

Item 5.b.iv.

**Cash Projection,
How to Invest State and City Contributions**



MEMORANDUM

TO: City of Delray Beach Police Officers' Retirement System Board of Trustees

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: Incoming State and City contributions

DATE: August 13, 2026

ISSUE:

Where to invest incoming State and City contributions

EXPLANATION:

In the next few weeks, the Plan will receive \$1,227,506.74 from the State of Florida, and on October 1, 2026, \$9,033,013 from the City. Salem Trust needs direction on where to invest the incoming funds.

RECOMMENDATION:

Determine how to invest the incoming funds

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The required employer contribution this year compared with the preceding year is as follows:

	For FYE 9/30/2027 Based on 10/1/2025 Valuation	For FYE 9/30/2026 Based on 10/1/2024 Valuation	Increase (Decrease)
Required Contribution	\$ 9,955,024	\$ 9,214,466	\$ 740,558
As % of Contr. Year Payroll	64.07 %	60.36 %	3.71 %
Estimated State Contribution	606,595	606,595	0
As % of Contr. Year Payroll	3.90 %	3.97 %	(0.07) %
Net Employer Contribution	9,348,429	8,607,871	740,558
As % of Contr. Year Payroll	60.17 %	56.39 %	3.78 %

Payment of Required Contribution

The contribution developed in this valuation has been calculated as though payments are made at the end of each biweekly pay period. **If the full contribution for the fiscal year ending September 30, 2027 is paid on October 1, 2026, the net required employer contribution is \$9,033,013 or 58.14% of covered payroll.**

Further, the required Employer contribution has been computed with the assumption that the amount to be received from the State in FYE 2026 and 2027 will be at least equal to the base amount of \$606,595. If the actual payment from the State falls below this amount, then the Employer must increase its contribution by the difference.

Actual contributions for the fiscal year ending September 30, 2025 were \$8,487,846 from the City plus \$606,595 of Chapter 185 money, for a total of \$9,094,441. The total annual required contribution was \$9,094,441 based on the payment schedule. The excess Chapter 185 revenue above the \$606,595, which was \$591,705, was applied to the Unfunded Actuarial Accrued Liability.

Revisions in Benefits

There were no changes in benefits since the prior valuation.

Revisions in Actuarial Assumptions and Methods

The mortality and improvement scales were updated to reflect the updated mortality assumptions used in the July 1, 2024 Florida Retirement System (FRS) Actuarial Valuation. Florida Statutes Chapter 112.63 mandates that local municipal pension plans use the mortality rates in either of the last two published FRS valuation reports. Please see the Actuarial Assumptions and Cost Method subsection of this report for additional information on the revised assumptions.



CITY OF DELRAY BEACH

HUMAN RESOURCES - PENSION

80 Depot Avenue, Suite 1 • Delray Beach, FL • 33444
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September 25, 2026

Ms. Karen Russo
Salem Trust
1715 N. Westshore Blvd, Suite 750
Tampa, FL 33607

SUBJECT: **City of Delray Beach Police Officers' Retirement System
Account #**

Dear Karen:

This is to inform you that on or about October 1, 2026 the City of Delray Beach will wire the City's fiscal year end September 30, 2027, pension contribution of \$9,033,013.00 as follows:

Bank of America, N.A.
222 Broadway; New York, NY 10038
ABA#
FBO Argent Institutional Trust Company
Credit to Account #
For further credit to: DELRAY POL-R-D,

A letter of direction regarding how to invest these funds will be forthcoming.

If there are any problems receiving the wire, please contact Sherry Dungey at (561) 243-7103 / dungey@mydelraybeach.com.

