The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
May 26, 2010

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, May 26, 2010 in the City Council Pre-Conference room on the first floor of the south tower of Government Plaza.

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

Absent:  
Police Lt. Mike Morgan 
Police Deputy Chief James Barber

Guests:  
Mr. Larry Gray, Gray & Co.

The vice-chairman, Mr. Terry Lilley, called the meeting to order at 9:00 a.m.

The vice-chairman presented the minutes of the regular Board meeting of April 28, 2010. On a motion by Mr. Druhan, seconded by Capt. McLarty, the minutes were approved as written and distributed.

The vice-chairman presented items 3 through 6 on the agenda for approval. On a motion by Ms. Collier, seconded by Capt. Connick, the Board approved the following:

Personnel Action Notice of DROP retirement effective June 1, 2010 submitted by Police Captain James E. Burrow Mobile Police Department. As of May 31, 2010 Captain Burrow will be 55 years old and will have served 28.60 years. He has elected the 100% joint and survivor annuity option with the “pop-up” feature;

Personnel Action Notice of DROP retirement effective June 1, 2010 submitted by Police Communications Officer Gloria J. Herrine Mobile Police Department. As of May 31, 2010 Communications Officer Herrine will be 52 years old and will have served 27.35 years. She has elected the 100% joint and survivor annuity option with the “pop-up” feature;

Personnel Action Notice of retirement effective June 4, 2010 submitted by Police Lieutenant Johnny D. Ledger Mobile Police Department. As of June 3, 2010 Lieutenant Ledger will be 50 years old and will have served 26.88 years. He has elected the maximum annuity option with no benefits due a survivor; and
Minutes of Regular Meeting – May 26, 2010 (Continued)

Personnel Action Notice submitted by Fire Service Captain Walter E. Harrison, Jr. Mobile Fire Department, of his intent to retire effective April 29, 2010 with benefits deferred to March 22, 2011 at which time he will be 50 years of age. Captain Harrison has served 25.15 years entitling him to retirement benefits on the basis of 62.88% of his final average salary.

The vice-chairman presented items 7 through 9 on the agenda for approval. On a motion by Ms. Malkove, seconded by Capt. McLarty, the Board approved the following:

Payment of Invoice No. 004352 dated April 30, 2010 in the amount of $5,000.00 submitted by Gray & Company for investment performance analysis ending April 30, 2010;

Payment of invoice dated April 23, 2010 in the amount of $17,209.52 submitted by Advisory Research, Inc. for professional smid cap income investment services for the period ending March 31, 2010; and

Payment of Invoice No. SSGABA889317 dated May 13, 2010 in the amount of $4,039.73 submitted by State Street Global Advisors for professional index investment management services for the quarter ending March 31, 2010.

The vice-chairman presented a request by Ms. Cochran for payment of registration fee in the amount of $895.00 to attend NAPPA conference in Asheville, NC June 22-25, 2010. Captain McLarty moved to approve the request, Ms. Malkove seconded the motion, and the motion carried.

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 $179,278.79 as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles D. Biggs</td>
<td>22,461.47</td>
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<tr>
<td>Thomas J. Davis, Jr.</td>
<td>11,562.13</td>
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<tr>
<td>Herman L. Dickinson</td>
<td>8,178.85</td>
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<tr>
<td>Jonathan R. Dungan</td>
<td>10,864.28</td>
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<td>Glenn J. Garside</td>
<td>43,938.09</td>
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<td>Robert D. Hammac</td>
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<td>Robert D. Hendrix, Jr.</td>
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<td>Bernie L. Hinton</td>
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<td>Charles D. Moses</td>
<td>9,955.29</td>
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<tr>
<td>Gregory M. Musgrove</td>
<td>4,490.39</td>
</tr>
<tr>
<td>John F. Sigler</td>
<td>27,343.50</td>
</tr>
</tbody>
</table>

Total Refunds                  $179,278.79
Consultant’s Report

The consultant, Mr. Larry Gray, presented the Performance Report ending March 31, 2010. He had just returned from a trip to Greece and briefly discussed how the woes of the global economy will eventually influence US markets. Evergreen has been invited to the June meeting to discuss their performance. Mr. Gray will be meeting with several of the managers to discuss the Plan’s investments.

