

CITY OF MELBOURNE
POLICE OFFICERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2025 VALUATION DATE



April 10, 2026

Ms. Jennifer Chase
City of Melbourne
Police Officers' Retirement System
900 East Strawbridge Avenue
Melbourne, FL 32935

Re: City of Melbourne Police Officers' Retirement Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Jennifer:

Please find enclosed the annual disclosures that satisfy the October 1, 2025 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), Florida Statutes, the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

Respectfully submitted,

Foster & Foster, Inc.



Patrick T. Donlan, ASA, EA, MAAA
Enrolled Actuary #26-6595

Enclosures

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2025 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2025

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.25%	5.25%
<u>Total Pension Liability</u>		
Service Cost	1,799,432	2,782,669
Interest	8,722,299	7,933,723
Share Plan Allocation	12,720	12,720
Changes of Benefit Terms	-	-
Experience Gains/Losses	576,695	915,214
Changes of Assumptions	1,186,956	1,725,669
Contributions - Buy Back	6,356	6,356
Benefit Payments	(7,660,383)	(7,660,383)
Net Change in Total Pension Liability	4,644,075	5,715,968
Total Pension Liability - Beginning	122,338,334	152,166,055
Total Pension Liability - Ending (a)	<u>\$ 126,982,409</u>	<u>\$ 157,882,023</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	3,127,126	3,127,126
Contributions - State	1,152,863	1,152,863
Contributions - Employee	850,805	850,805
Contributions - Buy Back	6,356	6,356
Net Investment Income	8,090,202	8,090,202
Benefit Payments	(7,660,383)	(7,660,383)
Administrative Expense	(135,786)	(135,786)
Net Change in Plan Fiduciary Net Position	5,431,183	5,431,183
Plan Fiduciary Net Position - Beginning	110,783,311	110,783,311
Plan Fiduciary Net Position - Ending (b)	<u>\$ 116,214,494</u>	<u>\$ 116,214,494</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,767,915</u>	<u>\$ 41,667,529</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 7.25%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2025	116,214,494	-	12,300,981	-	7,979,640	111,893,153
2026	111,893,153	-	8,123,496	-	7,817,777	111,587,434
2027	111,587,434	-	8,392,740	-	7,785,852	110,980,546
2028	110,980,546	-	8,622,786	-	7,733,514	110,091,274
2029	110,091,274	-	8,767,407	-	7,663,799	108,987,666
2030	108,987,666	-	8,913,078	-	7,578,507	107,653,095
2031	107,653,095	-	9,077,992	-	7,475,772	106,050,875
2032	106,050,875	-	9,318,462	-	7,350,894	104,083,307
2033	104,083,307	-	9,446,332	-	7,203,610	101,840,585
2034	101,840,585	-	9,519,917	-	7,038,345	99,359,013
2035	99,359,013	-	9,582,729	-	6,856,155	96,632,439
2036	96,632,439	-	9,600,644	-	6,657,828	93,689,623
2037	93,689,623	-	9,547,294	-	6,446,408	90,588,737
2038	90,588,737	-	9,482,019	-	6,223,960	87,330,678
2039	87,330,678	-	9,408,202	-	5,990,427	83,912,903
2040	83,912,903	-	9,333,030	-	5,745,363	80,325,236
2041	80,325,236	-	9,209,115	-	5,489,749	76,605,870
2042	76,605,870	-	9,098,033	-	5,224,122	72,731,959
2043	72,731,959	-	8,939,935	-	4,948,994	68,741,018
2044	68,741,018	-	8,767,409	-	4,665,905	64,639,514
2045	64,639,514	-	8,570,656	-	4,375,678	60,444,536
2046	60,444,536	-	8,351,122	-	4,079,501	56,172,915
2047	56,172,915	-	8,110,101	-	3,778,545	51,841,359
2048	51,841,359	-	7,853,450	-	3,473,811	47,461,720
2049	47,461,720	-	7,586,616	-	3,165,960	43,041,064
2050	43,041,064	-	7,298,995	-	2,855,889	38,597,958
2051	38,597,958	-	6,999,851	-	2,544,607	34,142,714
2052	34,142,714	-	6,690,113	-	2,232,830	29,685,431
2053	29,685,431	-	6,374,192	-	1,921,129	25,232,368
2054	25,232,368	-	6,052,801	-	1,609,933	20,789,500
2055	20,789,500	-	5,728,191	-	1,299,592	16,360,901
2056	16,360,901	-	5,402,589	-	990,321	11,948,633
2057	11,948,633	-	5,078,154	-	682,193	7,552,672
2058	7,552,672	-	4,757,299	-	375,117	3,170,490
2059	3,170,490	-	4,441,907	-	-	-

*All DROP and Share Balances paid in 2025.

