City of Delray Beach *Human Resources - Pension*

M E M O R A N D U M

TO: City of Delray Beach General Employees' Retirement Plan Retirement Committee

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: Incoming City contribution

DATE: August 13, 2026

ISSUE:

Where to invest incoming City contribution

EXPLANATION:

On October 1, 2026, the Plan will receive $3,230,497 from the City as its contribution for fiscal year 2026-27. Salem Trust needs direction on where to invest the incoming money.

RECOMMENDATION:

Determine how to invest the incoming funds

CITY OF DELRAY BEACH
HUMAN RESOURCES - PENSION
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(561) 243-7125 • pension@mydelraybeach.com

Delray Beach Florida
All-America City
NATIONAL CIVIC LEAGUE
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September 25, 2025

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

SUBJECT: **City of Delray Beach General Employees' Retirement Plan**
Account #

Dear Karen,

Please accept this letter of direction for the following in the City of Delray Beach General Employees' Retirement Plan's R&D account:

On or about October 1, 2025, the City of Delray Beach will wire the City's fiscal year end September 30, 2026 pension contribution of $3,062,769.00 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 GE-R-D,

Upon receipt of the incoming wire, leave the funds in Receipts and Disbursements account ; until further notice, do not reinvest the funds per the standing rebalance letter.

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

Sincerely,
CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN

Lisa Castronovo
Pension Administrator

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

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The required employer contribution developed in this year's valuation is compared below to last year's results:

	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 Employer Contribution			
If Paid on October 1			
Date of Payment	10/1/2026	10/1/2025	
Dollar Amount	$ 3,230,497	$ 3,062,769	$ 167,728
As % of Covered Payroll	9.80 %	10.03 %	(0.23) %
If Paid on December 31			
Date of Payment	12/31/2026	12/31/2025	
Dollar Amount	$ 3,283,683	$ 3,113,193	$ 170,490
As % of Covered Payroll	9.96 %	10.20 %	(0.24) %

This Report reflects an employer contribution of $3,062,769 paid in October, 2025 for the fiscal year ending September 30, 2026. The required contribution was $3,062,769 as determined in the October 1, 2024 Actuarial Valuation Report.

Revisions in Benefits

There were no revisions in benefits in the current valuation.

Revisions in Actuarial Assumptions or 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. This change caused the required employer contribution to increase by 0.18% of covered payroll.

Actuarial Experience

There has been a net actuarial gain of $3,951,661 for the year, which means that actual experience was more favorable than expected. The actuarial gain is primarily due to a recognized return on the actuarial value of assets of 10.7% compared to the assumed rate of 6.75%. The gain was partially offset from average salary increases being higher than expected (7.8% actual vs. 5.0% assumed). The net gain caused the required employer contribution to decrease by 0.26% of covered payroll.