

**The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
February 29, 2012**

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, February 29, 2012 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, Chairman
Deputy Police Chief James Barber, Vice-Chairman
Fire Service Captain James Connick
Fire Service Captain Bo McLarty
Mr. Michael Druhan
Ms. Barbara Malkove
Police Lieutenant Roy Hodge
Retired Police Sergeant Joe Connick
Ms. Joyce Collier
Ms. Wanda Cochran, Counsel
Ms. Mary Berg, Secretary
Ms. Debbie Blackburn, Office Assistant III

Absent:

Guests:

Fire Service Captain Bryan Lee, Mobile Fire Department
Mr. Bob Hubbard, Gray & Co.
Ms. Jennifer Chrisman, Gray & Co.
Deputy Fire Service Chief Paul R. Smith, Mobile Fire Department
Mr. Chuck Carr, Southern Actuarial Service
Chip Drago, Mobile Bay Times
Mrs. Mary Connick
Retired Fire Service District Chief Mike Farver
Fire Chief Steve Dean, Mobile Fire Department
Police Corporal John Mitchell, Mobile Police Department
Assistant Fire Service Chief William Pappas, Mobile Fire Department

The Chairman, Mr. Terry Lilley, called the meeting to order at 9:07 a.m.

The Chairman presented the **minutes of the regular Board meeting of January 25, 2012**. *On a motion by Deputy Chief Barber, seconded by Captain Connick, the minutes were approved as written and distributed with Captain McLarty abstaining.*

The Chairman presented a Personnel Action Notice of **DROP** retirement effective March 1, 2012 submitted by **Fire Service Driver David N. Dunnam, Mobile Fire Department**. As of February 29, 2012 Driver Dunnam will be 50 years old and will have served 26.39 years. He has elected the 100% joint and survivor option with the 'pop-up' feature. *Captain Connick motioned for approval, seconded by Captain McLarty, and the motion carried.*

The Chairman presented a Personnel Action Notice of **DROP** retirement effective March 1, 2012 submitted by **Police Lieutenant David P. Mercurio, Mobile Police Department**. As of February 29, 2012 Lieutenant Mercurio will be 50 years old and will have served 25.59 years. He has elected the maximum option with no survivor option. *Deputy Chief Barber motioned for approval, seconded by Lieutenant Hodge and the motion carried.*

The Chairman presented a Personnel Action Notice of **DROP** retirement effective March 1, 2012 submitted by **Fire Service Captain Mack D. Reed, Mobile Fire Department**. As of February 29, 2012 Captain Reed will be 50 years old and will have served 25.75 years. He has elected the 100% joint and survivor option with the 'pop-up' feature. *Captain Connick motioned for approval, seconded by Captain McLarty, and the motion carried.*

The Chairman presented a Personnel Action Notice of **DROP** retirement effective April 1, 2012 submitted by **Fire Service District Chief Aubrey A Bishop, III, Mobile Fire Department**. As of March 31, 2012 District Chief Bishop will be 62 years old and will have served 35.01 years. He has elected the 50% joint and survivor option without the 'pop-up' feature. *Captain McLarty motioned for approval, seconded by Captain Connick, and the motion carried.*

The Chairman presented a Personnel Action Notice of **DROP** retirement effective March 1, 2012 submitted by **Fire Service Deputy Chief Don C. Meyers, Mobile Fire Department**. As of February 29, 2012 Deputy Chief Meyers will be 59 years old and will have served 37.69 years. He has elected the 100% joint and survivor option with the 'pop-up' feature. *Captain Connick motioned for approval, seconded by Captain McLarty, and the motion carried.*

The Chairman presented a Personnel Action Notice of **Firefighter Frederick A. Williams, Jr.**, of his intent to leave the Fire Department and withdraw from the DROP to enter active retirement, effective February 29, 2012. *Captain Connick motioned for approval, seconded by Captain McLarty, and the motion carried.*

The Chairman presented a Personnel Action Notice of **Fire Service District Chief Robert P. Thornton, Jr.**, of his intent to leave the Fire Department and withdraw from the DROP to enter active retirement, effective March 24, 2012. *Captain McLarty motioned for approval, seconded by Captain Connick, and the motion carried.*

The Chairman presented items 10 through 14 on the agenda for approval. *On a motion by Captain Connick, seconded by Mrs. Malkove, the Board approved the following:*

Invoice No. 004998 dated January 31, 2012 in the amount of \$5,208.33 submitted by Gray & Company for investment performance analysis ending January 31, 2012;

Invoice dated February 1, 2012 in the amount of \$20,046.80 submitted by Advisory Research, Inc. for capital call for professional smid cap income investment services for the period ending December 31, 2011;

Payment in the amount of \$8,138.51 to Orleans Capital Management for professional fixed income investment services for the quarter ending December 31, 2011;

Invoice dated February 13, 2012 in the amount of \$15,370.08 submitted by Allianz Global Investors for professional international investment services for the quarter ending December 31, 2011; and

Invoice No. 27222 dated January 31, 2012 in the amount of \$560.00 submitted by Patricia K. Keesler, Attorney, for legal services (ongoing IRS determination letter process) rendered through January 31, 2012.

