

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, March 16, 2011, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Kelly Gibson at 9:04 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)
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 Stephen Caraway (Kenner)
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. Brett Hazen, Segal Advisors
Ms. Lauren Bailey, Attorney, Senate Retirement Committee
Mr. Matt Tessier, Attorney, House Retirement Committee
Mr. Ben Chavarria, Olde Oaks & Stonebridge Golf Clubs
Mr. James Percy, Attorney, Jones Walker
Mr. Mike Gallagher, JPMorgan
Mr. Chad King, Baton Rouge Police Department
Mr. John Black, State Street Global Advisors
Mr. Andrew Goodale, State Street Global Advisors
Ms. Malinda Holden, New Orleans Police Department
Mr. Joe Albe, Attorney for Malinda Holden
Mr. Shaun Bailey, Baton Rouge Police Department
Ms. Sandra Hunt, Baton Rouge Police Department
Mr. Scott Gill, Energy Opportunities Capital Management

Public Comment

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

Motion by Mr. Reech seconded by Mr. Huggins to allow a maximum of 3 minutes per person for public comment and the speaker must complete an information card prior to speaking. Without objection the motion carried.

Approval of minutes:

Motion by Mr. Dean seconded by Mr. Reech to approve the minutes of the meetings held February 15, 2011, February 16, 2011 and March 1, 2011 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Reech seconded by Mr. K.P. Gibson 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>
Charles Alexander	Shreveport	02/16/11	20.47	Max
Gerald Barron	Ponchatoula	03/25/11	18.51	03
Michelle Bennett	DeRidder	04/01/11	15.02	Max
Michael Boudy	New Orleans	02/11/11	20.72	Max
John Chapman	Houma	02/25/11	20.00	Max
John Cormier	Eunice	01/14/11	12.35	2a
Robert Dukes	Alexandria	03/01/11	21.30	3a
Kevin Folse	Houma	02/20/11	27.01	2a
Rita Franklin	New Orleans	02/25/11	24.01	2a
Ronald Gillard, Sr.	New Orleans	01/20/11	20.00	Max
Dennis Gordon	Gretna	03/12/11	25.21	02
John Griffith	Alexandria	02/07/11	26.84	02
Clay Naquin	Houma	03/20/11	20.00	2a
Gwendolyn White-Norwood	New Orleans	02/21/11	26.79	Max

Motion by Mr. Huggins 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>
Armando Asaro	New Orleans	01/19/11	27.03	2a
Gerard Bloom	Baton Rouge	01/03/11	28.98	2a
Angel Braun	Ponchatoula	01/20/11	24.80	2a
Charles Cox	Baton Rouge	11/08/10	29.07	3a
Jerry Deville	Alexandria	02/01/11	28.46	2a
John Devries	Shreveport	02/01/11	27.00	02
Ned Ewing	Lafayette	01/09/11	29.27	2a
James Fried	Monroe	01/05/11	31.47	2a
Dale Haydel	New Orleans	01/09/11	29.10	Max
Edwin Hosli	New Orleans	01/04/11	30.00	2a
Anthony Leblanc	Shreveport	01/16/11	27.36	2a
Brian Monteverde	New Orleans	01/30/11	28.35	Max
Gregory Patin	Baton Rouge	01/15/11	31.06	3a
Gary Presswood	Blanchard	01/07/11	31.35	2a
Noel Salamoni	Baton Rouge	11/08/10	29.15	3a
Jeff Sislo	New Orleans	01/17/11	27.00	03
William Stone	Baton Rouge	01/03/11	28.98	2a
Otis Taylor	Bogalusa	12/26/10	12.00	2a
Randall Vincent	Lafayette	01/23/11	29.39	2a
John Webb	Shreveport	02/01/11	25.00	2a

Motion by Mr. K.P. Gibson 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>
Karl Babin	Lafayette	04/01/11	25.00	02
Sharon Gorman	Slidell	02/28/11	30.11	02
Albert Hynes, III	New Orleans	02/05/11	23.33	02

Perry Montgomery	Bossier City	04/01/11	29.00	2a
Gregory Patroliia	New Orleans	02/19/11	30.61	2a
Lido Schaubhut	New Orleans	02/25/11	36.25	02
Bart Thompson	Baton Rouge	03/21/11	28.29	3a

Litigation Update:

Motion by Mr. Reech seconded by Mr. Dean to go into executive session at 9:09 a.m. to discuss litigation matters regarding Boot Ranch and also MPERS vs. CPERS. Without objection the motion carried.

Back to regular business at 9:50 a.m.

Disability Retirement:

Motion by Mr. Reech seconded by Mr. Dean to approve Mr. Horace Smith's (New Orleans) duty related disability application as submitted. Without objection the motion carried.

Mr. Roche advised that he advised Ms. Holden's attorney to arrive at 10:00 a.m.

Motion by Mr. Reech seconded by Mr. Dean to skip appeal disability request from Malinda Holden until she arrives. Without objection the motion carried.

Raley and Associates vs. Estes and MPERS:

Mr. Roche advised that the lawsuit involves a past due account for survey work performed by Raley & Associates at the Stonebridge Golf Course.

