

**CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
AUGUST 18, 2025**

The Port Orange Police Officers' Pension Board of Trustees held its quarterly meeting on Monday, August 18, 2025 in the Police Department Training Room, 4545 Clyde Morris Boulevard, Port Orange, Florida.

MEMBERS PRESENT: Chairman Warren Carman (fifth member)
Brian Schnibben (police member)
Lance Green (resident member)
Brian Cobb (resident member)

ABSENT: Richard Clark (police member) - excused

CONSULTANTS: Pedro Herrera, Attorney – *Sugarman, Susskind, et al**
Tyler Grumbles, Investment Consultant – *Mariner Institutional*
Paula Freiman, Actuary – Gabriel Roeder Smith Actuaries*
Pete Strong, Actuary – Gabriel Roeder Smith Actuaries
Karan Rounsavall, Plan Administrator

CITY STAFF: Linda Truitt, Assistant Finance Director

Chairman Carman called the meeting to order at 2:10 p.m. A quorum was in attendance. *Attorney Pedro Herrera and Actuary Paula Freiman attended the meeting via video conferencing (Zoom hosted by City of Port Orange).

APPROVAL OF MINUTES

Member Green moved to approve minutes of quarterly meeting May 19, 2025 and special meeting July 21, 2025 as submitted. Member Schnibben seconded the motion; it carried unanimously.

OFFICER AND TRUSTEE REPORTS - None

CONSENT AGENDA

- A. Approve plan expenditures as follows:
1. Sugarman, Susskind, et al – monthly retainer for May 2025 - \$2,600.
Recommendation: Ratify payment.
 2. Sugarman, Susskind, et al – monthly retainer for June 2025 - \$2,600.
Recommendation: Ratify payment.
 3. Sugarman, Susskind, et al – monthly retainer for July 2025 - \$2,600.
Recommendation: Ratify payment.
 4. Plan Administrator Karan Rounsavall – monthly fee for May 2025, June 2025, and July 2025 - \$9,900. *Recommendation:* Ratify payments.
 5. Florida Public Pension Trustees Association (FPPTA) – registration fee for *Pension Fundamentals* (online training) for three trustees - \$450.
Recommendation: Ratify payment.
 6. Mariner Institutional – investment consulting and performance monitoring services for quarter ended June 30, 2025 - \$11,275.34.
Recommendation: Ratify payment.

- 7. First State Trust Company – custodial services for quarter ended June 30, 2025 - \$4,625. *Recommendation:* Ratify payment.

Member Schnibben moved to ratify plan expenses as recommended. Member Green seconded the motion which carried unanimously.

- B. Acknowledge refund of member contribution for non-vested members:
 - Alexander Batten (non-vested member) in the amount of \$5,280.82;
 - Adrian Cabasos (non-vested member) in the amount of \$18,240.02.

Board members acknowledged the refunds as stated.

CONSULTANT REPORTS

Tyler Grumbles – Mariner Institutional (Investment Consultant)

A. Investment Performance Report for quarter ended June 30, 2025

Mr. Grumbles reported that the pension board's relationship with *Mariner Institutional* reached the one-year mark. Both client and employee retention was at 99 percent. *Mariner* was actively acquiring other investment firms and growing responsibly.

Mr. Grumbles went on to present the investment performance report and economic commentary for the quarter ending June 30, 2025. The Federal Reserve held rates steady for the quarter, however, a rate cut was probable in September. Domestic equity performance was higher for the quarter with the S&P 500 gaining 11 percent. Large cap equity benchmarks reflected a heavy concentration among a limited number of stocks. In fact, the top ten stocks in the S&P 500 index comprised more than 35 percent of the index. International equity advanced during the quarter with performance boosted by the impact of a declining US dollar. Fixed income markets also gained during the quarter.

Total market value as of June 30, 2025 was \$72,985,655 up nicely from \$68,353,623 since the previous quarter ended March 31, 2025. Fund value as of the previous day's close was \$74,234,876.

On a percentage basis, the composite portfolio was up 7.10 percent for the quarter (net) which ranked in the 36th percentile of public plans and slightly underperformed the fund's benchmark. Fiscal year to date, the fund was up 6.07 percent, ranking in the 21st percentile. For the trailing 12 months, the fund was positive 11.37 percent. (Note: These returns were preliminary in the absence of a final accounting from infrastructure and private equity holdings.) Returns on a five-year average, as well as returns from inception, exceeded the fund's assumed investment rate of return.

During the quarter, the portfolio's position with DFA Emerging Markets was funded with \$2 million. Additionally, the fund responded to two private equity capital calls.

All asset classes remained within acceptable ranges and in compliance with the *Investment Policy Statement*. There was no recommendation to rebalance at this time.

The Board accepted the investment performance report as presented.

Mr. Grumbles advised that *50 South Private Equity Core XI Fund* was closing. *50 South* offered a 20 basis point discount for its new fund (*50 South Private Equity Core Fund XII*) for early commitments. Fund XII was approved by Mariner Institutional's Investment

Policy Committee. He stressed the importance of the pension fund remaining invested in private equity opportunities. If the Board was interested in the new fund, Mr. Grumbles recommended sending the subscription documents to the attorney now so there would be less rush when the fund opened. There would be no fee increase from Mariner provided the pension fund remained with 50 South.

The Board voiced no objection to sending the subscription documents to the attorney for review in advance.

B. Core Real Estate Manager Search

At its last meeting, the pension board directed its investment consultant to bring a core real estate manager search to this meeting as the private real estate asset class was close to its bottom target threshold (reference *Investment Policy Statement*). Mr. Grumbles recommended a fund to complement *Stockbridge Smart Markets Real Estate*.

