

## MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, February 18-19, 2014, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 2:18 p.m.

### Pledge of Allegiance:

Chairman Mark Huggins led the pledge of allegiance.

### Members Present:

Cpl. Mark Huggins, Chairman  
Mr. John Broussard  
Cdr. Henry Dean  
Chief Scott Ford  
Capt. (Ret.) Willie Joe Greene  
Mayor Joey Normand  
Mayor Donald Villere

### Members Absent:

Ms. Monique Appeaning  
Chief Carl Dabadie  
Capt. Kelly Gibson, Vice Chairman  
Senator Elbert Guillory  
Chief Dwayne Munch  
Representative Kevin Pearson  
Sgt. (Ret.) Larry Reech

### Others Present:

Ms. Kathy Bourque, Director  
Ms. Daphne Rusk, Administrative Assistant  
Mr. Randy Roche, General Counsel  
Mr. David Barnes, NEPC  
Ms. L.A. Huggins, Monroe Police Department

### Finals interviews for Emerging Markets Equity Managers:

Interviews proceeded as follows:

#### **Acadian Asset Management, LLC**

Jack Gastler  
Brian Wolahan

#### **AQR Capital Management, LLC**

Michele Aghassi  
Curtis Krause

#### **OFI Global Asset Management**

Jason Widener  
Michael Quinn

#### **Thornburg Investment Management**

Pete Mitchell  
Frances D'Alessio

Recess at 5:17 p.m. until 9:00 a.m. February 19, 2014.

Chairman Huggins called the meeting back to order at 9:06 a.m.

Pledge of Allegiance:

Chairman Huggins led the pledge of allegiance.

Chairman Huggins asked for a moment of silence in memory of Chief Travis Crouch (Morgan City) who passed away.

Members Present:

Cpl. Mark Huggins, Chairman  
Ms. Monique Appeaning  
Mr. John Broussard  
Chief Carl Dabadie  
Cdr. Henry Dean  
Chief Scott Ford  
Capt. (Ret.) Willie Joe Greene  
Mayor Joey Normand  
Mayor Donald Villere

Members Absent:

Capt. Kelly Gibson, Vice Chairman  
Senator Elbert Guillory  
Chief Dwayne Munch  
Representative Kevin Pearson  
Sgt. (Ret.) Larry Reech

Others Present:

Ms. Kathy Bourque, Director  
Ms. Daphne Rusk, Administrative Assistant  
Mr. Randy Roche, General Counsel  
Mr. Gary Curran, Actuary  
Mr. David Barnes, NEPC  
Ms. L.A. Huggins, Monroe Police Department  
Ms. Polly Snell, Many Police Department  
Mr. Jim Hembree, Many Police Department  
Mr. Warren DeKinder, INTECH  
Mr. Phillip Whitman, INTECH  
Ms. Michelle Cunningham, DHHM  
Mr. Kevin Gergits, BMO  
Mr. Ernesto Ramos, BMO

Motion by Mr. Dean seconded by Mr. Greene to introduce as a board policy that all members present today be allowed to vote for any and all candidates that appear before us today and appeared before us yesterday.

Discussion was held regarding whether the change would be a change for this meeting only or a permanent change.

Substitute motion by Mr. Normand seconded by Mr. Villere to make a change to the policy to allow board members to vote for all candidates that appear before the board whether or not the board members are present for the interviews. Without objections the motion carried.

Continuation of Emerging Markets Equity Managers Interviews:

**Dimensional Fund Advisors**

James Charles  
Daniel Ong

**Eaton Vance Investment Managers**

Michael Dirstine  
Greg Johnson

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 January 15, 2014 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Ford seconded by Mr. Greene 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>
Harlan Bailey	DeRidder	12/18/13	26.02	2a
John Montalbano	New Orleans	01/01/14	25.07	2a (IBO)

