

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, March 19, 2014, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:23 a.m.

Pledge of Allegiance:

Chairman Mark Huggins led the pledge of allegiance.

Members Present:

Cpl. Mark Huggins, Chairman
Maj. Kelly Gibson, Vice Chairman
Cdr. Henry Dean
Chief Scott Ford
Capt. (Ret.) Willie Joe Greene
Mr. Ben Huxen
Mayor Joey Normand
Ms. Lori Pierce
Sgt. (Ret.) Larry Reech

Members Absent:

Chief Carl Dabadie
Senator Elbert Guillory
Chief Dwayne Munch
Representative Kevin Pearson
Mayor Donald Villere

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
Ms. L.A. Huggins, Monroe Police Department
Mr. Michael Calloway, Monroe Police Department
Mr. Chris Nassif, Alexandria Police Department
Mr. Dannie Davis, Alexandria Police Department
Mr. Kimon Passios, Pinnacle Associates, Ltd
Mr. Peter Marron, Pinnacle Associates, Ltd
Mr. Robert Clark, Sterling Capital, LLC
Mr. Charles Marsala, LPL Financial Advisor

Public Comment:

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

Approval of minutes:

Motion by Mr. Gibson seconded by Mr. Greene to approve the minutes of the meeting held February 18 -19, 2014 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Greene seconded by Mr. 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>
David Derrick	Shreveport	03/04/14	21.47	2a
Gregory Duncan	Ruston	01/13/14	24.00	Max
Lennis Graham, Jr.	Mangham	02/01/14	18.17	3a
George Johnson	West Monroe	02/19/14	17.01	3a
Judy Pellerin	Berwick	02/19/14	21.00	Max
Bryan Chad West	Denham Springs	02/28/14	25.00	Max

Motion by Mr. Reech seconded by Mr. Dean 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>
Christopher Billiot	New Orleans	12/14/13	22.75	3a
Kevin Coakley	New Orleans	12/06/13	18.01	02
Darren Flot	New Orleans	01/01/14	25.01	02
Orian Gulotta	Plaquemine	01/01/14	27.21	2a
Caroline Odom	Baton Rouge	12/31/13	31.88	2a
Claude Russell	Alexandria	12/10/13	25.26	Max
Barbara Watson	Bastrop	12/14/13	22.40	3a

Motion by Mr. Reech seconded by Mr. Greene 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>
Beverly Baham	Covington	01/15/14	25.04	Max
Joseph Bouvier	New Orleans	01/25/14	27.53	Max
Robert Chandler	Shreveport	03/01/14	23.71	2a
Dorothy Dubois	Minden	03/01/14	30.43	Max
Ned Ewing	Lafayette	02/04/14	29.34	2a
Michael Field	New Orleans	04/01/14	27.00	2a
James Fried	Monroe	03/01/14	31.62	2a
Darrell Gordon, Sr.	New Orleans	03/09/14	22.24	2a
Morgan Green	Lafayette	03/01/14	30.02	2a
Mark Jaudon	Shreveport	03/16/14	27.56	Max
Randy Lewis	New Orleans	03/29/14	22.58	02
Brian Mattison	Lake Charles	04/01/14	27.46	02
Robert Rhodes II	Lake Charles	03/01/14	27.52	Max
Emile Sanchez	Kenner	02/10/14	35.47	2a
Argus Shaw	Bossier City	04/01/14	27.32	Max
Joel Sylve	New Orleans	02/23/14	26.73	Max
James Treadaway	New Orleans	01/25/14	40.14	3a
Joseph Williams, III	New Orleans	02/22/14	27.98	02

Disability Retirement:

Ms. Bourque advised that Mr. Ronald Ruiz (New Orleans) was unable to attend the board meeting and has requested that his duty-related disability application be deferred until next month's meeting.

Motion by Mr. Reech seconded by Mr. Greene to postpone consideration of Mr. Ronald Ruiz's duty-related disability application until the April board meeting. Without objection the motion carried.

Mr. Dannie Davis (Alexandria) attended the board meeting to provide information relative to the reassessment of his duty-related disability retirement. Chairman Huggins advised Mr. Davis that he had the option of having his reassessment discussed in open session or executive session. Mr. Davis opted for executive session.

Motion by Mr. Gibson seconded by Mr. Dean to go into executive session at 9:26 a.m. to discuss Mr. Dannie Davis' disability retirement. Without objection the motion carried.

Return to regular session at 9:42 a.m.

Motion by Mr. Dean seconded by Mr. Ford to deny Mr. Davis' request of increasing his duty-related disability retirement to 100% as he does not qualify under R.S. 11:2223(3). Without objection the motion carried.

Mr. Dean instructed Mr. Roche to follow up with Mr. Davis from a legal standpoint.

Investment Consultant's Report:

NEPC:

Mr. David Barnes represented NEPC. Mr. Barnes presented the Investment Market Update and Market Environment Overview. The total market value was \$1,760,852,596 and performance was 3.6% for the month of February 2014 and 13.8% for the FYTD.

Asset Allocation Update:

Mr. Barnes advised that NEPC is still in the process of implementing the approved 2013 policy target allocations. Mr. Barnes advised that the next full search would be for Emerging Market Debts manager and will include a publicly advertised RFP.

Mr. Barnes recommended rebalancing the portfolio by reducing the Total Equity from 54% to 52% taking 1% from both Large Cap and International Equities; retaining Fixed Income at 20%; increasing Total Alternatives from 21% to 23% with the additional 2% being allocated to Hedge Funds; and retaining Other at 5%.

Motion by Mr. Dean seconded by Mr. Greene to adopt NEPC's Asset Allocation recommendations as presented. Without objection the motion carried.

Mr. Barnes presented a hedge fund program review with regard to implementing the additional 2% allocation and several strategy scenarios. NEPC's recommendation is to split the additional allocation between Permal and Entrust at 60% and 40% respectively.

Motion by Mr. Greene seconded by Mr. Normand to adopt NEPC's alternate recommendation of allocating the additional 2% between Permal and Entrust at 75% and 25% respectively. Without objection the motion carried.

Mr. Joey Normand left the meeting.

Investment Managers' Presentations:

Pinnacle Associates Ltd:

Mr. Peter Marron and Mr. Kimon Passios represented Pinnacle Associates Ltd. to present their annual report. The portfolio market value as of February 28, 2014 was \$103,302,094.

Sterling Capital Management, LLC:

Mr. Robert Clark represented Sterling Capital Management, LLC to present their annual report. The portfolio market value as of December 31, 2013 was \$59,786,758.

2014 Legislative Update:

Ms. Rogers advised that HB 80 by Representative Miller would place certain restrictions on investment of assets in all state and statewide retirement systems. MPERS' current structure of the portfolio would not be in compliance with HB 80 in its current form. Ms. Rogers advised that Louisiana State Employees' Retirement System and Teacher's Retirement System has voted to oppose the proposed legislation. All other systems have taken a neutral position or no position on HB 80.

Motion by Mr. Dean seconded by Mr. Reech to take no position on HB 80. With Mr. Gibson and Mr. Ford opposing, the motion carried.

Actuary Comments:

Mr. Greg Curran advised that he expects to have the Forecast Valuation available at next month's meeting. He also commended the Board on pursuing House Bill 24 which is in effort to reduce the system's UAL by adjusting the amortization schedule of payments.

Motion by Mr. Dean seconded by Mr. Reech to adjourn the meeting at 12:00 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 19, 2014.

Mark Huggins, Chairman

Daphne Rusk, Admin Assistant