

City of Venice Police Officers' Pension Fund
MINUTES OF REGULAR MEETING
August 12, 2009

CALL TO ORDER

Chairman Kevin McGrath called a regular meeting of the Board of Trustees for the City of Venice Police Pension Fund to order at 9:10 AM. Those persons present included:

TRUSTEES

Kevin McGrath, Chairman
Andy Devries
John Holic
James Luck
Peter Sorrentino

OTHERS

Tim Nash, Bogdahn Consulting
Lee Dehner, Christiansen & Dehner
Linda Runkle, Pension Resource Center
Leta Chaney, Salem Trust Company

APPROVAL OF MINUTES

Lee Dehner recommended a modification to the last sentence in the first paragraph of his legislative summary on page 3 of the Minutes of May 20, 2009. A motion was made by James Luck to approve the Minutes of May 20, 2009, as amended. The motion was seconded by Peter Sorrentino, approved by the Trustees 5-0.

Lee Dehner recommended a modification to the first sentence in the last paragraph of page 1 of the Minutes of May 28, 2009 for the Final Hearing for Disability Claimant Ginger Stone. A motion was made by John Holic to approve the Minutes of May 28, 2009 for the Final Hearing for Disability Claimant Ginger Stone, as amended. The motion was seconded by Andy Devries, approved by the Trustees, 5-0.

A motion was made by Andy Devries to approve the Minutes of May 28, 2009 for the Special Meeting. The motion was seconded by James Luck, approved by the Trustees, 5-0.

TRUSTEE ELECTION CERTIFICATION

Kevin McGrath described the process for the distribution of mail-in ballots to the active members of the Plan. Linda Runkle reported that 43 ballots were received by the Pension Resource Center, and that two ballots were disqualified. Twenty eight votes were received by candidate Robert Palmieri; thirteen votes were received by candidate Andy Leisenring. A motion was made by James Luck to certify the election results, declaring Robert Palmieri as the newly elected Trustee. The motion was seconded by

Peter Sorrentino, approved by the Trustees, 5-0. Mr. Palmieri's term will begin on October 1, 2009.

The Trustees discussed a replacement for James Luck, whose term expires on September 30, 2009. Mr. Luck has declined reappointment. Kevin McGrath indicated that he would be willing to serve. A motion was made by Peter Sorrentino to recommend that the Council appoint Kevin McGrath to serve as an appointed Trustee to replace James Luck. The motion was seconded by John Holic, approved by the Trustees 5-0. The Trustees requested that the Plan Administrator contact the City regarding the appointment request.

Lee Dehner advised that a Trustee must file a Form 1F with the County Supervisor of Elections within 60 days of leaving the Board. He also stated that a new Trustee must file a Form 1 within 30 days of the effective date of the new term.

LETA CHANEY, SALEM TRUST COMPANY

Leta Chaney appeared before the Board on behalf of Salem Trust Company. Ms. Chaney informed the Board that a return of contribution check was issued to a former member of the Plan in December of 2008, but that the check has not been cashed and remains outstanding. Linda Runkle and Kevin McGrath reported that they have contacted the individual and requested that the check be cashed. The Board concurred that a certified letter should be sent by the Plan Administrator to inform the former member that the check must be cashed within a determinate time or a stop payment order will be issued.

Ms. Chaney explained that the establishment of each new custody account at Salem Trust Company incurs an annual fee of \$275.00. A lengthy discussion ensued regarding the establishment of separate accounts for equity and fixed investments for Bowen, Hanes & Co., and for Rockwood Capital Advisors. The necessity of a Receipts and Disbursement account was also debated.

Lee Dehner confirmed that Rockwood Capital Advisors agreed to a reduction in the management fee, due to managing both fixed and equity investments. The fee will be 50 basis points; Bowen, Hanes & Co. is currently charging 40 basis points.

A motion was made by John Holic to establish two new accounts, for a total of three accounts: Bowen, Hanes & Co.; Rockwood Capital Advisors; and a Receipts and Disbursements account. The motion was seconded by Peter Sorrentino, approved by the Board 5-0.

TIM NASH, BOGDAHN CONSULTING

Tim Nash appeared before the Board on behalf of Bogdahn Consulting. Mr. Nash discussed the quarter ending June 30, 2009. The total market value of the Fund's assets was up from \$17.3 M on March 31, 2009 to \$19.2 M on June 30, 2009. The

equity investments were up 16% for the quarter, and the total portfolio was up 12%, ahead of the benchmark of 11%. Fixed income investments returned 7.78%, well ahead of the benchmark of 1.85%. Mr. Nash reported that fiscal year to date the Fund is -14.46% versus the benchmark of -10.31%.

Mr. Nash advised that \$5 M will be transferred from Bowen, Hanes & Co. to Rockwood Capital Advisors before August 31, 2009. A new custody account will be established at Salem Trust Company in accordance with the Trustees' directive after receipt of the executed contracts from Rockwood Capital Advisors

LEE DEHNER, CHRISTIANSEN & DEHNER

Lee Dehner provided a brief summary of provisions contained in the new legislation that became effective on July 1, 2009. The Trustees concurred that the following changes should be made to the Ordinance for consideration at the meeting on November 11, 2009: 1) Permissive investment of up to 25% of market value in foreign securities; 2) Expansion of Trustee terms to four years; 3) Buy-backs of Federal or out-of-State prior service. The legislation also allows for participation in a \$3,000 non-taxable benefit on normal or disability retiree's health insurance paid directly to a health insurance provider.

Mr. Dehner reported on the Internal Revenue Service survey that was distributed to twenty public pension plans. He advised that the Trustees may decide to seek a favorable determination letter from the IRS in the future, either independently or as a participant in a volume filing.

Mr. Dehner also informed the board that a new legislative provision requires divestment of investments in Sudan and Iran. He explained how this requirement conflicts with the "Exclusive Benefit Rule", which requires Trustees of the Plan to make investment decisions for the exclusive benefit of the members of the Plan, rather than for social or political reasons.

LINDA RUNKLE, PENSION RESOURCE CENTER

The Trustees reviewed the benefit approvals provided by the Administrator for approval. Peter Sorrentino made a motion to approve the benefit approvals. The motion was seconded by John Holic, approved by the Trustees 5-0.

The Trustees reviewed the disbursements provided by the Administrator for approval. James Luck made a motion to ratify the disbursements. The motion was seconded by Andy Devries, approved by the Trustees 5-0.

Peter Sorrentino and Andy Devries expressed interest in attending the Trustee School presented by the FPPTA October 4-7, 2009.

Linda Runkle reminded the Trustees that a Disability Hearing has been scheduled for 9:00 AM on September 17, 2009 at Fire Station #3.

ADJOURNMENT

There being no further business and the next regular meeting of the Board having been previously scheduled for November 11, 2009 at 9 AM, the meeting was adjourned at 10:55 AM.

Approved: _____