

**MINUTES**  
**MEETING OF THE SANIBEL BOARD OF TRUSTEES OF**  
**THE MUNICIPAL POLICE OFFICER'S RETIREMENT TRUST FUND**  
**CITY OF SANIBEL, FLORIDA – AUGUST 8, 2007**

**1. 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, City of Sanibel. Board members present were Mr. Tomlinson, Mr. Albert, Mrs. McBee, Mr. Dalton and Mr. Louwers. Also present were Mr. Burgess Chambers of Burgess Chambers & Associates, Inc., Mr. Jon Larsen of Trusco, and Attorney Robert Sugarman of Sugarman & Susskind

**2. Review and approval of minutes of May 9, 2007.**

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

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

Mr. Jon Larsen presented the board with the Second Quarter 2007 Trusco Performance Report showing a solid second quarter. Portfolio earnings for the second quarter of \$241,013.58 were reported. The second quarter had a 3.71% return with a fiscal year to date return of 11.38%. Mr. Larsen recommended no changes be made and advised it was very well balanced diversified fund.

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

**4. Review Second Quarter 2007 Investment Performance Monitoring Report presented by Mr. Burgess Chambers of Burgess Chambers & Associates, Inc.**

Mr. Chambers reported the pension plan in good shape crediting success to asset allocation decisions.

The under allocation of REITS should stay that way until the credit market comes back. The over allocation on bonds has proved to be a good move and no changes are recommended. The same holds true for the large cap value fund with Trusco. The large cap value fund that Trusco has is a vulnerable segment of the market and should continue as it is set up now. The rate of return for the quarter is 3.35% and 11.0% for the five year rate of return.

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

Mr. Chambers requested a fee increase for his services. The last increase occurred in 2004. The two year contract will include the consulting base fee for \$16,000/year plus reasonable travel expenses.

**Motion made by Mr. Louwers to approve an increase for Burgess Chambers & Associates, Inc. to \$16,000 base fee per year plus additional reasonable expenses for travel; seconded by Mr. Albert and the motion passed unanimously.**

**5. Foster & Foster.**

Foster & Foster had no report for this quarter.

**6. Report from Attorney Robert Sugarman of Sugarman & Suskind.**

The City of Sanibel Finance Department inquired as to how the accrued vacation and medical hours would be considered for pension benefit calculation purposes for members entering the DROP. The police pension consists of a percentage of average pay including vacation and medical leave payouts. Mr. Sugarman advised it would be up to the city to decide if they want to pay accrued leave upon DROP entry. Presently upon retirement if you get it, it is counted. If you don't get it, it is not counted. If the city says that they do not want to pay it when a member DROPS, an amendment could be instituted to define average final compensation to include the amount of payment for accrued unused leave that would have been received had the employee separated.

An email from Patricia Shoemaker was provided detailing 185 money and the database provided by the Department of Revenue. Mr. Sugarman suggested that the email be provided to the City of Sanibel. Review of the database is critical to see that all property in the city is included and assure receipt of full amount of 185 taxes and communication service taxes.

Mr. Sugarman explained the current IRS position on way to report up to \$3000 in health insurance premiums to be deducted from taxable pension thereby reducing taxable pension. In summary, the retiree must reduce the taxable amount on line 16B of 1040 by the amount of exclusion and enter PSO next to that line. A copy of the email and instructions were provided.

**Motion made by Mr. Louwers to accept Sugarman's report; seconded by Mrs. McBee and the motion passed unanimously.**

**7. Public Comments and inquiries.**

No public present.

**8. Other business.**

The next meeting is on Wednesday, November 7, 2007 at 2 P.M. at the Sanibel-Captiva Community Bank on Library Way, Sanibel.

Educational Opportunities:

- October 7-10, 2007-Palm Beach Gardens, PGA National Resort

The state law requires continuing education. Mr. Sugarman recommends that a trustee attend a conference annually.

**9. Adjournment**

There being no further business, the meeting was adjourned at 3:17 P.M.

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

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