

City of Venice Police Officers' Pension Fund
MINUTES OF REGULAR MEETING
February 9, 2011

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 9:15 AM. He welcomed new Trustee James Magero to the Board. Those persons present included:

TRUSTEES

Kevin McGrath, Chairman
James Magero
Andy Leisenring
Robert Palmieri

OTHERS

Tim Nash, Bogdahn Consulting
Lee Dehner, Christiansen & Dehner
Linda Runkle, Pension Resource Center
Doug Lozen, Foster & Foster

ELECTION OF 5TH TRUSTEE

Robert Palmieri made a motion to elect Andy Devries as the 5th Trustee. The motion was seconded by Andy Leisenring, approved by the Trustees 4-0. Mr. Devries term will expire on September 30, 2012. The Plan Administrator will submit the selection of Mr. Devries to the City for affirmation.

ELECTION OF SECRETARY

Robert Palmieri made a motion to elect Andy Leisenring as the Board Secretary. The motion was seconded by James Magero, approved by the Trustees 4-0.

APPROVAL OF MINUTES

A correction to the draft minutes was made to reflect that David Kelly appeared at the meeting of November 10, 2010 on behalf of Bowen, Hanes & Company. Andy Leisenring made a motion to approve the minutes of November 10, 2010, as amended. The motion was seconded by James Magero, approved by the Trustees 4-0.

DOUG LOZEN, FOSTER & FOSTER

Doug Lozen appeared before the Board on behalf of Foster & Foster to present the October 1, 2010 Actuarial Valuation. The actuarial valuation determines the contribution required by the City to fund the benefits provided by the plan. The required contribution for the City in 2011 is 39.4% of total payroll, or approximately \$1.2M; the cost for 2012

is 49.83% of payroll, or approximately \$1.6M. Mr. Lozen reported that the percentage of payroll is actually lower, due to the fact that 6 current employees are participants in the Deferred Retirement Option Plan (DROP). Active members contribute 7 ¼% of their payroll, and \$186,898 of state money is contributed on an annual basis.

Mr. Lozen explained that mandated changes to a new mortality table, flat payroll costs, and investment losses from 2008 and 2009 all contribute to the increased required contribution by the City. He advised that the City failed to make the required contribution of \$967,000 during the 2010 fiscal year, and identified a shortfall of \$355,817. Robert Palmieri made a motion to authorize Mr. Lozen to contact the City's Finance Director to resolve the underpayment issue. The motion was seconded by James Magero, approved by the Trustees 4-0. A motion was made by Andy Leisenring to approve the actuarial report as presented by Mr. Lozen. The motion was seconded by James Magero, approved by the Trustees, 4-0.

Lee Dehner questioned Tim Nash regarding the total annual expected rate of return on investments. Mr. Nash stated that 8% is a reasonable assumption for the short, mid, and long-term. A motion was made by Robert Palmieri to determine, based upon the advice of the investment consultant, that 8% represents a reasonable assumption net of fees for the next several years and for the long term thereafter. The motion was seconded by Andy Leisenring, approved by the Trustees 5-0.

TIM NASH, THE BOGDAHN GROUP

Tim Nash appeared before the Board on behalf of The Bogdahn Group to review the quarter ending December 31, 2010. The total market value of the portfolio was up from \$23.6M on September 30, 2010 to \$25.1M on December 31, 2010. Mr. Nash advised that the total portfolio was up 7.39% for the quarter compared to the benchmark of 6.37%. He reported that Rockwood Capital Advisors had an excellent year ending December 31, 2010, and advised that a representative of Rockwood Capital Advisors will attend the next quarterly meeting in May to provide a report.

Mr. Nash advised that all investments within the portfolio are in compliance with the statutory prohibition against investment in scrutinized companies, in accordance with the Protecting Florida's Investments Act. He recommended no changes in the investment portfolio.

LEE DEHNER, CHRISTIANSEN & DEHNER

Lee Dehner reported that a Records Management Liaison Officer must be appointed in accordance with Florida Statutes. The Board reviewed Resolution 01-2011, which designates Linda Runkle, Plan Administrator, as the Records Management Liaison Officer, and adopts the State of Florida General Records Schedule. Andy Leisenring made a motion to approve Resolution 01-2011. James Magero seconded the motion, approved by the Trustees 4-0.

Mr. Dehner reported that he has given a draft of the revised Summary Plan Description to Chairman McGrath for review, and the Board will consider its adoption at the quarterly meeting in May. He advised that the state legislature will be in session through late April or early May, and recommended scheduling a special meeting to occur in March for the purpose of discussing pending legislation.

LINDA RUNKLE, PENSION RESOURCE CENTER

The Trustees reviewed the disbursements provided by the Administrator. Andy Leisenring made a motion to ratify the disbursements. The motion was seconded by James Magero, approved by the Trustees 4-0.

The Trustees reviewed the benefit approvals provided by the Administrator. James Magero made a motion to approve the benefit approvals as submitted. The motion was seconded by Andy Leisenring, approved by the Trustees 4-0.

The Trustees discussed updating beneficiary forms for all active members. Linda Runkle will provide a form to Andy Leisenring, and he will coordinate updates with active members of the department.

Robert Palmieri reported on his training experience at a recent FPPTA Trustees School. He requested that the Board approve his enrollment in the Certified Public Pension Trustee (CPPT) program at the cost of \$900. James Magero made a motion to enroll Mr. Palmieri in the CPPT program. The motion was seconded by Andy Leisenring, approved by the Trustees 4-0.

ADJOURNMENT

There being no further business and the next regular meeting of the Board having been previously scheduled to occur on May 11, 2011 at 9:00 AM, the meeting was adjourned at 11:05 AM.

Approved: _____