

**The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
March 27, 2013**

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, March 27, 2013 in the City Council Pre-Conference room on the first floor of the south tower in Government Plaza.

Present:

Deputy Police Chief James Barber, Chairman
Retired Fire Service Captain Terry Lilley, Vice-Chairman
Fire Service Captain Bo McLarty
Ms. Barbara Malkove
Mr. Joe Connick
Fire Service Captain James Connick
Mr. Michael Druhan
Ms. Joyce Collier
Ms. Wanda Cochran, Counsel
Ms. Mary Berg, Secretary
Ms. Debbie Blackburn, Office Assistant III

Absent:

Police Lieutenant Roy Hodge

Guests:

Fire Service Captain Bryan Lee, Mobile Fire Department
Mr. Bob Hubbard, Gray & Co.

The chairman, Deputy Police Chief Jim Barber, called the meeting to order at 9:03 a.m.

The chairman presented a Personnel Action Notice of DROP retirement effective April 1, 2013 submitted by **Police Sergeant Janice O. Mitchell, Mobile Police Department**. As of March 31, 2013 Sergeant Mitchell will be 60 years of age and will have served 26.11 years. She has elected the 50% joint and survivor annuity option with the 'pop-up' feature. *Captain Connick motioned for approval, Ms. Malkove seconded the motion, and the motion carried.*

The chairman presented a Personnel Action Notice submitted by **Police Corporal Barry S. Mosley, Mobile Police Department**, of his intent to retire effective March 29, 2013 with benefits deferred to April 10, 2018 at which time he will be 55 years of age. Corporal Mosley has served 20.45 years entitling him to retirement benefits on the basis of 51.01% of his final average salary. *Captain Connick motioned for approval, Ms. Collier seconded the motion, and the motion carried.*

The chairman presented items 5 through 8 on the agenda for approval. *On a motion by Captain Connick, seconded by Captain McLarty, the Board approved the following:*

Personnel Action Notice of **Deputy Fire Service Inspector Nicky D. Boren**, of his intent to leave the Fire Department and withdraw from the DROP to enter active retirement, effective March 22, 2013;

Personnel Action Notice of **Fire Service Driver Robert A. Pounds**, of his intent to leave the Fire Department and withdraw from the DROP to enter active retirement, effective April 8, 2013;

Personnel Action Notice of **Fire Service District Chief Martin L. Stanley**, of his intent to leave the Fire Department and withdraw from the DROP to enter active retirement, effective March 24, 2013; and

Personnel Action Notice of **Firefighter James R. Watkins**, of his intent to leave the Fire Department and withdraw from the DROP to enter active retirement, effective March 31, 2013.

The chairman presented items 9 through 11 on the agenda for approval. *On a motion by Ms. Collier, seconded by Mr. Druhan, the Board approved the following:*

Invoice No. 005467 dated February 26, 2013 in the amount of \$5,208.33 submitted by Gray & Company for investment performance analysis for February 2013;

Invoice dated February 5, 2013 in the amount of \$13,636.23, submitted by The Bank of New York, for professional custodial services for the quarter ending December 31, 2012; and

Payment of invoice dated January 16, 2013 in the amount of \$24,379.63 submitted by Allianz Global Investors for professional international investment services for the quarter ending December 31, 2012.

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 \$152,206.94 as follows:*

<i>Bill B. Bedgood</i>	<i>MPD</i>	<i>\$ 37,668.06</i>
<i>Adam B. Crandall</i>	<i>MFD</i>	<i>10,912.93</i>
<i>Timothy E. Curry</i>	<i>MFD</i>	<i>36,338.28</i>
<i>Gregory D. Greene</i>	<i>MFD</i>	<i>17,345.78</i>
<i>Donald E. Hudson, Jr.</i>	<i>MPD</i>	<i>1,897.77</i>
<i>Bristol T. Hines</i>	<i>MPD</i>	<i>11,347.39</i>
<i>Kendal B. Jones</i>	<i>MPD</i>	<i>11,760.72</i>
<i>Michael G. Myrick</i>	<i>MFD</i>	<i>2,548.29</i>
<i>Chad N. Thornton</i>	<i>MFD</i>	<i>5,755.50</i>
<i>Nathan D. Young</i>	<i>MPD</i>	<i>16,632.22</i>
<i>Total Refunds</i>		<i>\$152,206.94</i>

The chairman acknowledged the consultant, Mr. Bob Hubbard, and turned the meeting over to him. Mr. Hubbard went over the Flash Report for February 2013.

