

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, April 16, 2014, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:06 a.m.

Pledge of Allegiance:

Chairman Mark Huggins led the pledge of allegiance.

Members Present:

Cpl. Mark Huggins, Chairman
Maj. Kelly Gibson, Vice Chairman
Chief Carl Dabadie
Cdr. Henry Dean
Chief Scott Ford
Capt. (Ret.) Willie Joe Greene
Mr. Ben Huxen
Chief Dwayne Munch
Sgt. (Ret.) Larry Reech
Mayor Donald Villere

Members Absent:

Senator Elbert Guillory
Mr. John Kennedy
Mayor Joey Normand
Representative Kevin Pearson

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Ms. Kelli Rogers, CFO
Mr. Randy Roche, General Counsel
Mr. David Barnes, NEPC
Mr. Gary Curran, Actuary
Ms. L.A. Huggins, Monroe Police Department
Mr. Michael Calloway, Monroe Police Department
Mr. Ronald Ruiz, Jr., New Orleans Police Department
Mr. Charles Marsala, LPL Financial Advisor
Mr. Tony Gelderman, BLB&G
Mr. Pdraig Sheehy, Kleinwort Benson Investors
Ms. Stephanie Bramer, William Blair & Co
Mr. John McLaughlin, William Blair & Co

Public Comment:

Chairman Huggins called for public comment. There was no comment from the public in attendance.

Approval of minutes:

Motion by Mr. Dean seconded by Mr. Ford to approve the minutes of the meeting held March 19, 2014 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Greene seconded by Mr. Villere to approve the applications for Regular Retirement. Without objection the motion carried.

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Shannon Goodrich	Slidell	03/30/14	14.02	3a

Motion by Mr. Reech seconded by Mr. Dean to approve the applications for DROP. Without objection the motion carried.

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Byron Francois	New Orleans	02/01/14	25.30	Max
Lesia Mims	New Orleans	02/01/14	25.07	2a
Daniel Plustache	New Orleans	01/21/14	15.05	2a
Richard Quebedeaux	Baton Rouge	01/14/14	28.82	2a
Jenerio Sanders	New Orleans	01/21/14	30.98	2a
Joel Tallant	New Orleans	02/01/14	24.01	Max
Laurice Teague	Baton Rouge	01/28/14	26.77	Max
Ronald Thomas	New Orleans	01/31/14	24.08	Max

Motion by Mr. Reech seconded by Mr. Greene to approve the applications for DROP to Regular Retirement. Without objection the motion carried.

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Rodney Bailey	New Orleans	03/28/14	31.88	2a
Barry Beck	Shreveport	04/28/14	17.64	3a
Frank Bivens	New Orleans	03/25/14	30.01	Max
Corey Broussard	Kenner	03/28/14	31.13	Max
Rocky Gerald	Bogalusa	03/01/14	30.00	2a
Ronald Laporte, Jr.	New Orleans	05/01/14	27.58	Max
Henry Laurent	New Orleans	04/20/14	25.18	2a
Michael Pfeiffer	New Orleans	04/11/14	29.09	3a
George Waguespack III	New Orleans	04/01/14	26.72	2a
Kenneth Watzke	New Orleans	03/08/14	25.71	2a
Brian Weiss	New Orleans	04/20/14	30.12	Max

Disability Retirement:

Mr. Ronald Ruiz (New Orleans) attended the board meeting to provide information relative to his duty-related disability application. Chairman Huggins advised Mr. Ruiz that he had the option of having his application discussed in open session or executive session. Mr. Ruiz opted for executive session.

Motion by Mr. Dean seconded by Mr. Reech to go into executive session at 9:09 a.m. to discuss Mr. Ronald Ruiz's duty related disability application. Without objection the motion carried.

Return to regular session at 9:29 a.m.

Motion by Mr. Dean seconded by Mr. Reech to approve the duty related disability application submitted by Mr. Ronald Ruiz. Without objection the motion carried.

Investment Consultant's Report:

NEPC:

Mr. David Barnes represented NEPC. Mr. Barnes presented the Investment Market Update. The total market value as of March 31, 2014 was \$1,759,191,409 and performance was 0.3% for the month of March 2014 and 14.2% for the FYTD.

Mr. Barnes noted that NEPC has been monitoring the events taking place at Post Advisory Group within the past few years. As a result of recent high personnel turnover rate, NEPC recommends to terminate relationship with Post Advisory Group.

Motion by Mr. Reech seconded by Mr. Dean to terminate Post Advisory Group and move funds to the State Street Index Fund. Without objection the motion carried.

