

**The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
July 27, 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, July 27, 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
Deputy Police Chief James Barber, Vice-Chairman
Fire Service Captain Bo McLarty
Mr. Michael Druhan
Retired Police Sergeant Joe Connick
Police Lieutenant Roy Hodge
Ms. Wanda Cochran, Counsel
Ms. Mary Berg, Secretary
Ms. Deborah Blackburn, Office Assistant III

Absent:

Ms. Joyce Collier
Fire Service Captain James Connick
Ms. Barbara Malkove

Guests:

Mr. Bob Hubbard, Gray & Co.
Mr. Gary Welchel, Orleans Capital Management
Mr. Louis Crane, Orleans Capital Management
Fire Service Captain Bryan Lee

The chairman, Mr. Terry Lilley, called the meeting to order at 9:02 a.m.

The chairman presented the **minutes of the regular Board meetings of June 22, 2011.** *Captain McLarty moved for approval of the minutes. Mr. Connick seconded the motion, and the minutes were approved.*

The chairman presented items 3 & 4 to the Board for approval. *On a motion by Mr. Druhan, seconded by Lieutenant Hodge, the Board approved the following:*

Personnel Action Notice of DROP retirement effective August 1, 2011 submitted by **Police Officer Edgar N. Baker Mobile Police Department.** As of July 31, 2011 Officer Baker will be 60 years old and will have served 23.55 years. He has elected the maximum option with no benefits due a survivor; and

Personnel Action Notice of Retirement effective July 30, 2011 submitted by **Police Officer Robert R. Smith, Jr. Mobile Police Department.** As of July 29, 2011 Officer Smith will be 62 years old and will have served 29.76 years. He has elected the 100% joint and survivor annuity option with the "pop-up" feature.

The chairman presented items 5 through 13 on the agenda for approval. *On a motion by Mr. Druhan, seconded by Captain McLarty, the Board approved the following:*

Payment of Invoice No. 004774 dated June 29, 2011 in the amount of \$5,000.00 submitted by Gray & Company for investment performance analysis ending June 30, 2011;

Payment in the amount of \$1,668.00 to DLJ Real Estate for professional real estate management fees for the period January 1, 2001 through June 30, 2011;

Payment in the amount of \$57.00 to Westbrook Real Estate for professional real estate management fees for the period April 1, 2011 through June 30, 2011;

Payment in the amount of \$13,442.00 to Levine Leichtman Capital Partners, Inc. for call requested for management fees;

Payment of Invoice dated April 1, 2011 in the amount of \$22,177.32 submitted by Century Capital Management LLC for professional equity investment services for the quarter ending March 31, 2011;

Payment of Invoice dated July 1, 2011 in the amount of \$23,593.07 submitted by Century Capital Management LLC for professional equity investment services for the quarter ending June 30, 2011;

Payment of Invoice No. SSgABA1016482 dated February 17, 2011 in the amount of \$5,089.59 submitted by State Street Global Advisors for professional index investment management services for the quarter ending December 31, 2010;

Payment of Invoice No. SSgABA1059792 dated May 14, 2011 in the amount of \$5,538.11 submitted by State Street Global Advisors for professional index investment management services for the quarter ending March 31, 2011; and

Payment of Invoice dated July 12, 2011 in the amount of \$41.00 submitted by Bayou Clinic, Inc., for medical records requested for Police Officer Jerald Riviere, Jr. concerning his disability application.

The chairman presented a **request by Mr. Lilley for prepaid travel expenses in the amount of \$751.25** to attend the P2F2 2011 8th Annual Conference in Portland, Oregon on October 2 through October 5, 2011. *Mr. Druhan moved for approval, Captain McLarty seconded the motion. On a 2-2 vote by the Board (Yes: Mr. Druhan, Lieutenant Hodge, No: Captain McLarty, Mr. Connick), with Mr. Lilley casting the deciding vote for approval.*

The chairman presented a **request by Mr. Druhan for travel expenses in the amount of \$2,914.64** to attend an Education Conference in Chicago, IL on June 11 through June 15, 2011. *Captain McLarty moved for approval, Lieutenant Hodge seconded the motion. The motion carried with Mr. Druhan abstaining.*