Number of Years Expected Benefit Payments Sustained: 34.71

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Investment Rate of Return = 5.25%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2025	116,214,494	-	12,300,981	-	5,778,360	109,691,873
2026	109,691,873	-	8,123,496	-	5,545,582	107,113,959
2027	107,113,959	-	8,392,740	-	5,403,173	104,124,392
2028	104,124,392	-	8,622,786	-	5,240,182	100,741,788
2029	100,741,788	-	8,767,407	-	5,058,799	97,033,180
2030	97,033,180	-	8,913,078	-	4,860,274	92,980,376
2031	92,980,376	-	9,077,992	-	4,643,172	88,545,556
2032	88,545,556	-	9,318,462	-	4,404,032	83,631,126
2033	83,631,126	-	9,446,332	-	4,142,668	78,327,462
2034	78,327,462	-	9,519,917	-	3,862,294	72,669,839
2035	72,669,839	-	9,582,729	-	3,563,620	66,650,730
2036	66,650,730	-	9,600,644	-	3,247,146	60,297,232
2037	60,297,232	-	9,547,294	-	2,914,988	53,664,926
2038	53,664,926	-	9,482,019	-	2,568,506	46,751,413
2039	46,751,413	-	9,408,202	-	2,207,484	39,550,695
2040	39,550,695	-	9,333,030	-	1,831,419	32,049,084
2041	32,049,084	-	9,209,115	-	1,440,838	24,280,807
2042	24,280,807	-	9,098,033	-	1,035,919	16,218,693
2043	16,218,693	-	8,939,935	-	616,808	7,895,566
2044	7,895,566	-	8,767,409	-	-	-

*All DROP and Share Balances paid in 2025.

Number of Years Expected Benefit Payments Sustained: 19.90

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2027

Valuation Date: 10/1/2025

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.25%	5.25%
Minimum Required Contribution (Fixed \$)	\$4,978,060	\$7,938,352
Minimum Required Contribution (% of Payroll)	41.68%	66.47%
Expected Member Contribution	886,144	886,144
Expected State Money	1,140,143	1,140,143
Expected Sponsor Contribution (Fixed \$)	\$2,951,773	\$5,912,065
Expected Sponsor Contribution (% of Payroll)	24.71%	49.50%

ASSETS

Actuarial Value ¹	107,253,475	107,253,475
Market Value ¹	116,214,494	116,214,494

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	41,997,114	61,988,408
Disability Benefits	5,507,907	7,776,266
Death Benefits	131,258	175,940
Vested Benefits	2,680,249	4,313,476
Refund of Contributions	700,887	739,458
Service Retirees	66,872,501	80,885,840
DROP Retirees ¹	10,644,801	12,470,073
Beneficiaries	3,218,978	3,743,038
Disability Retirees	8,181,908	9,928,694
Terminated Vested	2,012,874	2,664,572
Share Plan Balances ¹	1,148,865	1,148,865
Total:	143,097,342	185,834,630
Present Value of Future Salaries	89,169,887	99,922,192
Present Value of Future Member Contributions	6,616,406	7,414,227
Total Normal Cost	2,002,736	3,132,309
Present Value of Future Normal Costs (Entry Age Normal)	13,833,098	24,610,052
Total Actuarial Accrued Liability (EAN) ¹	129,264,244	161,224,578
Unfunded Actuarial Accrued Liability (UAAL)	22,010,769	53,971,103

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2027

	Valuation Date: 10/1/2025	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.25%	5.25%
<u>PENSION COST</u>		
Normal Cost (with interest)	2,075,335	3,214,532
Administrative Expenses (with interest)	117,409	116,276
Payment Required To Amortize UAAL (with interest)	2,785,316	4,607,544
Minimum Required Contribution	\$4,978,060	\$7,938,352

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2025.