

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, February 16, 2011, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Kelly Gibson at 9:02 a.m.

Pledge of Allegiance:

Chairman Kelly Gibson led the pledge of allegiance.

Members Present:

Lt. Kelly Gibson, Chairman (Lafayette)
Sgt. (Ret.) Larry Reech, Vice Chairman (New Orleans)
Chief Stephen Caraway (Kenner)
Capt. Henry Dean (New Orleans)
Chief Christopher Elg (West Monroe)
Capt. (Ret.) Willie Joe Greene (Shreveport)
Cpl. Mark Huggins (Monroe)
Chief Dwayne Munch (Westwego)

Members Absent:

Chief K.P. Gibson (Crowley)
Representative Kevin Pearson, Ex-officio
Senator D.A. "Butch" Gautreaux, Ex-officio

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Roche, General Counsel
Mr. Charles Hall, Actuary
Ms. Lauren Bailey, Attorney, Senate Retirement Committee
Mr. Matt Tessier, Attorney, House Retirement Committee
Ms. Laura Gail Sullivan, Senate Counsel
Mr. Ben Chavarria, Olde Oaks & Stonebridge Golf Clubs
Mr. James Percy, Attorney, Jones Walker
Mr. Mike Gallagher, JPMorgan
Mr. Charles Roark, Monroe Police Union
Mr. Chad King, Baton Rouge Police Department
Mr. Chris Nassif, Alexandria Police Department
Mr. Jeff Yates, CPERS
Ms. Alecia Wright-Watson, New Orleans Police Department
Mr. Jason Fanguy, Houma Police Department
Mr. Robert McManama, Loomis Sayles
Mr. Will Averill, Loomis Sayles
Ms. Kathleen Gaffney, Loomis Sayles

Approval of minutes:

Motion by Mr. Dean seconded by Mr. Munch to approve the minutes of the meeting held January 19, 2011 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Huggins seconded by Mr. Caraway 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>
Thomas Breazeale	Mandeville	02/01/11	30.00	2a
Henry Leonard	Baton Rouge	01/21/11	16.76	Max
Greg McRae	New Orleans	12/13/10	25.96	02
John Offord	Washington	01/01/11	16.46	Max
James Viney, Jr.	Lake Charles	01/02/11	29.26	02

Motion by Mr. Dean 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>
Connie Combre	New Orleans	12/14/10	30.48	Max
Floyd Koepp, Jr.	Mandeville	12/03/10	28.12	02
Tina Ledet	Houma	12/15/10	30.00	02
Darren Minvielle	Kenner	12/17/10	30.00	2a
Cheryl Ray	Vinton	12/16/10	20.04	Max
Curtis Rebardi	Berwick	12/16/10	25.24	Max
Charles Robinson	Shreveport	12/16/10	29.33	3a
Marsha Russell	Houma	12/15/10	30.00	02
Michael Sauter	New Orleans	12/26/10	27.04	3a
Brenda Stewart	Springhill	01/01/11	20.06	Max
Charles Zimmerman	Shreveport	01/01/11	20.26	2a

Motion by Mr. Greene 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>
Carl Cascio, Jr.	Lake Charles	01/12/11	38.34	2a
Richard Childers, II	Shreveport	03/01/11	25.80	2a
Madelyn Johnson	New Orleans	01/31/11	25.61	Max
Johnnie Lucas	West Monroe	02/14/11	20.38	02
Tyrone Martin	New Orleans	01/31/11	26.80	Max
Ronald Paisant	New Orleans	01/29/11	38.62	Max
Willie Parker	Bastrop	12/05/10	30.72	Max
Wilbert Theodore	New Orleans	01/03/11	33.85	2a
Byron Winbush	New Orleans	01/03/11	25.17	03
John Young	Eunice	03/01/11	20.29	02
Timothy Zeigler	West Monroe	03/01/11	25.00	2a

Motion by Mr. Reech seconded by Mr. Munch to skip Review of Disability Applications on the agenda until the applicants arrive. Without objection the motion carried.

Litigation Update:

Motion by Mr. Dean seconded by Mr. Reech to go into executive session at 9:04 a.m. to discuss litigation matters including Boot Ranch, threatened litigation for recovery of Advolurum Taxes for Stonebridge Golf Club and Olde Oaks Golf Club, threatened litigation by MPERS regarding sewer treatment plant at Olde Oaks Development. Without objection the motion carried.

