

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, January 19, 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:

- 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)
- Chief K.P. Gibson (Crowley)
- Capt. (Ret.) Willie Joe Greene (Shreveport)
- Cpl. Mark Huggins (Monroe)

Members Absent:

- Chief Dwayne Munch (Westwego)
- 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
- Mr. Eddie Guerra, Mercer
- Ms. Lauren Bailey, Attorney, Senate Retirement Committee
- Mr. Matt Tessier, Attorney, House Retirement Committee
- Mr. Ben Chavarria, Olde Oaks & Stonebridge Golf Clubs
- Mr. David Kerth, Attorney, Jones Walker
- Mr. Mike Gallagher, JPMorgan
- Mr. Charles Roark, Monroe Police Union
- Mr. Chad King, Baton Rouge Police Department
- Mr. Joe Lawrence, Alliance
- Mr. John Phillips, Alliance
- Mr. Don Cooper, Lake Charles Police Department
- Mr. Michael Calloway, Monroe Police Union
- Ms. Malinda Holden, New Orleans Police Department

Approval of minutes:

Motion by Mr. Dean seconded by Mr. Huggins to approve the minutes of the meeting held December 15, 2010 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Greene 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>
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Jeannie Guillotte	Iowa	01/01/11	16.58	Max
Christopher Harris	New Orleans	12/02/10	22.05	Max
Donald Taylor	Farmerville	12/01/10	30.08	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>
Carol Aldridge	New Orleans	11/14/10	26.24	Max
Richard Childers, III	Shreveport	12/01/10	25.80	2a
Thomas Delrie	Bossier City	11/28/10	30.41	Max
George Horton, III	Jonesboro	10/28/10	20.01	2a
Glenn Synigal	Kenner	11/15/10	30.01	Max
Ronald Vanni	Shreveport	12/01/10	20.01	3a

Motion by Mr. Dean seconded by Mr. Reech 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>
Julio Alonzo	New Orleans	12/18/10	26.81	2a
Chris Bittick	Ruston	01/02/11	24.58	01
Melvin Givens, Jr.	Baton Rouge	01/14/11	29.15	2a
William Grumble	Bossier City	12/15/10	29.22	Max
Michael McAlister	Ponchatoula	01/13/11	14.33	02
Steven Rambo	Bossier City	12/17/10	33.92	3a
Purnella Simmons	New Orleans	12/06/10	26.26	03
Joyce Turner	Thibodaux	02/01/11	25.00	02

Disability Retirement:

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

Motion by Mr. Reech seconded by Mr. Huggins to go into executive session at 9:06 a.m. to discuss Ms. Malinda Holden's disability application. Without objection the motion carried.

Back to regular session at 9:24 a.m.

Motion by Mr. Reech seconded by Mr. Caraway to deny Ms. Malinda Holden's duty related disability application as submitted. With Mr. Dean abstaining, the motion carried.

Chairman Gibson advised Ms. Holden that if she repays the refund received from MPERS and establish additional credit in the system she would then be eligible to apply for a non-duty related disability. Mr. Roche also advised Ms. Holden that her medical reports indicate that additional testing should be performed and she must have all recommended testing done prior to applying for a non-duty related disability.

Litigation Update:

Motion by Mr. Reech seconded by Mr. Huggins to go into executive session at 9:27 a.m. to discuss litigation matters including Boot Ranch, threatened litigation for recovery of

Advolum 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 9:59 a.m.

Motion by Mr. Dean seconded by Mr. Greene to move to item #10 on the agenda, Investment manager's presentation by Alliance Bernstein and Alliance Capital. Without objection the motion carried.

Investment Managers Presentation:

Mr. Joe Lawrence and Mr. John Phillips represented Alliance Bernstein to present the annual report for the Index Portfolio and the International Value Portfolio. The market value for the S&P 500 Index Portfolio was \$134,244,766 as of December 31, 2010. The market value for the International Value Portfolio was \$107,845,026 as of December 31, 2010.

