

City of Melbourne



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MINUTES - MELBOURNE MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

City Hall Council Chamber
900 E. Strawbridge Avenue
Melbourne, FL 32901

February 11, 2026 • 10:00 AM

Board Members Present:

Anthony Mauro, Chair
Tim Olsen, Vice-Chair
Timothy Jorgensen, Secretary
Jerry Balter, Board Member
Mike Reisert, Board Member

Also Present:

Bonni Jensen, Board Attorney
Kerry Richardville, Mariner Institutional
Pete Strong, Gabriel, Roeder, Smith & Co.

A. OPENING

1. Call to Order

The meeting was called to order by Anthony Mauro, Chair at 10:01 a.m.

2. Public Comments

There were no public comments.

3. Approval of Minutes Dated November 12, 2025

Mr. Mauro asked the Board members if they had reviewed the minutes dated November 12, 2025. All Board members had reviewed the minutes. Mr. Strong clarified the motion by the Board of Trustees to incrementally reduce the investment return assumption to 6.75%.

Tim Olsen/Jerry Balter moved to approve the minutes dated November 12, 2025.
All were in favor. Motion carried.



B. NEW BUSINESS

4. Approval of Invoices

- a. Klausner, Kaufman, Jensen & Levinson Dated October 31, 2025 for \$185.00, November 30, 2025 for \$1,310.00, and December 31, 2025 for \$24.94
- b. Mariner Institutional, LLC Dated December 31, 2025 for \$9,000.00
- c. Lazard Asset Management Dated January 14, 2026 for \$11,263.11
- d. Garcia Hamilton & Associates Dated January 2, 2026 for \$4,688.11
- e. Brandywine Global Management Dated January 26, 2026 for \$10,949.02
- f. DePrince Race & Zollo Inc. Dated January 21, 2026 for \$12,953.97
- g. Fred Alger Management Dated January 8, 2026 for \$20,483.94
- h. Integrity Fixed Income Management Dated December 31, 2025 for \$2,463.14
- i. Fifth Third Bank Dated January 5, 2026 for \$6,968.48
- j. City of Melbourne Revenue Office Dated December 8, 2025 for \$9,821.30 and January 1, 2026 for \$3,600.00
- k. Gabriel, Roeder, Smith & Company Dated December 12, 2025 for \$9,362.00 and January 7, 2026 for \$5,162.00
- l. Florida Public Pension Trustees Association Dated January 5, 2026 for \$750.00

Mr. Mauro asked the Board members if they had reviewed the invoices. All Board members had reviewed the invoices.

Jerry Balter/Tim Jorgensen moved to approve payment of the invoices to Klausner, Kaufman, Jensen & Levinson, Mariner Institutional, LLC, Lazard Asset Management, Garcia Hamilton & Associates, Brandywine Global Management, DePrince Race & Zollo, Fred Alger Management, Integrity Fixed Income Management, Fifth Third Bank, City of Melbourne, Gabriel, Roeder, Smith & Company, and FPPTA. All were in favor. Motion carried.



5. Quarterly Reports

Gabriel, Roeder, Smith & Company

Mr. Pete Strong, Senior Consultant and Actuary, presented the Actuarial Valuation dated October 1, 2025, which measured the Plan's funding progress to determine the employer contribution rate for the fiscal year ending September 30, 2027. The report was based on assumptions and cost methods approved by the Board, current plan provisions set by Ordinance, active and retired census data, and the financial results provided by the City ending September 30, 2025. The report calculated the liabilities for future benefit payments by establishing the normal cost and unfunded actuarial accrued liability amortization. Mr. Strong stated that the required City contribution decreased from 40.55% to 39.65% as a percentage of payroll, but increased from \$3,994,095 to \$4,466,149 as a dollar amount. He explained that covered payroll increased 14.0%, which caused the normal cost to increase. Based on the collective bargaining agreement between the City and IAFF for 2024-2027, a temporary floor was applied to the updated total salary increase pursuant to the experience study to reflect across-the-board base wage increases of 9.0% per year effective October 1, 2025 and October 1, 2026.

Tim Jorgensen/Tim Olsen moved to approve the temporary floor to the updated total salary increase assumption of 9.0% for fiscal year 2025 and 2026. All were in favor. Motion carried.

Mr. Strong explained that the investment assumption was updated to 6.90%, with further annual incremental reductions to 6.80% as of October 1, 2026 and to 6.75% as of October 1, 2027. The net actuarial experience gains of \$158,366 for the year was primarily due to favorable investment experience. The recognized investment return on the smoothed actuarial value of assets was 9.50%, which was higher than the assumed rate of 7.125%. The funded ratio slightly decreased from 81.9% to 80.0% due to more conservative assumptions. The market value of assets exceeded the actuarial value of assets by \$7,478,280, which was expected to decrease the required employer contribution rate by approximately 5.84% of covered payroll. Mr. Reisert asked about the unfunded actuarial accrued liability. Mr. Strong replied that the current UAAL was \$22,807,555, but was expected to slowly decrease as a result of the assumption changes approved by the Board.

Mr. Strong continued with the results. The Plan received \$961,657 in State premium tax revenue, based on the imposed tax on property insurance within the Melbourne City limits. He stated that \$774,751 was applied toward the required employer contribution and \$186,906 was applied to share plan allocations. The annual payment to amortize the UAAL was \$2,411,252 after the assumption changes, and the normal cost was \$3,069,201. The actuarial accrued liability of \$120,189,325 exceeded the actuarial value of assets \$97,381,770, with a funded ratio of 81.0%.



The average market value investment rate of return over the last 5 fiscal years was 8.9% and over the last 10 fiscal years was 8.2%. Mr. Strong reviewed the member data collected as of October 1, 2025: Active = 135, Retired = 117, DROP = 14, Terminated Vested Due Deferred Benefit = 5, and Terminated Due Refunds = 14.

