

Item 6
Pension Administrator Report



MEMORANDUM

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

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: Pension Administrator's Report

DATE: 11/9/2023

- 1) A preliminary detail of the actual administrative and investment-related expenses October 1, 2022 – September 30, 2023 and detail of the actual administrative and investment-related expenses October 1, 2023 – November 9, 2023 follows. (#1)
- 2) The City's contribution of \$2,529,247 was deposited on October 2, 2023. Salem Trust invested the contributions per the Committee's directive (#2).
- 3) A proposed 2024 Retirement Committee meeting schedule is included **for discussion and adoption.** (#3)
- 4) In November 2022, the Retirement Committee authorized payout in December 2022 of 75% of the March 31, 2022 balance of the Administrative Allowance Account ("AAA") held at MissionSquare to participants in the DROP on the date of distribution. The Committee could authorize payout in December 2023 of 75% of the March 31, 2023 to those participants in the DROP on the date of the distribution. The Administrative Account Balance on March 31, 2023 was \$10,752.18, 75% of which would be \$8,064.06. This item is **for discussion and adoption.** (#4)
- 5) FPPTA's 2024 Winter Trustees School will be held at Orlando's Rosen Centre January 28 – January 31, 2024. Please let me know if you would like to attend so that I can register you accordingly.

#1

General Employees' Retirement Plan Administrative and Investment Expenditure Detail

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	TOTAL
Administrative/Miscellaneous Expenses													
Actuarial Services		21,194		4,130				11,209		21,399			57,932
Pension Staff				23,706	5,087	5,087	5,087	5,087	5,087	5,087	5,087		59,315
GRS Hosting Fee	263	263	263	263	263	263	263	263	263	263	263	263	3,156
Fiduciary Insurance						15,877							15,877
Dues/Education/Travel			1,741	1,925	4,108			1,167		4,572	208		13,721
Miscellaneous Expenses										61	346		407
Legal Consultant Fees		1,018			935			963		1,128	550		4,594
Total Admin/Misc Expenses	263	22,475	2,004	30,024	10,393	21,227	5,350	18,689	5,350	32,510	6,454	263	155,002
Investment Manager Expenses													
Garcia Hamilton		8,610			8,735			9,556		9,591			36,492
Newton		25,951		28,349				24,319			24,989		103,608
Polen Capital		13,837		13,864				15,454		17,181			60,336
RhumbLine Combined		5,803		5,915				5,989		6,013			23,720
Total Investment Manager Expenses	0	54,201	0	48,128	8,735	0	0	55,318	0	32,785	24,989	0	224,156
Salem Trust Transaction Fees	11,830			12,950			13,264			13,305			51,349
Garcia Hamilton	1,867			2,097			2,159			2,132			8,255
Newton	2,956			2,854			2,856			2,957			11,623
Polen	1,030			1,031			1,175			1,292			4,528
Total Salem Trust Transaction Fees	17,683	0	0	18,932	0	0	19,454	0	0	19,686	0	0	75,755
AndCo Consulting Fees		9,098		9,098			9,553			9,553			37,302
Total Investment Expenses	17,683	63,299	0	76,158	8,735	0	29,007	55,318	0	62,024	24,989	0	337,213

General Employees' Retirement Plan Administrative and Investment Expenditure Detail

[illegible]

#2



CITY OF DELRAY BEACH

FINANCE DEPARTMENT - PENSION

100 NW 1ST AVENUE • DELRAY BEACH • FLORIDA • 33444 • (561) 243-7289



September 25, 2023

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

SUBJECT: **City of Delray Beach General Employees' Retirement Plan Account** [REDACTED]

Dear Ms. Russo:

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

On or about October 2, 2023, the City of Delray Beach will wire the City's fiscal year end September 30, 2024 pension contribution of \$2,529,247.00 as follows:

PNC Bank, N.A.
Pittsburg, PA 15222
ABA# [REDACTED]
FBO Salem Trust Company
Credit to Account [REDACTED]
For further credit to: DELRAY GE-R-D, [REDACTED]

Upon receipt of the incoming wire, purchase \$2,529,247.00 of the Vanguard Total Stock Mkt Fund (VTSAX).


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



Hugh Dunkley
Member, Retirement Committee



Lisa Castronovo
Pension Administrator

cc: Sherry Dungey
Hugh Dunkley, Finance Director
Laura Thezine, Assistant Finance Director
Brendon Vavrica, AndCo Consulting

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 9/30/2024 Based on 10/1/2022 Valuation	For FYE 9/30/2023 Based on 10/1/2021 Valuation	Increase (Decrease)
Required Employer Contribution			
If Paid on October 1			
Date of Payment	10/1/2023	10/1/2022	
Dollar Amount	\$ 2,529,247	\$ 2,357,598	\$ 171,649
As % of Covered Payroll	10.23 %	9.92 %	0.31 %
If Paid on December 31			
Date of Payment	12/31/2023	12/31/2022	
Dollar Amount	\$ 2,570,888	\$ 2,396,413	\$ 174,475
As % of Covered Payroll	10.40 %	10.08 %	0.32 %

This Report reflects an employer contribution of \$2,357,598 paid in October, 2022 for the fiscal year ending September 30, 2023. The required contribution was \$2,357,598 as determined in the October 1, 2021 Actuarial Valuation Report.

Revisions in Benefits

There were no revisions in benefits since the previous valuation.

Revisions in Actuarial Assumptions or Methods

There were no revisions in actuarial assumptions or methods since the previous valuation.

Actuarial Experience

There has been a net actuarial loss of \$2,738,085 for the year, which means that actual experience was less favorable than expected. The actuarial loss is primarily due a recognized return on the actuarial value of assets of 5.6% compared to the assumed rate of 6.75% and from the average salary increases being higher than expected (6.3% actual vs. 4.9% assumed). The net loss caused the required employer contribution to increase by approximately \$233,000 or 0.94% of covered payroll.

Funded Ratio

The funded ratio, one measure of the Plan's financial health, is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability. The funded ratio this year is 99.3% compared to 101.0% last year.



#3



MEMORANDUM

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

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: Retirement Committee 2024 Quarterly Meeting Schedule

DATE: 9/22/2023

Following is a proposed schedule of quarterly Committee meetings for 2024:

Day/Date	Time
Thursday, February 15, 2024	1:00 p.m.
Thursday, May 16, 2024	1:00 p.m.
Thursday, August 15, 2024	1:00 p.m.
Thursday, November 21, 2024	1:00 p.m.

cc: Brendon Vavrica – AndCo Consulting
Pedro Herrera – Sugarman, Susskind, Braswell & Herrera

#4

Trust Report

Request ID: 143641

Date Range: 01/01/2023 - 03/31/2023

ICU ID: 4040

Plan ID: 107471

Request

Date: 10/12/2023

Date Type: Confirm

ICU Name: Missionsquare Retirement

Plan Name: City Of Delray Beach Ge (Drop)

Expense Account Totals

Transaction Type	Total
Opening Balance	\$19,141.11
Purchases	\$2,434.75
Dividends	\$67.49
Distributions	-\$11,308.39
Gain / (Loss)	\$417.22
Closing Balance	\$10,752.18