

**#1**

**#2**



# CITY OF DELRAY BEACH

## FINANCE DEPARTMENT - PENSION

100 N.W. 1<sup>ST</sup> AVENUE • DELRAY BEACH • FLORIDA 33444 • (561) 243-7289

Delray Beach

Florida



1993 • 2001 • 2017

October 10, 2023

Ms. Karen Russo  
Salem Trust  
1715 N. Westshore Blvd.  
Suite 750  
Tampa, FL 33607  
[salemops@salemtrust.com](mailto:salemops@salemtrust.com)

RE: **Delray Beach Police Officers' Retirement System**

Dear Karen:

Once the cash is available in Polen account 0740002167, TRANSFER \$4,000,000 to the Mutual Fund account [REDACTED]

Please TRANSFER \$7,000,000 from R&D account [REDACTED] to Mutual Fund account [REDACTED]

Once the \$11,000,000 is deposited in Mutual Fund account [REDACTED], execute the following trades in the Mutual Fund account:

1. SELL \$500,000 of the Fidelity Mid Cap Index Fund (FSMDX)
2. SELL \$1,400,000 of the Clarkston Partners Fund (CISMX)
3. SELL \$1,500,000 of the MassMutual Small Cap Fund (MSOOX)
4. PURCHASE \$1,300,000 of the DFA International Core Equity I Fund (DFIEX)
5. PURCHASE \$1,300,000 of the Harding Loevner International Fund (HLIZX)
6. PURCHASE \$7,000,000 of the Baird Aggregate Bond Fund (BAGIX).
7. PURCHASE \$ 700,000 of the Loomis Sayles Bond Fund (LSBDX).
8. PURCHASE \$3,000,000 of the Fidelity Real Estate Index Fund (FSRNX).

The excess cash is to be held in the Mutual Fund account until further instruction is provided.

Should you have any questions regarding these instructions, please contact our investment consultant, Brendon Vavrica, at 904-821-1786 / [brendonv@andcoconsulting.com](mailto:brendonv@andcoconsulting.com).

Sincerely,

**City of Delray Beach Police Officers' Retirement System**

Lisa Castronovo  
Pension Administrator

Jeffrey Rasor  
Chair, Board of Trustees

cc: Brendon Vavrica, AndCo Consulting

## 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 9/30/2024 Based on 10/1/2022 Valuation	For FYE 9/30/2023 Based on 10/1/2021 Valuation	Increase (Decrease)
Required Contribution	\$ 9,059,658	\$ 8,776,782	\$ 282,876
As % of Contr. Year Payroll	66.14 %	67.83 %	(1.69) %
Estimated State Contribution	606,595	606,595	0
As % of Contr. Year Payroll	4.43 %	4.69 %	(0.26) %
Net Employer Contribution	8,453,063	8,170,187	282,876
As % of Contr. Year Payroll	61.71 %	63.14 %	(1.43) %

### 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, 2024 is paid on October 1, 2023, the net required employer contribution is \$8,155,823 or 59.54% 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 2023 and 2024 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, 2022 were \$8,119,171 from the City plus \$606,595 of Chapter 185 money, for a total of \$8,725,766. The total annual required contribution was \$8,725,766 based on the payment schedule. The excess Chapter 185 revenue of \$289,551 was applied to the Unfunded Actuarial Accrued Liability.

### Revisions in Benefits

Per Ordinance No. 24-22, for members hired after July 7, 2015, the benefit accrual rate will increase from 2.75% of final average monthly earnings to 3.00% of final average monthly earnings, prospectively, for each year of continuous service, commencing on and after October 25, 2022. In addition, the member contribution rate, for members hired after July 7, 2015, will increase from 9% to 10% of annual earnings.

This plan change caused the net employer contribution to decrease by \$27,396 or a decrease of 0.20% of covered payroll.





## CITY OF DELRAY BEACH

### FINANCE DEPARTMENT - PENSION

100 N.W. 1<sup>ST</sup> AVENUE • DELRAY BEACH • FLORIDA 33444 • (561) 243-7115



August 25, 2023

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

**SUBJECT: City of Delray Beach Police Officers' Retirement System  
2022 Premium Tax Distribution**

Please deposit enclosed check 4-36-717 347 for \$1,036,799.22 in the City of Delray Beach Police Officers' Retirement System's Salem Trust account [REDACTED]. Instructions regarding distribution are forthcoming.

Time is of the essence. Therefore, please deposit this check into the Police Officers' R&D account ([REDACTED]) as soon as possible and under no circumstances more than five days after receipt as provided in Florida Statutes 185.11. Further, please sign and return the enclosed Acknowledge Receipt to the Pension Office as soon as possible.

Thank you for your prompt attention to this matter. You may contact me at (561) 243-7289 / [castronovo@mydelraybeach.com](mailto:castronovo@mydelraybeach.com) with any questions.

Sincerely,

**City of Delray Beach Police Officers' Retirement System**

Handwritten signature of Lisa Castronovo in blue ink.

Lisa Castronovo, CEBS, CPPT  
Pension Administrator

Handwritten signature of Jeffrey Rasor in blue ink.

Jeffrey Rasor  
Chair, Board of Trustees

Enclosure

cc: Brendon Vavrica, AndCo Consulting

**STATE OF FLORIDA**  
**DEPARTMENT OF FINANCIAL SERVICES**  
**REMITTANCE ADVICE**

FLAIR ACCOUNT CODE 72-202532002-72750300-00-31009500	OLO 720000	SITE 00	DOCUMENT NUMBER D4000062066	OBJECT 7100	DATE 08/11/23	PAYMENT NO 0107203
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PAYMENT AMOUNT \$ 1,036,799.22
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AGENCY DOCUMENT NO V000708
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DELRAY BEACH, CITY OF  
 POLICE PENSION FUND  
 100 NW 1ST AVE  
 DELRAY BEACH FL 33444

PLEASE DIRECT QUESTIONS TO: (850) 488-3053, DEPARTMENT OF MANAGEMENT SERVICES

VENDORS NOW CAN VIEW PAYMENT INFORMATION AT [HTTP://FLAIR.DBF.STATE.FL.US](http://FLAIR.DBF.STATE.FL.US)

INVOICE NUMBER	AMOUNT
POLICE	\$ 1,036,799.22

DETACH CAREFULLY AND RETAIN FOR YOUR RECORDS BEFORE CASHING OR DEPOSITING THE WARRANT

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND CAPITOL BUILDING MUST APPEAR BELOW TO BE AUTHENTIC



FLAIR ACCOUNT CODE: 72-202532002-72750300-00-31009500  
 SWDN: D4000062066  
 ADN: V000708  
 OBJECT: 7100  
 DATE: 08/11/23  
 WARRANT NO: 44-0107203-0  
 56-1544  
 441  
 OLO 720000 SITE 00 CONTACT (850) 488-3053 FOR PAYMENT QUESTIONS  
 VOID AFTER 12 MONTHS

**STATE OF FLORIDA**  
**DEPARTMENT OF FINANCIAL SERVICES**

**4-36-717 347**  
**AMOUNT**

ONE-MILLION-THIRTY-SIX-THOUSAND-SEVEN-HUNDRED-NINETY-NINE & 22/100 DOLLARS

**\$\*1,036,799.22**

EXPENSE WARRANT

PAY TO THE ORDER OF

DELRAY BEACH, CITY OF  
 POLICE PENSION FUND  
 100 NW 1ST AVE  
 DELRAY BEACH FL 33444

TO: DIVISION OF TREASURY  
 TALLAHASSEE

JIMMY PATRONIS, CHIEF FINANCIAL OFFICER

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392793136⑈