

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, July 20, 2011, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

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

Pledge of Allegiance:

Chairman Kelly Gibson led the pledge of allegiance.

Members Present:

Capt. Kelly Gibson, Chairman
Sgt. (Ret.) Larry Reech, Vice Chairman
Mayor Barney Arceneaux
Chief Stephen Caraway
Capt. Henry Dean
Capt. (Ret.) Willie Joe Greene
Mr. Ron Henson, designee for State Treasurer
Cpl. Mark Huggins
Mayor Tim Matte
Chief Dwayne Munch
Representative Kevin Pearson
Dr. Steve Procopio, designee for DOA Commissioner

Members Absent:

Chief Christopher Elg
Chief K.P. Gibson
Senator D.A. "Butch" Gautreaux

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Roche, General Counsel
Mr. Matt Tessier, Attorney, House Retirement Committee
Mr. Brett Hazen, Segal Advisors
Mr. Richard Hartzell, JPMorgan
Mr. Gary Curran, GS Curran & Company, Ltd
Mr. Greg Curran, GS Curran & Company, Ltd
Mr. Jim Hutchinson, LaSalle Investment Management
Mr. John Broussard, State Treasurer's Office
Ms. LA Tucker, Monroe Police Department
Ms. Lori Pierce, State Treasurer's Office
Ms. Amy Matthews, State Treasurer's Office
Mr. Jim Percy, Jones Walker
Mr. Steve Harker, Touchstone Golf
Mr. Chris Robertson, Touchstone Golf
Mr. Chad King, Baton Rouge Police Department
Mr. Michael Callaway, Monroe Police Department

Oath of Office:

Mr. Roche administered the Oath of Office to Mark Huggins to serve a term from July 1, 2011 until June 30, 2016.

Public Comment:

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

New board members:

Mr. Roche advised that as a result of Act 238 of the 2011 Legislative Session, 4 additional members have been added to the board. Two representatives of LMA, Mayor Barney Arceneaux and Mayor Tim Matte, State Treasurer John Kennedy or his designee and Commissioner of Administration Mr. Paul Rainwater or his designee were added to the board as of July 1, 2011. Mr. Roche advised that Mayor Arceneaux and Mayor Matte could not vote as a board member until they fulfill the education requirements based on R.S.11:185. Designees for both John Kennedy and Paul Rainwater have fulfilled their education requirements; therefore they are eligible to vote today.

Approval of minutes:

Motion by Mr. Dean seconded by Mr. Reech to approve the minutes of the meeting held June 15, 2011 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Huggins 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>
Norma Bennett	Lake Charles	05/21/11	12.05	Max
John Bonin	Lafayette	05/15/11	24.20	03
George Brewer, II	Bossier City	05/12/11	20.02	Max
Carl Dehon	Baton Rouge	06/23/11	25.44	2a
James Kindler	Mandeville	06/01/11	27.01	2a
David McDaniels	Shreveport	05/03/11	29.59	02
Donald McGee	Shreveport	06/02/11	26.74	Max
Bea Moore	Lafayette	06/11/11	21.34	Max
Don Otis	Shreveport	06/12/11	27.40	Max
Victor Rogers	Arcadia	07/01/11	31.04	Max
Edmond Smith	Monroe	07/01/11	29.42	02
Lettie Sumrall	Covington	06/01/11	20.07	Max

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>
Betty Briley	Bastrop	05/11/11	12.02	Max
Audrey Cheryl Cox	Shreveport	05/27/11	30.40	Max
Bobby Crump, Jr.	Monroe	05/15/11	20.87	Max
Melvin Gilbert, Jr.	New Orleans	05/13/11	27.17	2a
Juanita Hinton	Alexandria	06/01/11	19.13	Max
Sandra Hunt	Baton Rouge	05/23/11	27.04	Max
Danny Kramer, Jr.	New Orleans	06/01/11	26.33	2a
Joseph Lainez	New Orleans	05/28/11	20.87	Max
Lonnie Lockett	Baton Rouge	05/23/11	27.85	3a
Gwendolyn Murdock	Alexandria	06/01/11	30.97	2a
Kevin O'Neill	Slidell	05/08/11	25.74	02
Patricia Salay	Alexandria	06/01/11	19.64	3a
Phillip Stansell	Monroe	06/01/11	25.87	02
Samuel Taylor, III	Shreveport	05/20/11	26.02	Max

Kenneth Thomas	New Orleans	05/13/11	26.00	2a
George Waguespack, III	New Orleans	06/01/11	26.72	2a
Michael Warren	Shreveport	03/07/11	20.28	02

