

City of Venice Police Officers' Pension Fund
MINUTES OF REGULAR MEETING
February 10, 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 1:00 PM. 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
Mike Schade, Retiree

PUBLIC COMMENTS

Retiree Mike Schade inquired about whether there will be a cost of living increase (COLA) for retirees. He stated that he has not received a COLA for many years. Kevin McGrath explained that he has met with City officials, and that the Union does not object to the concept of COLAs for the retirees. Mr. McGrath advised that he will meet with the new Chief, Thomas Mattmueller, and report to the Board at the next quarterly meeting.

APPROVAL OF MINUTES

Ernie Skinner made a motion to approve the minutes of the quarterly meeting held on November 11, 2015. The motion was seconded by Andy Leisenring, approved by the Trustees, 5-0.

Ernie Skinner made a motion to approve the minutes of the Medical Disability Hearing held on November 11, 2015. The motion was seconded by Andy DeVries, approved by the Trustees, 5-0.

Ernie Skinner made a motion to approve the minutes of the special meeting held on January 14, 2016. The motion was seconded by Andy Leisenring, approved by the Trustees, 5-0.

ACTUARIAL VALUATION

Plan Administrator Linda Runkle distributed a copy of the Summary of Report page from the 2015 Actuarial Valuation. She advised that Doug Lozen will attend the quarterly meeting scheduled for May 11, 2016 to discuss the entire Actuarial Valuation. Ms. Runkle reported that the 8.73% return on investments for actuarial purposes exceeded

the 7% assumption, which helped result in reduced funding costs to the City. The City's funding requirement for next fiscal year will be \$1.34M, compared to \$2.1M for the current fiscal year.

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 ending December 31, 2015. The total market value of the portfolio was \$31.46M on December 31, 2015, compared to \$28.7M on September 30, 2015. Mr. Nash reported that the overall portfolio rate of return for the fiscal year was -4.57% gross of fees. He advised that performance has been volatile, ranging from the best to the worst. He reported that the new real estate investment, ASB, has been funded and will produce dividend income of 6%, a positive addition to the portfolio.

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 examples of how similar pension plans are managed, and recommended that lower allocations be made to equities with specialized money managers. He advised that two key factors are involved in investment success: asset allocation and individual manager strategies.

Mr. Nash requested that the Board convene for a special meeting prior to the next quarterly meeting for the purpose of discussing revised asset allocations and recommendations for new money managers. The Board concurred that a special meeting should be scheduled for this purpose. Mr. Nash explained that a Transition Manager will be utilized to handle the portfolio assets during the move from the current balanced portfolio managers to individual specialized managers.

LEE DEHNER, CHRISTIANSEN & DEHNER

Lee Dehner reviewed a revised Summary Plan Description (SPD) that includes updates from Ordinances passed during 2014 and 2015. Andy Leisenring made a motion to approve the revised SPD. The motion was seconded by Ernie Skinner, approved by the Trustees, 5-0. Foster & Foster will prepare an Exhibit B to attach to the final document. The effective date is February 10, 2016. Ms. Runkle will provide an electronic copy of the SPD to Andy Leisenring for distribution to members, and it will be posted on the website.

Mr. Dehner reminded Trustees that the annual financial disclosure, Form 1, must be submitted to the Supervisor of Elections by July 1, 2016.

LINDA RUNKLE, PENSION RESOURCE CENTER

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

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

ADJOURNMENT

There being no further business and the next regular meeting of the Board having been previously scheduled to occur on May 11, 2016 at 1:00 PM, the meeting was adjourned at 3:00 PM.

Approved: Andy Leisenring