City in another position. Ms. Rustin said for all future disability cases, a job description should be provided to the independent physician with the request for the independent physician to opine if the applicant can perform the detailed job duties.

The Trustees discussed disability cases in general and disability retirees in particular. They directed Ms. Castronovo to provide a list of all current disability retirees at the November meeting and asked Ms. Rustin to provide sample forms that could be used to mail to each disability retiree for them to verify they remain disabled.

Mr. Rasor asked Ms. Castronovo if she received information from anyone at the police department regarding active officers who were out on unpaid FMLA. When Ms. Castronovo replied she had not received anything regarding such absences, Mr. Rasor said he, along with Chair Weber, would provide at the November meeting a list of officers out on unpaid leave her to determine if any officer's credited service should be adjusted to reflect unpaid leave.

c. Active and Retired Members of the System

Vincent Gray

#### 5. Consent Agenda

a. May 12, 2021 Regular Meeting Minutes

b. May 20, 2021 Special Meeting Minutes

c. July 15, 2021 Special Meeting Minutes

d. Warrant Ratification (#249-251)

e. Warrant Approval (#252)

f. Ratify/Approve – Refunds/Benefit Enhancements/New Retirement/DROP/Vested/Death Annuities

g. Administrative Expense Budget for 2021-22

**MOTION** made by Mr. Rasor, seconded by Mr. Deen, to pull Item 5.g. from the Consent Agenda for further discussion. In a voice vote of the members present, **Motion** passed 5-0.

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

**MOTION** made by Mr. Hoesley, seconded by Mr. Deen, to set the overall Administrative Expense Budget for 2021-22 to \$570,000. In a voice vote of the member's present, **Motion** passed 5-0.

## 6. Reports

### a. AndCo Consulting, Investment Consultant - Brendon Vavrica

#### i. Portfolio Performance Review - Quarter End June 30, 2021

Mr. Vavrica reported that everything was great through June 30, 2021, and for the most part through August, but since then had cooled down. For the quarter ended June 30, 2021, the Retirement System's return was 5.81% vs. 5.61% for the benchmark and for the fiscal year through June 30<sup>th</sup> the return was 22.65% vs. the benchmark of 18.49%. From March 31, 2021, the System's assets grew from \$129.4M to \$134.7M.

Mr. Hoesley said he wanted to move on from Garcia Hamilton due to their poor performance over the last few years. Mr. Vavrica agreed they had not performed well in the last couple of years, but since they were hired in late 2017, they had performed as well as their respective benchmark. Mr. Vavrica said he would like to discuss Garcia Hamilton in more detail at the November meeting and asked the trustees if they would like Garcia Hamilton to make a presentation at the November meeting. Mr. Hoesley said he did not want to meet with them as the facts were the facts.

#### ii. Flash Report – August 2021

Mr. Vavrica reported that through August 31, 2021, the fiscal year-to-date return was 25.98%, but through September 21, 2021 it had declined to probably about 22.5% due to a recent downturn in the market. Mr. Vavrica noted for the period ended August 31, 2021: 1) equity value manager Brandywine, who replaced Boston, returned 3.09% vs. its benchmark of 1.98%, 2) equity growth manager Polen Capital was doing well, 3) international equity manager Harding Loevner did okay though it was a bit behind its benchmark, 4) Garcia Hamilton was trailing all of its benchmarks for the month, year-to-date, fiscal year-to-date, and three year period, and 5) new fixed income non-core manager Loomis Sayles was doing very well. When asked, Mr. Vavrica said the System's investment in the Molpus Woodlands Fund would close in the spring of 2022.

Mr. Hoesley asked Mr. Vavrica to explain what was going on with equity manager Clarkston Partners given their poor performance compared to their benchmark over the last 12 months. Mr. Vavrica explained that value equity in general was not doing as well lately as was growth equity and to keep in mind for Clarkston Partners in particular, that they were hired for their ability to outperform in down markets rather than their ability to outperform in up markets. Mr. Vavrica explained the Clarkston Partners had a narrow market view and would do very well through a full market cycle (up and down). He explained that both Clarkston Partners and Polen Capital would perform well in down markets.