Back to regular business at 9:39 a.m.

Motion by Mr. Dean seconded by Mr. Munch to Review of Disability Applications on the agenda. Without objection the motion carried.

Disability Retirement:

Ms. Alecia Wright (New Orleans) attended the board meeting to provide information relative to her application for disability retirement. Chairman Gibson advised Ms. Wright that she had the option of having her application discussed in open session or executive session. Ms. Wright opted for executive session.

Motion by Mr. Dean seconded by Mr. Reech to go into executive session at 9:40 a.m. to discuss Ms. Alecia Wright disability application. Without objection the motion carried.

Back to regular session at 9:49 a.m.

Motion by Mr. Reech seconded by Mr. Dean to approve Ms. Alecia Wright's non duty related disability application as submitted. Without objection the motion carried.

Mr. Jason Fanguy (Houma) attended the board meeting to provide information relative to his application for disability retirement. Chairman Gibson advised Mr. Fanguy that he had the option of having his application discussed in open session or executive session. Mr. Fanguy opted for open session.

Motion by Mr. Reech seconded by Mr. Huggins to approve Mr. Jason Fanguy's non duty related disability application as submitted. Without objection the motion carried.

Update on RFP for golf courses:

Mr. Roche advised that four proposals were received from Eagle Golf, Meadowbrook Golf, Touchstone Golf and West Coast Golf Properties. Eagle Golf, Meadowbrook Golf and West Coast Golf proposed management agreements of both courses. Touchstone Golf, LLC made two proposals, one to lease both courses and one to manage both courses.

Motion by Mr. Huggins seconded by Mr. Elg to enter into a lease agreement with Touchstone Golf, LLC.

Mr. Dean asked that the motion be withdrawn and reenter a motion that MPERS enter into further talks and interview Touchstone Golf, LLC.

Mr. Huggins and Mr. Elg withdrew motion.

Motion by Mr. Reech seconded by Mr. Dean to begin negotiations with Touchstone Golf, LLC and interview them at the March 2011 meeting. With Mr. Munch objecting, the motion carried.

Mr. Munch stated that he is ready to enter into a management agreement immediately with Touchstone Golf, LLC because the longer you wait the more money MPERS loses.

Olde Oaks and Stonebridge Golf:

Mr. Ben Chavarria presented profit and loss statements for Stonebridge and Olde Oaks Golf Club for the month ending January 2011.

Mr. Chavarria requested monies to cover outstanding payables over 31 days old for Stonebridge \$58,297.00 and Old Oaks Golf \$109,632.00.

Mr. Roche advised that since the January 2011 meeting, MPERS advanced each course \$48,000.00 for payroll for January 2011.

Motion by Mr. Reech seconded by Mr. Munch to call a special meeting ASAP to interview Touchstone Golf, LLC. With Mr. Dean objecting the motion carried.

Chairman Gibson and Mr. Roche will contact Touchstone Golf and determine the date for the special meeting.

Motion by Mr. Greene seconded by Mr. Munch that MPERS pay all outstanding payables at Stonebridge Golf Club in the amount of \$58,297.00 and Olde Oaks Golf Club in the amount of \$109,632.00. Without objection the motion carried.

Custodian Report by JPMorgan:

Mr. Mike Gallagher represented JPMorgan at the meeting. Total market value as of January 2011 was \$1,354,150,534.30.

Ms. Bailey asked Mr. Gallagher if he was able to find out if the custodian report captures any golf course transactions. Mr. Gallagher advised that the golf course transactions are not included in the monthly reports. All golf course transactions are valued when the valuation is given from MPERS at the end of the fiscal year.

Investment Managers Presentation:

Mr. Will Averill, Mr. Robert McManama and Ms. Kathleen Gaffney represented Loomis Sayles & Company, LP to present the annual report. The market value for the Index Portfolio was \$124,911,867 as of January 31, 2011.