Motion by Mr. Ford 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>
Climsey Adams	Shreveport	12/01/13	15.58	02
Charles Andrews, III	Shreveport	12/01/13	23.01	03
Stephen Asprion	Kenner	11/16/13	28.17	03
Arlen Barnes	New Orleans	12/01/13	25.05	2a
James Bates	New Orleans	11/24/13	30.14	Max
Ellen David	Baton Rouge	11/24/13	14.44	Max
Bruce Glaudi	New Orleans	11/02/13	28.37	03
Gary Marchese	New Orleans	11/08/13	25.01	Max
Charles Miller	New Orleans	11/06/13	25.36	3a
Dana Rachal	Pineville	11/04/13	28.59	2a
Richard Robertson	Natchitoches	11/30/13	23.10	02
Milton Wolfe, Jr.	Houma	11/14/13	30.00	2a

Motion by Mr. Greene seconded by Mr. Normand 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>
Gaye Barnes	Monroe	01/01/14	32.33	Max
Craig Billodeaux	Jennings	02/01/14	27.05	Max
Connie Combre	New Orleans	01/12/14	30.56	Max
Thomas Delrie	Bossier City	12/31/13	30.50	Max
David Demesme	New Orleans	12/15/13	32.11	03

Wilfred Eddington	New Orleans	01/25/14	26.17	2a
Salvador Gonzales	Springhill	03/01/14	28.82	Max
Gary Greer	Lake Charles	02/26/14	25.21	02
Reginald Jacque	New Orleans	01/28/14	26.17	02
Terry Head	Lafayette	01/04/14	30.00	2a
Lawrence Linson	Monroe	03/01/14	25.62	2a
Jeanette Luque	Lafayette	12/14/13	27.91	Max
Jimmy Muller	Shreveport	03/01/14	26.05	02
Sandra Murdock	Alexandria	02/28/14	30.36	Max
Michael Richter	New Orleans	12/07/13	27.60	2a
Jerry Stansbury	West Monroe	02/17/14	30.00	2a
John West	Covington	01/01/14	29.58	02

Motion by Mr. Dean seconded by Mr. Dabadie to approve the application 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>
Raymond Veit	New Orleans	12/28/13	22.90	Max

Disability Retirement:

Mr. James Hembree (Many) attended the board meeting to provide information relative to his application for non-duty related disability retirement. Chairman Huggins advised Mr. Hembree that he had the option of having his application discussed in open session or executive session. Mr. Hembree opted for executive session.

Motion by Mr. Dean seconded by Mr. Ford to go into executive session at 10:42 a.m. to discuss Mr. James Hembree's application for non-duty related disability. Without objection the motion carried.

Back in regular session at 10:50 a.m.

Motion by Mr. Dean seconded by Mr. Greene to approve the application for non-duty related disability application for James Hembree (Many) as presented. Without objection the motion carried.

Mr. Robert Polanco (Lafayette) and his attorney Mr. Charles Edwards attended the board meeting to provide information relative to his application for duty related disability retirement. Chairman Huggins advised Mr. Polanco that he had the option of having his application discussed in open session or executive session. Mr. Polanco opted for executive session.

Motion by Mr. Ford seconded by Mr. Greene to go into executive session at 10:51 a.m. to discuss Mr. Robert Polanco's application for duty related disability. Without objection the motion carried.

Back in regular session at 11:15 a.m.

Motion by Mr. Dean seconded by Mr. Ford to approve the application for duty related disability application for Robert Polanco (Lafayette) as presented contingent upon receipt of the on duty status documents by this office and after being reviewed by Randy Roche. With Mr. Villere opposing, the motion carried.

Motion by Mr. Dean seconded by Mr. Greene to defer action on Mr. Ronald Ruiz's application for duty related disability until the March meeting to allow the Board time to review all documents received on his behalf. Without objection the motion carried.

Personnel Matters:

Motion by Mr. Dean seconded by Mr. Ford to suspend the regular order of business to discuss personnel matters and potential litigation. Without objection the motion carried.

Motion by Mr. Greene seconded by Mr. Dean to go into executive session at 11:17 a.m. to discuss personnel matters and potential litigation matters. Without objection the motion carried.

