

**MINUTES  
REGULAR PENSION BOARD MEETING  
CITY OF DELRAY BEACH FIREFIGHTERS' RETIREMENT FUND  
DECEMBER 9, 2021**

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

Chair Giaccone called the meeting to order at 1:04 p.m.

**MOTION** made by Mr. Warner, seconded by Mr. Mahoney, to allow Trustee Glanfield to participate virtually per the Board's electronic meeting participation policy. In a voice vote by the members, **Motion** passed 5-0.

Board Members present: Chair Gregory Giaccone, Vice-Chair Craig Mahoney, Thomas Glanfield, Alan Kirschenbaum, and Secretary Jack Warner.

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

Guests present: John Lege

**2. AGENDA ADOPTION**

**MOTION** made by Mr. Mahoney, seconded by Mr. Warner, to adopt the December 9, 2021 Agenda as amended to add Item 6.e. Hourly Fee Agreement for Legal Services (Sugarman, Susskind, Braswell & Herrera). In a voice vote by the members, **Motion** passed 5-0.

**3. COMMENTS**

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

**4. CONSENT AGENDA**

- a. August 12, 2021 Regular Meeting Minutes
- b. Warrant Ratification (#259-261)
- c. Ratify/Approve – Refunds/Benefit Enhancements/New Retirements/DROP/Vested/Death Annuities
- d. DROP Plan Adoption Agreement for MissionSquare

**MOTION** made by Mr. Warner, seconded by Mr. Mahoney, to approve Consent Agenda Items 4.a.-d. In a roll call vote of the members, **Motion** passed 5-0.

**5. ADMINISTRATIVE ITEMS**

- a. Annual Board Officers' Election

**MOTION** made by Mr. Warner, seconded by Mr. Mahoney, for Gregory Giaccone to serve as Board Chair. In a voice vote by the members present, **Motion** passed 5-0.

**MOTION** made by Mr. Warner, seconded by Mr. Kirschenbaum, for Craig Mahoney to serve as Board Vice-Chair. In a voice vote by the members present, **Motion** passed 5-0.

**MOTION** made by Mr. Glanfield, seconded by Mr. Mahoney, for Jack Warner to serve as Board Secretary. In a voice vote by the members present, **Motion** passed 5-0.

b. 2022 Board Meeting Schedule

Schedule made part of these Minutes.

**MOTION** made by Mr. Mahoney, seconded by Mr. Warner, to adopt the proposed 2022 quarterly Board meeting schedule. In a voice vote by the members present, **Motion** passed 5-0.

c. Fiduciary Liability Insurance

**MOTION** made by Mr. Mahoney, seconded by Mr. Warner, to accept the fiduciary liability insurance policy for \$5M coverage with a premium of \$14,927.77. In a voice vote by the members present, **Motion** passed 5-0.

## 6. REPORTS

a. NFP Retirement Inc. September 30, 2021 Quarterly Report – Matt Dickey

Report made part of these Minutes

Mr. Dickey stated in the past the Board had 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 (formerly ICMA-RC). He asked the Board if they would like to authorize the distribution of 75% of the March 31, 2021 AAA balance.

**MOTION** made by Mr. Kirschenbaum, seconded by Mr. Warner, to disburse in December 2021, 75% of the March 31, 2021 Administrative Allowance Account balance to all participants with money in the DROP account at MissionSquare on the date of the distribution. In a voice vote of the members present, **Motion** passed 5-0.

Mr. Dickey reviewed NFP’s September 30, 2021 report. He noted three funds on the watch list - American Funds Washington Mutual (a large cap blend fund) for the second quarter in a row, Fidelity Contrafund (a large cap growth fund) for the fourth consecutive quarter, and Invesco Emerging Markets Equity Fund for the first time – and recommended eliminating a fourth fund - Janus Henderson Small Cap Value fund. Mr. Dickey said once a fund is on the watchlist for six consecutive quarters, NFP would recommend a change to another manager in the same asset class. The rest of the funds, both active and passive, experienced strong returns and great up/down captures.

Mr. Kirschenbaum said he would like the participants who have a majority of their money in the Plus fund somehow be informed that there were other investment options available to them could produce higher returns. Mr. Dickey said NFP was working with MissionSquare to draft communications regarding various investment funds to share with all DROP participants.

b. AndCo Consulting – Brendon Vavrica

i. Portfolio Performance Review – Quarter End September 30, 2021

Report made part of these Minutes.

Mr. Vavrica presented the September 30, 2021 performance report noting the quarter was rather flat with emerging markets performing the poorest (-8% for the quarter), fixed income flat due to flat interest rates and concern over inflation, and equity doing well. For quarter end September 30, 2021, the System’s return, net of fees, was 0.22% vs. 0.21% for the

benchmark. For the fiscal year ended September 30, 2021, the net rate of return was 23.37% vs. the benchmark of 18.74%. From June 30, 2021 to September 30, 2021, the System's assets decreased from \$148.9M to \$148.2M. The asset allocation was a bit overweight in equity (due to high returns over the last 12 months) and underweight in both fixed income and real estate.

ii. Flash Report – November 2021

No report available.

Since a report for November was not available, Mr. Vavrica reviewed the October flash report noting the 4.18% System return for October was better than its benchmark of 4.02%. Mr. Vavrica said that through December 8, 2021, the System's assets were close to \$161M due mostly to receipt of the City's contribution at the first of October. Overall, Mr. Vavrica estimated the System's return through November 30, 2021 was approximately 3%.

