

***City of Venice Police Officers' Pension Fund***  
**MINUTES OF REGULAR MEETING**  
**May 11, 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 1:07 PM. Those persons present included:

**TRUSTEES**

Kevin McGrath, Chairman  
Robert Palmieri  
Andy Leisenring  
Ernie Skinner

**OTHERS**

Tim Nash, Bogdahn Consulting  
Lee Dehner, Christiansen & Dehner  
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 quarterly meeting held on February 10, 2016. The motion was seconded by Andy Leisenring, approved by the Trustees, 4-0.

Ernie Skinner made a motion to approve the minutes of the special meeting held on April 13, 2016. The motion was seconded by Andy Leisenring, approved by the Trustees, 4-0.

Ernie Skinner made a motion to modify the agenda to receive the report of Investment Consultant Tim Nash due to the fact that Doug Lozen had not arrived at the meeting. The motion was seconded by Rob Palmieri, approved by the Trustees, 4-0.

**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 March 31, 2016. The total market value of the portfolio was \$31.37M on March 31, 2016, compared to \$31.46M on December 31, 2015. Mr. Nash reported that the overall portfolio rate of return for the fiscal year to date is 6.4% net of fees. He advised that the basis for the recommended manager changes is evidenced by 1 year performance of -3.99% net of fees, placing the fund in the 92<sup>nd</sup> quartile.

Mr. Nash reported that the EuroPacific Growth Mutual Fund has been purchased in the amount of \$3M. He explained that the plan's Custodian, Salem Trust Company will charge \$275.00 annually to maintain an additional investment account. Mr. Nash advised that BTIG will be utilized as the Transition Manager due to their fee of .85 basis points per share.

### **ACTUARIAL VALUATION**

Doug Lozen appeared before the Board on behalf of Foster & Foster to present the 2015 Actuarial Valuation. He advised that the City will experience a sizeable reduction in required contributions for the next fiscal year, dropping from \$2.079M in 2016 to \$1.34M in 2017. He reported that the annualized rate of return for the prior four years is 8.73%, well in excess of the 7% assumed rate of return adopted by the Board based upon the recommendation of the State Actuary.

Mr. Lozen explained that the current Actual Valuation reflects only 8 active participants in the plan after the FRS conversion. He advised that the funded ratio for the plan is 82.9%. Mr. Lozen reported that the Unfunded Actuarial Accrued Liability (UAAL) expected as of October 1, 2015 was \$8.7M compared to the actual UAAL of \$6.7M.

Ernie Skinner made a motion to accept the Actuarial Valuation as presented. The motion was seconded by Robert Palmieri, approved by the Trustees, 4-0.

Ernie Skinner made a motion to determine that the expected annual rate of return, based upon the advice of the investment consultant, is 7% in the short, medium, and long term. The motion was seconded by Andy Leisenring, approved by the Trustees, 4-0.

The Board reviewed an analysis of Cost-of-Living Adjustments (COLAs) prepared by Foster & Foster. Chairman McGrath will meet with the Chief of Police and provide a report to the Board at the next quarterly meeting.

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

Lee 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 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.

Linda Runkle advised that current fiduciary liability insurance coverage will expire June 21, 2016. The carrier is Hudson Insurance Company. Ms. Runkle explained that the broker failed to provide renewal quotes in advance of the Board meeting in spite of the

fact that the renewal application and required documents were submitted to the broker on March 31, 2016. Ms. Runkle requested authorization to bind renewal coverage with Hudson Insurance Company if the quote is reasonably related to the current cost. Andy Leisenring made a motion to renew fiduciary liability insurance coverage with Hudson Insurance Company. The motion was seconded by Ernie Skinner, approved by the Trustees, 4-0.

Ms. Runkle reported that the Board completed the rotation of informal service provider reviews last year, and inquired whether the Board would like to resume the reviews at the next quarterly meeting. It was a consensus of the Board that the reviews should be reinstituted. Ms. Runkle will prepare a rotation list and notify the service providers.

### **BOARD MEMBER COMMENTS**

Chairman Kevin McGrath expressed sincere appreciation for the service of Officer Mike Schade, who passed away recently. Officer Schade retired from the Police Department in 1994 after 22 years of service.

### **ADJOURNMENT**

There being no further business and the next regular meeting of the Board having been previously scheduled to occur on August 10, 2016 at 1:00 PM, the meeting was adjourned at 2:10 PM.

Approved: Andy Leisenring