

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, June 15, 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 (Lafayette)
Sgt. (Ret.) Larry Reech, Vice Chairman (New Orleans)
Capt. Henry Dean (New Orleans)
Chief Christopher Elg (West Monroe)
Capt. (Ret.) Willie Joe Greene (Shreveport)
Cpl. Mark Huggins (Monroe)

Members Absent:

Chief Stephen Caraway (Kenner)
Chief K.P. Gibson (Crowley)
Chief Dwayne Munch (Westwego)
Representative Kevin Pearson, Ex-officio
Senator D.A. "Butch" Gautreaux, Ex-officio

Others Present:

Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Roche, General Counsel
Mr. Charles Hall, Actuary
Mr. Brett Hazen, Segal Advisors
Mr. Richard Hartzell, JPMorgan
Mr. David Lazenby, Batterymarch
Mr. Michael Kinney, Batterymarch
Mr. Pdraig Sheehy, Kleinwort Benson Investors
Mr. Jeff Gallahue, Kleinwort Benson Investors
Mr. Steve Falci, Kleinwort Benson Investors
Mr. Kieran Stover, Kleinwort Benson Investors
Mr. David Lentz, Slidell Police Department
Ms. Kim Lentz, Guest
Mr. Dave Lentz, Retiree New Orleans Police Department

Public Comment

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

Approval of minutes:

Motion by Mr. Greene seconded by Mr. Reech to approve the minutes of the meeting held May 18, 2011 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Dean seconded by Mr. Huggins 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>
James Broussard	Baker	05/27/11	23.52	2a
Thomas McMasters	New Orleans	05/19/11	13.47	2a
Dwayne Scheuermann	New Orleans	04/28/11	26.80	2a

Motion by Mr. Dean seconded by Mr. Greene 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>
Barry Beck	Shreveport	04/28/11	17.64	3a
Lynette Colgin	Scott	04/28/11	16.76	Max
Regina Briscoe	Lafayette	04/15/11	24.08	Max
Jerome Dupre	New Orleans	04/04/11	19.82	03
Wilfred Eddington	New Orleans	04/17/11	26.17	2a
Ronald Laporte, Jr.	New Orleans	05/01/11	27.58	Max
Arthur Mitchell, Jr.	Baton Rouge	05/01/11	20.08	02
Michael Pfeiffer	New Orleans	04/11/11	29.09	3a
Kathy Powell	Bossier City	04/17/11	27.14	Max
Robert Rhodes, II	Lake Charles	04/11/11	27.52	Max
Melton Scarborough, Jr.	Alexandria	05/01/11	31.92	02
Paul Taylor, Jr.	Lafayette	05/01/11	26.09	Max

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>
Carl Contranchis	Gretna	05/27/11	27.04	Max
James Davis	Baton Rouge	06/18/11	28.97	2a
Kenneth Hamm	Bossier City	06/09/11	25.77	Max
Edwin LeBlanc	New Orleans	06/10/11	25.09	Max
Kirk Noya	New Orleans	04/09/11	30.48	Max
James Smith	Lafayette	07/01/11	30.66	2a
Ernest Tully	Alexandria	06/10/11	27.48	3a
John Webb	Shreveport	07/01/11	25.00	2a
James Wingate	Baton Rouge	06/24/11	28.77	2a
Jeffrey Winn	New Orleans	05/26/11	25.76	2a

Disability Retirement:

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

Motion by Mr. Reech seconded by Mr. Dean to go into executive session at 9:09 a.m. to discuss Mr. David Lentz's disability application. Without objection the motion carried.

Back to regular session at 9:15 a.m.

Motion by Mr. Reech seconded by Mr. Elg to approve Mr. David Lentz's (Slidell) duty related disability application as submitted. Without objection the motion carried.

Investment Managers Presentation:

Batterymarch Financial Management, Inc.

Mr. Michael Kinney and Mr. David Lazenby represented Batterymarch Financial Management, Inc. to present their annual report. The portfolio value as of May 31, 2011 was \$29,596,699.13.

Performance summary as of May 31, 2011:

	<u>MPERS</u>	<u>MSCI Emerging Markets</u>
QTD	0.5%	0.5%
YTD	0.2%	2.6%
1 Year	28.0%	29.2%
Inception (8/08)	6.3%	10.3%

Kleinwort Benson Investors:

Mr. Padraig Sheely, Mr. Steve Falci, Mr. Kieran Stover and Mr. Jeff Gallahue represented Kleinwort Benson Investors to present their annual report. The portfolio value as of May 31, 2011 was \$43,112,506.

