

The City of Mobile, Alabama
Police and Firefighters Retirement Plan
Regular Meeting
June 22, 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, June 22, 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
Fire Service Captain James Connick
Police Lieutenant Roy Hodge
Ms. Barbara Malkove
Ms. Wanda Cochran, Counsel
Ms. Mary Berg, Secretary
Ms. Deborah Blackburn, Office Assistant III

Absent:

Ms. Joyce Collier

Guests:

Mr. Bob Hubbard, Gray & Co.
Corporal John Mitchell, Mobile Police Department

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

The first item of business was the election of officers to serve for the term ending June 11, 2012. The chairman called for nominations of a chairman. *Deputy Chief Barber nominated Terry Lilley which was seconded by Mr. Druhan; Captain McLarty nominated Captain James Connick, with a second from Mr. Connick; Captain Connick nominated Deputy Chief James Barber, with a second from Captain McLarty. There being no further nominations, Mr. Druhan moved the nominations be closed and a vote taken, this motion was seconded by Deputy Chief Barber. The secretary was directed to record the votes as follows: Mr. Lilley received 5 votes with Deputy Chief Barber, Ms. Malkove, Lieutenant Hodge, Mr. Druhan and Mr. Lilley voting for himself. Captain Connick received 3 votes with Mr. Connick, Captain McLarty and Captain Connick voting for himself. Deputy Chief Barber received 0 votes. Mr. Lilley will continue to serve in the position of chairman through June 11, 2012.*

The chairman called for nominations of a vice-chairman. *Captain Connick nominated Mr. Joe Connick, with a second from Captain McLarty; Ms. Malkove nominated Deputy Chief Barber which was seconded by Mr. Druhan. There being no further nominations, Mr. Druhan moved, with a second from Deputy Chief Barber, the nominations be closed and a vote taken. The secretary was directed to record the votes as follows: Mr. Connick received 3 votes with Captain Connick, Captain McLarty and Mr. Connick voting for himself and Deputy Chief Barber received 5 votes with Mr. Lilley, Mr. Druhan, Ms. Malkove, Lieutenant Hodge and Deputy Chief Barber voting for himself. Deputy Chief Barber will continue to serve in the position of vice-chairman through June 11, 2012.*

The chairman presented the **minutes of the regular Board meetings of April 27 and May 25, 2011.** *Deputy Chief Barber moved for approval of the minutes. Mr. Druhan seconded the motion, and the minutes were approve with Ms. Malkove abstaining on the minutes of April 27th.*

The chairman presented the Personnel Action Notice of DROP retirement effective July 1, 2011 submitted by **Fire Service Captain Terry Kiser Mobile Fire Department.** As of June 30, 2011 Captain

Kiser will be 61 years old and will have served 29.06 years. He has elected the 100% joint and survivor annuity option with the “pop-up” feature. *Captain Connick motioned for approval, Deputy Chief Barber seconded the motion, and it carried.*

The chairman presented the Personnel Action Notice of DROP retirement effective July 1, 2011 submitted by **Fire Service Driver Herman J. Lahrs, III Mobile Fire Department**. As of June 30, 2011 Driver Lahrs will be 57 years old and will have served 26.32 years. He has elected the 50% joint and survivor annuity option with the “pop-up” feature. *Deputy Chief Barber motioned for approval, Ms. Malkove seconded the motion, and it carried.*

The chairman presented items 6 through 9 on the agenda for approval. *On a motion by Deputy Chief Barber, seconded by Captain McLarty, the Board approved the following:*

Payment of Invoice No. 004746 dated May 30, 2011 in the amount of \$5,000.00 submitted by Gray & Company for investment performance analysis ending May 31, 2011;

Payment in the amount of \$76,567.00 to Ripplewood Partners II, LP for capital call for current investment;

Payment of Invoice dated May 23, 2011 in the amount of \$5,530.97, submitted by the Bank of New York for professional custodial services for the quarter ending March 31, 2011; and

Payment in the amount of \$70,000.00 to Permal Capital Management for capital call for current investment.