Motion by Mr. Reech seconded by Mr. Huggins to go into executive session at 9:52 a.m. to discuss litigation regarding Raley & Associates vs. Estes Construction Co. and MPERS. Without objection the motion carried.

Back in regular session at 10:04 a.m.

Motion by Mr. Dean seconded by Mr. Reech to defer action regarding Raley & Associates vs. Estes Construction Co. and MPERS until next month. Without objection the motion carried.

Appeal disability request:

Motion by Mr. Reech seconded by Mr. Dean to take up appeal disability request from Malinda Holden at this time. Without objection the motion carried.

Ms. Malinda Holden (New Orleans) and her attorney Mr. Joseph Albe attended the board meeting to provide information relative to her appeal for disability retirement. Chairman Gibson advised Ms. Holden that she had the option of having her appeal 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 10:06 a.m. to discuss Ms. Malinda Holden's appeal for disability retirement. Without objection the motion carried.

Back in regular session at 10:57 a.m.

Motion by Mr. Reech seconded by Mr. K.P. Gibson to defer action on Ms. Malinda Holden's appeal for disability retirement until requested documents are received. Without objection the motion carried.

Review of Touchstone Golf contract:

Mr. Roche provided a copy of the proposed Lease Agreement between MPERS and Touchstone Golf, LLC for review. Touchstone has requested updated numbers from both Olde Oaks Golf Club and Stonebridge Golf Club in order to complete the Lease Agreement. The Board asked Mr. Chavarria to review the Agreement for his opinion.

Motion by Mr. Reech seconded by Mr. Dean to defer action on the Touchstone Golf Lease Agreement until next month. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Dean to skip Real Estate Update to give Mr. Chavarria time to review the Touchstone Golf Lease Agreement. Without objection the motion carried.

Custodian Report by JPMorgan:

Mr. Mike Gallagher represented JPMorgan at the meeting. Total market value as of February 2011 was \$1,385,259,181.06.

Investment Consultant's Report:

Mercer submitted a preliminary flash report for February 2011, market value was \$1,374,567,955. February 2011 return was 2.5%.

Mr. Brett Hazen represented Segal Advisors and thanked the board for hiring Segal. He stated that Segal does not expect any problems with the transition from Mercer. Mr. Hazen advised that each month he will hand out a memo stating topics he will be discussing at the meeting.

Mr. Hazen advised that for the months of March and April Segal will be collecting data and communicating with MPERS' investment managers. At the April meeting, he intends to review the overall investment strategy and structure of MPERS including the investment policy. At the May meeting, he intends to review MPERS' investment manager structure and each individual investment manager.

Investment Managers Presentation:

State Street Global Advisors:

Mr. John Black and Mr. Andrew Goodale represented State Street Global Advisors to present the annual report. The market value of the portfolio was \$114,349,616 as of January 31, 2011.

Performance summary as of 01/31/11:

	<u>MPERS</u>	<u>Barclays Capital Aggregate Index</u>
One Month	0.11%	0.12%
One Year	5.10%	5.06%
Since Inception*	6.09%	6.06%
*10/00		

Energy Opportunities Capital Management:

Mr. Scott Gill represented Energy Opportunities Capital Management to present the annual report. The market value of the portfolio as of February 28, 2011 was \$34,970,503.

Performance Update:

	<u>MPERS</u>	<u>OSX/IXE Benchmark</u>	<u>S&P 500 Broad Equity Market</u>
YTD 2011	12.74%	16.75%	-5.88%
One Year	44.58%	43.97%	22.58%
From Inception*	50.71%	40.39%	28.47%
*1/31/09			

Request from Darryl Dean:

Ms. Bourque advised that Mr. Claude Schlesinger, Attorney for Mr. Darryl Dean requested to appear before the board but was not present at the meeting. Mr. Dean is requesting that his effective date of retirement be changed from February 9, 2010 to May 13, 2009. Mr. Dean separated from the NOPD on May 13, 2009 but did not file his application for regular retirement with MPERS until February 9, 2010.

Motion by Mr. Dean seconded by Mr. Greene that Mr. Darryl Dean's effective date of retirement not be altered. Without objection the motion carried.

Merger request from Port of New Orleans:

Mr. Roche advised that the Port of New Orleans submitted a letter to both MPERS and LASERS to consider merging the Harbor Police Retirement System (HPRS) with one of the two systems due to financial problems. The HPRS currently has 36 active members and 42 retirees. Legislation would have to be passed to allow HPRS to qualify for MPERS prior to merging.

Mr. Hall advised that the Legislative Auditor called him regarding the possible merger between HPRS and MPERS or LASERS. The Legislative Auditor is in the process of auditing HPRS because the benefit structure is not being administered properly. Mr. Hall's opinion is that HPRS should merge into LASERS' hazardous duty plan since they are not a municipality and do not meet the benefit structure of MPERS.

Motion by Mr. Huggins seconded by Mr. Reech to oppose a merger request from Port of New Orleans Harbor Police since they are not a municipality. With Mr. Elg objecting, the motion carried.

