

City of Venice Police Officers' Pension Fund
MINUTES OF REGULAR MEETING
November 13, 2013

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 9:00 AM. Those persons present included:

TRUSTEES

Kevin McGrath, Chairman
Andy DeVries
Andy Leisenring
Robert Palmieri
Ernie Skinner

OTHERS

Tim Nash, Bogdahn Consulting
Lee Dehner, Christiansen & Dehner
Linda Runkle, Pension Resource Center
David Kelly, Bowen, Hanes & Co.
Leta Chaney, Salem Trust Company

PUBLIC COMMENTS

There were no public comments.

CERTIFICATION OF TRUSTEE ELECTION

Ernie Skinner made a motion to certify the new term of Trustee Robert Palmieri. Due to the recent passage of an ordinance by the City Council, Trustee terms are now four years. Mr. Palmieri's term is from September 30, 2013 through September 30, 2017. The motion was seconded by Andy Leisenring, approved by the Trustees, 5-0.

APPROVAL OF MINUTES

Ernie Skinner made a motion to approve the minutes of the quarterly meeting held on August 7, 2013. The motion was seconded by Andy Leisenring, approved by the Trustees, 5-0.

CUSTODIAN REPORT: LETA CHANEY

Leta Chaney appeared before the Board on behalf of Salem Trust Company. She reported that the Benefit Payment System conversion, effective April 1, 2013 went well. She advised that the Operating System conversion, effective June 1, 2013, has been a difficult and challenging transition. She advised that issues are being resolved, and that statements are being distributed. Ms. Chaney advised that Salem Trust Company has provided credits to the quarterly fees for the second and third quarters of 2013.

BOWEN, HANES & COMPANY: DAVID KELLY

David Kelly appeared before the Board on behalf of Bowen, Hanes & Company to review the performance of the portfolio. Currently, Bowen, Hanes & Company is managing \$21.7M for the pension plan. Mr. Kelly advised that the portfolio increased from \$19.6M on September 30, 2012 to \$21.2M on September 30, 2013. He explained that Bowen, Hanes & Company has been holding cash due to negative returns for fixed income investments; currently there is \$1.3M in cash within the portfolio.

Mr. Kelly reported that Bowen, Hanes & Company underperformed the benchmark in equities for the fiscal year, returning 16.3% versus the benchmark of 18.4%. He reviewed performance utilizing twenty year rolling periods since inception of June 30, 1986, and reported that all 20 year returns have exceed 8%.

TIM NASH, THE BOGDAHN GROUP

Tim Nash appeared before the Board on behalf of The Bogdahn Group to review the quarter ending September 30, 2013. The total market value of the portfolio was \$29M on September 30, 2013. He reported that the performance of the portfolio for the fiscal year is 11.96% gross of fees, versus the benchmark of 12.41%. Mr. Nash advised that the net of fee return for the fiscal year is 11.5%.

Mr. Nash explained that the Board could diversify the portfolio by investing in real estate funds. Lee Dehner advised that the recent ordinance approved by the City Council permits the investment of pension funds in institutional real estate investments. Mr. Nash explained that historically fixed income investments generated 5-6%; but predicted that 2-3% would be the expected positive returns in the near future. He recommended that less than 10% of total assets be invested into real estate. The Board will discuss potential managers for real estate investment at the next quarterly meeting.

Mr. Nash advised that he will modify the Investment Policy Statement for review by the Board at the next quarterly meeting.

LEE DEHNER, CHRISTIANSEN & DEHNER

Lee Dehner reported that the City approved the ordinance that contains modifications necessary for compliance with IRS regulations. The ordinance also permits investment in real estate, and expands Trustee terms to four years. Mr. Dehner advised that all current Trustee terms should have two years added to their duration.

Mr. Dehner explained that State law requires that "Public Comments" be included on each agenda.

LINDA RUNKLE, PENSION RESOURCE CENTER

The Trustees reviewed the disbursements and benefit approvals provided by the Administrator. Ernie Skinner made a motion to ratify the disbursements and benefit approvals as submitted. The motion was seconded by Andy DeVries, approved by the Trustees, 5-0.

Linda Runkle presented the 2014 meeting schedule: quarterly meetings will be held on February 12, May 14, August 6, and November 5, 2014. Ms. Runkle provided a summary of the response to the annual medical disability affidavit; all three medical retirees provided their affidavits and doctor's statements.

BOARD MEMBER COMMENTS

Andy Leisenring advised that he will provide an update to the City Council after the 2013 Actuarial Valuation is received.

ADJOURNMENT

There being no further business and the next regular meeting of the Board having been previously scheduled to occur on February 12, 2014 at 9:00 AM, the meeting was adjourned at 10:15 AM.

Approved: _____

