

MINUTES
MEETING OF THE SANIBEL BOARD OF TRUSTEES OF
THE MUNICIPAL POLICE OFFICER'S RETIREMENT TRUST FUND
CITY OF SANIBEL, FLORIDA – FEBRUARY 6, 2008

1. Call to order by Chairman Tomlinson.

Chairman Tomlinson called the meeting to order at 2:00 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, Mr. Dalton, Mr. Louwers and Mr. Tomlinson. Board member Mrs. McBee was excused from the meeting. Also present were Mr. Burgess Chambers of Burgess Chambers & Associates, Inc., Mr. Jon Larsen of Trusco, Mr. Doug Lozen of Foster & Foster, Inc. and Attorney Robert Sugarman and Pedro Herrera of Sugarman & Susskind.

2. Review and approval of minutes of November 7, 2007.

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

3. Request for fee increase by Mr. Doug Lozen of Foster & Foster, Inc.

Mr. Lozen requested a fee increase and a three year contract. The valuation fee for 2007 will increase from \$4100 to \$4525 and will include an increase of 5% each year for the next three years. The hourly rate charged for services will be a maximum of \$250. The benefit calculation fee will increase from \$100 to \$150. Mr. Sugarman advises the fee increase is comparable to fees paid by similar clients if the board is satisfied with the performance.

Motion made by Mr. Louwers to approve an increase for Foster & Foster, Inc. to \$4525 plus additional 5% for the next three years, benefit calculation fee of \$150 and miscellaneous service at an hourly rate of \$250 maximum; seconded by Mr. Dalton and the motion passed unanimously.

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

Mr. Jon Larsen presented the board with the Fourth Quarter 2007 Trusco Performance Report showing a net change to the total portfolio of (\$12,428.62) and an ending portfolio market value of \$6,780,650.49 on 12/31/07. In November 2007 Mr. Larsen shifted 3% of the assets from the Russell 1000 fund back to a high grade growth fund per the board's request at the November 7, 2007 meeting. Mr. Larsen recommended moving \$200,000 from of the I-Shares Russell 1000 to Trusco Large Cap Growth. Action and discussion follows with Mr. Chambers report.

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

5. Review Fourth Quarter 2007 Investment Performance Monitoring Report presented by Mr. Burgess Chambers of Burgess Chambers & Associates, Inc.

Mr. Chambers reported the fourth quarter investment return down 1.5% ending with a market value of \$7,843.728. A longer term perspective showed 12.2% growth over 5 years and 9.84% growth over 3 years.

Mr. Chambers discussed benefits of moving funds from I-Shares Russell 1000 Growth to Trusco Large Cap Growth. Mr. Chambers also advised the board to wait another quarter while the credit markets work through this difficult time before a change is made in the Bond Market.

Motion made by Mr. Albert based on a recommendation by Mr. Chambers to move \$200,000 from I-Shares Russell 1000 Growth to Trusco Large Cap Growth; seconded by Mr. Louwers and the motion passed unanimously.

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

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

Mr. Sugarman received a reply from SunTrust about divesting in Sudan/Iran stocks stating they have Royal Dutch Shell. Mr. Larsen with Trusco stated Royal Dutch Shell is the 10th largest security in the portfolio, is performing well and it would be advantageous to continue with this holding. Mr. Chambers offered to meet with Trusco's CIO and suggest Exxon Mobil as a candidate to replace Royal Dutch Shell. He will also contact Investor Relations at RDS & SunTrust and report back at the next meeting. The issue is tabled until next meeting.

The state passed a Database Law a few years ago. It is the City's obligation to make sure the database is accurate. Trish Shoemaker has sent detailed instructions for how the city has to do this and has a March 2 deadline. A copy is given to Cheryl to forward to the city.

Congress has passed the Sudan Accountability and Divestment Act in January 2008. This gives the investment manager more protection and sets forth the requirement that you send a letter to the Attorney General telling of your divestment. Sample letter given to Cheryl to complete and send to US Attorney General. A copy of this act was given to Cheryl.

Mr. Sugarman presented the Florida Public Records Act and policy regarding collection of social security numbers. It prohibits an agency from collecting social security numbers unless it's authorized by law or imperative for the performance of the agency's duties requiring you to tell in writing why you are collecting it. This act requires us to look into our records and see if anyone asks for social security numbers. Recommended plan of action: 1) adopt a policy statement 2) send compliance letter 3) determine if there are any third parties collecting numbers.

Motion made by Mr. Louwers to adopt as our policy Collection of Social Security Number Statement of Disclosure, pursuant to Section 119/071(5)(1)2, Florida Statutes, social security numbers are requested for the purpose of determining eligibility for retirement benefits as a plan member, retiree or beneficiary; the processing of retirement benefits; verification of retirement benefits; income reporting; or other notice or disclosures related to retirement benefits. Social security numbers will be used solely for one or more of these purposes and for no other reason; seconded by Mr. Dalton and the motion passed unanimously.

Mr. Sugarman recommends the board consider the opportunity to apply for an IRS Determination Letter. Mr. Sugarman will charge \$9500 plus IRS fees and handles any changes that may be due and IRS issues. This opportunity occurs only every 5 years and would be filed before the May board meeting.

Motion made by Mr. Louwers to accept the proposal of Mr. Robert Sugarman to proceed with the filing of the application form for IRS determination letter for our plan, authorize the Chairman to sign any necessary documents and to approve \$9500 plus any user fees as determined by the IRS; seconded by Mr. Albert and the motion passed unanimously.

Educational opportunities are in May 2008 – State Division of Retirement School in Tallahassee, Monday, February 11, 2008 – International Foundation of Employee Benefit Plans Advanced Trustees & Administrators Institute and in June 2008 in San Diego.

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

Mr. Tomlinson informed Mr. Sugarman that an educational session for interested plan members and trustees would be best immediately preceding the board meeting. Mr. Sugarman will work to find an appropriate date for the session.

Retirees from our plan are not eligible for the Public Safety Officer health insurance premium credit due to the way they pay their premium. Cheryl is working with SunTrust and the City of Sanibel Finance Department to revise this for the 2008 tax year.

7. **Public Comments and inquiries.** There was no public present.

8. **Other business.**

The next meeting is on Wednesday, May 7, 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 3:18 P.M.

Approved: _____

Date: _____