

## MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, August 15, 2012, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Henry Dean at 9:04 a.m.

### Pledge of Allegiance:

Chairman Henry Dean led the pledge of allegiance.

### Members Present:

Cdr. Henry Dean, Chairman  
Cpl. Mark Huggins, Vice Chairman  
Chief Stephen Caraway  
Chief Christopher Elg  
Mr. Ron Henson, designee for Treasurer  
Chief K. P. Gibson  
Capt. Kelly Gibson  
Capt. (Ret.) Willie Joe Greene  
Mayor Tim Matte  
Chief Dwayne Munch  
Dr. Steve Procopio, designee for DOA Commissioner  
Sgt. (Ret.) Larry Reech

### Members Absent:

Mayor Barney Arceneaux  
Senator Elbert Guillory  
Representative Kevin Pearson

### Others Present:

Ms. Kathy Bourque, Director  
Ms. Daphne Rusk, Administrative Assistant  
Mr. Randy Roche, General Counsel  
Mr. Brett Hazen, Segal Rogerscasey  
Mr. Gary Curran, GS Curran & Company, Ltd  
Mr. Richard Hartzell, JPMorgan  
Ms. Andrea Hubbard, DOA  
Mr. Marty Howell, Hilda Allen Real Estate  
Ms. L. A. Tucker, Monroe Police Department  
Mr. Chad King, Baton Rouge Police Department  
Mr. Todd Weishar, Baton Rouge Police Department  
Mr. Lawrence Junda, Baton Rouge Police Department  
Mr. Michael Montgomery, Baton Rouge Police Department  
Mr. Don Coppola, Baton Rouge Police Department  
Mr. Fred Gernant, Jr., Baton Rouge Police Department  
Mr. Kyle Callihan, Baton Rouge Police Department  
Mr. Chris Stewart, Baton Rouge Police Department

### Oath of Office:

Mr. Roche administered the Oath of Office to Mr. Dwayne Munch to serve a term from July 1, 2012 ending June 30, 2017.

### Public Comment:

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

Approval of minutes:

Motion by Mr. Huggins seconded by Mr. Greene to approve the minutes of the meeting held July 18, 2012 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Caraway seconded by Mr. K.P. Gibson 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>
Billy Allmond, Jr.	Baton Rouge	07/16/12	28.54	3a
Erbin Bush, III	New Orleans	07/28/12	25.01	2a
Lawrence Lacrouts	Kenner	08/01/12	25.06	Max (IBO)
Troy Naquin	Houma	08/28/12	20.00	2a
Allen Persick	Baton Rouge	07/17/12	26.32	03
Gary Taylor	Olla	07/01/12	30.00	03

Motion by Mr. Greene seconded by Mr. Huggins 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>
Tommy Black	Bossier City	06/13/12	29.74	3a
Paul Harper	Monroe	06/15/12	26.91	Max
Tris Lear	Gretna	06/07/12	25.15	2a
Jules Lockett	Baton Rouge	06/19/12	27.97	3a
Madeline Norwood	Monroe	07/01/12	20.34	2a
John Smith	Kenner	06/30/12	29.98	2a
Beverly Stewart	Monroe	06/15/12	23.15	Max
Ted Vincent	Lafayette	07/01/12	29.50	2a
Mark Weber	Baton Rouge	06/30/12	17.55	3a

Motion by Mr. Reech seconded by Mr. Kelly Gibson 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>
Newman Bobb	Alexandria	08/04/12	25.00	Max
Steve Broussard	Abbeville	07/25/12	26.91	2a
Sidney Garaudy	New Orleans	08/05/12	23.57	2a
Maxie Monroe	Jonesboro	07/01/12	29.01	Max
Virgil Parker, Jr.	Monroe	08/01/12	25.15	2a
Kathy Powell	Bossier City	08/22/12	27.14	Max
Joel Schmidt	New Orleans	07/15/12	31.25	2a
Lynn Sharp	Covington	08/16/12	25.74	Max
Frank Spears	Lecompte	08/07/12	18.42	03

Motion by Mr. Huggins seconded by Mr. Kelly Gibson to approve the applications for Early 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>
Kevin Perry	Shreveport	07/16/12	21.61	2a
Louis Richardson, Jr.	New Orleans	07/16/12	22.48	2a

Litigation Update:

Motion by Mr. Kelly Gibson seconded by Mr. K.P. Gibson to go into executive session at 9:08 a.m. to discuss potential litigation regarding Olde Oaks Development and pending litigation regarding CPERS with Mr. James Percy. Without objection the motion carried.

Back to regular business at 10:14 a.m.

Mr. James Percy addressed the board regarding five proposals received from Mr. Dennis Bamburg regarding Olde Oaks Development. Mr. Percy and Mr. Roche met with Mr. Bamburg at Olde Oaks to review and discuss Mr. Bamburg's proposals.

1<sup>st</sup> proposal – An exchange for properties regarding a 4.3 acre piece of property that Mr. Bamburg owns situated directly in the center of the development. Mr. Bamburg proposes to exchange and give to the board some strips to the rear of his property along the sides of his property in exchange for some additional frontage from the board at the front of his property situated on the olde oaks road in which his property sits.

