Item 4.a.

May 11, 2026 Regular Meeting Minutes

MINUTES
MAY 11, 2026 REGULAR BOARD MEETING
CITY OF DELRAY BEACH FIREFIGHTERS' RETIREMENT SYSTEM

1. **CALL TO ORDER, ROLL CALL**
   Chair Mahoney called the meeting to order at 1:30 p.m.

   Board members present: Chair Craig Mahoney, Henry Dickson, Jay Gunsten. Board members absent: Joan Dorow, Thomas Glanfield

   Also present: Moises Ariza and Scott Montgomery (CBIZ), Jeffrey Amrose (Gabriel, Roeder, Smith & Company), Jack Evatt (Mariner Institutional), Pedro Herrera (Jones Walker LLP), Lisa Castronovo, Elizabeth Brown, and Alexa DeFranco (City of Delray Beach)

   Public attendees: none

2. **AGENDA ADOPTION**
   MOTION made by Mr. Dickson, seconded by Mr. Gunsten, to adopt the May 11, 2026 Regular Board Meeting Agenda as revised to table Agenda Items 5.d.iii. and 5.d.iv. In a voice vote by the members present, **Motion** passed 3-0.

3. **COMMENTS**
   a. Public
      Ms. Castronovo summarized the Pension department's recent move to Human Resources and introduced Alexa DeFranco, the City's benefits manager, with whom she and Ms. Brown would be working.
   b. Board of Trustees of Police Officers' Retirement System
      None
   c. Active and Retired Members of the Plan
      None

4. **CONSENT AGENDA**
   a. February 10, 2026 Regular Meeting Minutes
   b. March 6, 2026 Special Meeting Minutes
   c. Warrant Ratification (#296)
   d. Warrant Approval (#297)
   e. Ratify/Approve – Refunds/Benefit Enhancements/New Retirement/DROP/Vested/Death Annuities
   f. Summary Plan Description

   MOTION made by Mr. Gunsten, seconded by Mr. Dickson, to approve the Consent Agenda. In a voice vote by the members present, **Motion** passed 3-0.

5. **REPORTS**
   a. September 30, 2025 Financial Statements, CBIZ
      Report made part of these Minutes
      Mr. Montgomery reviewed the draft September 30, 2025 Financial Statements emphasizing the auditor's opinion was clean and "unmodified" meaning it was the highest opinion that could be issued. Upon the completion of his report overview, Mr. Montgomery stated there were no material weaknesses, deficiencies in internal controls, or non-compliance issues.

   MOTION made by Mr. Dickson, seconded by Mr. Gunsten, to accept the September 30, 2025 Financial Statements as presented by CBIZ. In a voice vote by the members present, **Motion** passed 3-0.

   b. 2025 Annual State Report

Report made part of these Minutes
Ms. Castronovo requested Board approval to submit the 2025 annual State Report to the Florida Division of Retirement now that the September 30, 2025 Financial Statements were accepted. Ms. Castronovo reminded the Board the State uses the information provided in the annual State Report to issue Chapter 175 premium tax distributions.

MOTION made by Mr. Dickson, seconded by Mr. Gunsten, that the information provided for the 2025 State Report had been reviewed by the Board and was approved to be submitted to the Florida Division of Retirement. In a voice vote by the members present, **Motion** passed 3-0.

c. Mr. Amrose presented the October 1, 2025 Actuarial Valuation Report.
Highlights:
- The City's required contribution increased from $10,618,074 for fiscal year end September 30, 2026 to $11,227,240 for fiscal year end September 30, 2027, a dollar increase of $609,166, but a 2.21% decrease as a percent of payroll.
- If the City paid FYE 2027 required contribution on October 1, 2026, the first day of the fiscal year as done in the past, the contribution would be $10,846,535.
- There were no revisions in benefits.
- The mortality and improvement scales were updated to reflect the updated mortality assumptions used in the July 1, 2024, Florida Retirement System actuarial valuation. The mortality update caused the City contribution to increase by 4.63% of covered payroll.
- The plan experienced a net actuarial gain of $1.8M, meaning actual experience was more favorable than anticipated. The gain was due primarily to a greater-than-expected investment return – 10.0% actual versus 6.25% expected – based on the smoothed value of assets. The net gain caused the City contribution to decrease by 1.22% of covered payroll.
- The funded ratio on October 1, 2025, was 73.9% compared to 71.8% on October 1, 2024.
- The estimated required City contribution for fiscal year end 2028 was $11.25M assuming a 5.55% increase in total covered payroll and no gains, losses, or assumption changes.

