

The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
August 25, 2010

The Board of Trustees for The City of Mobile, Alabama Police and Firefighters Retirement Plan met in regular session at 9:00 a.m. on Wednesday, August 25, 2010 in the City Council Pre-Conference room on the first floor of the south tower of Government Plaza.

Present:

Retired Fire Service Captain Terry Lilley, Chairman
Ms. Barbara Malkove
Mr. Michael Druhan
Retired Police Sergeant Joe Connick
Police Deputy Chief James Barber
Fire Service Captain Bo McLarty
Ms. Wanda Cochran, Counsel
Ms. Mary Berg, Secretary
Ms. Debbie Blackburn, Office Assistant III

Absent:

Police Lt. Mike Morgan, Vice-Chairman
Fire Service Captain James Connick
Ms. Joyce Collier

Guests:

Fire Service Captain Bryan Lee, Mobile Fire Department
Mr. Bob Hubbard, Gray & Co.
Ms. Elizabeth Crenshaw, Gray & Co.
Police Corporal John Mitchell, Mobile Police Department
Mr. Reid Cummings
Firefighter Samuel Haney, Mobile Fire Department
Fire Service District Chief Ronald Morgan, Mobile Fire Department
Mr. Peter Whitlock, Century Capital
Mr. Donald Bisson, Century Capital
Mr. Robert Duff, OMT Capital
Mr. Thomas Henwood, OMT Capital

The chairman, Mr. Terry Lilley, called the meeting to order at 9:02 a.m.

Deputy Chief Barber requested that the order of the agenda be suspended to allow Mr. Reid Cummings, candidate for City Council District 6, to speak. *Deputy Chief Barber so moved to dispense with the order of business to allow Mr. Cummings to speak. The motion was seconded by Captain McLarty, and it carried.* Mr. Cummings formally announced his candidacy to the Board, and went on to promise his help with the unfunded liability. *The chairman thanked Mr. Cummings for his comments.*

Resuming the order of the agenda, the chairman presented the **minutes of the regular Board meeting of July 28, 2010.** *On a motion by Ms. Malkove, seconded by Mr. Druhan, the minutes were approved as written and distributed.*

The chairman presented items 3 through 5 on the agenda for approval. *On a motion by Deputy Chief Barber, seconded by Captain McLarty, the Board approved the following:*

Personnel Action Notice of DROP retirement effective September 1, 2010 submitted by **Fire Service Driver Arthur E. McPhail** Mobile Fire Department. As of August 31, 2010 Driver McPhail will be 52 years old and will have served 27.42 years. He has elected the maximum option with no survivor annuity;

Personnel Action Notice of DROP retirement effective September 1, 2010 submitted by **Fire Service Captain Kenneth R. Tillman** Mobile Fire Department. As of August 31, 2010 Captain Tillman will be 50 years old and will have served 25.48 years. He has elected the 100% joint and survivor annuity option with the “pop-up” feature; and

Personnel Action Notice submitted by **Fire Service District Chief Ronald E. Morgan, Jr.** Mobile Fire Department, of his intent to retire effective October 1, 2010 with benefits deferred to August 15, 2025 at which time he will be 55 years of age. District Chief Morgan has served 20.02 years entitling him to retirement benefits on the basis of 50.05% of his final average salary.

The chairman presented items 6 through 10 on the agenda for approval. *On a motion by Ms. Malkove, seconded by Captain McLarty, the Board approved the following:*

Invoice No. 004440 dated July 29, 2010 in the amount of \$5,000.00 submitted by Gray & Company for investment performance analysis ending July 31, 2010;

Invoice dated July 22, 2010 in the amount of \$15,320.14 submitted by Advisory Research Inc., for professional smid cap income investment services for the period ending June 30, 2010;

Invoice dated July 15, 2010 in the amount of \$16,923.20 submitted by Evergreen Investments (Wells Capital Management), for professional equity investment service for the quarter ending June 30, 2010;

Invoice dated August 10, 2010 in the amount of \$5,320.95 submitted by Evergreen Investments (Wells Capital Management), for professional equity investment services for the quarter ending September 30, 2010 (Terminated); and

Invoice dated July 26, 2010 in the amount of \$8,910.71 submitted by The Bank of New York for professional custodial services for the quarter ending June 30, 2010.

The chairman presented a **request from Ms. Cochran** for reimbursement of travel expenses in the amount of \$1,514.79 incurred while attending the NAPPA Conference in Asheville, NC, June 22-25, 2010. *On a motion by Captain McLarty, seconded by Mr. Druhan, her request was approved.*

The secretary provided each Board member with a list of the **requests for refund.** *On a motion by Deputy Chief Barber, with a second by Mr. Connick, the Board approved refunds totaling \$33,452.16 as follows:*

<i>Joseph R. Chavis, Jr.</i>	<i>\$22,490.76</i>
<i>Mark A. Eubanks</i>	<i>10,961.40</i>
<i>Total Refunds</i>	<i>\$33,452.16</i>

The consultant, Mr. Bob Hubbard, introduced the first of the Smid Cap manager candidates:

Mr. Peter Whitlock and Mr. Donald Bisson gave a short presentation on behalf of Century Capital Management, LLC. They answered questions posed by the Board and Ms. Cochran. *The chairman thanked Mr. Whitlock and Mr. Bisson on behalf of the Board, and they departed.*

Mr. Robert Duff and Mr. Thomas Henwood gave a short presentation on behalf of OMT Capital. They answered questions posed by the Board and Ms. Cochran. *The chairman thanked Mr. Duff and Mr. Henwood on behalf of the Board, and they departed.*

Mr. Hubbard recapped both companies. *Deputy Chief Barber motioned to accept Century Capital Management, LLC as the Smid Cap manager. Mr. Druhan seconded the motion and it carried.*

Mr. Hubbard gave a brief summary of management performance ending June 30, 2010. It was his suggestion that Artio be invited to the next Board meeting to address the current problems of their portfolio.

Unfinished business:

- Ms. Berg reported to the Board that she and Ms. Cochran were working on the Request for Proposal for the Plan's consultant, and that it should be on the website by the week of August 30, 2010.
- The Board discussed the pending furlough policy and its effect on pension contributions and benefits. Captain Bryan Lee addressed the Board, and reported that the information he had been given was that the Public Hearings for this matter would be September 9th and 23rd in the auditorium at Government Plaza.

There being no further business to come before the Board, on a motion by Deputy Chief Barber, and seconded by Mr. Druhan, the meeting adjourned at approximately 10:45 a.m.

James T. Lilley, Jr., Chairman

Mary A. Berg, Secretary