

# City of Melbourne



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## MINUTES - MELBOURNE MUNICIPAL POLICE OFFICERS RETIREMENT SYSTEM

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

**February 11, 2026 • 12:30 PM**

Board Members Present: Janice Hill, Chair  
Ian Mitchell, Vice-Chair  
Ryan Schorer, Secretary

Absent: Gary Parfitt, Board Member  
Robert Tolomeo, Board Member

Also Present: Bonni Jensen, Board Attorney  
Kerry Richardville, Mariner Institutional  
Patrick Donlan, Foster & Foster, Inc.

### **A. OPENING**

1. Call to Order

The meeting was called to order by Janice Hill, Chair at 12:32 p.m.

2. Public Comments

There were no public comments.

3. Approval of Minutes Dated November 12, 2025

Ms. Hill asked the Board members if they had reviewed the minutes dated November 12, 2025. All Board members had reviewed the minutes.

Ian Mitchell/Ryan Schorer 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 \$6,225.00, November 30, 2025 for \$2,575.00, and December 31, 2025 for \$1,548.94
- b. Mariner Institutional, LLC Dated December 31, 2025 for \$12,103.98
- c. Atlanta Capital Management Dated January 20, 2026 for \$20,786.00
- d. Brandywine Global Management Dated January 26, 2026 for \$24,884.18
- e. Garcia Hamilton & Associates Dated January 2, 2026 for \$21,093.24
- f. Barings Real Estate Advisors Dated December 31, 2025 for \$7,756.14
- g. Segall Bryant & Hamill Dated December 31, 2025 for \$7,949.62
- h. Winslow Capital Management Dated January 15, 2026 for \$18,052.64
- i. City of Melbourne Revenue Office Dated December 8, 2025 for \$8,597.15 and January 1, 2026 for \$3,600.00
- j. Fiduciary Trust International Dated November 7, 2025 for \$14,674.81
- k. Foster & Foster, Inc. Dated November 17, 2025 for \$15,054.00
- l. Florida Public Pension Trustees Association Dated January 5, 2026 for \$750.00

Ms. Hill asked the Board members if they had reviewed the invoices. All Board members had reviewed the invoices.

Ryan Schorer/Ian Mitchell moved to approve payment of invoices to Klausner, Kaufman, Jensen & Levinson P.A., Mariner Institutional, LLC, Atlanta Capital Management, Brandywine Global Management, Garcia Hamilton & Associates, Barings Real Estate Advisors, Segall Bryant & Hamill, Winslow Capital Management, City of Melbourne Revenue Office, Fiduciary Trust International, Foster & Foster, Inc. and Florida Public Pension Trustees Association. All were in favor. Motion carried.



5. Quarterly Reports

Foster & Foster, Inc.

Mr. Patrick Donlan provided a summary of the October 1, 2025 Actuarial Valuation which provided the current funded status, established the minimum funding requirements for the next fiscal year, and provided an analysis of experience since the last valuation. The City's required contribution for fiscal year ending 2027 decreased from 25.19% to 24.71% of payroll, primarily due to the significant increase in payroll, offset in part by unfavorable experience, and a statutory mandated change of actuarial assumptions. He explained that Chapter 2015-157, Laws of Florida, updated the mortality rates to align with those outlined in the Florida Retirement System valuation report for special risk employees. Mr. Donlan stated that all State Monies up to \$1,127,424 would be available to offset the City's required contribution, with any remainder split equally between the City's required contribution and the Share Plan. Even though the 9/30/25 rate of investment return exceeded the 7.25% assumption, the annualized four-year smoothed rate of return was 4.39%. The UAAL increased from \$18,253,309 to \$22,010,769, primarily due to salary increases, investment return on an actuarial basis, and assumption changes. He concluded that the funded ratio decreased from 85.2% to 83.0%.

Ian Mitchell/Ryan Schorer moved to approve the October 1, 2025 Actuarial Valuation prepared by Foster & Foster, Inc. and moved to prepare a letter to the State Actuary declaring the expected rate of return of 7.25% for the Melbourne Police Pension Plan for the short term, mid-term, and over the long-term of the plan. All were in favor. Motion carried.

Mr. Donlan reviewed the Actuarial Experience Study dated October 27, 2025 prepared by Foster & Foster, Inc. The current amortization method resulted in a significant amount of interest payments on the UAAL, and could be reduced by shortening the amortization period from 20 to 15 years. Mr. Mitchell asked if that would increase the current liability. Mr. Donlan replied that it would just increase the employer contribution. Ms. Chase stated that the Director of Finance requested that the amortization period remain at 20 years. The current investment rate of return was reviewed by considering a broad range of data and inputs, including the judgement of the investment professionals. Mr. Donlan believed that the current 7.25% investment return assumption was reasonable, but noted that many plans across the State had lowered to 6.7% similar to FRS. After reviewing plan experience, the current salary increase assumption was better correlated by years of service, which would increase the funding requirements by .40%. The recommended changes to the mortality assumption would increase the required contribution by 1.39% due to the increase in life expectancies. Mr. Donlan reviewed the actual compared to expected early and normal retirement rates. The current flat rate of 3.0% assumed for early retirement was compared to the actual rate of 5.8%.



