

INDIAN HARBOUR BEACH POLICE DEPARTMENT PENSION BOARD
Minutes of March 18, 2026, 2:00 p.m

Members Present: Chief David Butler, Jim Adams, John Breitfeller and Kellie O'Neill-Hillanbrand. Meeting was called to order by Chief David Butler. Also in attendance Jennifer Gainfort, Mariner Consulting; Patrick Donlan, Actuary; and Lindsay Aviles, Auditor

Member Hillanbrand moved to approve the 12/11/25 regular meeting minutes. Motion seconded by Member Breitfeller. Motion carried.

INVESTMENT PRESENTATIONS/REPORTS

Investment review by Mariner Consulting

Jennifer Gainfort reviewed report and discussed the investment returns for quarter ending 12/31/25. Fund Balance as of 12/31/25 was \$15,871,976; as of 9/30/25 was \$15,585,682 Quarterly return of 1.75%. Reviewed overall market and cash flow. No recommended changes.

Member Hillanbrand moved to acknowledge report. Motion seconded by Member Adams. Motion carried.

STAFF REPORT

A. ACTION ITEMS: **Approval/Acknowledgment of Invoices/Expenses**

- 1) Salem Trust in the amount of \$1,256.88 for quarter ending 12/31/25 for custody fees (automatic debit)
 - 2) Mariner Consulting (Andco) quarterly fees ending 12/31/25 in the amount of \$5500.00
 - 3) Plan Administrator quarterly fees ending 12/31/25 \$4171.50 (automatic debit), \$63.51 expenses
 - 4) Klausner, Kaufman, Jensen & Levinson legal services dated 2/28/26 in the amount of \$102.50
 - 5) Carr Riggs & Ingram audit invoice dated 12/22/25 \$2000; dated 1/29/25 \$2700 and dated 2/25/26 \$5000
 - 6) Fiduciary Liability Insurance renewal dated 12/15/25 in the amount of \$3,599.64
- Retirements/Contribution Returns - None**

Member Breitfeller moved to approve Invoices A, 1-6. Motion seconded by Member Hillanbrand. Motion carried.

B. NO ACTION REQUIRED (INFORMATION ONLY): **Plan Administrator report of the following administrative actions:**

- 1) Provided Foster & Foster records to complete the Annual State Report (receipt of state money pending approval of report)
- 2) Submitted Fiscal Year 2024/2025 detailed accounting report to the City for posting on the website and a copy provided for plan members
- 3) Submitted annual report of investment activity as of 9/30/25 to the City
- 4) Distributed annual DROP member statements

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NEW BUSINESS

- A. Lindsay Aviles with Carr, Riggs and Ingram Auditors, reviewed the pension plan audit for Fiscal Year ending 9/30/25

Lindsay Aviles with Carr, Riggs and Ingram Auditors reported no internal control issues. Auditors recommended that confirmation of the review of the SOC report be emailed to the Chief. Also recommended that the Comptroller confirm that participant data is reviewed prior to submitting the information to the Actuary for the annual Valuation Report. Discussion ensued regarding the SOC report not being available until the audit.

Member Hillanbrand moved to approve the annual audit. Motion seconded by Member Adams. Motion carried.

- B. Patrick Donlan with Foster & Foster Actuary, reviewed the annual Actuarial Valuation. The required contribution from the combination of City and State sources for the year ending September 30, 2026, is 46.9% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 37.2% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received. Fiscal Year ending 9/30/27 is 42.8% of payroll. Please note that the City has access to a prepaid contribution of \$75,313.21 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2026.

The increase is mainly attributable to the state mandated mortality assumption change. The increase was offset in part by favorable actuarial experience. Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 8.52% (Actuarial Asset Basis) which exceeded the 7.25% assumption and more turnover than expected. These gains were offset in part by losses associated with an average salary increase of 12.27% which exceeded the 4.75% assumption, inactive mortality experience, and unfavorable retirement experience.

There were no plan changes.

Actuarial Assumption/Method Changes

Since the previous valuation, as mandated by Chapter 2015-157, Laws of Florida, the mortality rates were updated to align with those outlined in Milliman's July 1, 2024 FRS valuation report for special-risk employees.

Board discussed non-vested members showing in the report that have not received a refund of employee contribution. Staff will reach out to the members to provide refund information.

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The Actuary reviewed the assets of the plan, the 5-year smoothing average and turnover. As of 10/1/26 the actuarial value of the Plan is 86.45% funded.

Member Hillanbrand moved to approve the Actuarial Valuation. Motion seconded by Member Adams. Motion carried.

Actuary Patrick Donlan recommended an experience study to review plan assumptions. He noted that the last one was completed in January 2021; therefore, the plan could wait another year.

- C. Declare expected rate of return for the next year, next several years and the long term, based on the advice of its investment professional and/or actuary, for submittal to the State and City. Foster & Foster and Mariner Consulting confirmed reasonable to declare 7.25% rate of return.

Member Hillanbrand moved to approve 7.25% rate of return. Motion seconded by Member Adams. Motion carried.

Old Business – None

Requests From Public/Employees Present

Questions were asked of the Pension Actuary regarding the security of the pension benefits. Mr. Donlan advised that a benefit cannot be taken away that has already been earned. Benefits can only be changed prospectively. Other cities that had changes had 2 options to either leave plan open, and each member can decide if they would go to FRS or stay with current plan and all new employees automatically go to FRS or terminate the plan and everyone goes to FRS. Plans that were terminated, each member's accrued benefit in the old plan is calculated and the Board of Trustees (by Statute) would decide if each member can get lump sum payout or purchase an annuity for the retiree. The annuity insurance company usually does not like COLA'S so some plans have increased the monthly amount in lieu of the COLA. City would have to provide the funds for the unfunded portion of the benefits.

According to Florida Statute not allowed to reduce benefits – must provide what you have earned.

Meeting adjourned at 3:46 p.m.



Chief David Butler – Chairman



Julie Enright – Plan Administrator