

The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
August 27, 2014

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 27, 2014 in the City Council Pre-Conference room on the first floor of the south tower in Government Plaza.

Present:

Retired Fire Service Captain Terry Lilley, Chairman
Police Captain Roy Hodge, Vice-Chairman
Mr. Paul Wesch
Retired Police Corporal Randal Smith
Mr. Michael Druhan
Fire Service Captain Jimmy Connick
Fire Service Captain Bo McLarty
Ms. Joyce Collier
Ms. Mary Berg, Secretary
Ms. Debbie Blackburn, Office Assistant III

Absent:

Police Chief James Barber

Guests:

Mr. Bob Hubbard, Gray & Co.
Police Lieutenant T. G. Dannelley, Mobile Police Department

The Chairman, Mr. Terry Lilley, called the meeting to order at 9:00 a.m.

The Chairman presented the **minutes of the regular Board meeting of July 23, 2014**. *Captain Connick moved for approval, with a second from Captain McLarty, the minutes were approved as written and distributed, with Captain Connick, Captain McLarty, and Ms. Collier abstaining.*

The chairman presented items 3 through 9 on the agenda for approval. *On a motion by Captain McLarty, and seconded by Captain Connick, the Board approved the following:*

Invoice No. 006137 dated July 31, 2014 in the amount of \$5,208.33 submitted by Gray & Company for investment performance analysis for July 2014;

Payment in the amount of \$8,886.12 to Orleans Capital Management for professional fixed income investment services for the quarter ending June 30, 2014;

Payment in the amount of \$19,250.56 to Energy Opportunities Capital Management, for investment services for the quarter ending June 30, 2014;

Invoice dated July 17, 2014 in the amount of \$28,603.94 submitted by Allianz Global Investors for professional international investment services for the quarter ending June 30, 2014;

Payment in the amount of \$869.00 to DLJ Real Estate, for professional real estate management fees for the period January 1, 2014 through June 30, 2014;

Invoice dated June 16, 2014 in the amount of \$12,727.11 submitted by The Bank of New York, for professional custodial services for the quarter ending March 31, 2014; and

Invoice dated July 8, 2014 in the amount of \$36.56, submitted by Bactes, for medical records requested for Police Officer Julie G. Thomas.

The secretary provided each Board member with a list of the **requests for refund.** *On a motion by Captain Connick, seconded by Mr. Smith, the Board approved refunds totaling \$52,378.18 as follows:*

<i>Kenneth L. Lewis</i>	<i>MPD</i>	<i>\$ 3,931.77</i>
<i>Joseph R. Kesterson</i>	<i>MFD</i>	<i>14,475.47</i>
<i>Spencer G. Overton</i>	<i>MFD</i>	<i>6,377.54</i>
<i>Joshua M. Shavers</i>	<i>MPD</i>	<i>8,266.59</i>
<i>Phillip E. Thornburg</i>	<i>MFD</i>	<i>19,326.81</i>
<i>Total Refunds</i>		<i>\$52,378.18</i>

The chairman acknowledged the consultant, Mr. Bob Hubbard, and turned the meeting over to him. Mr. Hubbard went over the flash report for June 30, 2014. *Captain Connick moved to go into executive session to discuss the final stock shares in the Ripplewood account, Ms. Collier seconded the motion. Captain McLarty motioned to come out of executive session; it was seconded by Captain Hodge. Captain McLarty moved to accept Mr. Hubbard’s recommendation of asking Morgan Dempsey or SouthernSun if they will fold the stock shares in their portfolio, if they are unable to, and then hire a transitional manager to handle the shares, Captain Connick seconded the motion, and the motion carried.*

Unfinished business:

- *Mr. Lilley moved to rescind the motion to hire the 3 hedge fund managers. Mr. Druhan seconded the motion, and the motion carried with Captain Connick, Captain McLarty, and Ms. Collier abstaining.*
- *Captain Connick moved to stay away from hedge funds, with a second from Ms. Collier, the motion carried.*

New business:

- *Mr. Druhan presented his resignation as Trustee. Mr. Lilley moved to accept Mr. Druhan’s resignation, Captain Connick seconded the motion, and it carried.*
- *The educational session is scheduled to be held on December 17, 2014.*

There being no further business to come before the Board, on a motion by Captain Connick, seconded by Captain McLarty, the meeting adjourned at approximately 10:15 am.

James T. Lilley, Jr., Chairman

Mary A. Berg, Secretary