

**Minutes of the DERP Retirement Board**

November 21, 2025 - Meeting #871

Meeting #871 of the DERP Retirement Board was held at the Grant-Humphreys Mansion and via video and audio conferencing. DERP Retirement Board members present were Chair George Delaney, Vice-Chair John Dominguez, Diane Barrett, Carole Buyers, and Danielle Sexton (v). DERP Advisory Committee members present were Maro Casprian, Roberta Monaco, Chris Miller (v), and Heather Britton (v). DERP staff present were Heather Darlington, Executive Director; Randall Baum, Chief Investment Officer; James E. Thompson III, General Counsel; Julie Vlier, Marketing and Communications Director; Pamela Watson, Deputy Chief Investment Officer; and Terri Campbell, Office Administrator. Guests in attendance were Rose Dean and Will DuPree with NEPC.

(v) Denotes attended virtually.

**Call to Order and Roll Call**

The meeting was called to order by George Delaney at 9:00 a.m.

**Approval of Minutes**

Minutes of meeting #870 were approved by a unanimous vote of the Retirement Board members.

**Executive Director's Report**

Heather Darlington shared a proposed 2026 Retirement Board calendar and work plan. The calendar and general topics are consistent year-to-year, but agenda items can be added as needed. The proposed 2026 calendar and work plan were approved by a unanimous vote of the Retirement Board members.

Ms. Darlington noted that retiree open enrollment went smoothly and invited Heather Britton and Roberta Monaco to debrief on information from the IFEBP Annual Conference they attended in early November. Both found the content informative and valuable. Ms. Monaco requested a future presentation on how DERP bids and negotiates with Medicare providers.

**2026 Budget**

Ms. Darlington thanked the Budget Committee for working on the proposed budget for 2026. She informed the Retirement Board that it is required by ordinance to adopt a budget for the upcoming year by November 30 and the approved budget is provided to the Mayor and City



Council. She described the budgetary restrictions contained in the DRMC, specifically that investment management expenses are limited to 0.25% of the average market value of trust assets per quarter, and operating expenses are limited to 0.125% of the ending value of trust assets per quarter.

Ms. Darlington shared a summary of the proposed 2026 budget for total operations. She reviewed key details for the general operating and building operations budgets.

Mr. Delaney said that the Budget Committee discussed the merit of maintaining the current DERP offices and historic building. In the end, the Committee agreed that it is worthwhile to invest in and maintain the current location.

Finally, Ms. Darlington shared the proposed budget for investment management which includes manager fees, investment-related expenses, and investment staff salaries. She invited questions and discussion prior to a motion for adoption. The 2026 budget was unanimously approved.

Mr. Delaney congratulated Jake Huolihan and those involved on receiving the 2025 Public Pension Coordinating Council's (PPCC) Public Pension Standards Award, for the 10<sup>th</sup> consecutive year.

### **Third Quarter Investment Performance Review**

Rose Dean from NEPC presented an overview of financial markets performance for the third quarter and provided expectations for 2026.

Randy Baum presented performance results for DERP's portfolio for the third quarter, indicating that DERP's portfolio grew by 3.8% in the third quarter and is up 10.4% year to date. He provided commentary on results for individual asset classes and managers. He reported that DERP lagged slightly behind peers and the policy index.

Mr. Baum reviewed quarterly performance detail by large cap and small cap managers, both domestically and internationally. Will DuPree from NEPC suggested evaluating managers by full cycle performance in addition to quarterly. Mr. Baum reviewed core and non-core fixed income, private debt, real estate, and natural resources.

### **Asset Class Review: Natural Resources**

Mr. Baum introduced the review of the natural resources asset class, noting that it is 3.5% of DERP's portfolio and is the smallest asset class. He described the role of the allocation is to be a return driver and to provide diversification. He described the funds DERP is invested in,



including private timber and private energy, noting that DERP has not been actively adding managers and the funds are long-lived.

Mr. Baum reviewed the environment for timber and energy and provided an outlook for both.

Mr. Delaney commented on the future of nuclear energy in the U.S. Mr. Baum indicated that DERP does not have nuclear-specific energy investments in the portfolio, but does have other renewable energy investments, highlighting a molten salt project as an example.

Pamela Watson shared the composite and individual performance for energy and timber since portfolio inception. Ms. Watson also outlined performance by individual fund manager. In aggregate, DERP's investments in natural resources have been inconsistently accretive to the portfolio. John Dominguez noted that natural resources have been an investment struggle across the board for the past decade. Mr. Delaney commented on the variability of oil prices and how that affects drilling. Carole Buyers asked how much of the natural resources composite is related to drilling. Ms. Dean responded that the investment focus is shifting from extraction of commodities to investments with consistent cash flow.

### **Advisory Committee Comments**

Mr. Delaney invited Advisory Committee members to comment.

### **Member and/or Guest Comments**

Mr. Delaney noted no guests were present for comment.

### **Review of Next Meeting and Call for Topics**

The next regularly scheduled Retirement Board meeting will be Friday, January 16, at 9:00 a.m.

### **Adjournment**

The meeting was adjourned at 10:19 a.m.

  
DERP Retirement Board Chair  
DERP Executive Director