Sincerely,

CITY OF DELRAY BEACH POLICE OFFICERS' RETIREMENT SYSTEM

Lisa Castronovo
Pension Administrator

cc: Sherry Dungey, Treasury Analyst
Tawanda Gay, Treasury Specialist
Henry Dachowitz, Chief Financial Officer
Carmen Aleman, Deputy Chief Financial Officer
Brendon Vavrica, Mariner Institutional

Police Officers' 2025 Premium Tax Distribution Calculation

City Code	City Name	Premium Tax	Service Charge	Due From City	IPT Database Expenses	Distribution Amount	Amount Returned to General Revenue
		A	B = A*8%	C	D	E=A-B-C-D	F=A-E
287	DADE CITY	\$169,883.86	\$13,590.71	\$0.00	\$53.72	\$156,239.43	
288	DANIA BEACH	\$491,253.12	\$39,300.25	\$0.00	\$155.35	\$451,797.52	
290	DAVENPORT	\$324,371.39	\$25,949.71	\$0.00	\$102.58	\$298,319.10	
292	DAVIE	\$1,823,241.19	\$145,859.29	\$0.00	\$576.57	\$1,676,805.33	
293	DAYTONA BEACH	\$982,187.94	\$78,575.04	\$0.00	\$310.60	\$903,302.30	
296	DEERFIELD BEACH	\$1,361,600.98	\$108,928.08	\$0.00	\$430.59	\$1,252,242.31	
298	DELAND	\$580,780.47	\$46,462.44	\$0.00	\$183.66	\$534,134.37	
301	DELRAY BEACH	\$1,334,705.24	\$106,776.42	\$0.00	\$422.08	\$1,227,506.74	
317	DUNNELLON	\$55,421.01	\$4,433.68	\$0.00	\$17.53	\$50,969.80	
326	EATONVILLE	\$32,248.13	\$2,579.85	\$0.00	\$10.20	\$29,658.08	
331	EDGEWATER	\$329,830.35	\$26,386.43	\$0.00	\$104.30	\$303,339.62	
349	EUSTIS	\$288,351.64	\$23,068.13	\$0.00	\$91.19	\$265,192.32	
359	FERNANDINA BEACH	\$243,819.99	\$19,505.60	\$0.00	\$77.10	\$224,237.29	
361	FLAGLER BEACH	\$110,255.13	\$8,820.41	\$0.00	\$34.87	\$101,399.85	
371	FORT LAUDERDALE	\$4,760,153.98	\$380,812.32	\$0.00	\$1,505.33	\$4,377,836.33	
374	FORT MYERS	\$1,844,698.19	\$147,575.85	\$0.00	\$583.36	\$1,696,538.98	
377	FORT PIERCE	\$698,117.12	\$55,849.37	\$0.00	\$220.77	\$642,046.98	
379	FORT WALTON BEACH	\$341,341.28	\$27,307.30	\$0.00	\$107.94	\$313,926.04	
384	FROSTPROOF	\$84,801.45	\$6,784.12	\$0.00	\$26.82	\$77,990.51	
387	GAINESVILLE	\$1,431,245.64	\$114,499.65	\$0.00	\$452.61	\$1,316,293.38	
400	GOLDEN BEACH	\$41,361.92	\$3,308.95	\$0.00	\$13.08	\$38,039.89	
415	GREEN COVE SPRINGS	\$224,371.85	\$17,949.75	\$0.00	\$70.95	\$206,351.15	
416	GREENACRES	\$579,909.77	\$46,392.78	\$0.00	\$183.39	\$533,333.60	
425	GULF BREEZE	\$138,371.02	\$11,069.68	\$0.00	\$43.76	\$127,257.58	
427	GULFPORT	\$180,813.29	\$14,465.06	\$0.00	\$57.18	\$166,291.05	
431	HAINES CITY	\$579,700.35	\$46,376.03	\$0.00	\$183.32	\$533,141.00	
432	HALLANDALE BEACH	\$596,210.89	\$47,696.87	\$0.00	\$188.54	\$548,325.48	
442	HIALEAH	\$3,180,200.12	\$254,416.01	\$0.00	\$1,005.69	\$2,924,778.42	