

City of Venice Police Officers' Pension Fund
MINUTES OF REGULAR MEETING
May 14, 2014

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 9:02 AM. Those persons present included:

TRUSTEES

Kevin McGrath, Chairman
Ernie Skinner
Andy Leisenring
Robert Palmieri

OTHERS

Tim Nash, Bogdahn Consulting
Lynn Skinner, Salem Trust Company
Linda Runkle, Pension Resource Center

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES

Ernie Skinner made a motion to approve the minutes of the special meeting held on December 20, 2013. The motion was seconded by Andy Leisenring, approved by the Trustees, 4-0.

Ernie Skinner made a motion to approve the minutes of the quarterly meeting held on February 12, 2014. The motion was seconded by Andy Leisenring, approved by the Trustees, 4-0.

CUSTODIAN REPORT: SALEM TRUST COMPANY

Lynn Skinner appeared on behalf of Salem Trust Company. She advised that Salem Trust Company has been the custodian for the Pension Plan since October 1998. She explained that the custodian safeguards the assets of the Plan, pays benefits and expenses of the Plan, files class actions, and issues financial statements. Ms. Skinner advised that the fee for services has been five basis points since January 2002.

Tim Nash reported that he is not experiencing any problems with Salem Trust Company. Kevin McGrath stated that the Board has had a good relationship with Salem Trust Company and that the services are far superior to their predecessor. The Board concluded that they are satisfied with the current relationship and requested that Lynn Skinner attend a Board meeting on an annual basis.

TIM NASH, THE BOGDahn GROUP

Tim Nash appeared before the Board on behalf of the Bogdahn Group to review the quarter ending March 31, 2014. The total market value of the portfolio was \$30.7M on March 31, 2014, compared to \$28M on March 31, 2013. He reported that the return for the first quarter of 2014 was 0.45% versus the benchmark of 1.77%. Mr. Nash advised that the long term performance of the managers is high, but that both managers have struggled with short term performance, due primarily to investments in tech stocks. He reported that both managers are underweight in international equities, which is positive. Mr. Nash advised that the fiscal year-to-date return is 7.83% versus the benchmark of 7.53%.

Mr. Nash recommended that the Board invest 10% of the portfolio in real estate. He advised that real estate investments are currently returning 7-9%. He recommended that an investment in real estate would be funded from fixed income investments.

Mr. Nash provided a review of core real estate investments. He explained that the investment is income driven, and that the increase in real estate value is secondary.

The Board reviewed the revised Investment Policy Statement. The revisions will permit the Board to invest in real estate, and provide modifications to the fixed income investment strategies. Mr. Nash has submitted a draft of the Investment Policy Statement to Lee Dehner for his review and approval. Ernie Skinner made a motion to approve the revised Investment Policy Statement, subject to Mr. Dehner's approval. The motion was seconded by Andy Leisenring, approved by the Trustees, 4-0.

Mr. Nash recommended that the Board invest \$3M with ASB Capital Management. The Board requested that Mr. Dehner review contract documents. Ernie Skinner made a motion to proceed with document review with the intent to invest \$3M with ASB Capital Management. The motion was seconded by Robert Palmieri, approved by the Trustees, 4-0. The Board will discuss and review this matter to make a final decision at the next quarterly meeting when Mr. Dehner is present.

LEE DEHNER, CHRISTIANSEN & DEHNER

Lee Dehner was unable to attend the meeting. Linda Runkle advised that Mr. Dehner should have an update on his discussion with the City Attorney regarding the extension of Trustee terms. Ms. Runkle will contact Mr. Dehner to determine if the existing Trustee terms will be extended by two years as recommended by Mr. Dehner.

Linda Runkle reminded the Trustees to file the Form 1 Financial Disclosure with the Supervisor of Elections by July 1, 2014.

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 Leisenring, approved by the Trustees, 4-0.

Ms. Runkle advised that all forty-seven current retirees complied with the request to provide an affidavit declaring that they are eligible to receive retirement pension benefits from the plan.

The Board reviewed the quote for renewal of fiduciary liability insurance with Hudson Insurance Company. The annual premium will be \$4,928.25 for coverage effective June 21, 2014 through June 21, 2015. Robert Palmieri made a motion to bind coverage with Hudson Insurance Company. The motion was seconded by Andy Leisenring, approved by the Trustees, 4-0.

The Board requested that Christiansen & Dehner be scheduled for an informal service provider review at the next meeting.

BOARD MEMBER COMMENTS

Andy Leisenring advised that he received an audit quote of \$6,500.00 for the 2014 Audit from Moore Stephens Lovelace. Mr. Leisenring will forward the quote to Ms. Runkle and the Board will discuss this matter at the next meeting.

Mr. Leisenring reported that the FOP Union has met with the City Council, but that a contract has not yet been approved.

ADJOURNMENT

There being no further business and the next regular meeting of the Board having been previously scheduled to occur on August 6, 2014 at 9:00 AM, the meeting was adjourned at 11:05 AM.

Approved: 