Tim Olsen/Tim Jorgensen moved to approve the October 1, 2025 Actuarial Valuation prepared by Gabriel, Roeder, Smith & Company and moved to prepare a letter to the State Actuary declaring the expected rate of return of 6.90% for the Melbourne Fire Pension Plan for the short term, mid-term, and over the long-term of the plan. All were in favor. Motion carried.

Mariner Institutional

Ms. Kerry Richardville presented the quarterly results ending December 31, 2025. She stated that the major market index performance was positive across all segments, with the broadening of market leadership across all asset classes and regions. Equity performance was less concentrated in the narrow group of mega-cap stocks, international performance benefited from the depreciation of the US dollar, and fixed income performance was driven by coupon income. The Federal Reserve cut rates for the third time, but fiscal deficits, trade policy, and geopolitical concerns contributed to investor sentiment and market volatility.

Ms. Richardville reviewed the increase in net cash flow of \$32 million in 2000 to \$107 million in 2025. The ending market value of the portfolio was \$107,295,318 with an allocation of 48.6% domestic equity, 14.9% international equity, 13.8% domestic fixed income, 3.1% global fixed income, 4.4% non-core fixed, 8.0% real estate, and 7.2% cash. Ms. Richardville stated that the asset allocation was within the investment policy targets, except for cash during the DFA transition. The total fund net of fees returned 1.50% for the quarter, but 13.02% for the 1-year, 12.78% for the 3-year, and 7.19% for the 5-year. DRZ returned 5.80% with a good selection of securities, but Brandywine was behind the index and under review. Winslow and Alger struggled against the growth index as AI names pulled back during the quarter. Lazard returned 4.03% and DFA returned 3.79% as international value was in favor. Domestic fixed income with Garcia Hamilton and Integrity outperformed the index at 1.11%, and Global fixed income returned 2.23%. Ms. Richardville concluded that the alternative asset capital calls with Bain, Angelo Gordon, AEW, and PIMCO Bravo were winding down. She distributed the revised Investment Policy Statement with changes approved by the Board at the previous quarterly meeting, to include the option of 7.5% Private Debt with CPI +3.0% benchmark and 7.5% Infrastructure with Russell 3000 + 3.0% benchmark.



6. Core Infrastructure Search and Core International Equity Analysis

Ms. Richardville reviewed the three Core Infrastructure candidates: Brookfield Asset Management, IFM Investors, and J.P. Morgan Asset Management. This new asset category was defined as essential public services and facilities needed for general economic operation of a region. The four main sectors included Transportation, energy, utilities, and communication. The target IRR (gross) was 9-10% with a lower risk/return profile, mostly comprised of current income and appreciation. Mr. Balter asked about the risk of obsolesces of the data center. Ms. Richardville agreed there was risk, but encouraged the Board to consider hearing about the strategy. Ms. Richardville highlighted the firm overview, investment strategy, and product profile of each firm. She also reviewed the fee structure, asset type allocation, revenue sources, regional allocation, and trailing returns. J.P. Morgan had the newest strategy with higher fees, IFM experienced more volatile returns, and Brookfield provided more stability with predictable returns. The Board members agreed to interview both Brookfield Asset Management and IFM Investors.

Ms. Richardville continued with four Core International Equity candidates: Dimensional Fund Advisors, Earnest Partners, Harbor Capital Advisors, and T. Rowe Price, compared to the current strategy with Lazard Asset Management. Dimensional Fund Advisors was a quantitative manager, committee of 14 decision makers, with a tilt toward smaller stocks, no emerging markets, and the lowest fees of 23 basis points. Earnest Partners was a fundamental collective investment trust, with a team of 8 decision makers, 35% emerging market exposure, 60-90 holdings, and the highest fees of 85 basis points. Harbor Capital Advisors was a fundamental manager in the UK, with a team of 7 decision makers, index neutral, large market cap exposure, and fees of 75 basis points. T. Rowe Price was a fundamental manager with 1 decision maker, 15% emerging market exposure, at 67 basis points. Ms. Richardville stated that Dimensional Fund Advisors and Earnest Partners had the most stable gross of fees trailing performance over the 10-year period, and she thought they would pair well together. Mr. Olsen asked if they should allow Lazard Asset Management to explain their style drift and under performance. The Board agreed to interview both Dimensional Fund Advisors and Earnest Partners, and invite Lazard Asset Management to explain their position.

C. TRUSTEES COMMENTS

The Board members welcomed Mike Reisert to the Melbourne Firefighters Pension Board. Mr. Reisert thanked the Board and shared his financial background and experience in insurance and investments. He moved to Melbourne in 2008, married with 5 children, and is a member of the Melbourne Chamber of Commerce, Brevard Marine Advisory Council, Knights of Columbus, and Brevard Zoo.



D. ATTORNEY COMMENTS

Ms. Jensen informed the Board that the new Standard Mileage Rate released by the Internal Revenue Department for 2026 was 72.5 cents per mile. She also reminded the Board that certain documents must be posted on the sponsor's website, along with the contact information for the Public Records Custodian. The required documents included Section 112.664 Compliance, Detailed Accounting Report, 60T Disclosure, Actuarial Valuation, and the link to the Division of Retirement Summary Fact Sheet. Ms. Jensen stated that all posted documents must be ADA compliant by April 1, 2026.

E. ADJOURNMENT

The meeting was adjourned by Anthony Mauro, Chair at 11:47 a.m.

A handwritten signature in blue ink that reads "Jennifer Chase".

Jennifer Chase, Recording Secretary
Melbourne Municipal Firefighters
Retirement Trust Fund Board