Board members were in receipt of the *Core Real Estate Manager Search*, in which Mariner evaluated three candidates for a real estate manager to complement *Stockbridge*. Mr. Grumbles introduced each candidate and discussed its strategy, management fee, differentiation factors, and investment minimums. *He recommended Harrison Street Core Property Fund as it had the least leverage and smaller/younger properties.*

In accordance with the investment consultant's recommendation, Member Cobb moved to proceed with an estimated \$3.7 million investment in the Harrison Street Core Property Fund. Member Green seconded the motion which carried on an all-yes vote.

Upon review and execution of the appropriate subscription agreements with Harrison Street, the new position would be funded by examining asset allocations at that time and pulling from asset classes that were most overweight.

Pedro Herrera – Sugarman, Susskind, Braswell & Herrera (Attorney)

A. Legislative Update

Attorney Herrera advised of recently adopted legislation which prohibited direct investment in *Entities that Boycott Israel*. Such investments were absolute restrictions in a public plan. (Reference *Florida Statutes 215.4725*)

Along this line, Mr. Grumbles advised that Mariner would prepare an update to the *Investment Policy Statement (IPS)* to reference this new legislation. *The revised IPS would be presented at the next quarterly meeting.*

The attorney also noted that all trustees timely filed their financial disclosure statements.

Pete Strong & Paula Freiman – Gabriel Roeder, Smith & Company (Plan Actuary)

A. Introduction and status of professional services agreement

At a special meeting on July 21, 2025, the pension board approved a professional services agreement with the actuarial firm of Gabriel, Roeder, Smith & Company (GRS). The agreement replicated the fee schedule and particulars that the board previously had with Freiman Little Actuaries (FLA).

Actuary Pete Strong introduced himself and advised that GRS hired Paula Freiman (formerly with FLA) who would continue to prepare the actuarial work for the Port Orange Police Pension Plan (e.g. valuation, calculations, annual report, etc.) Her work would be "peer reviewed" by himself or GRS Actuary Peter Tramont who was also assigned to the Port Orange Police Pension Plan. Mr. Strong would attend all meetings, either in person or via video conferencing. Ms. Freiman spoke to express her appreciation to the pension board and her good fortune to be employed by GRS.

B. Assumed investment rate of return to be used for the Fiscal Year 2024/2025 valuation

The pension fund currently used a 6.75 percent assumed rate of return (ROR). Mr. Strong felt that was an appropriate rate of return to be used for valuation purposes and was in line with other public plans throughout the state. He also mentioned that the mandated use of new mortality tables would increase plan costs in the next valuation. Investment Consultant Tyler Grumbles was also comfortable with a 6.75 percent ROR.

Member Schnibben moved to direct the actuary to continue to use 6.75 percent rate of investment return for the 2025 valuation. Member Green seconded the motion which carried unanimously.

Karan Rounsavall (Plan Administrator)

A. Educational Opportunities:

- Annual Police Officers' and Firefighters' Pension Trustees' Conference in Daytona Beach Shores (September 9 – 11, 2025)
- Florida Public Pension Trustees Association (FPPTA) – Fall Trustees School in Ponte Vedra (October 5-8, 2025)

If any trustee wished to attend, they were to contact the plan administrator.

Plan Administrator Rounsavall advised that Trustee Warren Carman's current four-year term expired on October 1, 2025. Chairman Carman served as the "fifth" trustee. Pursuant to *Florida Statutes* and the pension plan document, the fifth member was selected by a majority of the other four trustees and submitted to the Port Orange City Council which, as a ministerial duty, would appoint such person to the pension board.

Member Schnibben nominated Warren Carman as the fifth member. There were no other nominations. Chairman Carman was reappointed by acclamation for a four-year term expiring October 1, 2029.

The next quarterly meeting was scheduled for Monday, November 17, 2025.

OLD BUSINESS - None

NEW BUSINESS

A. Administrative expense budget for Plan Year 2025/2026

The Pension Board was in receipt of the proposed budget for Plan Year 2025/2026 as prepared by the plan administrator. Pursuant to *Florida Statutes*, the Board was

required to adopt and operate pursuant to an administrative expense budget each year. The budget included all administrative expenses (e.g., actuary, legal, investment consultant, custody, administration, insurance, etc.) but did not include investment management fees. The proposed budget for 2025/2026 was \$231,576.

Plan Administrator Rounsavall reviewed individual line items in the proposed budget. It included additional funding guidance for trustees to attend educational opportunities and higher than expected requests for retirement/DROP calculations. Estimated expenditures for Fiscal Year 2024/2025 were in line with the current budget.

Member Schnibben moved to approve the administrative expense budget for Fiscal Year 2025/2026 in the amount of \$231,576 as submitted. Member Green seconded the motion and it carried. The budget would be provided to city staff (plan sponsor) and posted on the bulletin board at the Police Department for plan members.

- B. Acknowledge Division of Retirement's approval of 2024 Annual Report for the Port Orange Police Officers' Pension Fund


The Board acknowledged the Division's approval of the Fund's annual report.

- C. Acknowledge receipt of 2024 Premium Tax Distribution from the Department of Revenue

The 2024 Premium Tax Distribution in the amount of \$752,670.51 was received by the city and immediately deposited to the Police Pension Fund. This amount was substantially more than anticipated. *Upon advice of its investment consultant, the pension board directed that these funds remain in the custodian's cash account.*

ADJOURNMENT

The meeting adjourned at 3:19 p.m.


 Lt. Warren Carman, Chairman


 Karan Rounsavall, Plan Administrator