Performance summary as of May 31, 2011:

	<u>MPERS</u>	<u>MSCI Value</u>
FYTD to May 2011	30.54%	31.29%
Q1 (July 1 st to Sept 30 th)	16.70%	16.40%
Q2 (Oct 1 st to Dec 31 st)	5.20%	5.30%
Q3 (Jan 1 st to Mar 31 st)	3.60%	4.60%
Since inception 2007 (annualized)	-3.02%	-3.74%

Review of Touchstone Golf contract:

Mr. Roche advised Touchstone Golf has been managing both Olde Oaks Golf Club and Stonebridge Golf Club since May 18, 2011. Representatives from Touchstone Golf will be in attendance at the July 2011 meeting to discuss the transition with Olde Oaks Golf Club and Stonebridge Golf Club.

Custodian Report by JPMorgan:

Mr. Richard Hartzell represented JPMorgan at the meeting. Total market value as of May 2011 was \$1,415,270,906.08.

Investment Consultant's Report:

Mr. Brett Hazen represented Segal Advisors at the meeting and presented the analysis of performance ending May 31, 2011. Performance for fiscal year July 2010 through May 2011 was 25.95%.

Motion by Mr. Reech seconded by Mr. Dean to authorize Mr. Hazen to negotiate a lower fee with Alliance Bernstein. Without objection the motion carried.

Motion by Mr. Dean seconded by Mr. Greene to allocate an additional \$5 million to Energy Opportunities. Without objections the motion carried.

Mr. Hazen recommended taking the \$5 million from Sterling Capital to allocate to Energy Opportunities.

2011 Legislation:

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

- HB 152 Pugh Relative to the Municipal Police Employees' Retirement System (MPERS), allows certain individuals employed by the City of Hammond to rescind their participation in the Deferred Retirement Option Plan (DROP) subject to certain conditions.
Involuntarily deferred
- HB 213 Doerge Required the repayment of refunds prior to approval of disability retirement as relates to Municipal Police Employees' Retirement System.
Pending Senate final passage
- 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.
Signed by speaker
- HB 314 Howard Provides relative to the Municipal Police Employees' Retirement System, allows a retiree to change his designated beneficiary from a former spouse to a current spouse.
Deferred
- HB 332 Pearson Relative to the Municipal Employees' Retirement System (MERS), the Municipal Police Employees' Retirement System (MPERS), and the Firefighters Retirement System (FRS), implements the recommendations of the Funding Review Panel.
Pending Senate final passage
- 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.
Assigned to Senate Retirement
- SB 4 Shaw Provides relative to employee and employer contributions under certain circumstances as relates to the Municipal Police Employees' Retirement System (MPERS).
Voluntarily deferred
- SB 12 Gautreaux B Provides relative to eligibility and benefit calculation for state and statewide retirement systems.
Voluntarily deferred

2011-2012 Operating and Building Budgets:

Motion by Mr. Reech seconded by Mr. Dean to approve the 2011-12 operating budget as submitted by the Director. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Dean to approve the 2011-12 building budget as submitted by the Director. Without objection the motion carried.

Motion by Mr. Dean seconded by Mr. Reech to recess until 12:00 p.m. Without objection the motion carried.

Chairman Gibson called the meeting back to order at 12:05 p.m.

Interviews for Actuarial Services:

Mr. Charles Hall advised that if more time is needed to hire a new actuary, he would be happy to extend his contract on a month to month basis. Mr. Hall also advised that he will be available should any questions arise during the interview process.

Interviews proceeded as follows:

TAB Actuarial Services, Inc.
Mr. Truman A. "Dal" Breithaupt, V

G.S. Curran & Company, Ltd.
Mr. Gary Curran
Mr. Gregory Curran

SJ Actuarial Associates / Foster & Foster, Inc.
Ms. Shelley Johnson
Mr. Brad Heinrichs

Motion by Mr. Huggins seconded by Mr. Reech to hire the actuarial firm of G. S. Curran & Company, Ltd effective July 1, 2011. With Mr. Greene objecting, the motion carried.

Other Business:

Chief Elg suggests that MPERS add calculation of benefits to website for members to be able to calculate estimates without contacting staff.

Motion by Mr. Dean seconded by Mr. Reech to add a benefits calculator to MPERS' website to allow members to calculate estimates. Without objection the motion carried.

Motion by Mr. Dean seconded by Mr. Reech to adjourn the meeting at 2:18 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 June 15, 2011.

Kelly Gibson, Chairman

Kathy Bourque, Director