

***City of Venice Police Officers' Pension Fund***  
**MINUTES OF REGULAR MEETING**  
**November 11, 2015**

**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  
Robert Palmieri  
Andy Leisenring  
Ernie Skinner  
Andy DeVries

**OTHERS**

Tim Nash, Bogdahn Consulting  
Lee Dehner, Christiansen & Dehner  
Linda Runkle, Pension Resource Center  
Lynn Skinner, Salem Trust Company  
Jay Bowen, Bowen, Hanes & Company

Chairman McGrath expressed appreciation to United States Military Veterans in recognition of Veterans' Day.

**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 12, 2015. The motion was seconded by Robert Palmieri, approved by the Trustees, 5-0.

**OLD BUSINESS**

Kevin McGrath reported that Doug Lozen recommends postponing discussion regarding a retiree cost-of-living adjustment (COLA) until after the 2015 Actuarial Valuation is completed. It was a consensus of the Board to discuss this agenda item at the next quarterly meeting.

Plan Administrator Linda Runkle reported on the status of calculations of future retirement benefits for vested deferred members of the pension plan. She advised that Andy Leisenring has been instrumental in obtaining the cooperation of the City Administration in the preparation of a listing of pensionable benefit amounts to include with salary history for the calculation for each member. The City has indicated that the list will be provided to the Pension Resource Center in early November.

## **INVESTMENT MANAGER REPORT: BOWEN HANES AND COMPANY**

Jay Bowen appeared before the Board on behalf of Bowen, Hanes & Company. He advised that performance during 2Q2015 was relatively strong, but that performance during 3Q2015 was poor, resulting in performance of -5.3% for the fiscal year ending on September 30, 2015. Mr. Bowen reported that Bowen, Hanes & Company has managed assets for the Venice Police Officers' Pension Fund for 29 years. He provided a graph demonstrating historic performance after a negative year.

Mr. Bowen advised that the current asset allocation is appropriate. He explained that three major market factors have affected the market: China; Emerging Market issues, and Federal Reserve Board decisions. He stated that "It is disappointing and stunning that one negative quarter can have such an impact on performance".

Mr. Bowen reviewed long term performance over ten year and twenty year rolling periods.

## **TIM NASH, THE BOGDahn GROUP**

Tim Nash appeared before the Board on behalf of the Bogdahn Group. He reviewed performance of the portfolio for the quarter and fiscal year ending September 30, 2015. The total market value of the portfolio was \$28.7M on September 30, 2015, compared to \$31.5M on September 30, 2014. Mr. Nash reported that the overall portfolio rate of return for the fiscal year is -4.57%. He advised that performance is at the bottom of the peer group, and that performance over the past three years has been below the benchmark.

Mr. Nash advised that Bogdahn Group recommends the termination of the two current balanced money managers and the hiring of specialized money managers for the investment portfolio. He reviewed the compliance checklist on page 36 of his report, and stated that, as a fiduciary to the plan, he must make the termination recommendation. It was a consensus of the Board that Mr. Nash should provide examples of how similar pension plans are managed, and that he should bring recommendations to the Board at the next quarterly meeting. Mr. Nash reported that he anticipates a capital call during the quarter from ASB, the new real estate investment. He explained that the call will be funded proportionately from current investments.

Mr. Nash distributed the revised Investment Policy Statement that reflects the new 7.0% expected rate of return. Ernie Skinner made a motion to approve the revised Investment Policy Statement. The motion was seconded by Andy Leisenring, approved by the Trustees, 5-0.

### **LYNN SKINNER, SALEM TRUST COMPANY**

Lynn Skinner appeared before the Board on behalf of Salem Trust Company. She reported that the SSAE-16 Report for the period ending June 30, 2015 is complete, and provides a clean opinion. She explained that the challenges of the software conversion are now in the past, and the Company is moving forward in a positive manner.

Ms. Skinner provided an update on Globe Tax, the service provider which assists with the return of international taxes paid upon investments. She provided forms for signature and advised that, due to the delay in bringing this service to fruition, Salem Trust Company will waive the custodial fee for this service for three years.

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

Lee Dehner reported that he will prepare a revised Summary Plan Description for discussion at the next quarterly meeting.

### **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, 4-0 (Robert Palmieri was out of the room during the vote).

Linda Runkle reported on the additional medical disability information provided by a retiree in order to enable the Board to render a determination that an annual review is not required due to the nature of the retiree's illness. Andy DeVries made a motion to waive the annual requirement for a medical disability affidavit and doctor's statement due to the nature of the retiree's illness. The motion was seconded by Andy Leisenring, approved by the Trustees, 5-0.

The Board reviewed the proposed meeting calendar for 2016. Andy Leisenring requested that quarterly meetings be scheduled to commence at 1:00 pm, if possible, due to his work schedule. Ms. Runkle will coordinate with Mr. Dehner and Mr. Nash to determine if this request can be accommodated.

Ms. Runkle explained the required annual report to the State regarding the retention of public records, and the designation of a Records Management Liaison Officer (RMLO). Ernie Skinner made a motion to designate Ms. Runkle as the RMLO. The motion was seconded by Andy Leisenring, approved by the Trustees, 5-0.

Ms. Runkle reported on the death of the beneficiary of a deceased retiree. She advised that she is attempting to obtain a reimbursement from the daughter of the deceased beneficiary for a pension payment that was automatically deposited prior to notification of the beneficiary's death. The pension obligation of the plan terminated upon the death of the retiree's beneficiary.

## **ADJOURNMENT**

There being no further business and the next regular meeting of the Board having been previously scheduled to occur on February 10, 2016 at 9:00 AM, the meeting was adjourned at 11:05 AM.

Approved: Chris Leising