

**The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
September 22, 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, September 22, 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
Police Lieutenant Mike Morgan, Vice-Chairman
Retired Police Sergeant Joe Connick
Fire Service Captain Bo McLarty
Mr. Michael Druhan
Ms. Joyce Collier
Ms. Wanda Cochran, Counsel
Ms. Mary Berg, Secretary
Ms. Debbie Blackburn, Office Assistant III

Absent:

Ms. Barbara Malkove
Fire Service Captain James Connick
Deputy Police Chief James Barber

Guests:

Fire Service Captain Bryan Lee, Mobile Fire Department
Police Corporal John Mitchell, Mobile Police Department
Mr. Bob Hubbard, Gray & Co.
Ms. Bess Rich, Candidate for Council District 6
Mr. Scott Rubin, Artio Global Investors
Mr. Tim Devlin, Artio Global Investors

The chairman, Mr. Terry Lilley, called the meeting to order at 9:05 a.m.

Captain McLarty moved to suspend the regular order of business to allow Ms. Bess Rich to speak. The motion was seconded by Lieutenant Morgan, and passed. Ms. Rich spoke in support of the Pension Plan, and is aware of the current funding concerns. She promised an "open-door" policy regarding any possible solutions to the Plan's problems. *The chairman thanked Ms. Rich for her interest in the Plan.*

Upon Ms. Rich's departure the regular order of business resumed.

The chairman presented the **minutes of the regular Board meeting of August 25, 2010**. *On a motion by Captain McLarty, seconded by Ms. Collier, the minutes were approved as written and distributed.*

The chairman presented the Personnel Action Notice of DROP retirement effective October 1, 2010 submitted by **Chief Deputy Police Lester Hargrove, Jr., Mobile Police Department**. As of September 30, 2010 Chief Hargrove will be 72 years old and will have served 38.53 years. He has elected the 50% joint and survivor annuity option with the "pop-up" feature. *On a motion by Lieutenant Morgan, seconded by Captain McLarty, his DROP retirement was approved.*

The chairman presented the Personnel Action Notice of **Police Communications Officer Frances J. Agnew** of her intent to leave the Police Department and withdraw from the DROP to enter active retirement, effective October 1, 2010. *On a motion by Mr. Connick, seconded by Ms. Collier, her retirement was approved.*

The chairman presented items 5 and 6 on the agenda for approval. *On a motion by Lieutenant Morgan, seconded by Mr. Druhan, the Board approved the following:*

Invoice No. 004470 dated August 31, 2010 in the amount of \$5,000.00 submitted by Gray & Company for investment performance analysis ending August 31, 2010; and

Invoice No. SSgABA935013 dated August 16, 2010 in the amount of \$4,632.61 submitted by State Street Global Advisors for professional index investment management services for the quarter ending June 30, 2010.

The chairman presented for approval a payment in the amount of \$45,000.00 to Levine Leichtman Capital Partners, Inc. for capital call for current investment. *On a motion by Lieutenant Morgan, seconded by Mr. Druhan, the payment was approved.*

The chairman presented a request by Mr. Lilley for registration fee in the amount of \$149.00 to attend a Roberts Rules of Order class on September 23, 2010 at UNA in Florence, AL. *On a motion by Mr. Druhan, seconded by Captain McLarty, the request was approved with Mr. Lilley abstaining.*

The chairman presented a request by Ms. Berg for registration fee in the amount of \$149.00 to attend a Roberts Rules of Order class on September 23, 2010 at UNA in Florence, AL. *On a motion by Captain McLarty, seconded by Lieutenant Morgan, the request was approved.*

The secretary provided each Board member with a list of the **requests for refund**. *On a motion by Lieutenant Morgan, seconded by Mr. Druhan, the Board approved refunds totaling \$112,814.25 as follows:*