The secretary provided each Board member with a list of the **requests for refund**. *On a motion by Captain McLarty, seconded by Mr. Connick, the Board approved refunds totaling \$25,271.84:*

<i>Joshua R. Gleason</i>	<i>\$ 830.82</i>
<i>Ronald D. Hannah</i>	<i>5,214.35</i>
<i>Lakisha N. Martin</i>	<i>5,564.45</i>
<i>Walter F. Nelson</i>	<i>5,961.12</i>
<i>Lydia I. Ramos</i>	<i>6,271.68</i>
<i>Jean P. Robert</i>	<i>1,429.42</i>
<i>Total Refunds</i>	<i>\$25,271.84</i>

Mr. Gary Welchel and Mr. Louis Crane from Orleans Capital Management spoke to the Board about the energy markets and Orleans offering in that sector.

The chairman acknowledged the consultant, Bob Hubbard, and turned the meeting over to him. Mr. Hubbard gave a brief overview of the Flash Report he had presented to the Board. His recommendation regarding investments in the energy market included a suggestion to carve out a 5% asset allocation to be used for "Opportunistic Investment" to include energy and/or to be used to branch out into other areas.

At this point in the consultant's report Ms. Cochran interjected the Allianz resolution, with Mr. Hubbard offering a little more information on the trust. *Mr. Druhan moved for approval of Allianz resolution presented by Ms. Cochran, Captain McLarty seconded the motion, and it carried.*

**RESOLUTION AUTHORIZING PARTICIPATION IN A SECURITIES INVESTMENT TRUST
TO BE MANAGED BY
ALLIANZ GLOBAL INVESTORS CAPITAL, LLC**

Whereas, the Board is designated by Article 7 of Act 97-689, 1997 Ala. Acts as the administrative authority for a 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 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, in constructing its investment portfolio and monitoring performance of investment managers employed by the Plan;

Whereas, the Board has adopted an asset allocation plan, the terms of which require a portion of the Fund to be invested in various classes of assets, including the certain stocks in an asset class known as international 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, interviewed firms that offer investment management services and determined that the Board should participate in a securities investment trust that will be managed by Allianz Global Investors Capital, LLC, a registered investment adviser under the Investment Advisers Act of 1940;

Whereas, Allianz Global Investors Capital LLC has submitted to the Board an a Subscription and Adoption Agreement (Copy 119); a Private Offering Memorandum; an Agreement and Declaration of Trust; and Part 2A Brochure of Form ADV dated May 25, 2011;

Whereas, Gray and Company has reviewed the contract documents and 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 has 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 Subscription and Adoption Agreement, the Agreement and Declaration of Trust, copies of which are attached hereto, and such other documents which may be necessary to secure units in the investment trust and to appoint Allianz as the Board's investment manager for the international equity investment portfolio;
2. The initial investment shall be approximately \$8,500,000 million dollars.

ATTEST:

Mary Berg, Executive Secretary

Unfinished business:

- *Mr. Lilley moved that the Board reconsider his motion made during the June 2011 meeting stating that the City continue as the paying agent for the pension payroll with a service contract drawn up by Ms. Cochran. Lieutenant Hodge seconded the motion, and it carried. Another vote was taken on Mr. Lilley's original motion, and it failed. Mr. Druhan moved to have the processing of the pension payroll continue as it has historically been done. The motion was seconded by Lieutenant Hodge, and it carried.*

New business:

- *Upon discussion of an energy investment, the Board discussed creating the 5% asset allocation as suggested by Mr. Hubbard. Mr. Druhan suggested we bring in other energy investment managers to make presentations as the Board usually does during a search for a manager. Captain McLarty motioned to bring in three energy investment managers for presentations. Mr. Druhan seconded the motion, and it carried.*
- *On a motion by Captain McLarty seconded by Mr. Druhan to request Mr. Hubbard to bring a new asset allocation chart to the next meeting. The motion carried.*

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

James T. Lilley, Jr., Chairman

Mary A. Berg, Secretary