

City of Venice Police Officers' Pension Fund
MINUTES OF REGULAR MEETING
August 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 1:05 PM. Those persons present included:

TRUSTEES

Kevin McGrath, Chairman
Robert Palmieri
Andy Leisenring
Ernie Skinner
Andy De Vries

OTHERS

Tim Nash, Bogdahn Consulting
Lee Dehner, Christiansen & Dehner
Lynn Skinner, Salem Trust
Debbie Kocsis, Salem Trust
Robert Kovacs, Pension Resource Center
Michael Rosato, 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 May 11, 2016. The motion was seconded by Robert Palmieri, approved by the Trustees, 5-0.

Tim Nash-Arrived at 1:12 PM

LYNN SKINNER, SALEM TRUST

Lynn Skinner appeared before the Board and gave a summary of the current financial position of the fund. The current market value of the fund as of June 30, 2016 was \$28.15M which is spread among 3 accounts. The total assets being managed in the fund were 148 which were broken down as follows: Stocks: 73, Corporate Bonds :55, Mortgage Backed Securities: 12, US Treasury: 5, and UIT:1. Lynn also explained current custodial charges are calculated as 5 basis points on the market value of the portfolio. As of August 10th 2016, total custodial charges were \$12,721.99 and audit fees were \$2,300.00. Lynn also confirmed to the board that Globetax was set up and that there was approximately \$5,000.00 due to hit the account.

KEVIN MCGRATH, CITY OF VENICE POLICE

Kevin McGrath reviewed the current status of the Retiree COLA to the board. Kevin advised that he has met with the Mayor and Chief of Police to discuss the COLA and reported that they supported a 2% per year of retirement increase with a maximum of 10%. He announced that there is a hearing on this matter scheduled with City Council on September 13, 2016. Kevin requested that a draft ordinance be created; however Lee Dehner suggested that the draft ordinance be created after the meeting with City Council.

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 June 30, 2016. The total market value of the portfolio was \$31.69M on June 30, 2016, compared to \$31.37M on March 31, 2016. Mr. Nash reported that the overall portfolio rate of return for the fiscal year to date is 7.9% net of fees. The rates of return for the quarter ended June 30, 2016 were 1.58% gross of fees and 1.45% net of fees respectively and Mr. Nash stated that these rates were ahead of actuarial assumptions for the year. During his presentation, Mr. Nash gave a brief overview of how the US Markets did during the second quarter of 2016, in which the US stock market saw the S&P index up 2.5% and investment grade bonds up 3.6%. Mr. Nash also advised the board that for the period 6/30/15 to 6/30/16, the bond market beat stocks with a rate of return of 6%. Mr. Nash also presented to the board that if there should be a rise in interest rates, real estate investments will not be affected.

At the end of his presentation, Mr. Nash addressed the current situation regarding Alger and suggested that a response deadline of Friday August 12, 2016 be presented to Alger. **Ernie Skinner presented a motion to negotiate with MFS if no response is given by the deadline. The motion was seconded by Andy Leisenring, and approved by the Trustees, 5-0.**

LEE DEHNER, CHRISTIANSEN & DEHNER

Lee Dehner requested during the meeting, confirmation that the valuation report was posted (the report must be posted within 60 days of approval). Robert Kovacs confirmed that the valuation report has been posted on the Pension Resource Center website.

Lee also reminded the board to file Financial Disclosure Form 1. As of the meeting, Kevin McGrath and Ernie Skinner had already filed their forms. Robert Kovacs advised that he will contact Kevin McGrath and provide the names of those who have not filed their form. Lee closed his remarks by briefly addressing the disability case of Demitri

Sirianni and specifically notified the board that depositions have been requested for Dr. Wolf and Dr. Askins. During this time it was announced that the hearing for this case is scheduled for November 9th, 2016 at 1:00 PM. This hearing will take place after the regularly scheduled quarterly meeting on the same day. The quarterly meeting will take place at 11:30 AM.

ROBERT KOVACS AND MICHAEL ROSATO, PENSION RESOURCE CENTER

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

Robert Kovacs notified the board that the Fiduciary Liability Insurance policy with Hudson Insurance Company has been renewed and that the term runs from June 21, 2016 through June 21, 2017. **Ernie Skinner made a motion to approve the new policy term. The motion was seconded by Robert Palmieri, approved by the Trustees 5-0.**

The next discussion presented by Robert Kovacs addressed Trustee terms. Robert confirmed to the board Mr. Leisenring's term is set to expire on 9/30/2016. Mr. Kovacs presented the board with a Notice of Election to be distributed to members and a procedural timeline to cover all contingencies in the election process. During the discussion, the term of Andy De Vries was brought up as his term was also set to expire on 9/30/2016. **Andy Leisenring made a motion to extend the term of Andy DeVries for 4 years beginning October 1, 2016. The motion was seconded by Ernie Skinner and approved by the trustees 4-0.**

Mr. Kovacs advised that all Vested Deferred Calculations excluding the calculation for Andrew Wentworth have been completed.

Michael Rosato presented the fiscal year 2016-2017 budget to the board. During the review of the budget, Lee Dehner suggested adjusting the totals for legal expenses by separating the disability processing amounts from the total legal expenses. In doing the adjustment, Lee requested that the original amount of \$35,000 that was allocated for 2016-2017 be changed to \$25,000.00 for legal expenses and \$10,000.00 for disability processing. Lynn Skinner requested that custodial fees be added to the budget for 2016-2017. With the addition of the custodial fees, the total budget increased from \$199,500.00 to \$218,250.00. **Ernie Skinner made a motion to approve the amended budget. The motion was seconded by Robert Palmieri and approved by the Trustees 5-0.** Michael advised that he will update the budget and provide the new copies to all necessary parties.

ADJOURNMENT

There being no further business and the next regular meeting of the Board having been previously scheduled to occur on November 9, 2016 at 11:30 AM, the meeting was adjourned at 2:21 PM.

Approved: Andre King
Secretary 11-9-16