CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
FEBRUARY 23, 2026

The Port Orange Police Officers' Pension Board of Trustees held its quarterly meeting on Monday, February 23, 2026 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) Richard Clark (police member)
CONSULTANTS:	Pedro Herrera, Attorney – *Sugarman, Susskind, et al* Tyler Grumbles, Investment Consultant –*Mariner Institutional* Pete Strong, Actuary – *Gabriel Roeder Smith Actuaries* Zach Chalifour, Auditor – *James Moore & Co.* Hillary Cyr, Auditor – *James Moore & Co.** Karan Rounsavall, Plan Administrator
CITY STAFF:	Sue Wang, Finance Director Linda Truitt, Assistant Finance Director

Chairman Carman called the meeting to order at 2:10 p.m. A quorum was in attendance. *Auditor Hillary Cyr attended the meeting via video conferencing (Microsoft Teams).

APPROVAL OF MINUTES

Member Green moved to approve minutes of quarterly meeting November 17, 2025 as submitted. Member Clark 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 November 2025 - $2,600. *Recommendation:* Ratify payment.
   2. Sugarman, Susskind, et al – monthly retainer for December 2025 - $2,600. *Recommendation:* Ratify payment.
   3. Sugarman, Susskind, et al – monthly retainer for January 2026 - $2,600. *Recommendation:* Ratify payment.
   4. Plan Administrator Karan Rounsavall – monthly fee for November 2025, December 2025, and January 2026 - $9,900. *Recommendation:* Ratify payments.
   5. Gabriel Roeder Smith & Company – actuarial services through quarter ended December 31, 2025 - $15,540. *Recommendation*: Ratify payment.
   6. Mariner Institutional – investment consulting and performance monitoring services for quarter ended December 31, 2025 - $11,500.84. *Recommendation*: Ratify payment.

7. First State Trust Company – custodial services for quarter ended December 31, 2025 - $4,625. <u>*Recommendation*</u>: Ratify payment.

Member Clark moved to ratify plan expenses as recommended. Member Cobb seconded the motion which carried unanimously.

B. Acknowledge refund of member contributions for non-vested members:
1. Shealynn Bisbee Paull (non-vested member) in the amount of $21,024.45;
2. Daniel Lockhart (non-vested member) in the amount of $1,423.64; and
3. Jordan Snipes (non-vested member) in the amount of $4,274.07.

Member Green moved to acknowledge the above refunds as stated. Member Schnibben seconded the motion which carried on an all-yes vote.

CONSULTANT REPORTS

Tyler Grumbles – *Mariner Institutional* (Investment Consultant)

A. Investment Performance Report for quarter ended December 31, 2025

Mr. Grumbles presented the investment performance report and economic commentary for the quarter ending December 31, 2025. The pension fund was off to a good start for the new fiscal year with the S&P 500 up by 2.7 percent and international equities gaining five percent. Fixed income markets also generated positive quarterly returns. In December, the Federal Reserve decreased rates by another 0.25 percent, its third rate cut of the year. Value-oriented stocks outperformed growth. Emerging market equities also advanced.

Total market value as of December 31, 2025 was $79,269,770 up from $77,860,261 since the previous quarter ended September 30, 2025. Fund value as of the previous day's close was $80,216,703.

On a percentage basis, the composite portfolio was up 2.07 percent for the quarter (net) which ranked in the 44th percentile of public plans underperforming the fund's benchmark. For the trailing 12 months, the fund was up 14.72 percent, ranking in the 30th percentile. (Note: These returns were preliminary in the absence of a final accounting from infrastructure, real estate and private equity holdings.) Returns on a three-year average were 14.44 percent and the five-year average return was 8.70 both periods of which exceeded the fund's assumed investment rate of return (6.75 percent).

There were two capital calls during the quarter which were funded from Vanguard Total Stock Market Index Fund (domestic equities). All asset classes complied with the *Investment Policy Statement*. There was no recommendation to rebalance at this time.

The Board accepted the investment performance report as presented.

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While the fund's real estate holdings performed relatively well for the quarter, Mr. Grumbles expressed frustration with the long, drawn-out time that it was taking to exit the fund's position in the UBS Trumbull Property Fund and the ASB Allegiance Fund. He recommended that the Board consider a new opportunity to accelerate the redemption from both UBS and ASB, to-wit: Cohen & Steers Tactical Real Estate Fund (TREF). One component of TREF was operated by a company called IDR which tracked the NCREIF ODCE index while Cohen & Steers invested in publicly traded REITs (real estate investment trusts). TREF would be able to absorb the pension fund's shares in UBS and ASB and increase the pace at which the fund exited these real estate holdings.

Member Cobb moved to accept the investment consultant's recommendation and approve using UBS and ASB shares to invest in the Cohen & Steers Tactical Real Estate Fund. Member Clark seconded the motion which carried unanimously.

Mr. Grumbles would proceed in accordance with the board's decision and prepare the necessary agreements with Cohen & Steers/TREF for the attorney's review and chairman's signature.