Motion by Mr. Reech 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>
Gregory Chiles	New Orleans	07/17/11	26.00	Max
Ronald Cowart	Baton Rouge	08/01/11	29.06	2a
Reginald Cryer	New Orleans	07/09/11	25.00	Max
Richard Jones	Monroe	07/01/11	28.33	2a
Lawrence Kling	Zachary	08/01/11	21.14	3a
Gary Marler	Alexandria	06/25/11	34.30	Max
Ray Offenbacher	Baton Rouge	07/28/11	26.73	Max
Roderick Thibodeaux	Abbeville	07/01/11	23.47	02

Motion by Mr. Caraway seconded by Mr. Dean 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>
Chevis Martin	Eunice	06/23/11	20.00	03

Litigation Update:

Motion by Mr. Huggins seconded by Mr. Reech to go into executive session at 9:11 a.m. to discuss litigation matters Stuart vs Olde Oaks Golf Club and Dipaola vs MPERS. Without objection the motion carried.

Back to regular business at 9:55 a.m.

Investment Managers Presentation:

Mr. Jim Hutchinson represented LaSalle Investment Management to present their annual report. The portfolio value as of June 30, 2011 was \$37,114,779.

Custodian Report by JPMorgan:

Mr. Richard Hartzell represented JPMorgan at the meeting. Total market value as of June 2011 was \$1,375,539,086.26.

Recognize Charles Hall:

Motion by Mr. Dean seconded by Mr. Reech to suspend the regular order of business for presentation of plaque to Mr. Charles Hall. Without objection the motion carried.

Chairman Gibson presented Mr. Charles Hall with a plaque recognizing his 30+ years of service with MPERS.

Motion by Mr. Dean seconded by Mr. Reech to return to the regular order of business. Without objection the motion carried.

Presentation by Touchstone Golf:

Mr. Steve Harker and Mr. Chris Robertson presented the board with the business plan, marketing plan and budget for 2011-2012 for Olde Oaks Golf Club and StoneBridge Golf Club. Touchstone assumed the management of Olde Oaks Golf Club and StoneBridge Golf Club and a number of opportunities have been identified to improve the overall experience and increase the profitability.

The Business and Marketing plan for 2011 for Olde Oaks Golf Club details strategies and plans to enhance the current marketing focus while improving the overall operation of the course. Key areas of focus include: 1) Revamp the membership programs by offering an increased variety of options 2) Introduce the "Players Club" card in conjunction with Stonebridge to effectively increase rounds at both courses 3) Develop an e-marketing strategy 4) Recruit and create more tournaments and catered events 5) Improve food and beverage sales with an updated clubhouse menu 6) Improve feel of the club with modest upgrades to the facility 7) Streamline the operations to ensure efficiency without sacrificing service and quality.

The Business and Marketing plan for 2011 for StoneBridge Golf Club detailed strategies and plans to continue and improve the marketing focus and overall operations of the course. The key opportunities include: 1) Grow membership programs by increasing public traffic (rounds) to the course and offering an increase variety of options including dual membership with Olde Oaks. 2) Introduce "Players Club" card in conjunction with Olde Oaks to systematically increase rounds at the course and stay competitive in the market. 3) Improve food and beverage profitability with increased sales and cost controls 4) Recruit and create more tournaments and events, including member and homeowner events 5) Streamline the operations to ensure efficiency without sacrificing service and quality 6) Improve feel of the club with modest upgrades to the facility.

Mr. Harker presented cash projections through August 31, 2011 for Stonebridge and Olde Oaks. Based on the cash projection, Touchstone is requesting \$85,000.00 for Olde Oaks and \$95,000.00 for StoneBridge to cover accounts payable outstanding balances through August 31, 2011.

Motion by Mr. Dean seconded by Mr. Huggins to authorize the funding of \$95,000.00 for Stonebridge Golf Club and \$85,000.00 Olde Oaks Golf Club as requested by Touchstone to cover accounts payable outstanding balances through August 31, 2011. Without objections the motion carried.

Investment Consultant's Report:

Mr. Brett Hazen represented Segal Advisors at the meeting and presented the analysis of performance ending June 30, 2011. Performance for fiscal year July 2010 through June 2011 was 24.81% (gross of fees). Market value as of June 30, 2011 was \$1,401,927,839.

Mr. Hazen advised that he spoke with Mr. Joseph Lawrence, Client Service Representative and Mr. John Phillips, Senior Portfolio Manager of AllianceBernstein International regarding performance and fees. Mr. Hazen requested authorization to negotiate performance based fees with AllianceBernstein International.

Motion by Mr. Dean seconded by Mr. Huggins to authorize Mr. Hazen to negotiate a lower fee with AllianceBernstein International. Without objection the motion carried.