Mr. Vavrica asked the Board if they wanted to move some funds out of domestic equities since the portfolio was overweight in that asset class. Mr. Glanfield said he did not want to move any funds at this time since the domestic equity market was performing so well. Mr. Vavrica said about one half of the cash sitting in the fund would be called over the next few months to fulfill the Board's decision to invest an additional \$3.5M with American Core Realty. Mr. Vavrica reminded the trustees that the fixed income investment was the System's liquidity source especially in times of down equity markets. Mr. Glanfield asked if the Board should consider moving money from core fixed income to non-core fixed income. Mr. Vavrica stated the trustees could consider moving some money to multi-sector bonds, but that they were already somewhat covering non-core fixed income investments via direct lending investing.

iii. Senior Direct Lending Discussion

Report made part of these Minutes

Mr. Vavrica explained that an investment with senior direct lending manager Monroe Capital Management Advisors was not going to work out and thus if the Board wanted to invest with a senior direct lending manager in addition to Deerpath Capital Management they could consider GC Advisors and TCW Asset Management Company. TCW was a bit more aligned in terms of size to Golub (larger) as opposed to Crescent and Deerpath. Unlike Deerpath and Golub, non-private equity owned companies made up about one third of TCW's prior funds. After reviewing key terms, Mr. Vavrica said with all things equal, TCW would generate a bit larger return than

Mr. Warner suggested putting the \$1.5M previously designated to Monroe Capital to Deerpath instead. Mr. Glanfield said he was fine investing the \$1.5M in either Deerpath or TCW. Mr. Vavrica said the trustees could follow what the General Employees' Retirement Committee did and invest \$1.5M in an unlevered fund with Deerpath.

**MOTION** made by Mr. Mahoney, seconded by Mr. Warner, to invest \$1.5M in TCW Asset Management Company. In a voice vote of the members present, **Motion** passed 5-0.

c. Lewis, Longman & Walker – Janice Rustin

Ms. Rustin had no legal report. She thanked the trustees for letting her serve as their legal counsel for the last three years.

e. Hourly Fee Agreement for Legal Services

This Item was taken out of order. Letter made part of these Minutes.

Chair Giaccone told the trustees he had been requested to sign a letter agreeing to hourly fees for legal services for Pedro Herrera, an attorney with Sugarman, Susskind, Braswell & Herrera, who had been selected by the City Attorney to replace Janice Rustin, effective January 1, 2022. Chair Giaccone said he had not yet received a legal services agreement for Sugarman, Susskind detailing the full extent of the legal services they would provide.

Ms. Rustin said the current agreement the Board had with her would expire in the next few days leaving the Board without legal counsel for a few weeks. Mr. Glanfield asked if the current agreement with Ms. Rustin could be extended until an agreement was reached with Sugarman, Susskind. Ms. Rustin said the terms of her agreement allowed for one-year extensions so her agreement could be extended and then terminated once an agreement was made with her successor.

**MOTION** made by Mr. Mahoney, seconded by Mr. Warner, to extend the current agreement with Lewis, Longman & Walker for a second term (one year) and terminate the agreement when a new agreement with a successor law firm was signed. In a voice vote of the members present, **Motion** passed 5-0.

**MOTION** made by Mr. Mahoney, seconded by Mr. Warner, authorizing Chair Giaccone to enter contract negotiations with Sugarman, Susskind, Braswell & Herrera to create a legal services agreement acceptable by both parties. In a voice vote of the members present, **Motion** passed 5-0.

a. Pension Administrator – Lisa Castronovo

Ms. Castronovo: 1) provided the trustees with the 2021-22 administrative expense budget versus actual expenses through December 2, 2021; 2) reported that the State Premium Tax monies and the City's contribution received in September/October had been invested per the Board's direction; and 3) requested if any trustee wished to attend FPPTA's Winter Trustees' School in Orlando in January 2022 to let her know.

Ms. Castronovo requested Board approval for the Pension Specialist, Elizabeth Brown, to acquire FPPTA's CPPT certification and to be able to attend one FPPTA conference once she acquired the CPPT to keep such certification with all associated costs to be shared evenly the City's three retirement plans. Ms. Castronovo also requested the Travel Policy be amended to allow any future Pension Specialist the ability to acquire and maintain their CPPT certification.

**MOTION** made by Mr. Mahoney, seconded by Mr. Warner, to amend the Board's Travel Policy to allow the Pension Specialist to acquire FPPTA's CPPT certification and, once the CPPT certification was attained, to attend seminars and conferences as allowed for trustees and the Pension Administrator with the cost of such CPPT attainment and attendance to be equally by the City's three retirement plans. In a voice vote of the members present, **Motion** passed 5-0.

**ADJOURNMENT**

The meeting adjourned at 3:23 p.m.

I, Gregory Giaccone, the undersigned, am the Chair of the City of Delray Beach Firefighters' Retirement System Board of Trustees ("Board"). The information provided herein is the Minutes of the December 9, 2021 regular meeting of said body. These Minutes were formally approved and adopted by the Board on February 22, 2022.

  
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Board of Trustees, City of Delray Beach  
Firefighters' 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 Firefighter's 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).