

**The City of Mobile, Alabama**  
**Police and Firefighters Retirement Plan**  
**Regular Meeting**  
**February 27, 2008**

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 27, 2008 in the City Council Pre-Conference room on the first floor of the south tower of Government Plaza.

Present:

Fire Service Captain Bryan Lee, Chairman  
Retired Police Lieutenant George Goodwin  
Retired Fire Service Captain Terry Lilley  
Fire Service Captain James Connick  
Police Lieutenant Mike Morgan  
Ms. Barbara Malkove  
Mr. Briley Shirah  
Mr. Michael Druhan  
Ms. Wanda Cochran, Counsel  
Ms. Mary Berg, Secretary

Absent:

Police Deputy Chief James Barber, Vice Chairman

Guests:

Ms. Gwelda Swilley-Burke, Gray & Company  
Mr. Chuck Carr, Southern Actuarial Services Company, Inc., Consulting Actuary  
Mr. Richard Roesch, Transamerica Investment Management  
Mr. David Kania, Transamerica Investment Management  
Mr. Joseph Sharma, Systematic Financial Management  
Mr. James Wallerius, Systematic Financial Management  
Mr. Leon Stamps, Fisher Investments, Inc.  
Mr. Roman Knysh, Fisher Investments, Inc.  
Mr. John Williams, City of Mobile Councilman  
Mr. John Thompson, Financial Advisor  
Mr. John Hannah, Financial Advisor  
Fire Chief Steve Dean, Mobile Fire Department  
Fire Service Captain Mark Stewart, Mobile Fire Department  
Assistant Fire Service Marshall Sam Stephens, Mobile Fire Department  
Fire Service Captain Bo McLarty, Mobile Fire Department  
Clay McLain, Mobile Fire Department

The chairman, Captain Bryan Lee, called the meeting to order at 9:03 a.m.

The first order of business on the agenda concerned presentations by prospective SMID CAP managers.

Mr. Leon Stamps and Mr. Roman Knysh presented a proposal on behalf of **Fisher Investments, Inc.** They answered questions posed by the Board and Ms. Cochran. *The chairman thanked Mr. Stamps and Mr. Knysh on behalf of the Board, and they departed.*

Mr. Joseph Sharma and Mr. James Wallerius presented a proposal on behalf of **Systematic Financial Management.** They answered questions posed by several Board members and Ms. Cochran. *The chairman thanked Mr. Sharma and Mr. Wallerius on behalf of the Board, and they departed.*

Mr. Richard Roesch and Mr. David Kania presented a proposal on behalf of **Transamerica Investment Management**. They answered questions posed by the Board and Ms. Cochran. *The chairman thanked Mr. Roesch and Mr. Kania on behalf of the Board, and they departed.*

*Captain Connick made a motion, which was seconded by Lieutenant Morgan, to accept Transamerica Investment Management as the SMID CAP manager, if they will bring their fees to 85 basis points.*

*Ms. Malkove made a motion, which was seconded by Lieutenant Morgan, to amend the previous motion to be able to negotiate for the best possible fee, with any contract subject to counsel review and approval. The amended motion carried.*

*The original motion to accept Transamerica Investment Management as the SMID CAP manager was amended to include the best possible fee being negotiated and subject to counsel review and approval. The amended original motion carried.*

The chairman presented the **minutes of the rescheduled regular Board meeting of December 19, 2007**. *On a motion by Ms. Malkove, seconded by Mr. Shirah, the minutes were approved as written and distributed.*

The chairman presented the **financial statements for the month of December, 2007**. *Ms. Malkove moved for approval, the motion was seconded by Captain Connick, and carried.*

The chairman presented Personnel Action Notice submitted by **Police Lieutenant Victor C. Vaughn**, Mobile Police Department, of his intent to retire effective April 1, 2008 with benefits deferred to September 20, 2025, at which time he will be 65 years of age. Lieutenant Vaughn has served 16.82 years entitling him to retirement benefits on the basis of 42.05% of his final average salary. *Lieutenant Morgan moved for approval. Captain Connick seconded the motion, and it carried.*

The chairman presented items 6 through 12 on the agenda for approval. *On a motion by Mr. Shirah, seconded by Captain Connick, the Board approved the following:*

**Payment of Invoice No. 003637 dated February 1, 2008 in the amount of \$5,000.00 submitted by Gray & Company** for investment performance analysis ending January 31, 2008;

**Payment in the amount of \$7,091.41 to Orleans Capital Management** for professional fixed income investment services for the quarter ending December 31, 2007;

**Payment in the amount of \$17,300.00 to LSV Asset Management** for professional smid cap income investment services for the quarter ending December 31, 2007;

**Payment of Invoice dated January 24, 2008 in the amount of \$12,965.49 submitted by The Bank of New York** for professional custodial services for the quarter ending December 31, 2007;

**Payment in the amount of \$63,488.00 to Permal Capital Management** for call requested for current investment;

**Payment of Invoice No. SSgABA512756 dated February 14, 2008 in the amount of \$4,387.32 submitted by State Street Global Advisors** for professional index investment management services for the quarter ending December 31, 2007; and

**Payment of Invoice No. 009-0108 dated January 25, 2008 in the amount of \$13,075.00 submitted by Southern Actuarial Services Company, Inc.** for actuarial valuation as of October 1, 2007 and a special studies report request by the Board.

The secretary provided each Board member with a list of the **requests for refund**. *On a motion by Captain Connick, seconded by Lieutenant Morgan, the Board approved refunds totaling \$11,988.12 as follows:*

<i>Michael A. Cauley</i>	\$ 62.59
<i>Melonie A. Craft</i>	3,317.88
<i>Rozell C. Pritchard</i>	1,518.10
<i>Harry C. Stoffle</i>	7,089.55
<i>Total Refunds</i>	\$ 11,988.12

Mr. Chuck Carr presented a summary of the **actuarial valuation** as of October 1, 2007. He responded to questions posed by the Board and Ms. Cochran. *The chairman thanked Mr. Carr on behalf of the Board.*

The chairman acknowledged the consultant, Ms. Swilley-Burke, and turned the meeting over to her. Ms. Swilley-Burke gave a brief summary of management performance ending January 31, 2008. She also reminded the Board that 5 alternative managers would be presenting at the March meeting.

**Unfinished business:**

- *The chairman and Mr. Lilley motioned to allow the active members of the Plan to vote on an additional contribution of 8.55% in order for the benefits of the Plan to be the same for all members. Mr. Goodwin, Lieutenant Morgan, Mr. Druhan, and Captain Connick opposed the motion. The motion failed.*

*There being no further business to come before the Board, on a motion by Mr. Druhan and seconded by Mr. Shirah, the meeting adjourned at approximately 1:10 p.m.*

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*Bryan T. Lee, Chairman*

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*Mary A. Berg, Secretary*