Adopt Adjusted Employer Contribution Rate:

Ms. Bourque advised that due to an error in the June 30, 2010 actuarial valuation, the employer contribution rate for the 2011-2012 fiscal year has been adjusted by PRSAC and is set at 29% instead of the previously approved 28%. Based on Act 332 employee contribution rate for those employees under the federal poverty level will be 7.5% and the employer rate will be 29%. For employees above the poverty level, employee contribution rate will be 10% and the employer rate will be 26.5%.

Motion by Mr. Reech seconded by Mr. Huggins to adopt the adjusted employee and employer contribution rates as approved by PRSAC. Employee contribution rate set at 7.5% for employees who earn less than the federal poverty level and employer contribution rate set at 29% for those employees under the poverty level. Employee contribution rate set at 10% for employees who earn above the federal poverty level and

employer contribution set at 26.5% for those employees above the poverty level. Without objection the motion carried.

2011 Legislation:

Mr. Roche presented an update of the 2011 Legislation affecting MPERS:

Act 213 (HB 213) Doerge - Requires the repayment of refunds prior to approval of disability retirement as relates to Municipal Police Employees' Retirement System. Effective July 1, 2011

Act 82 (HB 214) Dixon - Allows a member to designate a trustee for survivor benefits payable to a child as relates to the Municipal Police Employees' Retirement System. Effective July 1, 2011

Act 238 (HB 332) Pearson – Provides the following: (effective July 1, 2011)

Employee and employer contribution rates will be determined each fiscal year beginning July 1, 2011 based on a sliding scale (below). For members whose earnable compensation is less than or equal to the poverty guidelines, employee contributions will remain at 7.5% and employer contributions will be 29%. The sliding scale is based on the total amount of employee and employer contributions due.

<u>Total contributions</u>	<u>Employee cont.</u>
25.00% or below	7.50%
25.01% to 25.75%	7.75%
25.76% to 26.50%	8.00%
26.51% to 27.25%	8.25%
27.26% to 28.00%	8.50%
28.01% to 28.75%	8.75%
28.76% to 29.50%	9.25%
29.51% to 30.25%	9.50%
30.26% to 31.00%	9.75%
31.01% or above	10.00%

The 2011 Poverty Guidelines for the 48 Contiguous States and the District of Columbia	
Persons in family	Poverty guideline
1	\$10,890
2	14,710
3	18,530
4	22,350
5	26,170
6	29,990
7	33,810
8	37,630
For families with more than 8 persons, add \$3,820 for each additional person.	

- 1) Reduces salary increases in average final compensation used to calculate benefits from 25% to 15% unless salary increases are due to promotions within any civil service system.
- 2) Adds four new members to Board of Trustees for a total of 15 members. New members are Commissioner of Administration, State Treasurer and two Mayors appointed by the Louisiana Municipal Association from municipalities having police departments participating in MPERS.

Act 377 HB 377 (Pearson) - Provides to state and statewide retirement systems provides with respect to earnable compensation and service credit for any member of such a system elected to the legislature. Effective July 1, 2011

Other Business:

Raley and Associates vs. Estes and MPERS:

Mr. Roche advised that he received a settlement proposal from the attorney for Raley and Associates which has litigation against MPERS for a past due account for survey work performed by Raley and Associates at the StoneBridge Golf Club. The proposed settlement is \$7,000.00 which is in excess of a \$6,000.00 savings.

Motion by Mr. Dean seconded by Mr. Huggins to pay \$7,000.00 to Raley and Associates for the survey work performed at StoneBridge Golf Club to end the litigation. Without objection the motion carried.

August and September 2011 Board Meeting:

Motion by Mr. Dean seconded by Mr. Greene to reschedule the board meeting to August 24, 2011 from August 17, 2011 due to lack of a quorum for members attending the FOP National Conference. Without objection the motion carried.

Motion by Mr. Huggings seconded by Mr. Dean to rescheduled the board meeting to September 21, 2011 at 9:00 a.m. from September 20, 2011 in conjunction with LAPERS in New Orleans. Without objection the motion carried.

NICE Golf Tournament:

Mr. Greene advised that the annual NICE golf tournament will be held at Olde Oaks Golf Club on October 25, 2011.

Redesign Board Room:

Ms. Bourque advised that discussion has been ongoing with the building manager to redesign the board room to accommodate the additional board members.

Motion by Mr. Dean seconded by Mr. Greene to obtain a blueprint for the redesign of the board room along with 3 bids. Without objection the motion carried.

Motion by Mr. Dean seconded by Mr. Reech to adjourn the meeting at 12:11 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 20, 2011.

Kelly Gibson, Chairman

Kathy Bourque, Director