The secretary provided each Board member with a list of the **requests for refund**. On a motion by Deputy Chief Barber, seconded by Captain Connick, the Board approved refunds totaling \$121,632.21 as follows:

<i>David A. Barreras</i>	<i>\$3,448.70</i>
<i>Donald A. Boykin</i>	<i>40,807.66</i>
<i>Harvey D. Cranford</i>	<i>41,134.09</i>
<i>John B. Duffy</i>	<i>11,465.29</i>
<i>Phelon M. Durggins</i>	<i>8,233.02</i>
<i>David T. Saraceno</i>	<i>9,119.91</i>
<i>Chris S. Wilkerson</i>	<i>7,423.54</i>
<i>Total Refunds</i>	<i>\$121,632.21</i>

The Chairman introduced the consultant, Mr. Bob Hubbard, and turned the meeting over to him. Mr. Hubbard began by reviewing national and global financial events which added to the volatility of the market. He then went over the performance report he had distributed to the Board.

Mr. Chuck Carr presented a summary of the **actuarial valuation** as of October 1, 2011. He responded to questions posed by the Board. Along with his explanation of the report, Mr. Carr strongly recommended lowering the 8% assumption to 7.5%. *Captain Connick moved to accept the actuary report, Mr. Connick seconded the motion, and the motion carried.*

Unfinished business:

- The resolution authorizing Chairman and Secretary to execute and attest contract appointing Energy Opportunities Capital Management, LLC was tabled until the next meeting.
- *Chief Barber motioned to amend investment policy to reflect the changes in asset allocations, Captain Connick seconded the motion, and it carried.*
- *Deputy Chief Barber moved to accept the resolution (below) to change the definition of “final average salary” to the average of the highest salaries for the 36 or 60 months of the previous ten years. Ms Collier seconded the motion. Mr. Connick then moved to table the resolution, with a second by Captain McLarty. The motion to table failed with Deputy Chief Barber, Mr. Lilley, Mrs. Collier, and Lieutenant Hodge voting against and Captain Connick, Mr. Connick, and Captain McLarty voting for. The motion to accept the resolution then carried with Mr. Connick voting no.*

RESOLUTION

Whereas, the Board is designated by Article 7 of Act 97-689, 1997 Ala. Acts (hereafter “the Plan”) 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, the Board finds and determines that it is in the best interest of the membership to adopt new rules regarding the calculation of “final average salary” as defined in the Plan;

Whereas, the proposed new rules would be similar to those employed by the Retirement Systems of Alabama, and would protect members from possible adverse affects of any furlough or salary reduction that may hereafter be imposed by the City of Mobile;

Whereas, the Plan's actuary, Southern Actuarial Services, has certified to the Board that such a change would not have a material, adverse impact on the plan's funding;

Whereas, Article 10 of the Plan authorized the Board to make such amendments without the approval of any other entity other than the Mobile City Council;

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

1. That Article 1, Section 1.08 of the Plan be amended as set forth in the attached;
2. That the Chairman and Secretary are authorized to execute and attest, respectively, for and on behalf of the Board the attached plan amendment and to provide such notice as may be required by the Board's Rules; and
3. That the Chairman and Secretary be further authorized to perform such other actions as may be required to effectuate the intent of the Resolution and to have the same approved by the City Council.

ATTEST:

Attachment

1.08 FINAL AVERAGE SALARY. For a member who first became a uniformed officer prior to March 28, 1990, the average of the member's (insert) highest salary for the 36 months of the previous ten years of service (remove salary for his or her final 36 months of service) and, for a member who first became a uniformed officer on or after March 28, 1990, the average of the member's (insert) highest salary for the (remove his or her final) 60 months of the previous ten years of service. For purposes of this definition, a uniformed officer who has a break in service exceeding one year shall be deemed to first become a uniformed officer on his or her first day of service after his or her last break in service. Notwithstanding anything to the contrary in this section, if a member becomes disabled under 4.02(a) prior to completing 36 or 60 months of service, as the case may be, his or her final average salary shall be the average of his or her salary for all months of service.

NEW BUSINESS:

Board members had received a letter from Fire Service Captain Terrome D. Rogers requesting action be taken on several issues. *On a motion by Captain McLarty, seconded by Captain Connick the Board voted to go into executive session to discuss this letter at 11:45 A.M.* The Board reconvened at 11:50 A.M. and requested that Ms. Cochran provide a written legal opinion at the next meeting on this matter.

Captain McLarty brought up the issue of Chairman Lilley addressing the City Council concerning a line of duty death benefit after the death of Police Officer Steven Greene without the approval the Board. After a brief discussion on this matter it was agreed that Mrs. Cochran would provide a written legal opinion at the next meeting.

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Mr. Connick requested a committee be formed to study or revisit the disability provision of the Plan. Chairman Lilley explained at this time that the Chairman appoints all committees and that a disability committee is already in place.

There being no further business to come before the Board, on a motion by Deputy Chief Barber, and seconded by Captain Connick, the meeting adjourned at approximately 12:08 p.m.

James T. Lilley, Jr., Chairman

Mary A. Berg, Secretary