

MINUTES
MEETING OF THE SANIBEL BOARD OF TRUSTEES OF
THE MUNICIPAL POLICE OFFICER'S RETIREMENT TRUST FUND
CITY OF SANIBEL, FLORIDA – NOVEMBER 4, 2009

1. Call to order by Chairman Tomlinson.

Chairman Tomlinson called the meeting to order at 2:00 P.M. The meeting was held in MacKenzie Hall on 800 Dunlop Road, Sanibel. Board members present were Mr. Albert, Mr. Dalton, Mr. Holston, and Chairman Tomlinson. Trustee Mrs. McBee arrived at 2:05 P.M. Also present were Mr. Burgess Chambers of Burgess Chambers and Associates, Mr. Jon Larsen of SunTrust, and Attorney Pedro Herrera of Sugarman & Susskind. City Attorney Ken Cuyler was present. City Council Liaison Vice Mayor Kevin Ruane arrived at 2:07 P.M.

2. Review and approval of minutes of November August 5, 2009 meeting.

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

3. Report from Foster & Foster, Inc.

A request from Foster & Foster, Inc. was received to approve a 3.0% COLA increase effective October 1, 2009 for retiree David Jalbert.

Motion made by Mr. Albert to approve the COLA increase for retiree David Jalbert; seconded by Mr. Holston and the motion passed unanimously.

4. Review Fourth Quarter 2009 Performance Report from SunTrust.

Mr. Larsen presented the quarterly Performance Report. The quarter had a net change of \$116,316 ending with a portfolio market value of \$6,793,652 on 9/30/09. No allocation shifts were recommended by Mr. Larsen at this time. Mr. Larsen advised a revised page for Tab 2, page 12 would be forwarded showing quarters rather than year-to-date. Mr. Chambers asked for a presentation of a report showing how the plans money moved around in the past year. International bonds of \$300,000 were sold in January 2009 and low priced stocks were purchased. The International bonds were also sold out in December 2008 and higher grade blue chip stocks were purchased. A question arose on reimbursing soft dollars to clients. Mr. Larsen will provide a letter with clarification for the next meeting.

Motion made by Mr. Holston to accept SunTrust's quarterly report; seconded by Mrs. McBee and the motion passed unanimously.

5. Review Fourth Quarter 2009 Investment Performance Monitoring Report from Burgess Chambers & Associates, Inc.

Mr. Chambers reported the market value of the plan had a gain of 11.5% net with an ending market value of \$7,641,505 for the fourth quarter of 2009.

The new Investment Policy effective October 1, 2009 increases the International allowance to 15%. Mr. Chambers will conduct an International search and report at the next meeting with recommendations of International investment managers increasing the Plan's asset allocation to 15%. Chairman Tomlinson requests diversification. Mr. Chambers advised our three primary areas of holdings are in commercial office, multi-family and retail. REITS holdings are currently about 5% brought down from 15%. No changes are recommended in real estate but other allocations ought to be moved towards target.

Motion made by Mr. Holston to accept Burgess Chambers and Associates quarterly report; seconded by Mr. Albert and the motion passed unanimously.

Trustee Holston shared concerns he had regarding the State Street Global Advisors (SSgA) fee calculations. Mr. Chambers will research their fee structure and attempt to negotiate a fee concession. If SSgA does not want to waive the minimum fee structure, he suggests the plan reallocate the monies currently invested with SSgA and fund an Exchange Traded Fund (ETF).

Vice Mayor Ruane voiced his concerns with the health of the banks not yet recovered and asked Mr. Chambers if he thought the commercial mortgage market was going to have a profound impact like the residential did. Mr. Chambers was optimistic that the severity of the further decline wouldn't be as bad because the government has been aggressive in getting these banks to get their balance sheets straightened out. Mr. Ruane recommended that the General Employees Pension Plan board hire Mr. Chambers for his services.

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

Attorney Pedro Herrera presented Sugarman & Susskind Newsletter and a Legislative update.

The proposed ordinance for Chapter 2009-97 and IRS compliance ordinance was passed by Sanibel City Council.

Safe Harbor forms were explained, and Cheryl will forward this updated electronic form to the SunTrust for their use.

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

7. Other business.

The board approved meeting dates for 2010 on May 5, August 4 and November 3. They will all be held in MacKenzie Hall at 2 PM.

The next meeting will be on Wednesday, February 3, 2010, 2:00 PM at Sanibel City MacKenzie Hall.

8. Public Comments and inquiries.

There was no public present.

9. Adjournment.

There being no further business, the meeting was adjourned at 3:08 P.M.

Approved: _____

Date: _____