

***City of Venice Police Officers' Pension Fund***  
**MINUTES OF REGULAR MEETING**  
**November 11, 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 9:05 AM. Those persons present included:

**TRUSTEES**

Kevin McGrath, Chairman  
Andy Devries  
John Holic  
Robert Palmieri  
Peter Sorrentino

**OTHERS**

Tim Nash, Bogdahn Consulting  
Lee Dehner, Christiansen & Dehner  
Linda Runkle, Pension Resource Center  
Jay Bowen, Bowen, Hanes & Co.

**APPROVAL OF MINUTES**

A motion was made by John Holic to approve the Minutes of August 12, 2009. 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 September 17, 2009. The motion was seconded by John Holic, approved by the Trustees, 5-0.

**JAY BOWEN, BOWEN, HANES & CO.**

Jay Bowen appeared before the Board on behalf of Bowen, Hanes & Co. Mr. Bowen informed the Board that the final quarter of the fiscal year was very positive, resulting in the total portfolio ending -1.9% for the fiscal year, with a balance of \$16M. He stated that the first quarter value of the portfolio, as of November 9, 2009, was \$16.7M.

Mr. Bowen stated that foreign investments are an important part of the portfolio, and he recommended that the Board increase international investments due to our "integrated, interrelated global economy". Investment consultant Tim Nash informed the Board that he will be recommending a change to the Investment Policy Statement at the next quarterly meeting, which will modify the current foreign investment target from 10% at cost to 15% at market.

In response to a Trustee question regarding the number of holdings that Bowen, Hanes & Co. manages, Jay Bowen stated that the portfolio is currently invested in 30 stocks and that he views that number as a constant in the future.

### **TIM NASH, BOGDahn CONSULTING**

Tim Nash appeared before the Board on behalf of Bogdahn Consulting. Mr. Nash discussed the quarter ending September 30, 2009. The total market value of the Fund's assets was up from \$19.2 M on June 30, 2009 to \$21.4 M on September 30, 2009. The equity investments were up 17.2% for the quarter, and the total portfolio was up 12.9%, ahead of the benchmark of 11.6%. Fixed income investments returned 6.1%, ahead of the benchmark of 4.2%. Mr. Nash reported that the fiscal year ended at -3.4% versus the benchmark of 0.1%.

Mr. Nash recommended that the Trustees forward to the City an ordinance that will permit managers to have broader investment flexibility. He suggested that the ordinance contain no investment limitations, except for the 25% limitation on foreign investments. The amendment will be incorporated into the pending Restatement Ordinance by Lee Dehner. John Holic made a motion to modify the ordinance as recommended by Tim Nash. Peter Sorrentino seconded the motion, approved by the Trustees 5-0. Mr. Nash stated that he will be available to meet with the council or city administration to discuss the ordinance.

A discussion ensued regarding the appropriate index for measuring international investment performance. Currently, the plan utilizes the MSCI-EAFE index, which does not include Canada. Mr. Nash discussed the "All Cap World", which represents 44 countries, including Canada. A decision regarding whether the index will be changed was deferred to the next quarterly meeting.

Mr. Nash reviewed the investment earnings over the past seven years, and stated that the investments are averaging 7.43%, ahead of the investment target of 6%, but under the actuarial assumption of 8%.

### **LEE DEHNER, CHRISTIANSEN & DEHNER**

Lee Dehner reported that the Restatement Ordinance will be completed and forwarded to Linda Runkle for distribution to the Trustees.

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 group filing with his firm.

## **LINDA RUNKLE, PENSION RESOURCE CENTER**

The Trustees reviewed the disbursements provided by the Administrator for approval. John Holic made a motion to ratify the disbursements. The motion was seconded by Peter Sorrentino, approved by the Trustees 5-0. Mr. Holic recommended that future Board packets not contain individual invoices, and the Trustees agreed. Linda Runkle will bring a copy of invoices to the quarterly meetings, but distribute only the summary in the packets.

Ms. Runkle stated that the 2008 Annual Report was approved by the State Department of Retirement, and that the State funds have been deposited into the plan's account at Salem Trust Company.

The Trustees reviewed the proposed calendar for 2010. Peter Sorrentino noted a potential conflict with the FPPTA Trustee School scheduled for February 7-10, 2010. Ms. Runkle will coordinate with Lee Dehner's office, and with the Trustees, to schedule an alternative date for the February quarterly meeting.

## **OTHER BUSINESS**

Kevin McGrath discussed the 6 year pension vesting requirement that the State (FRS) currently uses, and requested that the Board consider whether the Venice Police Plan should change from a 10 year service requirement for vesting to a six year requirement.

John Holic made a motion to request an actuarial impact statement from Foster & Foster. The motion was seconded by Peter Sorrentino, approved by the Trustees. The Trustees will consider modification of the vesting requirement after reviewing the cost to the plan.

## **BOARD MEMBER COMMENTS**

Chairman McGrath extended a welcome to newly elected Trustee Robert Palmieri. Mr. McGrath expressed appreciation for the tremendous service to the Board recently completed by long time trustee, Jim Luck. Mr. Luck's expertise in financial matters was an asset to the Board, and his input will be missed.

Lee Dehner suggested that all of the Trustees receive a copy of his article on administrative responsibilities for public pension plan trustees; he will forward a copy to Ms. Runkle for distribution.

John Holic requested that the Trustees and visitors pause in silence to recognize veterans, past and present, on Veterans' Day.

## **ADJOURNMENT**

There being no further business and the next regular meeting of the Board having been previously scheduled to occur at a date to be determined in February, 2010, the meeting was adjourned at 11:05 AM.

Approved: \_\_\_\_\_