Unfinished business:

Ms. Cochran presented resolutions on State Street, Morgan Dempsey and SouthernSun for approval. On a motion by Mr. Druhan, seconded by Captain Connick, the Board approved the following resolutions with the provision that if SouthernSun does not accept the amended contract, it will be brought back to the Board at the next meeting:

RESOLUTION APPOINTING STATE STREET BANK and TRUST COMPANY

Whereas, the Board is designated by article 7 of Act 97-689, 1997 Ala. Acts as the administrative authority for a retirement plan established for the benefit of the police officers and firefighters for the City of Mobile, Alabama (the “Plan”);

Whereas, section 7.04(b) of the Plan vests the Board with full power to invest and reinvest the Plan’s assets (the “Fund”) in such investments as the Board may from time to time approve, and further authorizes the Board to employ such financial advisors as it may, from time to time, approve;

Whereas, the Board has previously engaged Gray and Company as an independent financial consultant and fiduciary to the Plan to assist the Board, among other things, developing an asset allocation plan, assisting the Board with the selection of managers appropriate to implement the asset allocation plan, and monitoring performance of investment managers employed by the Plan;

Whereas, the Board's asset allocation plan requires a portion of the Fund to be invested in various classes of assets, asset class known as midcap;

Whereas, the Board, in conjunction with Gray and Company, determined that the Board should appoint State Street Bank and Trust Company to invest a portion of the Plan's assets in the SSgA S&P MidCap 400 Index Non-Lending Fund in accordance with the terms and condition set forth in the Declaration of Trust and such other conditions as set out in the contract documents;

Whereas, Gray and Company has reviewed the contract documents and has approved the business terms as appropriate for this type of investment, and has confirmed that the investment is in compliance with the Board's asset allocation policy;

Whereas, the Board's General Counsel has reviewed the contract documents and approved the same as to form;

NOW, THEREFORE, BE IT RESOLVED by the City of Mobile Police and Firefighters Retirement Plan Board:

1. That the Chairman and Secretary are authorized to execute and attest, respectively, for and on behalf of the Board, the Participation Agreement attached hereto and such other documents which may be necessary to invest in the SSgA S&P MidCap 400 Index Non-Lending Fund;
2. The initial investment shall be approximately \$11,000,000.00 million dollars.

Adopted this 27th day of March, 2013.

James Barber, Chairman

ATTEST:

Mary Berg, Executive Secretary

RESOLUTION APPOINTING MORGAN DEMPSEY CAPITAL MANAGEMENT, LLC AS INVESTMENT MANAGER

Whereas, the Board is designated by article 7 of Act 97-689, 1997 Ala. Acts as the administrative authority for a retirement plan established for the benefit of the police officers and firefighters for the City of Mobile, Alabama (the "Plan");

Whereas, section 7.04(b) of the Plan vests the Board with full power to invest and reinvest the Plan's assets (the "Fund") in such investments as the Board may from time to time approve, and further authorizes the Board to employ such financial advisors as it may, from time to time, approve;

Whereas, the Board has previously engaged Gray and Company as an independent financial consultant and fiduciary to the Plan to assist the Board, among other things, developing an asset

allocation plan, assisting the Board with the selection of managers appropriate to implement the asset allocation plan, and monitoring performance of investment managers employed by the Plan;

