The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
February 23, 2011

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, February 23, 2011 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
Fire Service Captain Bo McLarty
Mr. Michael Druhan
Retired Police Sergeant Joe Connick
Fire Service Captain James Connick
Ms. Barbara Malkove
Police Lieutenant Roy Hodge
Ms. Wanda Cochran, Counsel
Ms. Mary Berg, Secretary
Ms. Debbie Blackburn, Office Assistant III

Absent:
Deputy Police Chief James Barber
Ms. Joyce Collier

Guests:
Mr. Bob Hubbard, Gray & Co.
Mr. Kurt Lofters, Gray & Co.
Fire Service Captain Bryan Lee
Mr. Chuck Carr, Southern Actuarial Services
Corporal John Mitchell, Mobile Police Dept.
Officer Ron Wallace, Mobile Police Dept.
Lieutenant Randy Jackson, Mobile Police Dept.
City Councilmember Bess Rich

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

The chairman presented the minutes of the regular Board meeting of January 26, 2011. Approval of the minutes was tabled until the March meeting.

The chairman presented the Personnel Action Notice of DROP retirement effective March 1, 2011 submitted by Fire Service Captain Paul Cumbaa, Mobile Fire Department. As of February 28, 2011 Captain Cumbaa will be 55 years old and will have served 27.41 years. He has elected the 100% joint and survivor annuity option with the "pop-up" feature. Captain Connick motioned for approval, Lieutenant Hodge seconded the motion, and it passed.

The chairman presented items 4 through 7 on the agenda for approval. On a motion by Captain Connick, seconded by Ms. Malkove, the Board approved the following:

Invoice No. 004631 dated January 31, 2011 in the amount of $5,000.00 submitted by Gray & Company for investment performance analysis ending January 31, 2011;

Payment of invoice dated February 1, 2011 in the amount of $19,113.08 submitted by Advisory Research, Inc. for professional smid cap income investment services for the period ending December 31, 2010;

Payment in the amount of $7,760.02 to Orleans Capital Management. for professional fixed income investment services for the quarter ending December 31, 2010; and
Invoice No. 25981 dated January 31, 2011 in the amount of $2,387.00 submitted by Patricia K. Keesler, Attorney for legal services (required IRS determination letter filings) rendered through January 31, 2011.

The secretary provided each Board member with a list of the requests for refund. On a motion by Captain Connick, seconded by Mr. Connick, the Board approved refunds totaling $32,607.42 as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>John A. Flanagan</td>
<td>$2,113.77</td>
</tr>
<tr>
<td>Robert A. Purvis</td>
<td>8,158.41</td>
</tr>
<tr>
<td>Stephen A. Reed</td>
<td>22,179.35</td>
</tr>
<tr>
<td>Daniel R. Walker</td>
<td>155.89</td>
</tr>
<tr>
<td><strong>Total Refunds</strong></td>
<td><strong>$32,607.42</strong></td>
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The consultant, Mr. Bob Hubbard, reported on the Fund. Along with a comprehensive review of the Fund, Mr. Hubbard provided some thoughts on the probation status of Artio.

Mr. Chuck Carr presented a summary of the actuarial valuation as of October 1, 2010. He responded to questions posed by the Board. Along with his explanation of the report, Mr. Carr recommended possibly lowering the 8% assumption to 7% or 7.5%. Ms. Malkove motioned to accept the valuation report, Mr. Druhan seconded the motion, and it passed.

Unfinished business:

- Mr. Connick moved to give a 2.5% raise to the one service-connected disability retiree from the Police Department who makes less than $11,000.00 per year (national poverty level). Captain Connick seconded the motion. After a brief discussion Mr. Druhan and Captain Connick called the question of the motion. The motion passed with Lieutenant Hodge, Captain McLarty, Mr. Connick, and Captain Connick voting in favor and Mr. Lilley, Mr. Druhan, and Ms. Malkove voting against.

New business:

- Gary Welchel of Orleans Capital Management would like to make a presentation to the Board at the March meeting on an energy product that Orleans offers. The March meeting and educational session will be held at the Mobile Museum of Art with lunch to be available after the meeting. Captain Connick moved to accept the plans as made, Ms. Malkove seconded the motion, and it passed.

There being no further business to come before the Board, on a motion by Mr. Druhan, and seconded by Captain Connick, the meeting adjourned at approximately 11:10 a.m.

James T. Lilley, Jr., Chairman

Mary A. Berg, Secretary