MOTION made by Mr. Dickson, seconded by Mr. Gunsten, to accept the October 1, 2025 Actuarial Valuation Report as presented by Gabriel, Roeder, Smith & Company. In a voice vote by the members present, **Motion** passed 3-0.

Mr. Amrose and Mr. Evatt recommended using 6.25% as the expected rate of return.

MOTION made by Mr. Gunsten, seconded by Mr. Dickson, to approve an expected rate of return of 6.25% for the current year, the next couple of years, and long-term thereafter as recommended by the Plan's actuary and investment consultant. In a voice vote by the members present, **Motion** passed 3-0.

d. Investment Review - Mariner Institutional
   i. Portfolio Performance Review – Quarter End March 31, 2026
   Report made part of these Minutes
   Mr. Vavrica reviewed the March 31, 2026 performance report noting the Plan's total net return for the quarter was -0.94% vs. the benchmark of -2.30%, and 1.55% for the fiscal year-to-date compared to the benchmark of 0.02%. The Plan's assets decreased from $211.9M on December 31, 2025, to $207.2M on March 31, 2026. Value equity outperformed growth equity.

   ii. Flash Report – April 2026

Report made part of these Minutes
For the month ended April 30, 2026, the Plan's return, net of fees, was 6.15% vs. the benchmark of 7.37%. The fiscal year-to-date return was 7.83% vs. the benchmark of 7.39%.

Mr. Evatt noted that the Fund needed cash to cover upcoming benefit payments and administrative costs and suggested taking $1.5M from both DFA and Fidelity Total International Equity.

MOTION made by Mr. Gunsten, seconded by Mr. Dickson, to transfer $1.5M from DFA and $1.5M from Fidelity Total International Equity to cash to cover upcoming benefit payments and administrative expenses. In a voice vote by the members present, **Motion** passed 3-0.

Mr. Evatt presented information on custodians as alternatives for current custodian Salem Trust. The biggest drivers of custodial fees were the asset-based fees, not the transaction charges/benefit payment fees. Salem Trust's current fees were about $78k per year. After discussions with Mariner, Salem Trust agreed to drop their asset-based fees from 3.9% to 3.0% and entirely drop their transaction fees. With those fee decreases, Salem Trust's fees were close to the other custodians' fees.

MOTION made by Mr. Gunsten, seconded by Mr. Dickson, to approve a revised Salem Trust contract reflecting reduced fees, contingent on review and approval by the Board's legal counsel. In a voice vote by the members present, **Motion** passed 3-0.

iii. Small Cap Equity Manager Review
Tabled.

iv. Non-Core Real Estate Manager Review
Tabled.

e. Legal Report – Jones Walker LLP
Mr. Herrera reminded the Trustees to file their financial disclosure forms with the State on or before June 30, 2026 using the State's portal system.

Mr. Herrera said he would provide a redrafted City amendment that would remove the payment of simple interest on employee contribution refunds to terminated non-vested members but would retain the payment of interest on refunds for a vested member who requested a refund.

f. Pension Administrator
Ms. Castronovo shared her quarterly report (made part of these Minutes). Ms. Castronovo noted that the Firefighters' union president sought Board approval for the Union to request Gabriel, Roeder, Smith & Company to perform various pension benefit studies.

MOTION made by Mr. Gunsten, seconded by Mr. Dickson, to approve the Union's request for Gabriel, Roeder, Smith & Company to do studies for Union per their request so long as the Union pays the fees. In a voice vote by the members present, **Motion** passed 3-0.

Ms. Castronovo asked Mr. Herrera to draft a policy that each Board could adopt that would allow each chair to approve on their respective board's behalf a union or City request for Gabriel, Roeder, Smith & Company to do study work as needed.

Ms. Castronovo shared an email she received from Wealthspire's Matt Dickey, the DROP plan's investment consultant, in which he offered to reduce Wealthspire's fee from 12 basis points to 5.5 basis points to align it with Wealthspire's fee for the City's 457(b) and two small 401(a) plans.

MOTION made by Mr. Gunsten, seconded by Mr. Dickson, to accept Wealthspire's reduced fee of 5.5 basis points. In a voice vote by the members present, **Motion** passed 3-0.

There was a discussion on how to get a Board member placed on the selection committee if an RFP for an investment advisor for the City's deferred compensation plans was issued.

ADJOURNMENT
The meeting adjourned at 3:05 p.m.

I, Craig Mahoney, 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 May 11, 2026, regular meeting of said body. These Minutes were formally approved and adopted by the Board on ____________________.

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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 Firefighters' 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.