Unfinished business:
- Ms. Cochran presented the following resolution to amend Chapter 5 to repeal section (6) (b) of the Trustee Handbook: Captain Connick moved to adopt the resolution, Mr. Druhan seconded the motion, and it carried.

RESOLUTION

WHEREAS, Section 7.01 (a) of the Plan designates the Board as the entity responsible for “the general administration of the Plan and for carrying out the provisions of the Plan”;

WHEREAS, Section 7.05 of the Plan requires the Board to adopt “rules and regulations for the administration of the Plan and the transaction of its business”;

WHEREAS, Section 8.01 of the Plan provides that all of the funds of the Plan “shall be held by the Board as trustees of the Plan”;

WHEREAS, pursuant to this authority, the Board has adopted a Trustee Handbook setting out the rules and regulations governing the management of the Plan;

WHEREAS, Chapter 5 of the Trustee Handbook sets out the Board’s investment policy and objectives, which, among other things, requires the establishment of a cash management account;

WHEREAS, Chapter 5(b) (6) of the Trustee Handbook further provides:

Funds Held by City. The City of Mobile is authorized to hold, on behalf, of the Board, such participant deductions, city contributions, and other amounts collected by the City for payment to the Fund in one or more accounts established for that purpose quarterly, any excess funds shall be transferred to the Board’s cash account and any deficit owing to the City will be paid within 30 days.

WHEREAS, pursuant to Article 6 of the Plan the City has certain payment obligations, including periodic payments from fees collected from companies writing fire insurance, employee contributions and a percentage of fines collected by the municipal court;

WHEREAS, the city’s contributions have, pursuant to Chapter 5(b) (6) of the Trustee Handbook been handled administratively as set forth therein;

WHEREAS, the Board deems that it is in the best interest of the Fund for such sums to be deposited in the Board’s cash account;

WHEREAS, such change will require an amendment to the Trustee Handbook;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees as follows:
1. Chapter 5 of the Trustee Handbook is amended to repeal section (b)(6);

2. The Pension Coordinator is directed to work with the City Administration to insure that all sums due the Fund are deposited into a separate account solely under the control of the Board;

3. That such transition be finalized and complete by the end of fiscal year 2010; that is, September 30, 2010; and

4. As required by Chapter 12 of the Trustee Handbook, a copy of this Resolution and the proposed amendment (attached) be circulated to the Mayor and the Police and Fire Chief’s not later than three weeks before the Board’s regularly scheduled meeting in July 2010 at which time the Board will take final action on said amendment.

New Business:

- During a discussion of finding additional alternative funding, it was suggested that Ms. Beth Marietta-Lyons be invited to the July meeting to request her help in this matter. Captain Connick motioned to invite Ms. Marietta-Lyons, it was seconded by Captain McLarty, and the motion carried.

- Captain Connick presented a municipal financial analysis done by the International Firefighters' Association. Captain Connick motioned to request someone from the Finance Dept. to explain how pension money was affected during the City's financial crises, to have this presentation by August 2010 and for it to be no longer than 45 minutes, the motion was seconded by Captain McLarty, and it carried.

- Mr. Joe Connick motioned that no retiree receive less than a Police Officer or Firefighter’s starting pay as a retirement benefit, the motion was seconded by Captain Connick. Motion failed with Mr. Lilley, Mr. Druhan, Ms. Malkove, Ms. Collier and Captain McLarty voting no.

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 10:16 a.m.

_Terry Lilley, Vice-Chairman_

__Mary A. Berg, Secretary__