

***City of Venice Police Officers' Pension Fund***  
**MINUTES OF REGULAR MEETING**  
**November 9, 2016**

**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 11:30 AM. Those persons present included:

**TRUSTEES**

Kevin McGrath, Chairman  
Robert Palmieri  
Andy Leisenring  
Ernie Skinner

**OTHERS**

Tim Nash, Bogdahn Group  
Lee Dehner, Christiansen & Dehner  
Lori Stelzer, City Clerk  
Kelly Fernandez, Asst. City Attorney  
Douglas Lozen, Foster & Foster  
Robert Kovacs, Pension Resource Center  
Richard Manzo, Pension Resource Center

**PUBLIC COMMENTS**

There were no public comments.

**APPROVAL OF MINUTES**

Ernie Skinner made a motion to approve the minutes of the quarterly meeting held on August 10, 2016. The motion was seconded by Andy Leisenring, approved by the Trustees, 4-0.

**DOUGLAS LOZEN, FOSTER & FOSTER**

Douglas Lozen appeared before the Board to present the 2016 Actuarial Valuation, and gave a summary of the current financial position of the fund. Mr. Lozen advised that, with the closing of the Plan, the unfunded liability should begin decreasing fairly rapidly. Mr. Lozen explained that the only factor that might hinder this would be low investment returns. Mr. Lozen reported that the 4 year smooth was close to the assumed rate of return. Mr. Lozen advised that the funded ratio is 83.4% as of October 1, 2016. Mr. Lozen explained that the funding ratio would have increased to 86.2% if not for the implementation of the RP2000 Mortality tables. Mr. Lozen reported that the unfunded liability increased from \$6.7M as of October 1, 2015 to \$6.8M as of October 1, 2016. Mr. Lozen advised that the increase is due to implementing the new mortality tables and the 4 year smooth being slightly less than the assumed rate of return. Mr. Lozen advised that a significant amount of obligations will be paid off over the next 2, 3, 4, and 5 year time frames. Mr. Lozen explained that the City's present \$1.3M obligation might be only

\$500,000 5 years from now. Mr. Lozen advised that there are now only 7 active Plan members due to transfers to FRS, and the Plan being closed to new members. **Ernie Skinner made a motion to approve the 2016 Actuarial Valuation. The motion was seconded by Andy Leisenring, approved by the Trustees 4-0.** Tim Nash advised that it is reasonable to expect a 7% rate of return for the current year, in the near future, and in the long-term. **Ernie Skinner made a motion to accept 7% as a reasonable assumed rate of return in the short-term, medium-term, and long-term. The motion was seconded by Rob Palmieri, approved by the Trustees 4-0.** Douglas Lozen and Tim Nash agreed to provide additional state mandated calculations, which will be posted by the City and the Administrator.

### **SUNSHINE LAW**

Lori Stelzer and Kelley Fernandez appeared before the Board to present a refresher course on Sunshine, Public Records, and Ethic Laws. The Trustees took a brief quiz which provided real life examples of acceptable and unacceptable actions regarding Sunshine Law.

### **KEVIN MCGRATH, CITY OF VENICE POLICE**

Kevin McGrath reviewed the current status of the Retiree COLA to the board. Kevin advised that the City Council rejected a COLA proposal on November 8, 2016, by a vote of 5-2. Mr. McGrath advised that he will meet with the Mayor again in the near future. Mr. Lozen recommended doing a comparison of City costs over the next 10 years with and without a COLA increase.

### **TIM NASH, THE BOGDAHN GROUP**

Tim Nash appeared before the Board on behalf of the Bogdahn Group. Mr. Nash advised that the transfer of funds to Alger and Brandywine had been completed successfully, at a very low cost. Mr. Nash reported that the international investments did quite well in 3Q2016. Mr. Nash advised that the fund's size had increased from \$26.5M to \$32.7M during FY 2016. Mr. Nash reported that the total return for the fund during FY 2016 was 11.2% net-of-fees. Mr. Nash explained that he intended to resume quarterly manager presentations with the February 8, 2017 meeting.

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

Lee Dehner appeared before the Board. Mr. Dehner informed the Board that he had approved the Audit Engagement letter. **Andy Leisenring made a motion for the Board to direct Mr. Dehner to prepare an ordinance providing for the establishment of a Share Plan in the event that the City and the Police Officers' Bargaining unit are unable to agree on the distribution of state monies. The motion was seconded by Rob Palmieri, approved by the Trustees 4-0.** The Board directed the Administrator to prepare a report of FY2016 expenditures for Board approval and distribution to the City. **Andy Leisenring made a motion to approve the**

**Audit Engagement Letter. The motion was seconded by Ernie Skinner, approved by the Trustees 4-0.**

**ROBERT KOVACS AND RICHARD MANZO, PENSION RESOURCE CENTER**

The Trustees reviewed the disbursements and benefit approvals provided by Robert Kovacs. **Ernie Skinner made a motion to ratify the disbursements and benefit approvals as submitted. The motion was seconded by Andy Leisenring and approved by the Trustees, 4-0.** Mr. Kovacs advised that Andy Leisenring had been nominated to serve another term as Trustee, without opposition. **Ernie Skinner made a motion to appoint Andy Leisenring to another term, by acclamation. The motion was seconded by Rob Palmieri, approved by the Trustees, 3-0.** Andy Leisenring made a motion to renew the Board's membership in the FPPTA. The motion was seconded by Rob Palmieri, 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 February 8, 2017 at 11:30 AM, the meeting was adjourned at 2:21 PM.

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

*Andy Leisenring*