
City of Rockledge
Police Employees' Retirement Plan
January 30, 2026
MINUTES

Board Members Present

Rick Burke – Chairman
Patrick Kennedy – Trustee
Chris Hattaway – Trustee
Chris Crawford – Secretary

Also Present

Madison Levine – Attorney (by phone)
Tyler Grumbles - Consultant
Paula Frieman – Actuary
Frank Mega – Plan Administrator
Matthew Trine – Finance Director
Dr. Brenda Fettrow – City Manager

Absent / Excused

James Pickel - Trustee

I. Call to Order

Meeting called to order at 11:01 pm by Chairman Burke. A quorum was in attendance.

II. Consent Agenda – Minutes & Accounting Report

Minutes and accounting report offered for Board consideration. A motion was made by Patrick Kennedy to approve the minutes as presented; the motion was seconded by Chris Hattaway and passed unanimously.

III. Old Business

Board of Trustees Update – The Plan Administrator updated the Board on the Trustee Terms: Resident appointed Trustee Chris Hattaway has been reappointed by the City Commission to the for another 4-year term. Patrick Kennedy was reelected to the member elected position for another 4-year term.

➤ *ACTION ITEM: Plan Administrator to provide City updated Trustee list.*

IV. New Business

Annual Actuarial Valuation – Paula Freiman of GRS began discussing the State premium tax dollars and its relation to the City budget. This year's estimated state contribution is \$405,259.

- The investment return for the Plan was (+)13.11% Market Value / (+)10.01% Actuarial Value of Return).
- Investment return of \$1,176,523.
- The Plan's current funded ratio is 91.75%.
- Plan market value of \$22,415,224.

The investment return on the Market Value of Assets was 13.11% and the return on the Actuarial Value of Assets was 10.01%, each in comparison to the 7.35% net investment return assumption used for the year ending September 30, 2025. Because the return on the Actuarial Value of Assets was more than the net assumed investment return, there was an actuarial investment gain. The net assumed rate of investment return was revised from 7.35% used in the October 1, 2024 actuarial

valuation to 7.25% for this October 1, 2025 actuarial valuation of the Plan as directed by the Board of Trustees.

Note: \$717,958 is the minimum funding requirement for fiscal 2027 including both contributions from the City and those from the State of Florida. We have estimated the City portion as \$312,699 which must be deposited on December 15, 2026. The annual contribution paid by the City should take into account the actual amount of premium tax revenues received from the State of Florida that may be applied toward the actuarially determined contribution so that the total deposit for fiscal 2027 is at least \$717,958.

A motion was made by Chris Crawford to approve the annual valuation report as presented; the motion was seconded by Chris Hattaway and passed unanimously.

➤ *ACTION ITEM: Administrator to provide the City with approved valuation.*

Declaration of Return - The Board, with input from their consultant and actuary, discussed the total expected annual rate of return for the fund. The Board is comfortable stating that for the current year, the next several years, and the long-term thereafter shall earn 7.25%, net of investment expenses. A motion was made by Chris Hattaway to accept the 7.25% expected Rate of Return as presented; the motion was seconded by Patrick Kennedy and passed unanimously.

➤ *ACTION ITEM: Plan Administrator to work to provide Declaration of Return to the State.*

Secretary Chris Crawford introduced Mike Scudiero, Executive Director Coastal Florida PBA, who attended via phone, regarding a benefit enhancement study the Union is looking to complete on behalf of the membership. The Union proposed two benefit modifications: extending the pension benefit multiplier, length of service/ CAP, and an expansion of the DROP program. The Actuarial benefit study would be funded by the PBA. The study will compare two options: Option 1A, which restores a pre-2013 structure by allowing all members to accrue up to 35 years with the final 10 years at 1.5% (capped at 90%), and Option 1B, a more limited extension to 30 years for post-2013 hires (capped at 82.5%) to be used if the preferred option proves too costly. Separately, the Union requested extending the DROP period from 5 to 8 years for all tiers to align with state norms, with an open question about whether current DROP participants may also extend. The City Manager asked that the ordinance explicitly allow current participants to opt in due to a case involving a member exiting the DROP in late March. The goal is a retroactive effective date of March 1, with ordinance readings scheduled for February 18 and March 18. To accomplish this, the City has requested a draft required of the DROP extension from the Plan Attorney by 02/06/26. A prior actuarial review from August 19, 2025 indicated minimal financial impact, and Plan Attorney will prepare the amendment and provide as requested.

A motion was made by Chris Hattaway to approve the Actuary to complete the benefit enhancement studies and funded by the Union as presented; the motion was seconded by Chris Crawford and passed unanimously.

➤ *ACTION ITEM: Plan Administrator to work with Actuary on benefit study to present to the Union for negotiations.*

A motion was made by Chris Hattaway to approve the Plan Attorney to prepare an amendment for exiting the DROP and provide to the City as presented; the motion was seconded by Chris Crawford and passed unanimously.

- *ACTION ITEM: Plan Administrator to with Plan Attorney to provide amendment to the City for consideration.*

V. Investment Consultant

Tyler Grumbles of Mariner presented the quarterly investment performance and overview. Economic conditions in the United States continued to moderate during the fourth quarter as inflation pressures eased and labor market momentum softened. Headline and core inflation trended lower, giving the Federal Reserve more flexibility to continue easing monetary policy. In December, the Federal Open Market Committee reduced the federal funds target range by 0.25% to 3.50%–3.75%, marking the third rate cut of the year, while maintaining a data-dependent approach amid uncertainty related to fiscal policy and trade developments. Labor market indicators showed further cooling, with slower job growth, a slight rise in unemployment, and moderating—though still elevated—wage growth that supported consumer spending. A federal government shutdown disrupted some economic data collection, adding uncertainty heading into year-end. Market performance during the quarter was shaped by expectations of continued monetary easing, evolving inflation dynamics, and heightened sensitivity to valuation and concentration risks. The Fed’s rate cuts contributed to bond market stability and supported risk assets, though concerns around fiscal deficits, trade policy, and geopolitical developments created intermittent volatility. Market leadership also broadened across asset classes and regions, with equity performance becoming less concentrated in mega-cap stocks and international markets benefiting from improving fundamentals. In fixed income, income generation remained the primary driver of returns as yields stabilized. Overall, markets moved toward a more balanced environment entering year-end, though global uncertainty remained elevated.

The fund finished with a quarterly balance of \$ 23,076,743. The Plan was (+) 2.09% for the quarter net of fees.

VI. Actuary Report

The Actuary added input throughout the meeting.

VII. Attorney Report

The Plan Attorney added input throughout the meeting.

VIII. Public Comment

No members or concerned parties requested to address the Board of Trustees.

IX. Adjournment/Next Meeting

A motion to adjourn was made. The next regularly scheduled Board of Trustees meeting will be held on May 15, 2026, at 11 am.

IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING OR HEARING, THEY WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, THEY WILL NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS

MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE WHICH THE APPEAL IS TO BE BASED.

Approved by Police Employee's Board:

Rick Burke, Chairman

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