Pete Strong – Gabriel Roeder Smith & Company (GRS) (Actuary)

A. Presentation of annual valuation for fiscal year ending September 30, 2025

Board members were in receipt of the October 1, 2025 Actuarial Valuation Report for the Port Orange Police Officers' Pension Plan. This report established the minimum funding requirements for the Pension Plan for the fiscal year ending September 30, 2027. Actuary Pete Strong advised that the valuation contained the same exhibits as the prior year, however, he expected the valuation format to change in ensuing years to be consistent with the GRS standard format.

The city's minimum funding requirement (city and state contributions) was $2,905,530. Expressed as a percentage of payroll, the minimum contribution was 50.01 percent. The city's contribution rate (without estimated state contributions) was 37.06 percent. The plan's funded status was 83.20 percent (based on the actuarial value of assets), representing a slight increase over the previous year's funded percentage of 82.95 percent. The unfunded accrued liability (UAL) was $14,039,488. There were no changes in pension plan provisions since the prior actuarial valuation.

The investment return on the "market" value of assets was a positive 11.9 percent; the return on the "actuarial/smoothed" value of assets (five-year smoothing) was positive 9.9 percent which was greater than the 6.75 percent assumed net investment rate of return used for this valuation.

The 2025 valuation used new mortality rates, as prescribed by Florida Retirement System (FRS). This change added to the fund's liability as did a 12.7 percent increase in overall payroll. Mr. Strong mentioned that there was a demographic loss on an actuarial accrued liability basis of roughly $2.1 million for several reasons, including retirements, increased DROP participation, terminations, post-retirement mortality experience, reinstatement of a retiree who had previously forfeited his benefit and the award of a line-of-duty disability.

The valuation report also included required disclosures under *Florida Statutes* 112.664 to measure investment and interest rate risk, etc. Disclosures required by Governmental Accounting Standards Board (GASB) 67 and 68 were provided as a supplemental report.

Member Schnibben moved to approve the 2025 actuarial valuation report as presented. Member Cobb seconded the motion; it carried unanimously. Plan Administrator Rounsavall would forward the report to city staff for required posting on its web site.

Based on input from the fund's investment consultant and actuary, Member Green moved to declare a 6.75 percent expected rate of return for pension plan assets going forward. Member Schnibben seconded the motion which likewise carried unanimously.

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Mr. Strong advised that the last actuarial experience study was conducted for the five-year period preceding October 1, 2017. He recommended that a new experience review covering 2018 through 2025 be conducted to evaluate the validity of current plan assumptions and recommend changes as needed. The estimated cost of an experience study was $15,000.

Member Green moved to authorize the actuary (GRS) to conduct a new experience review covering 2018 through 2025 for targeted delivery at the board's quarterly meeting on November 16, 2026.

Report: Zach Chalifour and Hillary Cyr – *James Moore & Co.* (Auditor)

A. Presentation of audit of Police Pension Fund financials for fiscal year ended September 30, 2025

Ms. Cyr presented the final audit which included all actuarial exhibits. She advised that the pension fund's financials were accurate and fairly presented. There was nothing in the audit report assessed as a material weakness to be disclosed nor were any non-compliance issues noted. Her firm issued an *"unmodified opinion"* of police pension financials for Fiscal Year 2024/2025 which was the highest standard. The audit was performed in conformance with governmental auditing standards.

Member Cobb moved to accept the audit of police pension fund financials for Fiscal Year 2024/2025 as presented. Member Schnibben seconded the motion which carried on an all-yes vote. Plan Administrator Rounsavall would forward the audit report to city staff for required posting on the city's website.

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

A. Legislative Update

Attorney Herrera mentioned that two bills addressing Florida Retirement System were filed. There was no new legislation addressing local law pension plans.

Karan Rounsavall (Plan Administrator)

Mrs. Rounsavall advised that annual confirmation of receipt of benefits forms were mailed to all retirees on this date.

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The next quarterly meeting was scheduled for Monday, May 18, 2026.

OLD BUSINESS – None

NEW BUSINESS

A. Ratify normal retirement benefit for Sgt. Jeremy Bird upon entry into DROP effective November 1, 2025

B. Ratify normal retirement benefit for Officer Jesse Pierson upon entry into DROP effective November 1, 2025

Member Clark moved to ratify normal retirement benefit elections for Sgt. Bird and Officer Pierson upon their entry into DROP. Member Cobb seconded the motion which carried unanimously.

C. Acknowledge Detective James Kenny's exit from DROP effective February 1, 2026

The board acknowledged same as set forth above.

D. Ratify chairman's decision to authorize plan actuary (GRS) to prepare cost impact statement for City of Port Orange and IUPA for collective bargaining purposes

Union negotiations were underway. Chairman Carman gave his approval to the parties utilizing GRS (the plan's actuary) to prepare requested benefit studies and associated costs. The city and union agreed to share the cost of the impact statements.

Member Cobb moved to ratify the chairman's decision as stated. Member Green seconded the motion; it carried.

ADJOURNMENT

The meeting adjourned at 3:25 p.m.

LT. WE Carman 3904

Lt. Warren Carman, Chairman

Karan Rounsavall

Karan Rounsavall, Plan Administrator