Public Records Request Policy:

Motion by Mr. Dean seconded by Mr. K.P. Gibson to adopt the Request for Public Records Policy as presented effective March 16, 2011. Without objection the motion carried.

In order to maintain compliance with the Louisiana Public Records Law (LSA R.S.44:1 et.seq.), all requests for the viewing or copies of public records maintained by the Municipal Police Employees' Retirement System (MPERS) shall be submitted to the retirement system in writing. Written requests may be submitted by hand delivery, by overnight delivery service, by facsimile, by electronic mail or through the U.S. Postal Service.

Written requests should be directed to the following at MPERS:

*Kathy Bourque
MPERS
7722 Office Park Boulevard
Baton Rouge, Louisiana 70809
Email: kathy@lampers.org
Fax: (225)929-6542*

Fees: Copies of records will be supplied upon receipt of payment in cash or by money order payable to MPERS based upon the following fee schedule:

8 ½ x 11 or 8 ½ x 14 pieces of paper or electronically formatted pages: \$.25 per page.

Listing of names extracted from the Retirement Membership Processing System:

*\$.01 per name on diskette or in FTP format
\$.02 per name on hard copy report
\$.03 per name on label*

An active, inactive, or retired member, a beneficiary, or a survivor will be furnished copies of records contained in their member file, or from the file of the member making them an eligible benefit recipient, or the eligible recipient of a refund of member contributions, at no charge.

Other persons requesting to obtain copies of public records will be furnished copies they have requested based upon the above fee schedule.

Persons wishing to view public documents must be of the age of majority and provide identification and shall be provided a place to view requested documents. All copies requested will be charged based upon the fee schedule. Any records which contain materials that are not public records will be removed before the public record may be examined.

No information, even in electronic format, will be released until MPERS has received payment in full for the requested information based upon the above fee schedule.

2011 Legislation:

Mr. Roche advised that Senate Bill 4 by Senator Shaw provides that once a member of MPERS has earned benefits equal to 100% of his average compensation he must begin to pay the employer's contribution in lieu of the employee contribution if he continues his employment.

Ms. Bailey advised that Senator Shaw is sponsoring Senate Bill 4 at the request of a constituent who is the President of the Shreveport Police Association. The bill is being proposed to deter members from continuing to work after 30 years of service.

Motion by Mr. Dean seconded by Mr. Reech to go on record opposing Senate Bill 4 by Senator Shaw. Without objection the motion carried.

Mr. Roche advised that Senate Bill 12 by Senator Gautreaux and Representative Pearson provides for a second tier of benefits in each state and statewide retirement system, at the option of the employer, known as "Tier 2". Participation in Tier 2 would increase employee contributions, increase months of average final compensation, decrease accrual rate, increase age of retirement, and remove DROP.

Motion by Mr. Dean seconded by Mr. Greene to go on record opposing Senate Bill 12 by Senator Gautreaux and Representative Pearson. Without objection the motion carried.

Mr. Roche advised that Senate Bill 11 by Senator Quinn provides that should a board member have a suit filed against them for violation of their fiduciary duty the board member could be found liable for civil damages as well as punitive damages.

Motion by Mr. Dean seconded by Mr. K.P. Gibson to go on record opposing Senate Bill 11 by Senator Quinn. Without objection the motion carried.

Funding Review Panel:

Based on recommendations for Legislation in the upcoming session from the Funding Review Panel, Mr. Hall distributed a contribution rate change schedule indicating the possible application of the .25% incremental scale based upon a 2.5% increase in the employee's contribution rate from 7.5% to 10.0%. The employee rate would be increased-decreased based upon the combined rate for employers and employees.

Mr. Hall advised that an error was discovered in the MPERS valuation for fiscal year ended June 30, 2010. The projected employee rate should have been 29% instead of 28%. PERSAC approved 28% as presented to them for the fiscal year July 1, 2011 thru June 30, 2012.

Olde Oaks and Stonebridge Golf:

Mr. Ben Chavarria presented profit and loss statements for Stonebridge and Olde Oaks Golf Club for the month ending February 2011.

Mr. Chavarria advised that he reviewed the proposed Lease Agreement with Touchstone Golf, LLC and had several questions.

Other Business:

Mr. Chad King representing Baton Rouge Police Department addressed the board regarding calculation of benefits for Baton Rouge members by MPERS. Mr. King received a call from a Baton Rouge member stating that he cannot receive an estimate from MPERS at this time due to the lawsuit between MPERS and CPERS.

Mr. Roche advised that Mr. James Percy received a letter from CPERS attorney advising MPERS not to request any information from CPERS until the lawsuit between MPERS and CPERS is settled. Mr. Roche explained MPERS' procedure for calculating benefits for Baton Rouge members which is to request salary information from CPERS. When Mr. Percy received the letter from CPERS he advised MPERS to cease requesting information from CPERS and MPERS ceased calculating estimates due to lack of salary information. Mr. Roche advised that MPERS decided to continue to calculate estimates for Baton Rouge without requesting salary information from CPERS.

Motion by Mr. Reech seconded by Mr. K.P. Gibson to adjourn the meeting at 1:00 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 March 16, 2011.

Kelly Gibson, Chairman

Kathy Bourque, Director