

City of Venice Police Officers' Pension Fund
MINUTES OF REGULAR MEETING
May 20, 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
3 Current Officers

Kevin McGrath introduced the members and visitors in attendance at the meeting.

APPROVAL OF MINUTES

A motion was made by James Luck to approve the Minutes of August 13, 2008. Andy Devries noted a typographical error on page 2, regarding the decrease in the value of the portfolio. The motion was amended to allow Linda Runkle to ascertain the correct values and modify the minutes as reflected in the report. The motion was seconded by John Holic, approved by the Trustees 5-0.

A motion was made by John Holic to approve the Minutes of February 20, 2008. The motion was seconded by James Luck, approved by the Trustees, 5-0.

A motion was made by James Luck to approve the Minutes of the Disability Hearing for Ginger Stone on February 20, 2008. The motion was seconded by John Holic, approved by the Trustees, 5-0.

A motion was made by James Luck to approve the Minutes of May 8, 2008. The motion was seconded by Peter Sorrentino, approved by the Trustees, 5-0.

A motion was made by James Luck to approve the Minutes of February 25, 2009. The motion was seconded by John Holic, approved by the Trustees, 5-0.

TIM NASH, BOGDAHN CONSULTING

Tim Nash appeared before the Board on behalf of Bogdahn Consulting. Mr. Nash informed the Board that he will be the investment consultant working directly with the Board. Lee Dehner discussed the process initiated by the Board of Trustees in November of 2008 to diversify investments by adding an additional investment manager. At the quarterly meeting in February, the Trustees interviewed representatives of Dana Investment Advisors and Rockwood Capital. A lengthy discussion of investment strategies ensued. Mr. Nash advised that both companies would work with and complement Bowen, Hanes & Co. He distributed an "Investment Manager Review: Balanced Manager and Equity Blends".

Mr. Nash discussed the quarter ending March 31, 2009. The total market value of the fund's assets was down from \$19.2 M on December 31, 2008 to \$17.3 M on March 31, 2009. Currently, the portfolio value has increased to \$18.6M. The equity investments were the most problematic for the quarter, down -12.1 % versus the index of -10.45 %. Bonds were down -0.25% versus the benchmark of -1.25%. In response to a question whether there have been any change in Bowen's fixed income managers during the past two years, Mr. Nash responded in the negative. A Trustee requested that quarterly reports be sent to all Trustees. Linda Runkle stated that she will include Bowen reports with the quarterly Trustee packets if Bowen, Hanes & Company will provide copies in advance of mailing the packets.

Tim Nash discussed the Investment Manager Review summary document and stated that Bogdahn agrees that it makes sense to diversify investments by adding a complementary manager. Mr. Nash recommended a 65/35 Equity/Fixed Income allocation. Lee Dehner stated that both Dana and Rockwood quoted 70 basis points to manage an equity account, but the cost should be less if the new manager handles a balanced account. Currently, the fund is paying Bowen 40 basis points for balanced management. A thorough discussion of the pros and cons of the different combinations of investment managers followed.

The Trustees discussed the defensive posture of Rockwood, and agreed that moving 25% of the fund should be positive in the long term. Rockwood looks "Top Down" (monitors what is happening in the world) and does a quantitative analysis. Mr. Nash reviewed the Risk/Return Summary provided by Bogdahn and concluded that the Bowen/Rockwood blend would provide the highest return with the least risk.

A motion was made by John Holic, contingent upon a reduced fee negotiation with Rockwood for managing a balanced investment portfolio, to transfer 25% of the entire portfolio to Rockwood Capital for balanced management at 65/35%. The motion was seconded by James Luck, approved by the Trustees.

Lee Dehner asked Mr. Nash if he recommended any investment policy changes at this point and the response was negative.

LEE DEHNER, CHRISTIANSEN & DEHNER

Mr. Dehner provided an update on legislative matters, including a summary of provisions contained in Senate Bill 538 and companion House Bill 5, which will take effect on July 1, 2009. At the next meeting, the Trustees will discuss whether any of the following changes should be made to the Plan: 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 also reminded the Trustees to file their Financial Disclosure forms before July 1, 2009.

LINDA RUNKLE, PENSION RESOURCE CENTER

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 John Holic, approved by the Trustees 5-0.

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

The Trustees requested that Ms. Runkle schedule and post a Special Meeting on May 28, 2009, immediately following a previously scheduled Disability Hearing, for a discussion of Trustee Election Procedures.

A brief discussion arose regarding the opportunities for Trustee training and education. A motion was made by James Luck to approve the registration and expenses for two members of the Board to attend Trustee training during 2009. The motion was seconded by John Holic, approved by the Trustees 5-0.

ADJOURNMENT

There being no further business and the next regular meeting of the Board having been previously scheduled for August 12, 2009 at 9 AM, the meeting was adjourned at 11:16 AM.

Approved: _____