

MINUTES
MEETING OF THE SANIBEL BOARD OF TRUSTEES OF
THE MUNICIPAL POLICE OFFICER'S RETIREMENT TRUST FUND
CITY OF SANIBEL, FLORIDA – NOVEMBER 7, 2007

1. Call to order by Secretary Louwers.

Secretary Thomas Louwers called the meeting to order at 2:04 P.M. The meeting was held in the conference room at the Sanibel-Captiva Community Bank on Library Way, Sanibel. Board members present were Mr. Albert, Mrs. McBee, Mr. Dalton and Mr. Louwers. Chairman of the board Mr. Tomlinson was excused from the meeting. Also present were Mr. Sidney Taylor of Burgess Chambers & Associates, Inc., Mr. Jon Larsen of Trusco, and Attorney Robert Sugarman and Pedro Herrera of Sugarman & Susskind Public present was Scott Ashby.

2. Review and approval of minutes of August 8, 2007.

Motion made by Mr. Albert to approve the minutes; seconded by Mrs. McBee and the motion passed unanimously.

3. Review Third Quarter 2007 Performance Report from Trusco Capital Management, prepared by Investment Manager Jon Larsen.

Mr. Jon Larsen presented the board with the Third Quarter 2007 Trusco Performance Report showing a net change to the total portfolio of \$211,810.60 and a return just under 14% for the year. Mr. Larsen recommended to the board considering shifting assets from the Russell 1000 fund back to a high grade growth fund where it was originally. Mr. Louwers requested Mr. Larsen present the recommendation to the board in writing for consideration.

Motion made by Mrs. McBee to accept the Trusco report; seconded by Mr. Albert and the motion passed unanimously.

4. Review Third Quarter 2007 Investment Performance Monitoring Report presented by Mr. Sidney Taylor of Burgess Chambers & Associates, Inc.

Mr. Taylor reported a 1.9% return of \$143,869 for the quarter and 13.8% return of \$948,550 for the year. Mr. Taylor recommended moving at least 4% out of bonds to the large cap growth during this quarter. He also recommended moving it slowly rather than all at one time. Mr. Taylor will follow-up with a written recommendation and including the reason why.

Motion made by Mr. Louwers to move funds slowly with a follow-up letter from Burgess Chambers & Associates, Inc. and reasons for the change moving up to 5%

and with the ability to stop at anytime for this quarter, to be reviewed at the next meeting; seconded by Mr. Albert and the motion passed with 3 YES and 1 NO votes.

Mr. Taylor advises the 5% is equal to approximately \$400,000.

Motion made by Mr. Louwers to accept the BCA second quarter report; seconded by Mr. Albert and the motion passed unanimously.

5. Report from Attorney Robert Sugarman of Sugarman & Susskind.

Police pension DROP Program-Cypen & Cypen article discussion. Is Sanibel PD DROP program in compliance? Mr. Sugarman explained pensions are basically tax deferral plans and the government limits how much money you can defer taxes on. The limit you can take out is \$180,000 and is indexed so it will increase annually. The 415 test is done when you retire by an actuary. Mr. Sugarman advises the 415 test is not an issue for us at this time.

Cheryl has obtained information from custodian, SunTrust Bank and the \$3000 health insurance premium deduction for members interested.

The Protect Florida Investments Act 2007 Florida Legislature passed to protect the state not municipal agencies. It asks that certain types of business with Sudan and Iran be halted. A list of prohibited companies has been compiled. Mr. Sugarman can send a letter asking five questions regarding this act to our investors.

Motion made by Mr. Albert to write the letter asking if business is done with the n the prohibited Sudan and Iran businesses and their intentions; seconded by Mrs. McBee and the motion passed unanimously.

Mr. Sugarman reminded the board of Florida's State Gift Law. You cannot take gifts if you think it's a bribe or worth more than \$100. Gifts worth more than \$25 up to \$100 must be reported by the donor.

Educational opportunities are January 2008 – FPPTA and March 2008 – State Division of Retirement School

Mr. Sugarman requested a fee increase for his services. An all inclusive monthly retainer covering all routine, regular and anticipated needs will be \$1500/month starting in 2008. Mr. Louwers and Mrs. McBee complimented Mr. Sugarman on his past services. Included in the retainer will be 1) group meeting with employees and 2) an one to two hour educational seminar for board members. Cheryl will survey members for interest and/or questions to the board for the February 2008 meeting.

Motion made by Mr. McBee to approve an increase for Sugarman & Susskind to \$1500/month for all inclusive monthly retainer fees beginning in 2008; seconded by Mr. Albert and the motion passed unanimously.

Motion made by Mr. Albert to accept Sugarman's report; seconded by Mr. Dalton and the motion passed unanimously.

6. Public Comments and inquiries.

Scott Ashby presented numerous questions regarding the DROP program. Mr. Sugarman recommended not leaving money in the DROP plan when you leave as it creates a liability for the trustees but to transfer it to an IRA or 457 plans. The 415 test is done at the end of DROP when you actually retire and Trusco manages the DROP plan. No statement will be issued during the DROP program from Trusco but could be requested from an actuary.

Mr. Sugarman questioned why the DROP plan for officers was not found in the Municipal Code Corporation website. Cheryl will check with City Clerk Pamela Smith.

8. Other business.

The 2008 meetings will be held at the Sanibel Captiva Community Bank, 2475 Library Way, Sanibel on the following dates and time:

- February 6, 2008, 2 PM
- May 7, 2008, 2 PM
- August 6, 2008, 2 PM
- November 5, 2008, 2 PM

Mr. Sugarman verified the meeting location would be open to the public behind unlocked doors with no handicap barriers.

The next meeting is on Wednesday, February 6, 2008 at 2 P.M. at the Sanibel-Captiva Community Bank on 2475 Library Way, Sanibel.

9. Adjournment

There being no further business, the meeting was adjourned at 3:10 P.M.

Approved: _____

Date: _____