

**MEETING MINUTES
OF THE SANIBEL BOARD OF TRUSTEES OF
THE MUNICIPAL POLICE OFFICER'S RETIREMENT TRUST FUND
CITY OF SANIBEL, FLORIDA – NOVEMBER 14, 2012**

Call to order by Chairman Tomlinson.

Chairman Tomlinson called the meeting to order at 2:02 P.M. The meeting was held in MacKenzie Hall on 800 Dunlop Road, Sanibel. Board members present were Mr. Dalton, Mr. Holston, Mrs. Reiss and Chairman Tomlinson. Also present were Burgess Chambers of Burgess Chambers Associates, Attorney Pedro Herrera of Sugarman & Susskind, Bryan Spratt from Miller Howard, Steven Spare and George Douglas from SSI Investment.

Review and approval of minutes of August 8, 2012 meeting.

Amendment to minutes: Ms. Reiss stated that Mr. Holston left early and it was not in the minutes. Mr. Holston said he left around 3:30 pm.

Motion made by Mr. Dalton to approve the minutes; seconded by Ms. Reiss, the motion was called and passed unanimously.

The record shows that Ms. McBee is not in attendance.

Review Third Quarter 2012 Investment Performance Monitoring Report from Burgess Chambers & Associates, Inc.

Mr. Chambers introduced SSI and Miller Howard representatives.

Page 2 Risk Management. Main risk to our pension is not achieving our actual assumption, credit default, eligibility, variability of returns.

Page 3 the results are a strong quarter up 457K 4.3% the ING large cap best performer followed by Euro Pacific 7.5% and Ridgeworth Large Cap at 6.8%. For the Fiscal year the pension earned 1.5M. We should be proud we outperformed the objective and ranked in the top 31st percentile.

Ms. Reiss commented on the fees that the pension is paying. Page 13 shows the Growth of a Dollar Analysis and you can see how much better the plan performed in the quarter over the strategic benchmark.

Page 39 is a text book illustration where we want performance to be on the strategic model.

Ms. Reiss asked if page 39 is net or gross of fees, Mr. Chambers responded that it is gross of fees.

Page 9 international results are 21.8% and benchmark 14.3%.

Morningstar was not in quarterly report. Mr. Chambers will e-mail to us.

Motion made by Mr. Holston to approve Burgess Chambers Report; seconded by Mr. Dalton, the motion was called and passed unanimously.

Mr. Chambers asked for a fee increase in reference to the letter November 7, 2012 that was sent to the Board asking to increase the annual fee from 16K to 20K. Mr. Holston asked Attorney Herrera if the Board can approve this at today's meeting. Mr. Herrera said the fee is reasonable and if the board wants to discuss they can do that at a special meeting. Mr. Dalton asked Mr. Holston if he thought the fees were reasonable. Mr. Holston said BCA's performance justifies the fee request.

Motion made by Mr. Dalton to approve the fee request seconded by Mr. Holston, the motion was called and passed unanimously.

Steven Spare, Director of Client Serve and George Douglas Chief Investment Officer from SSI Investment Management. Page 1 is a background/history of the firm. Page 3 shows the investment team. Mr. Spare turned it over to George Douglas. Page 9 shows how they build a portfolio, on a convertible security, to structure a favorable reward. Page 16 shows how convertible bonds are trading and how SSI is positioned against the market on a more conservative side.

A discussion followed with Mr. Holston and Ms. Reiss

Mr. Douglas said that the outlook is good for the next 12 months.

Bryan Spratt from Miller/Howard Investments, Inc. talked about owning MLP's. He gave a brief history of the Company. MLP's energy structure is in the mid-stream, between the drill bit and burner bit. They trade very well in the Aztecs, you own units instead of shares. There are taxation differences. MLP are the highest paying higher yield vehicle out there. Low interest rate environment. Unfixed income manager for over 20 years which shows.

A discussion followed with Chairman Tomlinson and Mr. Holston.

Attorney Herrera said that we are the first in his cliental and may go through more due diligence, but he has researched other municipal plans and found they have invested in MLP. Mr. Chambers said that you don't know what the IRS will do but likes the efficiency of the MLP and would not worry about what the IRS will do this year or next year. Nice compliment to equity's and good idea to reposition ourselves for the future.

Chairman Tomlinson asked for Attorney Herrera to do more research to find suitability issues asset class. Mr. Herrera asked if he could review the agreements that are required and have them forwarded to Attorney Herrera.

Mr. Douglas said it is a very attractive area to invest. You get paid regularly in cash and it has been successful for two decades.

Report from Attorney Herrera of Sugarman & Susskind.

Letter regarding fee addendum from Burgess Chambers is acceptable to sign. Do not need Board approval.

Automatic COLA provision in ordinance. Does not have to go to board before

payment, but reflected on agenda before next meeting when the Actuary has given a direction letter for payment.

Sugarman & Susskind want to make donation to charity in Pension name. FISH was elected and Janice will e-mail info to Attorney Herrera.

Motion made by Mr. Dalton to accept Sugarman & Susskind report seconded by Mrs. Reiss the motion was called and passed unanimously.

Public Comments and inquiries.

None

Other business.

2013 Meeting Schedule was discussed and was fine with the Board and Attorney Herrera.

Motion made by Mr. Dalton to accept the 2013 meeting Schedule seconded by Ms. Reiss, the motion was called and passed unanimously.

Mr. Holston asked if our Actuary will be at the February meeting. We will put it on the agenda for February.

- The next meeting will be on Wednesday, February 13 at 2 PM at Sanibel City MacKenzie Hall.

Adjournment.

There being no further business, the meeting was adjourned at 3:20 p.m.

Approved: William E. Tolson

Date: 2/18/13

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