

The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
August 26, 2015

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 26, 2015 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
Police Chief James Barber
Fire Service Captain Bryan Lee
Mr. Randy Smith
Mr. Matt Singleton
Mr. Paul Wesch
Mr. Mike Druhan, Counsel
Ms. Mary Berg, Secretary

Absent:

Mr. Pat Mitchell
Fire Service Captain James Connick

Guests:

Mr. Bob Hubbard, Gray & Co.
Police Corporal John Mitchell, Mobile Police Department
Mr. Kendall Lee
Mr. Gary Welchel, Energy Opportunities Capital Management
Ms. Sharon Aberly

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

The Chairman presented the **minutes of the regular Board meeting of July 22, 2015**. *Captain Lee moved for approval, with a second from Mr. Smith, the minutes were approved as written and distributed.*

The Chairman presented items 3 through 7 on the agenda for approval. *On a motion by Captain Lee, seconded by Mr. Smith, the Board approved the following:*

Personnel Action Notice of **Fire Service Driver Tommy Bishop** of his intent to leave the Fire Department and withdraw from the DROP to enter active retirement, effective August 31, 2015;

Personnel Action Notice of **Police Sergeant Warren E. Huey** of his intent to leave the Police Department and withdraw from the DROP to enter active retirement, effective August 31, 2015;

Personnel Action Notice of DROP retirement effective September 1, 2015 submitted by **Fire Service District Chief Douglas D. Cooper, Mobile Fire Department**. As of August 31, 2015 District Chief Cooper will be 50 years old and will have served 30.43. He has elected the 100% joint and survivor annuity option with the 'pop-up' feature;

Personnel Action Notice of DROP retirement effective September 1, 2015 submitted by **Fire Service Driver John A. Jackson, Mobile Fire Department**. As of August 31, 2015 Driver Jackson will be 52 years old and will have served 27.19. He has elected the 100% joint and survivor annuity option with the 'pop-up' feature; and

Personnel Action Notice submitted by **Fire Service Captain Elaine Spruill, Mobile Fire Department**, of her intent to retire effective August 31, 2015 with benefits deferred to August 26, 2040 at which time she will be 65 years of age.

The Chairman presented a request from **Firefighter Jason M. Smith** to purchase prior service for period October 28, 2006 through August 6, 2011. He has presented 2 checks totaling \$15,823.93 which pays his contributions and interest owed through August 26, 2015. *Captain Hodge moved for approval, with a second by Mr. Smith, the motion carried.*

The Chairman presented **Invoice No. 006507 dated July 30, 2015 in the amount of \$5,208.33 submitted by Gray & Company** for investment performance analysis for July 2015. *Captain Hodge moved for approval, with a second by Mr. Singleton, the motion carried.*

The Chairman presented items 8 through 12 on the agenda for approval. *On a motion by Captain Lee, seconded by Captain Hodge, the Board approved the following:*

Payment in the amount of \$8,980.90 to Orleans Capital Management for professional fixed income investment services for the quarter ending June 30, 2015.

Payment in the amount of \$13,580.92, to Energy Opportunities Capital Management, for investment services for the quarter ending June 30, 2015;

Invoice No. SSGABA2074792 dated August 10, 2015 in the amount of \$2,518.54 submitted by State Street Global Advisors for professional index investment management services for the quarter ending June 30, 2015;

Invoice No. SSGABA2074793 dated August 10, 2015 in the amount of \$1,512.81 submitted by State Street Global Advisors for professional midcap index investment management services for the quarter ending June 30, 2015;

Invoice dated July 24, 2015 in the amount of \$26,134.17 submitted by Allianz Global investors for professional international investment services for the quarter ending June 30, 2015; and

Approve payment in the amount of \$194,754.55 to Corrum Capital Management for funding of their second capital call.

The Chairman presented a Personnel Action Request to approve a 10% special merit raise for the Pension Coordinator with a request for the City to fund and approve the same. *Captain Lee moved for approval, with a second by Mr. Smith, the motion carried with Mr. Wesch recusing himself.*

The secretary provided each Board member with a list of the **requests for refund**. *On a motion by Captain Lee, seconded by Mr. Smith, the Board approved refunds totaling \$111,925.28 as follows:*

| | | |
|---------------------------|------------|---------------------|
| <i>Michael E. Barton</i> | <i>MPD</i> | <i>\$ 8,321.76</i> |
| <i>Todd M. Culpepper</i> | <i>MFD</i> | <i>29,512.70</i> |
| <i>Joshua L. Gentry</i> | <i>MPD</i> | <i>3,796.58</i> |
| <i>Shaun A. Gray</i> | <i>MPD</i> | <i>15,942.01</i> |
| <i>Frank T. Johnson</i> | <i>MFD</i> | <i>11,349.26</i> |
| <i>Stephen A. Schmidt</i> | <i>MFD</i> | <i>43,002.97</i> |
| <i>Total Refunds</i> | | <i>\$111,925.28</i> |

The Chairman presented a request from Permal Capital Management on a change in time to report. *Captain Lee moved for approval, with a second from Mr. Smith, the motion carried.*

The Chairman acknowledged Gary Welchel, Energy Opportunities Capital Management. Mr. Welchel gave a brief strategy update on the energy market.

The chairman acknowledged the consultant, Mr. Bob Hubbard, and turned the meeting over to him. Mr. Hubbard went over the Investment Performance Analysis for June 30, 2015, Investment Performance Analysis for July 31, 2015 and the alternative manager search booklet.

After hearing the report from Mr. Welchel and discussing the facts with Mr. Hubbard, *Captain Lee motioned to take the opportunity to invest \$3,000,000.00 in Energy Opportunities spacing it out over a 3 month period with the Board reviewing it each month. Mr. Wesch seconded the motion and the motion carried.*

Motion by Captain Lee with a second from Mr. Smith the Board approved inviting Levine Leichtman Capital Partners, Oaktree Capital Management and Silver Point Capital, 3 private equity managers, to the September meeting to make presentations.

Motion by Captain Lee with a second from Mr. Smith the Board approved inviting American Realty Advisors, Westport Capital Partners and Cornerstone Real Estate Advisors, 3 real estate managers, to the November meeting to make presentations.

There being no further business to come before the Board, on a motion by Mr. Singleton, seconded by Mr. Smith, the meeting adjourned at approximately 10:57 a.m.

James T. Lilley, Jr., Chairman

Mary A. Berg, Secretary