

**The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
January 23, 2008**

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 23, 2008 in the City Council Pre-Conference room on the first floor of the south tower of Government Plaza.

Present:

Fire Service Captain Bryan Lee, Chairman
Ms. Barbara Malkove
Retired Fire Service Captain Terry Lilley
Fire Service Captain James Connick
Police Lieutenant Mike Morgan
Mr. Briley Shirah
Mr. Michael Druhan
Ms. Wanda Cochran, Counsel
Ms. Mary Berg, Secretary
Ms. Deborah Blackburn, Office Assistant III

Absent:

Police Deputy Chief James Barber, Vice Chairman
Retired Police Lieutenant George Goodwin

Guests:

Ms. Gwelda Swilley-Burke, Gray & Company
Mr. William Broadus, Retired Firefighter
Mr. Jerry Hughes, Retired Firefighter

The chairman, Captain Bryan Lee, called the meeting to order at 9:05 a.m.

The chairman presented the **minutes of the regular Board meeting of November 28, 2007**. *On a motion by Captain Connick seconded by Mr. Shirah, the minutes were approved as written and distributed.*

The chairman presented the **financial statements for the month of November, 2007**. *Capt. Connick moved for approval, the motion was seconded by Ms. Malkove, and carried.*

The chairman presented items 4 through 6 on the agenda for consideration. *On a motion by Lt. Morgan seconded by Ms. Malkove the Board approved the following:*

Personnel Action Notice submitted by **Fire Service Driver Ellis Boldon**, of his intent to leave the Fire Department and withdraw from the DROP to enter active retirement, effective January 31, 2008;

Personnel Action Notice submitted by **Police Corporal Randal W. Smith**, of his intent to leave the Police Department and withdraw from the DROP to enter active retirement, effective January 31, 2008; and

Personnel Action Notice of DROP retirement submitted by **Police Corporal Gregory S. Camilleri**, Mobile Police Department, effective February 1, 2008. As of January 31, 2008 Corporal Camilleri will be 50 years old and will have served 30.10 years. He has elected the 100% joint and survivor annuity option with the "pop-up" feature.

The chairman presented items 7 through 12 on the agenda for approval. *On a motion by Lt. Morgan seconded by Mr. Shirah the Board approved the following:*

Payment of Invoice No. 003617 dated December 28, 2007 in the amount of \$5,000.00 submitted by Gray & Company for investment performance analysis ending December 31, 2007;

Payment of Invoice No. 34125 dated January 4, 2008 in the amount of \$17.50 submitted by D. Charles Holtz for legal services rendered through November 9, 2007;

Payment in the amount of \$198.00 to Westbrook Real Estate for professional real estate management fees for the period October 1, 2007 through December 31, 2007;

Payment in the amount of \$24,087.00 to Levine Leichtman Capital Partners, Inc. for call requested for management fees;

Payment in the amount of \$42,461.00 to Ripplewood Partners II, LP for capital call for current investment and management fees; and

Payment of Invoice dated January 15, 2008 in the amount of \$21,934.80 submitted by Evergreen Investments for professional equity investment services for the quarter ending December 31, 2007.

The chairman presented the **request of Ms. Berg in the amount of \$50.05** for reimbursement of travel expenses incurred while attending the Certified Governmental Accounting Technician Program in Tuscaloosa, AL on January 16, 2008. *On a motion by Capt. Connick seconded by Mr. Shirah the request was approved.*

The chairman presented a **request of Ms. Berg for registration fee in the amount of \$150.00** to attend a class for the Certified Governmental Accounting Technician Program in Tuscaloosa, AL on April 2, 2008. *On a motion by Mr. Druhan seconded by Capt. Connick, the request was approved.*

The secretary provided each Board member with a list of the **requests for refund**. *On a motion by Lt. Morgan, seconded by Ms. Malkove, the Board approved refunds totaling \$30,513.25 as follows:*

<i>Mark A. Clark</i>	<i>\$15,815.47</i>
<i>Roland A. Frye</i>	<i>8,508.27</i>
<i>Brittany M. Roberson</i>	<i>1,002.80</i>
<i>Victor M. Robinson</i>	<i>3,220.22</i>
<i>Brandon A. Yokley</i>	<i>1,966.49</i>
<i>Total Refunds</i>	<i>\$30,513.25</i>

The chairman acknowledged the consultant, Ms. Swilley-Burke, and turned the meeting over to her. Ms. Swilley-Burke confirmed that LSV was terminated on December 31, 2007, and the resulting funds were transferred into a Russell Mid Cap ETF. After giving a short overview of the fund, she provided an assessment of the current market conditions and the possibility of a recession. Ms. Swilley-Burke also stated that she felt that there may be a “rough road” ahead; however, she stated that the current asset allocations of the fund may soften any economic blow. She also presented a search report comparing the five recommended SMID Value managers. *Ms. Malkove moved to have Fisher Investments, Systematic Financial, and Transamerica make presentations at the February Board meeting. The motion was seconded by Capt. Connick, and it carried.*

Unfinished business:

- The chairman updated the Board on the progress of the Plan's website. He had met with Elaine Isler who will be sending him a link to preview the site. Ms. Berg told the Board members that she would be sending them an e-mail regarding the personal information each member wants to appear on the website. Ms. Cochran reminded the Board that the Trustees' Handbook would also be on the website, though only the name of the Board's advisors would appear; there would be no contact information.

New business:

- The chairman advised non-employee Board members of the proposed changes to the City's health insurance plan. Ms. Malkove suggested having the City's Director of Human Resources, Leslie Westerberg; address the Board regarding the changes.
- The chairman presented the following letter from Fire Chief Stephen A. Dean:

Captain Bryan Lee
Chairman, Police and Firefighters Retirement Plan
205 Government Street
Room 424, South Tower
Mobile, Alabama
36644

Dear Captain Lee:

I am respectfully requesting that the Board take up the issue of changing the present three (3) year D.R.O.P. to a five (5) year D.R.O.P. at the February 2008 meeting. I am aware that the current law mandates that the adopted D.R.O.P. plan must be "cost neutral." Therefore I am requesting that the Board consult with the plan actuary and have him develop a manner in which a five (5) D.R.O.P. could be implemented and remain "cost neutral".

One suggestion is to have the actuary set the interest rate each year that is paid to the D.R.O.P. accounts (as he currently does) and adjust annually to maintain a "cost neutral" status.

Every board member, I am sure, will see this as an enhanced benefit to the membership that would have no cost to the plan.

Sincerely,

Stephen A. Dean
Fire Chief

Captain Connick moved to consult the actuary on a five year DROP, the motion was seconded by Lt Morgan. Mr. Druhan, Mr. Shirah and Captain Lee voted in favor of the motion, Captain Connick, Lt. Morgan, and Mr. Lilley voted against the motion with Ms. Malkove abstaining, the vote resulted in a tie, and the motion failed.

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- The actuary's Valuation Report was distributed to the Board members for inspection prior to February's meeting. The chairman suggested sending a letter to the Mayor and City Council letting them know that the actuary will be at the next meeting.
- The chairman asked Ms. Cochran to draft the annual letter that is sent to the Mobile County Legislative Delegation.
- Retired Firefighter Jerry Hughes addressed the Board regarding raises for retirees.
- Retired Firefighter William Broadus addressed the Board, requesting that raises for retirees be considered on an annual basis.

There being no further business to come before the Board, on a motion by Mr. Druhan and seconded by Mr. Shirah, the meeting adjourned at approximately 10:33 a.m.

Bryan T. Lee, Chairman

Mary A. Berg, Secretary