

## MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, February 11, 2015, at Astor Crowne Plaza, 739 Canal Street, Bourbon Room, New Orleans, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:02 a.m.

### Pledge of Allegiance:

Chairman Huggins led the pledge of allegiance.

### Members Present:

Cpl. Mark Huggins, Chairman  
Capt. (Ret.) Willie Joe Greene, Vice Chairman  
Mr. John Broussard  
Maj. Raymond Burkart, Jr.  
Chief Carl Dabadie  
Chief Scott Ford  
Maj. Kelly Gibson  
Ms. Ashlee McNeely  
Chief Dwayne Munch  
Mayor Joey Normand  
Sgt. (Ret.) Larry Reech  
Chief Michael Suchanek

### Members Absent:

Senator Elbert Guillory  
Representative Kevin Pearson  
Mayor Donald Villere

### 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. Michelle Cunningham, Auditor, DHHM  
Mr. Chad King, Baton Rouge Police Dept.  
Mr. Tom Page, BMO Global Asset Management  
Mr. Jason Hans, BMO Global Asset Management  
Mr. Warren DeKinder, INTECH  
Mr. Christian McCormick, INTECH

### Public Comment:

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

### Approval of minutes:

Motion by Mr. Burkart seconded by Mr. Ford to approve the minutes of the meeting held January 21, 2015 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Greene seconded by Mr. Reech 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>
John Gott	DeRidder	12/10/14	25.00	02
Cathy McCoy	Winnfield	12/17/14	15.81	03
Sean Ramke	Abbeville	12/15/14	25.01	2a
Debra Strickland	Shreveport	12/03/14	30.29	3a

Motion by Mr. Suchanek seconded by Mr. Ford 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>
Jeffrey Anderson	Bossier City	02/15/15	23.18	02
Shaun Brown	New Orleans	02/01/15	25.00	2a
Bernard Enclard, Jr.	New Orleans	02/01/15	24.30	Max
George Horton III	Jonesboro	01/01/15	21.19	2a
Stacy Lockett	Baton Rouge	02/13/15	27.07	2a
Paul McCaskell	New Orleans	01/25/15	30.07	Max
Kathy Williams	Shreveport	03/01/15	21.44	3a

Motion by Mr. Greene seconded by Mr. Burkart 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>
Samuel Broyles	Kentwood	01/01/15	25.30	2a
Darryl Busbin	Baton Rouge	02/11/15	22.56	2a

Investment Consultant's Report:

Mr. David Barnes presented the Investment Market Update for the system. The total market value as of January 31, 2015 was \$1,790,089,157 and performance was down -0.4% for the month and -1.7% for the fiscal year to date.

Asset Allocation Update:

Mr. Barnes reviewed NEPC's 2015 capital market observations and explained general actions for clients along with discussing focused actions for public funds.

Mr. Barnes had no recommendation on any policy target changes since the implementation of the 2014 policy target allocations are not complete. The remaining implementation items include private equity strategic plan and additional commitments, real assets allocation (complimentary diversifier to Orleans) and real estate strategic plan and additional commitments.

Mr. Normand asked questions concerning the target balance of an asset class, being over/under weighted, the rebalancing process and timeframe of implementation. Discussion was held on this subject with Mr. Barnes explaining the process.

Mr. Barnes suggested that the Board could consider moving 1% to 2% of the portfolio balance out of large cap domestic stocks because of being over the current policy target and moved into developed international equity since the fund is under the current policy target in that class. Mr. Barnes will have the transition manager provide a pre-trade analysis and provide that report to the Board at the March 18, 2015 board meeting.

BMO Global Asset Management:

Mr. Tom Page and Mr. Jason Hans represented BMO Global Asset Management to present their annual report. The market value as of January 31, 2015 was \$123,594,042.

INTECH:

Mr. Warren DeKinder and Mr. Christian McCormick represented INTECH to present their annual report. The market value as of January 31, 2015 was \$112,931,119.

GASB 67 and 68 Education by Duplantier, Hrapmann, Hogan & Maher:

Ms. Michelle Cunningham gave an in-depth review of the Governmental Accounting Standards Board (GASB) issued statements numbers 67 and 68. She explained that GASB 67 dictates the accounting and reporting activities of pension plans, establishes standards of financial report, specifies the required approach to measuring the pension liability of employers and non-employer contributing entities for benefits, and establishes required footnote disclosures and supplementary information. Some key changes were made to the actuarial cost method, discount rate, asset valuation and amortization of UAL. The effective date of GASB 67 is fiscal year ending 06-30-14.

Ms. Cunningham explained GASB 68 is for all participating employers. All municipalities will report Net Pension Liability on their financial statements. GASB 68 is limited to pensions provided through trusts that meet certain criteria, it revises recognition, measurement, and disclosure requirements for all employers. The effective date for GASB 68 is fiscal year ending 06-30-15.

Actuary comments:

Mr. Curran announced that PERSAC met and approved MPERS' Actuarial Valuation for 2014 which approves the contribution rates for fiscal year 2015 – 2016. Mr. Curran handed out a draft of a bill to be introduced in this upcoming legislative session that would require any municipality that dissolves its police department, to pay their share of the unfunded accrued liability to MPERS within a 10 year time period.

Mr. Broussard arrived at 11:31 a.m.

Review of staff job descriptions:

Motion by Mr. Normand seconded by Mr. Suchanek to table this agenda item until next month's meeting. Without objection motion carried.

Accept nominations for Chiefs District I:

Ms. Bourque announced that only one nomination petition was received from Chief Michael Suchanek for the trustee position for Chiefs District I.

Motion by Mr. Gibson seconded by Mr. Munch to approve the nomination for Chief Michael Suchanek as Trustee to represent Chiefs District I. Without objection motion carried.

Other Business:

Chairman Huggins presented a plaque to Mr. Kelly Gibson who is retiring on February 15, 2015. Mr. Huggins thanked Mr. Gibson for his 10 years of service on the Board of Trustees.

Motion by Mr. Reech seconded by Mr. Normand to adjourn the meeting at 11:38 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 February 11, 2015.

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Mark Huggins, Chairman

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Daphne Rusk, Administrative Assistant