The City of Mobile, Alabama Police and Firefighters Retirement Plan
Regular Meeting
January 26, 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, January 26, 2011 in the City Council Pre-Conference room on the first floor of the south tower in Government Plaza.

Present:  Absent:
- 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
- Deputy Police Chief James Barber
- Ms. Joyce Collier
- Ms. Wanda Cochran, Counsel
- Ms. Mary Berg, Secretary
- Ms. Debbie Blackburn, Office Assistant III

Guests:
- Mr. Bob Hubbard, Gray & Co.
- Corporal John Mitchell, Mobile Police Dept.
- Lieutenant Roy Hodge, Mobile Police Dept.
- Police Officer Ron Wallace, Mobile Police Dept.
- Lieutenant Randy Jackson, Mobile Police Dept.

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 December 15, 2010. On a motion by Ms. Malkove, seconded by Mr. Druhan, the minutes were approved as written and distributed.

The chairman presented the Personnel Action Notice of DROP retirement effective February 1, 2011 submitted by Police Officer Diana Chapman, Mobile Police Department. As of January 31, 2011 Officer Chapman will be 56 years old and will have served 27.18 years. She has elected the maximum option with no benefits due a survivor. Mr. Druhan motioned for approval, Ms. Malkove seconded the motion, and it passed.

The chairman presented the Personnel Action Notice of DROP retirement effective February 1, 2011 submitted by Police Sergeant Ronal G. Yokley, Mobile Police Department. As of January 31, 2011 Sergeant Yokley will be 52 years old and will have served 29.07 years. He has elected the 100% joint and survivor annuity option with the “pop-up” feature. Ms. Malkove motioned for approval, Captain McLarty seconded the motion, and it passed.

The chairman presented the Personnel Action Notice of Police Lieutenant Michael W. Morgan, Mobile Police Department, of his intent to retire effective January 15, 2011 with benefits deferred to December 30, 2034 at which time he will be 65 years of age. Lieutenant Morgan has served 18.27 years entitling him to retirement benefits on the basis of 45.68% of his final average salary. Captain McLarty motioned for approval, Captain Connick seconded the motion, and it passed.

The chairman presented the Personnel Action Notice of Police Corporal Jackie L. Quinnie, Mobile Police Department, of his intent to retire effective January 21, 2011 with benefits deferred to December
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25, 2017 at which time he will be 55 years of age. Corporal Quinne has served 20.11 years entitling him to retirement benefits on the basis of 50.25% of his final average salary. Ms. Malkove motioned for approval, Deputy Chief Barber seconded the motion, and it passed.

The chairman presented the Personnel Action Notice of Police Captain James E. Burrow, Mobile Police Department, of his intent to leave the Police Department and withdraw from the DROP to enter active retirement, effective February 5, 2011. Captain Connick motioned for approval, Captain McLarty seconded the motion, and it passed.

The chairman presented items 8 through 11 on the agenda for approval. On a motion by Ms. Malkove, seconded by Mr. Druhan, the Board approved the following:

Invoice No. 004587 dated December 31, 2010 in the amount of $5,000.00 submitted by Gray & Company for investment performance analysis ending December 31, 2010;

Payment in the amount of $76.00 to Westbrook Real Estate, for professional real estate management fees for the period October 1, 2010 through December 31, 2010;

Payment in the amount of $13,895.00 to Levine Leichtman Capital Partners, Inc. for capital call for management fees for the period January 15, 2011 through July 14, 2011; and

Payment in the amount of $1,638.00 to DLJ Real Estate for professional real estate management fees for the period July 1, 2010 through December 31, 2010.

The chairman presented a letter of resignation from Michael W. Morgan effective December 28, 2010. Mr. Connick moved to send a letter of appreciation to Mr. Morgan thanking him for his service to the Board. The motion was seconded by Ms. Malkove, and it passed.

The secretary provided each Board member with a list of the requests for refund. On a motion by Captain Connick, seconded by Captain McLarty, the Board approved refunds totaling $51,516.73 as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alishia N. Artis</td>
<td>$2,683.99</td>
</tr>
<tr>
<td>Howard D. Coram</td>
<td>$16,458.20</td>
</tr>
<tr>
<td>Melonie Craft</td>
<td>$619.05</td>
</tr>
<tr>
<td>Daniel C. Fortun</td>
<td>$7,394.75</td>
</tr>
<tr>
<td>Joseph B. Howard</td>
<td>$5,831.96</td>
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<tr>
<td>Charles B. Koger</td>
<td>$12,967.32</td>
</tr>
<tr>
<td>Keith L. Rider</td>
<td>$5,561.46</td>
</tr>
</tbody>
</table>

Total Refunds $51,516.73

The consultant, Bob Hubbard, reported that the Fund was up 12.5% at the end of December 2010, and that Artio, while still on probation, had been performing slightly better. To make the reports generated by Gray & Co. more relevant to the City’s accounting cycle, Mr. Hubbard will add a “Fiscal Year” column to the reports. Mr. Hubbard suggested a review of the Fund’s investment policy. He presented three
options for handling this review: (1) the full Board could review the policy and make suggestions for changes, (2) the Board could form a committee to review the policy and make suggestions, or (3) Gray & Co. could handle the review and bring back suggestions to the Board for review. **Deputy Chief Barber moved to have Gray & Co. make suggestions for changes, cosmetic and otherwise, for review by the Board. The motion was seconded by Mr. Druhan, and the motion carried.** After this review is completed, Mr. Hubbard suggested the Board move forward with a review of the asset allocation policy. The TIR field trip was discussed, and a time-frame of mid to late March was chosen.

**Unfinished business:**

- Ms. Cochran presented a re-stated plan document she had prepared for the IRS. She recommended having the document reviewed by tax lawyer, Patty Keesler, to bring it into IRS compliance before the document goes sent to them. **Captains Connick and McLarty moved to table a vote on any action on this item. The motion failed. Ms. Malkove moved to hire Ms. Keesler to review the plan that was written by Ms. Cochran to bring it into compliance with the IRS. The motion was seconded by Deputy Chief Barber, and it passed, with Captain Connick opposing. Captain Connick moved to restrict payment for this review to $2,500.00. The motion was seconded by Captain McLarty, and it passed.**

**New business:**

- The election for Vice-Chairman was held. **Captain McLarty and Mr. Druhan nominated Captain Connick. Captain Connick and Mr. Druhan nominated Deputy Chief Barber.** The vote was taken by a show of hands and Deputy Chief Barber was elected Vice-Chairman.

- **Mr. Connick moved to give anyone making less than $11,000.00 per year on a service connected disability a 2.5% raise. The motion was seconded by Captain Connick. When the question was called every Board member voted against the motion.**

- Deputy Chief Barber introduced the Police Department election participants: Corporal John Mitchell, Lieutenant Roy Hodge, Police Officer Ron Wallace, and Lieutenant Randy Jackson.

*There being no further business to come before the Board, on a motion by Captain Connick, and seconded by Mr. Druhan, the meeting adjourned at approximately 10:08 a.m.*

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James T. Lilley, Jr., Chairman

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Mary A. Berg, Secretary