Index Portfolio performance summary as of December 31, 2010:

	<u>2010</u>	<u>Five Years</u>	<u>Since Inception*</u>
MPERS	15.0%	2.4%	7.3%
S&P 500 Index	15.5%	2.3%	7.2%

\*Inception 9/5/95

International Portfolio performance summary as of December 31, 2010:

	<u>2010</u>	<u>2009</u>	<u>Since Inception*</u>
MPERS	5.0%	35.2%	-12.7%
MSCI EAFE Index	6.6%	31.8%	-7.0%

\*Inception 9/28/07

Motion by Mr. Reech seconded by Mr. Dean to return to item #6 on the agenda, Litigation Update. Without objection the motion carried.

Litigation Update continued:

Motion by Mr. K.P. Gibson seconded by Mr. Reech to accept the settlement offer, in the Boot Ranch matter, from all parties in the amount of \$4,833,332 which will release all parties in the litigation. This matter is filed under cause #12,350, in the District Court of Gillespie County, Texas which is in the 216<sup>th</sup> Judicial District. With Mr. Elg objecting, the motion carried.

Update on RFP for golf courses:

Ms. Bourque advised that four proposals were received from Eagle Golf, Meadowbrook Golf, Touchstone Golf and West Coast Golf Properties. A copy of each proposal will be forwarded to each board member for their review.

Olde Oaks and Stonebridge Golf:

Mr. Ben Chavarria presented profit and loss statements for Stonebridge and Olde Oaks Golf Club for the month ending December, 2010.

Mr. Chavarria requested replenishment of the \$125,000.00 operational float for Stonebridge Golf and \$165,000.00 for Olde Oaks Golf.

Chairman Gibson advised that the board would like to review the management proposals before replenishing the operational floats for the golf courses.

Custodian Report by JPMorgan:

Mr. Mike Gallagher represented JPMorgan at the meeting. Total market value as of December 2010 was \$1,339,280,827.72.

Investment Consultant's Report:

Mr. Eddie Guerra represented Mercer Investment Consulting at the meeting.

Market Update:

In the month of December, equity results were positive in the United States. Small cap equity outperformed large and mid-cap equity. Value outperformed growth for the month; however, growth outpaced value for the recent three months. International equity produced mixed results relative to domestic equity in December and emerging markets lagged developed equity.

Mr. Guerra reported that the plan totaled \$1.3 billion as of December 31, 2010.

Investment Consultant's Search Update:

Mr. Roche handed out a comparison of the nine consultants' that submitted a proposal.

Motion by Mr. Reech seconded by Mr. Huggins to exclude UBS, CSG and Morgan Stanley from the Investment Consultant Search. Without objections the motion carried.

Motion by Mr. Dean seconded by Mr. Caraway to invite rogerscasey, Segal, Watershed, Bogdahn Group, Callan & Associates and NEPC to be interviewed in February 2011. Without objection the motion carried.

Motion by Mr. Dean seconded by Mr. Caraway to call for a special meeting on February 15, 2011 to interview Investment Consultant candidates. Without objection the motion carried.

Other Business:

Ms. Bourque handed out a list of municipalities who participate in both MPERS and social security. The members that are mandated to participate in social security have the option of participating in MPERS in addition to social security.

Funding Review Panel Update:

Mr. Hall provided the actuarial calculations to illustrate the change in funding requirements associated with various changes to the plan as requested during the December 2010 Board meeting.

Disability Application Update:

Mr. Roche advised that Mr. Timothy Penton (Hammond) applied for a duty related disability in 2007 at which time the Board made a motion not to take action on until the pending lawsuit between Mr. Penton and the City of Hammond is settled. Mr. Roche advised that MPERS received correspondence from Mr. Penton's attorney advising that Mr. Penton would like his application for duty related disability to be considered again because the lawsuit against the City of Hammond for worker's compensation benefits has been brought to a conclusion but Mr. Penton maintains claims against the City of Hammond Police Department, City of Hammond and several Police officers.

The Board requests an update from Mr. Roche of Mr. Timothy Penton's (Hammond) duty related disability application from 2007 before reconsidering.

Motion by Mr. Dean seconded by Mr. Reech to adjourn the meeting at 11:33 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 January 19, 2011.

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Kelly Gibson, Chairman

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Kathy Bourque, Director