

MEETING MINUTES
OF THE SANIBEL BOARD OF TRUSTEES OF
THE MUNICIPAL POLICE OFFICER'S RETIREMENT TRUST FUND
CITY OF SANIBEL, FLORIDA, FEBRUARY 12, 2014

Call to Order by Chairman Tomlinson

Chairman Tomlinson called the meeting to order at 2:09 P.M. The meeting was held in MacKenzie Hall on 800 Dunlop Road, Sanibel. Board members present were, Mr. Dalton, Mr. Holston, Ms. Reiss, Ms. McBee and Chairman Tomlinson.

Also present were Burgess Chambers of Burgess Chambers Associates, Councilman Denham.

Attorney Herrera was running late and did not make the meeting.

Review and approval of November 13, 2013 minutes

Motion made by Mr. Holston seconded by Ms. Reiss to approve the November 13, 2013 minutes.

The motion was called and passed unanimously.

Review Fourth Quarter 2013 Investment Performance Monitoring Report from Burgess Chambers and Associates

Rebalancing was done at the end of the year related to the Annual City of Sanibel contribution.

The Federal tapering which is now in its 3 phase has started to get people to think too much that the global recovery will unravel, particularly in the emerging markets. That is the fuel to bring money out of countries and back into the US. There have been huge inflows of capital dollars in the US economy since the start of the year and a lot of that went into bonds.

Page 3, There has been a roller-coaster since the start of this calendar year, there was a deficit of 2.5% and it has since come back, as of January the portfolios all combined are about where they started showing that we are around 5% investment return fiscal year to date.

ING was the best performer for the quarter, followed by Ridgeworth. For the trailing 1 year period was a fantastic earnings of 1.9 mil or about 16.1%.

The plan has a Beta that is considerably below the strategic model. Page 42 shows that the Beta co-efficient was .77 which is significantly below. The annualized Alfa was about 210 base points per year. This is a nice setup, the Alpha added value over time, and making return well in excess of our actuarial return with a fairly low Beta.

Regarding previous comments regarding SSI's performance, they have posted 2 consecutive quarters beating the benchmark. The most difficult product in the portfolio to understand is VHW an international management that has one half of the international allocation mandate. The firm has provided a lot of Alpha. We are using the wrong

Benchmark and Mr. Chambers will evaluate the International Portfolio when we update the Investment Policy. REITS has had a nice start in 2014. Westwood has been funded with 1 Million dollars in December of 2013.

Ms. Reiss addressed VHW and asked if it was the second best international to be in. Mr. Chambers said that being an Alpha manager they can put a tremendous amount of points on the board in a short period of time, but can also be in a period of nothing happening, we have to be patient we haven't been with them very long and Mr. Burgess recommended to give them more time.

Mr. Holston asked Mr. Chambers how the chart on page 43 is built and measured. Mr. Chambers said it is built with months or quarterly.

Motion made by Mr. Holston seconded by Mr. Dalton to accept the Fourth Quarter 2013 Investment Performance Monitoring Report.
The motion was called and passed unanimously.

Report from Attorney Pedero Herrera of Sugarman and Susskind.

No report.

Public Comments and inquiries.

None

Other business.

- Andrew Sinclair, Trust Officer from Region Institutional Trust did a brief overview of the Assets of the administration of the Trust.
- The Actuarial Valuation will be presented to Council next month, and the presentation will be at our May 14th meeting.
- The next meeting will be on Wednesday, May 14th, 2014 at 2 PM at Sanibel City MacKenzie Hall

Adjournment.

There being no further business, the meeting was adjourned at 2:43 p.m.

Approved: _____

Date: _____