<i>Lamar D. Beard</i>	<i>\$25,235.29</i>
<i>Collis A. Dickinson</i>	<i>5,517.45</i>
<i>James D. Jones, Jr.</i>	<i>17,121.05</i>
<i>John M. Schaffer</i>	<i>8,204.76</i>
<i>Harold L. Smith</i>	<i>16,149.25</i>
<i>Joshua A. Smith</i>	<i>8,141.16</i>
<i>Brett W. Stewart</i>	<i>19,376.29</i>
<i>Charles A. Tingler</i>	<i>4,030.50</i>
<i>Jason E. Warren</i>	<i>9,038.50</i>
<i>Total Refunds</i>	<i>\$112,814.25</i>

The consultant, Mr. Bob Hubbard, introduced the representatives from Artio Global Investors, Mr. Tim Devlin and Mr. Scott Rubin. These gentlemen assured the Board that there had been no change in strategies during the last year. They reported that governments and consumer spending won't evolve to be growth engines for future recovery, but emerging markets will be seen as a growth driver.

Bob Hubbard went over the flash report he presented to the Board at the meeting. He recommended that we not do a search to replace Artio Global Investors at this time. He also reported that after negotiations, the fees for Century Capital turned out to be 88 basis points.

Unfinished business:

- Mrs. Cochran presented a resolution concerning appointment of Century Capital Management, LLC. After a brief discussion, *Mr. Druhan moved for adoption of the resolution as presented. Captain McLarty seconded the motion, and it carried.*

RESOLUTION APPOINTING CENTURY CAPITAL MANAGEMENT, LLC

Whereas, the Board is designated by Article 7 of Act 97-689, 1997 Ala. Acts as the administrative authority for a retirement plan established for the benefit of the police officers and firefighters for the City of Mobile, Alabama (the “Plan”);

Whereas, section 7.04(b) of the plan vests the Board with full power to invest and reinvest the Plan’s assets (the “Fund”) in such investments as the Board may from time to time approve, and further authorizes Board to employ such financial advisors as it may, from time to time, approve;

Whereas, the Board has previously engaged Gray and Company as an independent financial consultant and fiduciary to the Plan to assist the Board, among other things, in constructing its investment portfolio and monitoring performance of investment managers employed by the Plan;

Whereas, the Board has adopted an asset allocation plan, the terms of which require a portion of the Fund to be invested in various classes of assets, including the certain stocks in an asset class known as small to mid cap growth;

Whereas, the Board initiated a competitive process to select one or more investments to meet the Board’s objectives as set out in the asset allocation policy;

Whereas, the Board, in conjunction with Gray and Company, interviewed firms that offer investment management services and determined that the Board should appoint Century Capital Management, LLC as an investment manager for the small to mid cap growth portfolio;

Whereas, Century Capital has submitted to the Board an Investment Management Agreement and Part II of its ADV Form (Uniform Application for Investment Adviser Registration);

Whereas, Gray and Company has reviewed the contract documents and the ADV Form and has approved the business terms as appropriate for this type of investment, and has confirmed that the investment is in compliance with the Board’s asset allocation policy;

Whereas, the Board’s General Counsel has reviewed the contract documents and approved the same as to form;

NOW, THEREFORE, BE IT RESOLVED by the City of Mobile Police and Firefighters Retirement Plan Board:

1. That the Chairman and Secretary are authorized to execute and attest, respectively, for and on behalf of the Board, the Investment Management Agreement, attached hereto, and such other documents which may be necessary to appoint Century Capital Management, LLC as the Board’s investment manager for the small to mid-cap growth allocation;
2. The initial investment shall be approximately \$8,500,000 million dollars.

ATTEST:

Mary Berg, Executive Secretary

New business:

- *Mr. Joe Connick moved that the Board send a letter to the Mayor stating that many of the Police and Firefighter retirees are receiving benefits below the poverty level. Captain McLarty seconded the motion and it carried.*

There being no further business to come before the Board, on a motion by Mr. Druhan, and seconded by Mr. Connick, the meeting adjourned at approximately 10:23 a.m.

James T. Lilley, Jr., Chairman

Mary A. Berg, Secretary