The current assumption for normal retirement was based on a table of rates by years of service. Mr. Donlan explained that fewer actual normal retirements occurred than expected, but the extension of maximum DROP participation from 5 to 8 years may cause more members to enter DROP when first eligible. The recommendation to increase the expected early retirement rate to 5.0% alone, would decrease the required contribution by .42%. The current withdrawal rate was service based, and the actual incidence of termination was more than expected in the first 10 years of employment and vice versa after 10 years. Recommended adjustments to the service-based rate table would decrease the required contribution by .56%. Finally, over the last ten years, the Plan expected 11 disabilities and there were 10 actual disabilities.

Mr. Donlan stated that the required mortality rate was already changed in the current year valuation, but he recommended that the Board consider assumption changes for salary increases, retirement rates, and withdrawal rates for the following fiscal year report.

Ryan Schorer/Ian Mitchell moved to approve the assumption changes of .40% for salary increases, (.42%) for retirement rates, and (.56%) for withdrawal rates for the following fiscal year report. 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.

The ending market value of the portfolio was \$117,404,553 with an allocation of 47.9% domestic equity, 16.4% international equity, 28.7% domestic fixed income, 2.8% global fixed income, 3.0% real estate, and 1.2% cash. Ms. Richardville stated that the asset allocation was within the investment policy targets. The total fund net of fees returned 1.59% for the quarter and 12.17% for the calendar year. Brandywine was currently under review for continued value under-performance, Atlanta and Winslow had a good balance in growth performance, DFA and Euro Pacific experienced strong performance, while WCM returned (4.58%). Ms. Richardville stated that Garcia Hamilton was under-weight to Corporates, PIMCO Global returned 2.29%, and she was cautiously optimistic with Barings at 1.05%.



6. US Large Cap Value and Growth Equity Manager Analysis

Ms. Richardville reviewed other value investment options to pair or replace Brandywine Global Investment Management. BNY Mellon Advisors, sub-advised by Newton Investment Management, was a collective investment trust at 25 basis points, one portfolio manager, 65-100 portfolio holdings, with a larger market capitalization. DePrince, Race & Zollo was a separate account at 48 basis points, one portfolio manager, deep value strategy, with 55-70 portfolio holdings and lower market capitalization. Ms. Richardville stated that DRZ was a local firm in Winter Park, Florida recently hired by the Melbourne Fire Pension Plan. Seizert Capital Partners was a separate account at 55 basis points, two portfolio managers, relative value strategy, with 35-40 holdings and lower market capitalization. Ms. Richardville reviewed the trailing performance over the last 10 years, and both Newton Investment Management and Seizert Capital Partners slightly outperformed DRZ and Brandywine. Ms. Hill preferred a separately managed account to earn their fees. The Board members agreed to interview DRZ and Seizert at their May 13, 2026 quarterly meeting.

Ms. Richardville reviewed other growth investment options compared to the current portfolio holdings with Atlanta Capital Management and Winslow Capital Management. Fred Alger Management was a separately managed account at 55 basis points with the highest trailing performance ranking over the last ten years. Clear Bridge Investments was a second separately managed account at 65 basis points with similar trailing performance as the current growth managers. The Board members agreed to give the managers another quarter, until they make a decision on the value interviews next meeting.

C. TRUSTEES COMMENTS

There were no additional comments.

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.



Ms. Jensen updated the Board members on pending disability claims. She stated that the Plan was charged \$850.00 to reschedule the IME for Eric Gould for March 9, 2026 with Todd Eisner, M.D. (Gastroenterologist). A second applicant recently inquired about a disability application. She submitted a two-week notice on 2/6/2026 with an effective resignation date of 2/19/2026. The Police Chief received the notice on 2/9/2026. The HR Department advised that the two-week notice was unwarranted because the employee was on leave without pay status. Subsequently, the Police Chief modified the effective date of resignation to 2/9/2026. Ms. Jensen explained that Section 44-226 of the Ordinance states, "Terminated persons, either vested or non-vested, are not eligible for disability benefits, except that those terminated by the City for medical reasons may apply for a disability within 30 days after termination." She stated that the applicant was clearly not terminated by the City for medical reasons, but believed the Board should accept her disability application and physician statement if received by her intended last day of employment on 2/19/2026. The Board members agreed.

Ms. Jensen informed the Board members that the transition of Custodial Services from Fiduciary Trust to Fifth Third Bank was successfully completed on February 1, 2026.

**E. ADJOURNMENT**

The meeting was adjourned by Janice Hill, Chair at 2:00 p.m.

A handwritten signature in blue ink that reads "Jennifer Chase". The signature is written in a cursive style and is positioned above a horizontal line.

Jennifer Chase, Recording Secretary  
Melbourne Municipal Police Officers  
Retirement Trust Fund Board