The chairman presented a letter from Police Sergeant Paul Soulier requesting to purchase military time from 2003. *Mr. Druhan moved to approve the request, Deputy Chief Barber seconded the motion, and it carried.*

The secretary provided each Board member with a list of the **requests for refund**. *On a motion by Captain Connick, seconded by Ms. Malkove, the Board approved refunds totaling \$53,476.84 as follows:*

<i>Onree C. McWilliams</i>	<i>\$5,829.95</i>
<i>Kimberly A. Turner</i>	<i>8,331.13</i>
<i>Emmitt J. Byrd</i>	<i>39,315.76</i>
<i>Total Refunds</i>	<i>\$53,476.84</i>

The chairman acknowledged the consultant, Bob Hubbard, and turned the meeting over to him. Mr. Hubbard gave a brief report on the fund performance through April 2011. He also reported on the ongoing process of getting the contracts from Allianz Global Investors Capital LLC. The contract should be ready for the July meeting.

Unfinished business:

- *Mr. Connick moved to reconsider his original motion of May 25, 2011 regarding a 2.5% COLA for retirees who retired with partial benefits because of a Service Connected Disability. Mr. Druhan seconded the motion. After a brief discussion Captain McLarty moved to accept the following Resolution presented by Ms. Cochran regarding the one time cola, Ms. Malkove seconded the motion, and it carried.*

RESOLUTION GRANTING A COST OF LIVING ALLOWANCE

WHEREAS, Article 4.05 of Act No. 2001-518, 2001 *Alabama Acts* authorizes the City of Mobile Police and Firefighters Retirement Plan Board (“the Board”) to increase the benefits being paid to all retired members, or certain classes of retired members, so long as such increases have no material adverse impact on the funded status of the plan;

WHEREAS, after consultation with its actuary and other advisors, the Board has deemed it necessary and prudent to grant a benefit increase to certain classes of retired members as more fully described below;

WHEREAS, the Board, after due consideration and consultation with its financial advisors has found and determined that the requested increase will not have a material adverse impact on the financial condition of the Plan;

NOW, THEREFORE, BE IT RESOLVED that the benefits payable to the following retired members shall be increased in an amount equal to 18.07% of the monthly benefit.

- All persons who retired under the provisions of Alabama Act of May 29, 1997, No. 689, Article 4.02(a)(ii) presently receiving less than \$1,000.00 in benefits each month.

BE IT FURTHER RESOLVED that a copy of this resolution shall be forwarded to the City Clerk for the City of Mobile with a request that this Resolution be placed upon the agenda of the Mobile City Council at its earliest convenience and that the Council grant its consent to the benefit increase described herein; and

BE IT FURTHER RESOLVED that upon approval of the City Council the benefit increase shall be implemented as soon as practical after said approval.

ADOPTED THIS 22nd DAY OF June, 2011.

Chairman of the Board

Attest:

Mary Berg, Board Secretary

- Ms. Berg provided the following information regarding the City providing payroll services versus an outside party providing the services: Regions Bank will charge \$2.50 per payroll check and for each additional check (refunds or drop distributions) they would charge \$10.00 each. The City has provided these services for the Pension Fund since its inception at no cost to the Plan. The City also pays the expense for an annual audit of the Plan. *Captain Connick moved to invite a Region Bank's representative to the next meeting. Captain McLarty seconded the motion. The motion failed with Captain Connick, Captain McLarty and Mr. Connick voting in favor of the motion and with Ms. Malkove, Mr. Druhan, Lieutenant Hodge, Deputy Chief Barber and Mr. Lilly voting against. Mr. Lilley motioned for the City to continue as paying agent for the Police & Fire pension payroll, with a service contract drawn up by Ms. Cochran. Deputy Chief Barber seconded the motion, and it carried with Ms. Malkove, Mr. Druhan, Lieutenant Hodge, Deputy Chief Barber and Mr. Lilley voting in favor of the motion and with Captain Connick, Captain McLarty and Mr. Connick voting against.*

New business:

- *Captain Connick motioned to contact Regions Bank and request a money market account with the highest interest rate available. Captain McLarty seconded the motion, and it carried.*
- *The chairman presented a check in the amount of \$43,288.41 from Police Captain John Barber requesting to purchase prior service for the period August 10, 1996 through July 7, 2010. Ms. Malkove moved for approval. The motion was seconded by Lieutenant Hodges, and it carried with Deputy Chief Barber abstaining.*
- *There being no further business to come before the Board, on a motion by Mr. Druhan, and seconded by Deputy Chief Barber, the meeting adjourned at approximately 10:28 a.m.*

James T. Lilley, Jr., Chairman

Mary A. Berg, Secretary