Mr. Vavrica said the System's overall fund portfolio had a very nice blend and the only thing the Trustees should consider now was adding alternative investments such as private debt or equity. Mr. Hoesley asked about secondary market investments. Mr. Vavrica agreed to bring information regarding secondary market investing to the November meeting. Mr. Hoesley asked Mr. Vavrica to look at HFS who were direct lenders who had done very well over the past several years.

iii. Large Cap Growth Equity Manager Analysis

Mr. Vavrica provided information regarding four new managers to replace Polen Capital or be an additional large cap growth equity manager: Fred Alger Management, DSM Capital Management, T. Rowe Price Associates, and Winslow Capital Management. Mr. Vavrica explained that the four managers were very true to the large cap growth equity space. Mr. Vavrica noted Polen Capital slightly underperformed over the last couple of years but had the best performance of the five managers over the last five and ten years. Mr. Vavrica explained that Polen Capital had the lowest beta of the five managers meaning they took the least amount of risk. Further, while Polen Capital did not historically quite keep up in up markets, they always did very well in down markets so considering their beta, they do very well in their environment.

Mr. Hoesley thanked Mr. Vavrica for his presentation stating he had done what the trustees asked him to do: research and provide feedback on how Polen Capital was performing. Mr. Hoesley added he thought the Board should stay the course with Polen Capital. Mr. Vavrica concluded the conversation by stating what is encouraging about Polen Capital was their ability to keep up and do relatively well in up markets without abandoning their risk defensive nature (i.e. they still do well in down markets).

iv. Cashflow Projection/Where to Invest Upcoming City and State Contributions

Mr. Vavrica provided various options regarding where to invest the incoming City contribution.

**MOTION** made by Mr. Hoesley, seconded by Mr. Razor, to invest \$4.0M in Blackrock Multi-Asset Income Fund and \$4.1M in Fidelity Total Market Fund. In a voice vote of the member's present, **Motion** passed 5-0.

b. Lewis, Longman & Walker, Legal Counsel – Janice Rustin

Ms. Rustin reviewed the actuarial valuation summary she drafted for the three retirement plans that she shared with the City Manager Terrence Moore.

i. Premium State Tax Money Database

Ms. Rustin reviewed the memorandum she sent to City Attorney Lynn Gelin on behalf of the Firefighters' Retirement System. In brief, the memorandum requested the City's assistance in updating the Florida Department of Revenue Address/Jurisdiction database to ensure the City receives the full amount of insurance premium tax money it is due. Ms. Rustin explained she wrote the memorandum after speaking to IAFF President Craig Mahoney who told her it appeared the City's database was missing many addresses resulting in smaller premium tax monies being issued by the State. The intent was that once the City provided the State with a current list of all the addresses within its jurisdiction, the City would benefit because both the Firefighters' Retirement System and Police Officers' Retirement System would receive larger premium tax monies. There was nothing the Board needed to do regarding this item.

c. Pension Administrator – Lisa Castronovo

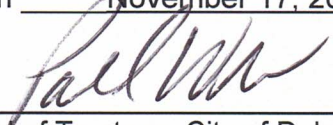
Ms. Castronovo explained some of her concerns with the new software administration system that she was working on in conjunction with Gabriel, Roeder, Smith & Company. The trustees voiced their concerns with the pace of the roll-out of the software for the active police officers. Ms. Castronovo said she understood their concerns and would do her best to get the system up and running as soon as possible, but hopefully no later than the first of 2022.

Mr. Rasor, Mr. Privitera and Mr. Deen all stated they would like to attend FPPTA's Trustees' School in January 2022.

**ADJOURNMENT**

**MOTION** made by Mr. Privitera, seconded by Mr. Deen, to adjourn the meeting. Meeting adjourned at 3:51 p.m.

I, Paul Weber, the undersigned, am the Chair of the Board of Trustees of the City of Delray Beach Police Officers' Retirement System ("Board"). The information provided herein is the Minutes of the September 22, 2021 regular meeting of said body. These Minutes were formally approved and adopted by the Board on November 17, 2021.

  
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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).