

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, December 14, 2011, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Kelly Gibson at 9:00 a.m.

Pledge of Allegiance:

Chairman Kelly Gibson led the pledge of allegiance.

Members Present:

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

Members Absent:

Chief K.P. Gibson
Senator D.A. "Butch" Gautreaux
Representative Kevin Pearson

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Roche, General Counsel
Mr. Brett Hazen, Segal Advisors
Mr. Gary Curran, GS Curran & Company, Ltd
Mr. Richard Hartzell, JPMorgan
Ms. Stephanie Little, Attorney House Retirement
Ms. Lauren Bailey, Attorney Senate Retirement
Ms. LA Tucker, Monroe Police Department
Mr. Michael Callaway, Monroe Police Department
Mr. Hugh Costello, Post Advisory Group
Mr. William Matthews, Post Advisory Group
Mr. Joel Smith, Lake Charles Police Department

Public Comment:

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

Approval of minutes:

Motion by Mr. Dean seconded by Mr. Greene to approve the minutes of the meeting held November 16, 2011 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Caraway seconded by Mr. Munch 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>
Laverne James	Ball	11/01/11	18.52	Max
Gregory Powell	Alexandria	12/01/11	33.00	Max
Terry Rivers	Zwolle	11/16/11	12.29	2a
Sarah Thomas	Baldwin	12/01/11	12.88	Max

Motion by Mr. Reech 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>
Michael Bailey	Shreveport	11/01/11	25.13	2a
Robert Glaser	Baton Rouge	10/10/11	26.54	3a
Raymond Goeckel	Shreveport	11/01/11	29.15	02
Janet Kneeland	Crowley	10/26/11	30.19	Max
Barry Marquez	New Orleans	10/31/11	27.75	2a
Alfred Moore, III	Lake Charles	11/01/11	33.29	2a
Kevin Newman	Baton Rouge	10/24/11	28.77	02
David Tregrie	New Orleans	10/21/11	22.54	Max
John Youngblood	Shreveport	11/01/11	25.16	3a

Motion by Mr. Reech seconded by Mr. Munch 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>
Clarence Hebert	New Orleans	11/05/11	31.14	2a
Karen Millhouse	Monroe	12/31/11	28.04	Max
Michael Levasseur	New Orleans	11/05/11	26.98	2a
John Miller	New Orleans	11/26/11	26.04	02
Sharon Roussel	New Orleans	11/12/11	27.41	2a
Haynes Ragas, III	New Orleans	12/11/11	21.33	Max

Motion by Mr. Huggins seconded by Mr. Munch 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>
Glen Gross	New Orleans	11/06/11	22.71	03
Sabra Pope	Baton Rouge	12/01/11	23.95	Max

Litigation update:

Motion by Dean seconded by Mr. Reech to go into executive session to discuss litigation on Harry Mendoza vs City of New Orleans and MPERS. Without objection the motion carried.

Return to regular business at 9:24 a.m.

Investment Managers Presentation:

Mr. Hugh Costello and Mr. William Matthews represented Post Advisory Group to present the annual report. The market value was \$63,444,219 as of October 31, 2011.

	<u>10/2011</u>	<u>YTD</u>	<u>Since Inception*</u>
MPERS	4.60%	5.32%	7.56%
Barclays US Corporate	5.99%	4.52%	8.61%

*Inception 07/01/03

Custodian Report by JPMorgan:

Mr. Richard Hartzell represented JPMorgan at the meeting. Total market value as of November 30, 2011 was \$1,301,741,875.63.

Investment Consultant's Report:

Mr. Brett Hazen represented Segal Advisors at the meeting and presented the analysis of performance ending November 30, 2011. Market value as of November 30, 2011 was \$1,300,750,367. Performance for the month of November 2011 was -1.58%.

GTAA Search:

Mr. Hazen advised that Segal completed the search process comparing potential GTAA strategies for inclusion in MPERS' portfolio and recommends interviewing Putnam Investments, LLC, Standard Life Investments and Wellington Management Company, LLP. The three finalists recommended all cover a broad range of asset classes in their GTAA approach.

Motion by Mr. Dean seconded by Mr. Reech to interview Putman Investments, LLC, Standard Life Investments and Wellington Management Company, LLP as potential candidates for the GTAA asset allocation managers as recommended by Segal Advisors. Interviews will be scheduled for the March 2012 meeting. Without objection the motion carried.

Investment Policy:

Mr. Hazen advised that Segal has begun redrafting the investment policy to include the GTAA asset allocation and should have the draft ready to present at the January 2012 meeting.

Other Business:

Actuarial Valuation Update:

Mr. Roche presented facts regarding the calculation of DROP interest. In 1985 the board of trustees adopted the method of calculation of interest as explained by the actuary which was the actuarial rate of return, net of mergers. By adopting the method recommended by the actuary it became the interpretation of the board that all future DROP interest would be paid using this method until later changed by vote of the board of trustees. Mr. Roche advised that the board of trustees has the right to change the current method of paying the interest on DROP accounts by reassessing its interpretation of the statute. A change in the method of payment of interest on the DROP at this time could have a positive effect on some participants as well as a negative effect on others.

Motion by Mr. Dean seconded by Mr. Munch to continue to calculate DROP Interest based on the actuarial rate of return, not market value rate of return. With Mr. Reech opposing, the motion carried.

Motion by Mr. Dean seconded by Mr. Huggins to have Mr. Roche clear up the language in the DROP interest statute relative to the calculation of the DROP interest rate payable to member's accounts. Without objection the motion carried.

Mr. Roche advised that the 2012 Legislative Session start date has been moved up to March 12, 2012 and the profile date is now the 3rd week in January 2012.

Election of Chairman and Vice Chairman for 2012:

Mr. Kelly Gibson advised that he has been Chairman for the past two years and enjoyed it but wants to move on.

Mr. Reech nominated Mr. Mark Huggins as Chairman and Mr. Willie Joe Greene nominated Mr. Henry Dean as Chairman.

After a tie roll call vote, Mr. Huggins withdrew from the nominations for Chairman.

Mr. Henry Dean was declared the winner and Chairman for 2012.

Mr. Dean nominated Mr. Mark Huggins as Vice Chairman for 2012.

Mr. Mark Huggins was declared the winner and Vice Chairman for 2012.

January 2012 meeting:

Motion by Mr. Reech seconded by Mr. Dean to move the January 2012 meeting from January 18, 2012 to January 11, 2012 for the presentation and adoption of actuarial valuation. Without objection the motion carried.

Motion by Mr. Dean seconded by Mr. Reech to adjourn the meeting at 10:39 a.m. Without objection the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held December 14, 2011.

Kelly Gibson, Chairman

Kathy Bourque, Director