Mr. Barnes presented the Request for Proposals (RFP) for both Emerging Market Debt – local currency (long only) Strategy and High Yield Bond (long only) Strategy. The timeline is as follows:

RFP issuance and advertisement period	May 7-23, 2014
Deadline for submission of written questions	May 24, 2014
Responses to RFP questions posted	May 28, 2014
Deadline for submission of cover letter	June 9, 2014
Finalists selected for board interview	July 16, 2014
Finalists interviews - Emerging Market Debt	August 20, 2014
Finalists interviews - High Yield Bond	October 15, 2014
Contract awarded	As soon as practical following finalist selection and completion of contract negotiation

Motion by Mr. Reech seconded by Mr. Dabadie to approve the Request for Proposals (RFP) timeline and selection process for Emerging Market Debt – local currency (long only) Strategy and High Yield Bond (long only) Strategy as presented by NEPC. Without objection the motion carried.

Investment Managers' Presentations:

Kleinwort Benson Investors:

Mr. Pdraig Sheehy represented Kleinwort Benson Investors to present their annual report. The portfolio market value as of March 31, 2014 was \$85,296,525.

William Blair:

Ms. Stephanie Braming and Mr. John McLaughlin represented William Blair & Co. to present their annual report. The portfolio market value as of March 31, 2014 was \$241,151,576.

2014 Legislative Update:

Mr. Roche advised that HB 24 passed out of the House Retirement Committee and House floor and is waiting to be scheduled by the Senate Retirement Committee. HB 24 would shorten the amortization schedules for MPERS and combine existing system schedules and amortizes them over a 20 year period.

Ms. Rogers advised that HB 80, regarding restrictions on investment of assets in all state and statewide retirement systems, has not been very active.

Presentation of 10 year Actuarial Forecast Report:

Mr. Gary Curran, with G. S. Curran & Company, Ltd. presented their Forecast Valuations for the period of fiscal year 2014 through fiscal year 2023. The primary purpose of the report is to produce projected liabilities and contributions to be used as a planning tool for the Board of Trustees.

Election Schedule for Chiefs District I and Non Chiefs District III:

Ms. Bourque presented the election schedule for Chiefs District I and Non Chiefs District III. Henry Dean will not seek re-election for the representative position for Non Chiefs District III.

Motion by Mr. Dean seconded by Mr. Reech to accept the election schedule for Chiefs District I and Non Chiefs District III. Without objection the motion carried.

<u>April 30, 2014</u>	Election Schedule, Rules and Petitions mailed to eligible voting members
<u>May 16, 2014</u>	Petitions due in the post office box of Hawthorn, Waymouth & Carroll by 4:30 p.m.
<u>May 21, 2014</u>	Nominations accepted by Board of Trustees
<u>May 30, 2014</u>	Ballots mailed to eligible voting members
<u>June 13, 2014</u>	Ballots due in the post office of Hawthorn, Waymouth & Carroll by 4:30 p.m.
<u>June 17, 2014</u>	Ballots counted and verified beginning at 2:00 p.m.at the office of Hawthorn, Waymouth & Carroll, 8555 United Plaza Blvd., Baton Rouge, LA 70809
<u>June 18, 2014</u>	Board accepts certified ballot count and publishes results
<u>July 1, 2014</u>	Elected trustees take office

Other Business:

Mr. Roche provided the board members with a listing of returns from Securities Litigations at an average of \$300,000 per year. Ms. Rogers asked for a cost-benefit analysis to be presented at next board meeting.

Mr. Roche advised that the deadline for the board members to submit their Financial Disclosure Statement is May 15, 2014.

Mr. Roche advised that Mr. Tony Gelderman with BLB&G is present to report on the confidential settlement involving the retirement system and JP Morgan dealing with Foreign Exchange trade.

Motion by Mr. Dean seconded by Mr. Reech to go into executive session at 12:11 p.m. to discuss the settlement. Without objection the motion carried.

Back in regular session at 12:29 p.m.

Ms. Rogers gave an update in regards to GASB 67 and 68. These two pronouncements will significantly change procedures for our financial statements and requirements on the auditors. The two main components are to allocate the pension plan's liability to individual employers and to audit the employers in order to verify information is being reported correctly. GASB also puts various requirements on the frequency of the employer audits. Michelle Cunningham with our auditing firm will attend our next board meeting to discuss the new requirements and implementation to comply.

Motion by Mr. Reech seconded by Mr. Ford to adjourn the meeting at 12:33 p.m. Without objection the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held April 16, 2014.

Mark Huggins, Chairman

Daphne Rusk, Administrative Assistant