Whereas, the Board’s asset allocation plan requires a portion of the Fund to be invested in various classes of assets, including a class known as Small/Micro Cap Value;

Whereas, the Board initiated a competitive process to select one or more investments to meet the Board’s objectives as set out in the asset allocation policy;

Whereas, the Board, in conjunction with Gray and Company, determined that the Board should appoint Morgan Dempsey Capital Management, LLC as an investment manager for a portion of the Small/Micro Cap Value portion of the Fund;

Whereas, Gray and Company has reviewed the contract, and other documents related to the transaction, including the ADV Form and has approved the business terms as appropriate for this type of investment, and has confirmed that the investment is in compliance with the Board’s asset allocation policy;

Whereas, the Board’s General Counsel has reviewed the contract documents and approved the same as to form;

NOW, THEREFORE, BE IT RESOLVED by the City of Mobile Police and Firefighters Retirement Plan Board:

3. That the Chairman and Secretary are authorized to execute and attest, respectively, for and on behalf of the Board, the Portfolio Investment Management Agreement, attached hereto, and such other documents that may be necessary to appoint Morgan Dempsey Capital Management LLC as the Board’s investment manager for the Small/Micro Cap Value allocation;
4. The initial investment shall be approximately \$5,500,000.00 million dollars.

Adopted this 27th day of March, 2013.

James Barber, Chairman

ATTEST:

Mary Berg, Executive Secretary

RESOLUTION APPOINTING SOUTHERNSUN ASSET MANAGEMENT, LLC AS INVESTMENT MANAGER

Whereas, the Board is designated by article 7 of Act 97-689, 1997 Ala. Acts as the administrative authority for a retirement plan established for the benefit of the police officers and firefighters for the City of Mobile, Alabama (the “Plan”);

Whereas, section 7.04(b) of the Plan vests the Board with full power to invest and reinvest the Plan’s assets (the “Fund”) in such investments as the Board may from time to time approve, and further authorizes the Board to employ such financial advisors as it may, from time to time, approve;

Whereas, the Board has previously engaged Gray and Company as an independent financial consultant and fiduciary to the Plan to assist the Board, among other things, developing an asset allocation plan, assisting the Board with the selection of managers appropriate to implement the asset allocation plan, and monitoring performance of investment managers employed by the Plan;

Whereas, the Board's asset allocation plan requires a portion of the Fund to be invested in various classes of assets, including a class known as Small Cap Equity;

Whereas, the Board initiated a competitive process to select one or more investments to meet the Board's objectives as set out in the asset allocation policy;

Whereas, the Board, in conjunction with Gray and Company, determined that the Board should appoint SouthernSun Asset Management, LLC as an investment manager for a portion of the Small Cap Value allocation;

Whereas, Gray and Company has reviewed the contract, and other documents related to the transaction, including the ADV Form and has approved the business terms as appropriate for this type of investment, and has confirmed that the investment is in compliance with the Board's asset allocation policy;

Whereas, the Board's General Counsel has reviewed the contract documents and approved the same as to form;

NOW, THEREFORE, BE IT RESOLVED by the City of Mobile Police and Firefighters Retirement Plan Board:

5. That the Chairman and Secretary are authorized to execute and attest, respectively, for and on behalf of the Board, the Client Agreement, attached hereto, and such other documents that may be necessary to appoint SouthernSun Asset Management LLC as the Board's investment manager for the Fund's Small Cap allocation.

6. The initial investment shall be approximately \$5,500,000.00 million dollars.

Adopted this 27th day of March, 2013.

James Barber, Chairman

ATTEST:

Mary Berg, Executive Secretary

New business:

- *Mr. Connick moved to give a 3% raise to Ms. Cochran, Ms. Berg and Ms. Blackburn. Motion died for lack of a second.*

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There being no further business to come before the Board, on a motion by Ms. Malkove, and seconded by Captain McLarty, the meeting adjourned at approximately 9:30 p.m.

James H. Barber, Chairman

Mary A. Berg, Secretary