Motion by Mr. Huggins seconded by Mr. K.P. Gibson to authorize Mr. Percy to seek alternative consideration in Mr. Bamburg's 1<sup>st</sup> proposal. Without objection the motion carried.

2<sup>nd</sup> proposal – An exchange for property south of the development which is a long strip of property owned by MPERS that is not subdivided at present. There is a drainage ditch on that property. Mr. Bamburg is proposing to exchange properties such as he would receive the long strip of property in exchange for approximately 4 acre tract of land on the north side of Sligo Road.

Motion by Mr. K.P. Gibson seconded by Mr. Reech to disagree with Mr. Bamburg's 2<sup>nd</sup> proposal. Without objection the motion carried.

3<sup>rd</sup> proposal – Mr. Bamburg presented a document that purports to be an agreement signed by Mr. Randy Zinna on behalf of the board where Mr. Zinna agreed at the time the board purchased the property from Mr. Bamburg for the development and it ports to be an agreement that the board would bury all utility lines.

Mr. Percy recommended that the board allow him to research the accuracy and legality of the agreement.

Motion by Mr. Reech seconded by Mr. Huggins to authorize Mr. Percy to research the accuracy and legality of the agreement signed by Mr. Randy Zinna regarding burying all utility lines in Olde Oaks Development. Without objection the motion carried.

4<sup>th</sup> proposal – Mr. Bamburg owns a strip of land in which there is a movement of water which supplies the lake on the golf course and is located in the center of the development. Mr. Bamburg is proposing that he is willing to grant to the board for its property for the continued use to service the lake servitude for those water rights to continue.

Mr. Percy recommended that the board agree to Mr. Bamburg's offer and get an appropriate agreement in place for servitude across his property for the flow of water from the bayou into the lake on the development.

Motion by Mr. Reech seconded by Mr. Munch to accept Mr. Percy's recommendation and draft an agreement for servitude across Mr. Bamburg's property for the flow of water from the bayou into the lake on the development. Without objection the motion carried.

5<sup>th</sup> proposal – There is an abandoned well on Mr. Bamburg's property and he is asking the board to support his efforts to have the well plugged and abandoned properly.

Motion by Mr. Reech seconded by Mr. Greene to support Mr. Bamburg's efforts to have the abandoned well which is located on his property plugged. Without objection the motion carried.

Custodian Report by JPMorgan:

Mr. Richard Hartzell represented JPMorgan at the meeting. Total market value as of July 31, 2012 was \$1,379,476,006.40.

Investment Managers Presentation:

BMO Global Asset Management

Mr. Kevin Gergits and Mr. Ernesto Ramos represented BMO Global Asset Management, Inc. to present their annual report. The portfolio market value as of June 30, 2012 was \$74,574,733.

INTECH Investment Management

Mr. Warren DeKinder and Mr. Christian McCormick represented INTECH to present their annual report. The portfolio market value as of July 31, 2012 was \$73,258,519.

Investment Consultant's Report:

Segal Rogerscasey:

Mr. Brett Hazen represented Segal Rogerscasey and presented the analysis of performance ending July 31, 2012. Market value as of July 31, 2012 was \$1,379,215,646. Performance for the month of July 2012 was 1.14%.

Real Estate Update:

Hilda Allen Real Estate:

Mr. Marty Howell represented Hilda Allen Real Estate and advised that Mr. Roche had reviewed the contracts for the sale of Olde Oaks Golf Club, Stonebridge Golf Club and Olde Oaks Development by means of a Hybrid Sealed Bid Offering. Mr. Howell advised that Hilda Allen Real Estate is ready to move forward.

Motion by Mr. Huggins seconded by Mr. Reech to go into executive session at 11:09 a.m. to discuss the terms of the contracts between Hilda Allen Real Estate and MPERS. Without objection the motion carried.

Back to regular business at 12:06 p.m.

Motion by Mr. Elg seconded by Mr. Caraway to approve and authorize Ms. Bourque to sign the contracts with Hilda Allen Real Estate for the sale of Olde Oaks Golf Club, Stonebridge Golf Club and Olde Oaks Development by means of a Hybrid Sealed Bid Offering. Without objection the motion carried.

Other Business:

Early Distribution Penalty:

Mr. K.P. Gibson asked for clarification on the request from Mr. Michael Montgomery regarding mandatory DROP distribution.

Mr. Roche advised that the system would not have any financial cost if the mandatory DROP distribution rules would change.

Mr. Michael Montgomery addressed the board regarding the mandatory DROP distribution in which he will be required to take upon retirement if he retires immediately upon ending his DROP participation due to MPERS' rules which apply to retiring under the age of 50. Mr. Montgomery requested a change or exception to MPERS' DROP distribution rules to exempt him from the minimum required distribution of DROP funds upon his retirement at age 49.

Discussion was held regarding possible changes to the MPERS rules and policies for DROP distribution prior to age 50.

Chairman Dean instructed Mr. Roche to request an Attorney General Opinion regarding the definition of attained age regarding DROP withdrawals.

Motion by Mr. Reech seconded by Mr. Huggins to adjourn the meeting at 12:44 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 August 15, 2012.

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Henry Dean, Chairman

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Kathy Bourque, Director