Back in regular session at 11:57 a.m.

Mr. Dean reported that out of the eight resumes received for the Chief Financial Officer's position two were interviewed. The remaining six candidates either withdrew or were not qualified.

Motion by Mr. Dean seconded by Mr. Villere to hire Ms. Kelli Rogers as Chief Financial Officer with a salary of \$125,000.00 with incentives to be paid at a later date when certain benchmarks are met. Without objection the motion carried.

Mr. Dean advised that Touchstone Golf, LLC, former management company for Olde Oaks Golf and Stonebridge Golf, is requesting \$142,000.00 for the incentive fee. After auditing the golf courses accounting statements and considering various other items, MPERS' auditors established the total amount of \$92,000.00 for Touchstone's incentive fee. All documents requested from Touchstone by the auditors have not been received.

Motion by Mr. Dean seconded by Mr. Villere to pay Touchstone Golf, LLC \$92,000.00 for incentive fee as full and final payment and have Mr. Roche send them a letter to this affect.

Ms. Monique Appeaning left the meeting.

Investment Consultant's Report:

Emerging Market Equity Search:

Mr. Barnes advised that the following managers were interviewed: Acadian Asset Management, LLC, AQR Capital Management, LLC, Dimensional Fund Advisors, LP, Eaton Vance Management, OFI Institutional Asset Management and Thornburg Investment Management, Inc. Mr. Barnes' recommendation is to hire Dimensional Fund Advisors, LP as the core representation and Acadian Asset Management, LLC as the active manager to complement Dimensional Fund Advisors, LP.

Motion by Mr. Greene seconded by Mr. Dean to hire Dimensional Fund Advisors, LP and Acadian Asset Management, LLC as recommended by Mr. Barnes. Without objection the motion carried.

Mr. Barnes recommended that 8% of the portfolio or \$138 million be allocated to Emerging Markets Equity with Dimensional Fund Advisors receiving \$55 million and Acadian Asset Management receiving \$83 million.

Motion by Mr. Dean seconded by Mr. Dabadie to accept Mr. Barnes' recommendation and fund Dimensional Fund Advisors \$55 million and Acadian Asset Management \$83 million. Without objection the motion carried.

NEPC:

Mr. David Barnes represented NEPC. Mr. Barnes presented the Investment Market Update and Market Environment Overview. The total market value was \$1,698,720,476 and performance was -2.3% as of January 31, 2014.

BMO Global Asset Management

Mr. Kevin Gergits and Mr. Ernesto Ramos represented BMO Global Asset Management, Inc. to present the annual report. The portfolio market value as of January 31, 2014 was \$107,025,717.

Ms. Lori Pierce left meeting.

INTECH Investment Management

Mr. Warren DeKinder and Mr. Phillip Whitman represented INTECH to present their annual report. The portfolio market value as of January 31, 2014 was \$97,044,404.

Actuary Comments:

Mr. Greg Curran introduced Mr. Jacob Putnam who has joined G.S. Curran & Company, Ltd. as a Senior Actuarial Analyst.

Mr. Curran presented an estimate of the cost of granting a COLA under the provisions of R.S.11:241 which provides for a COLA of the form  $\$1 \times (A+B)$ , where A is the number of years of credited service at retirement and B is the number of years since the death of the member or retiree to June 30<sup>th</sup> of the initial year of such increase. The estimated increase if granted during fiscal year 2014 would result in a benefit increase of \$1.962 million per year with an average benefit increase of \$37.68 per month. The increase in the Present Value of Future Benefits would be \$17.769 million. The cost would be amortized over 15 years and would result in payments of \$1.941 million. This equates to 0.75% of projected payroll based on the June 30, 2013 census. The estimated COLA may be subject to certain legal requirements in addition to excess interest and funding ratio requirements.

Meeting adjourned at 1:13 p.m. by Chairman Huggins.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held February 18-19, 2014.

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Mark Huggins, Chairman

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Kathy Bourque, Director