

## MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, July 16, 2014, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Huggins at 9:06 a.m.

### Pledge of Allegiance:

Chairman Huggins led the pledge of allegiance.

### Members Present:

Cpl. Mark Huggins, Chairman  
Ms. Monique Appeaning  
Maj. Raymond Burkart, Jr.  
Chief Carl Dabadie  
Chief Scott Ford  
Capt. (Ret.) Willie Joe Greene  
Chief Dwayne Munch  
Mayor Joey Normand  
Ms. Lori Pierce  
Sgt. (Ret.) Larry Reech  
Chief Michael Suchanek  
Mayor Donald Villere

### Members Absent:

Maj. Kelly Gibson, Vice Chairman  
Senator Elbert Guillory  
Representative Kevin Pearson

### 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. Greg Curran, Actuary, G. S. Curran & Co.  
Ms. L. A. Huggins, Monroe Police Department  
Mr. Charles Marsala, LPL Financial Advisor  
Ms. Kristi Bagneris, New Orleans Police Department  
Mr. Todd Hearle, Summit Partners  
Ms. Margaret Corley, Attorney Senate Retirement

### Oath of Office:

Mr. Roche administered the Oath of Office to Major Raymond Burkart, Jr. to serve a five year term from July 1, 2014 through June 30, 2019 and the Oath of Office to Chief Michael Suchanek to serve on an interim basis until an election can be held for the Chiefs District I Trustee position.

### Public Comment:

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

Approval of minutes:

Motion by Mr. Ford seconded by Mr. Greene to approve the minutes of the meeting held June 18, 2014 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Ford seconded by Mr. Reech 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>
Paul Bourque	Mandeville	05/16/14	28.94	02
Timothy Parker	Ruston	05/23/14	25.42	2a
Paula Smith	St. Martinville	07/03/14	20.49	2a

Motion by Mr. Greene seconded by Mr. Dabadie to approve the application 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>
Mary McElroy	Monroe	05/16/14	25.58	Max

Motion by Mr. Reech 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>
Carol Aldridge	New Orleans	06/28/14	26.86	Max
Kirk Bouyelas	New Orleans	06/29/14	30.01	2a
Donald Brooks	New Orleans	06/05/14	26.99	Max
Stephen Caraway	Kenner	07/01/14	36.11	03
Dedrie Comeaux	Thibodaux	07/01/14	31.69	02
Janice Dossett	Morgan City	07/01/14	26.50	Max
James Drickamer	Baton Rouge	08/01/14	28.03	2a
Edwin Hosli	New Orleans	06/02/14	30.41	2a
Donald May	Shreveport	07/16/14	24.06	Max
Melton Scarborough, Jr.	Alexandria	06/28/14	32.08	02
Alonzo Scott, Jr.	Baton Rouge	07/04/14	25.14	3a
James Taliaferro	Shreveport	07/17/14	21.55	2a
Robert Wagner	Alexandria	06/28/14	36.56	2a
Patrick Young	New Orleans	06/14/14	30.37	2a

Disability Retirement:

Ms. Kristi Bagneris (New Orleans) attended the board meeting to provide information relative to her duty-related disability application.

Motion by Mr. Reech seconded by Mr. Burkart to approve the duty-related disability application submitted by Ms. Bagneris. With Mr. Greene opposing, the motion carried.

Investment Consultant's Report:

NEPC:

Mr. David Barnes represented NEPC and presented the Investment Market Update for the system. The total market value as of June 30, 2014 was \$1,823,836,799 and performance was 1.7% for the month of June 2014 and 18.4% for the FYTD.

Update on Manager Searches:

Emerging Markets Debt –Local Currency

Mr. Barnes advised that the NEPC team narrowed down the number of recommended managers from a list of 12 down to 8 managers. These managers evolved after an extensive research process including universe screening, quantitative scoring, qualitative research and peer review.

Mr. Barnes provided an in-depth report on these 8 managers including firm and product summary, performance summary and profiles. This information was provided for the board to decide which firms to invite for interviews.

Motion by Ms. Pierce seconded by Mr. Reech to interview four firms at the August 20<sup>th</sup> board meeting. The firms selected are Investec Asset Management, Stone Harbor Investment Partners, LP, Ashmore Group plc and Pictet Asset Management, Ltd. Without objection the motion carried.

Interviews will be held on August 20, 2014 at MPERS' office in Baton Rouge beginning at 9:00 a.m. with the regular board meeting to follow.

Motion by Mr. Reech seconded by Mr. Greene to suspend item number eight and advance to item number nine on the agenda. Without objection the motion carried.

Investment Managers' Presentation:

Summit Partners Credit Advisors:

Mr. Todd Hearle represented Summit Partners Credit Advisors to present their annual report. The Fund portfolio account value as of June 30, 2014 was \$34,175,584.

The meeting continued with agenda item number eight, David Barnes with NEPC.

High Yield Fixed Income

Mr. Barnes continued with an update on the High Yield Fixed Income manager search. He advised that the NEPC team narrowed down the number of recommended managers from a list of 41 down to 8 managers. These managers evolved after an extensive research process including universe screening, quantitative scoring, qualitative research and peer review.

Mr. Barnes provided an in-depth report on these 8 managers including firm and product summary, performance summary and profiles. This information was provided for the board to select which firms to invite for interviews.

Motion by Mr. Reech seconded by Mr. Burkart to interview four firms at the October 15<sup>th</sup> board meeting. The firms selected are Columbia Management Investment Advisers, LLC, Guggenheim Investments, Nomura Asset Management Global and First Eagle Investment Management. Without objection the motion carried.

Actuarial Comments:

Mr. Greg Curran stated that his office will prepare an investment related asset projection report to present at the August 20<sup>th</sup> board meeting.

Mr. Ford asked that the system and actuary prepare a statement to provide to members of the Louisiana Municipal Association in order to build confidence relative to the positive steps the Board of Trustees are implementing. Information such as the system's positive rate of return on investments, sale of golf courses and hiring of a Chief Financial Officer.

Mr. Huggins suggested that the system's Director, Chief Financial Officer and Actuary attend the LMA conference to make this presentation to provide financial data and explain how investments have improved since last year.

Other Business:

Mr. Reech asked Mr. Roche if he had met with the Attorney General's Office regarding COLA requests made by the Board. Mr. Roche explained that he has spoken with the drafter but is scheduling a meeting at a future date.

Motion by Mr. Munch seconded by Mr. Reech to adjourn the meeting at 12:05 p.m. Without objection the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held July 16, 2014.

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Mark Huggins, Chairman

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Daphne Rusk, Administrative Assistant