Performance summary as of 12/31/10:

	<u>YTD</u>	<u>4Q10</u>	<u>2009</u>	<u>Since Inception*</u>
MPERS	13.72%	-0.06%	39.52%	11.60%
Barclays Aggregate	6.54%	-1.30%	5.93%	6.39%

Proposed Engagement Letters:

Motion by Mr. Dean seconded by Mr. Huggins to approve the year ended June 30, 2011 audit engagement letters submitted by Duplantier, Hrapmann, Hogan and Maher CPA's. Without objection the motion carried.

Investment Consultant Search:

Motion by Mr. Reech seconded by Mr. Munch to hire Segal Advisors as investment consultant effective March 1, 2011. Without objection the motion carried.

2011 Legislation:

Mr. Roche advised that the deadline for advertising legislation is approaching and if anyone has any proposed legislation, please let him know.

Motion by Mr. Reech seconded by Mr. Dean to authorize Mr. Roche to file a blanket advertisement to cover any proposed legislation that may be offered by the system. Without objection the motion carried.

Ms. Laura Gail Sullivan reminded the board that the pre filing deadline for Senate bills is March 11, 2011. Mr. Matt Tessier advised that the pre filing deadline for House bills is April 15, 2011.

Motion by Mr. Reech seconded by Mr. Munch to authorize the filing of a bill in the upcoming Legislative session to require an applicant for disability retirement to repay all refunded contributions prior to acceptance of the application for disability retirement for processing. Without objection the motion carried.

Mr. Chris Nassif representing the International Union of Police Association and current police officer with Alexandria Police Department addressed the board regarding possible changes to retirement eligibility during the 2011 Legislation session which has been discussed by the Funding Review Panel. Mr. Nassif requests that MPERS oppose any legislation that would remove the 25 year at any age retirement eligibility.

Mr. Munch advised that he is against any benefit changes that would affect current members.

Motion by Mr. Reech seconded by Mr. Huggins to oppose any proposed changes during the 2011 Legislative Session to retirement eligibility for all current members. Without objection the motion carried.

Mr. Nassif advised that the State of Louisiana provides some financial security via lump sum payment for the surviving spouse and children of officers killed in the line of duty (in addition to MPERS benefits). The International Union of Police Association (IUPA) was successful with passing legislation allowing the State of Louisiana to issue the lump sum payment to a trust instead of the guardian of dependent children if the officer had a trust set up. Mr. Nassif advised that IUPA will have proposed legislation drafted for the 2011 Legislative session that would allow a MPERS member the option of having benefits payable to a trust or to the guardian of surviving children for members who die while an active member of MPERS.

Mr. Nassif would like MPERS' support to the proposed legislation and he will provide MPERS with a copy of the legislation once it is drafted.

Special Meeting:

Motion by Mr. Munch seconded by Mr. Dean to hold a special meeting to interview Touchstone Golf, LLC on Tuesday, March 1, 2011 at 1:00 p.m. to be held at the New Orleans Police facility, 4650 Paris Avenue, New Orleans, Louisiana. Without objection the motion carried.

Other Business:

Funding Review Panel Update:

Ms. Laura Gail Sullivan discussed the Funding Review Panel's proposal number 3 regarding increase employee contributions which has three variables, (A) Fixed rate increase, (B) Fixed rate increase with triggered reductions and (C) Cost-sharing. The next Funding Review Panel meeting is scheduled for February 24, 2011.

Compensation for Actuary:

Motion by Mr. Dean seconded by Mr. Munch to compensate Mr. Charles Hall at \$160.00 per hour in addition to his monthly retainer for actuarial analysis for various proposals as requested by the Funding Review Panel. With Mr. Reech opposing, the motion carried.

Mr. Hall explained his hypothetical actuarial analysis for proposal number 3(C) Cost sharing would affect the employee contributions if approved by the Legislature. The proposal would statutorily set the employee contribution rate to float within a minimum and maximum corridor depending on fluctuations in the employer contribution rate.

Motion by Mr. Dean seconded by Mr. Greene to adopt and recommend to the Funding Review Panel the .25% increment cost sharing triggering mechanism as described by Mr. Hall with a 3% cap. With no objection the motion carried.

Chairman Gibson recognized Mr. Charles Roark, Mr. Chad King and Mr. Jeff Yates in the audience.

Motion by Mr. Dean seconded by Mr. Reech to adjourn the meeting at 11:34 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 16, 2011.

Kelly Gibson, Chairman

Kathy Bourque, Director