

## MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, May 15, 2013, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:03 a.m.

### Pledge of Allegiance:

Chairman Mark Huggins led the pledge of allegiance.

### Members Present:

Cpl. Mark Huggins, Chairman  
Capt. Kelly Gibson, Vice Chairman  
Chief Stephen Caraway  
Cdr. Henry Dean  
Chief Scott Ford  
Capt. (Ret.) Willie Joe Greene  
Ms. Andrea Hubbard  
Ms. Amy Matthews  
Chief Dwayne Munch  
Sgt. (Ret.) Larry Reech  
Mayor Donald Villere

### Members Absent:

Chief K. P. Gibson  
Senator Elbert Guillory  
Mayor Joey Normand  
Representative Kevin Pearson

### Others Present:

Ms. Kathy Bourque, Director  
Ms. Daphne Rusk, Administrative Assistant  
Mr. Randy Roche, General Counsel  
Mr. Greg Curran, GS Curran & Company, Ltd  
Mr. Rhett Humphreys, NEPC  
Mr. Mario Tate, NEPC  
Ms. L.A. Huggins, Monroe Police Department  
Mr. Michael Calloway, Monroe Police Department  
Mr. Charles Roark, Monroe Police Department  
Mr. Bob McManama, Loomis Sayles  
Mr. Andrew Goodale, SSgA  
Ms. Allison Corbally, SSgA  
Mr. Hugh Costello, Post Advisory  
Ms. Sherome Hankton, New Orleans Police Department

### Public Comment:

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

### Approval of minutes:

Motion by Mr. Dean seconded by Mr. Kelly Gibson to approve the minutes of the meeting held April 17, 2013 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Caraway 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>
Danny Burleigh	Rayne	04/01/13	19.25	Max
Clarence Cornelius	New Orleans	03/03/13	30.01	Max
Lynn Ferguson	Baton Rouge	03/26/13	28.00	Max
Daniel Scanlan	New Orleans	03/09/13	26.15	3a

Motion by Mr. Kelly Gibson seconded by Mr. Dean 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>
Glenn Blanco	Morgan City	05/01/13	25.26	2a
Kevin Foltz	Slidell	04/15/13	27.57	02
Gordon Hyde	New Orleans	06/12/13	24.28	2a
Theresa Meunier	New Orleans	06/01/13	26.78	Max
Timothy Morris	New Orleans	04/07/13	29.23	02
Henry Newton	New Orleans	04/06/13	26.44	3a
Willie Turner	Baton Rouge	05/10/13	26.81	3a
Christy Williams	New Orleans	04/06/13	27.83	Max

Disability Retirement:

Ms. Sherome Hankton (New Orleans) attended the board meeting to provide information relative to her application for disability retirement. Chairman Huggins advised Ms. Hankton that she had the option of having her application discussed in open session or executive session. Ms. Hankton opted for executive session.

Motion by Mr. Reech seconded by Mr. Dean to go into executive session at 9:40 a.m. to discuss Ms. Sherome Hankton's disability application. Without objection the motion carried.

Return to regular session at 9:55 a.m.

Motion by Mr. Reech seconded by Mr. Dean to approve Ms. Sherome Hankton's (New Orleans) duty related disability as presented. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Dean to approve Mr. Mitchell Jackson's (Delhi) non duty related disability as presented. Without objection the motion carried.

Investment Managers Presentation:

Loomis Sayles:

Mr. Robert McManama represented Loomis Sayles to present the annual report. The market value for the Index Portfolio was \$157,977,611 as of April 30, 2013.

Post Advisory Group:

Mr. Hugh Costello and Mr. William Matthews represented Post Advisory Group to present the annual report. The market value was \$75,925,989 as of March 31, 2013.

Mr. Humphreys advised that NEPC has been closely monitoring Post Advisory due to personnel turnover in the last two years. NEPC recommended that Post Advisory be put on watch due to the recent developments.

State Street Global Advisors:

Ms. Allison Corbally and Mr. Andrew Goodale represented State Street Global Advisors to present the annual report. The market value of the portfolio was \$77,341,118 as of March 31, 2013.

NEPC:

Mr. Rhett Humphreys and Mr. Mario Tate represented NEPC. Mr. Humphreys presented the first quarter Investment Performance Review. As of March 31, 2013, the system's assets totaled \$1.55 billion, an increase of \$79.3 million during the quarter, including net investment gains of \$85.3 million. MPERS posted a 5.7% return (net of fees) during the first quarter ending March 31, 2013, ranking in the 28<sup>th</sup> percentile of public funds.

Mr. Humphreys presented the Investment Market Update and Market Environment Overview. The total market value was \$1,586,078,120 and performance was 2.1% as of April 30, 2013.

Mr. Humphreys advised that William Blair announced that George Greig, Lead Portfolio Manager for the International All Cap Growth strategy, will retire from the firm in 2014. The NEPC Due Diligence Committee has placed the William Blair International All Cap strategy on 'HOLD', while the NEPC research team evaluates the impact of this announcement. Mr. Humphrey advised that NEPC's research team will meet with Mr. Jeff Urbina who will be taking over as Lead Portfolio Manager for the MPERS account.

Custodian Search:

Mr. Mario Tate presented the process and overview of the Custody Bank Search. NEPC recommends four top tier banks, JPMorgan, Northern Trust, State Street, and BNY Mellon.

Motion by Mr. Dean seconded by Mr. Reech to interview the four top tier Custody Banks, JPMorgan, Northern Trust, State Street and BNY Mellon as recommended by NEPC. Without objection the motion carried.

The interviews will be held in conjunction with the July 17, 2013 board meeting.

Real Estate Update:

Mr. Roche advised that the first right of refusal counter offer expires on May 23, 2013. If the counter offer is not met by May 23, 2013, the original purchase agreement will be accepted and the closing will proceed with Mr. Ji.

2013 Legislative Update:

Mr. Roche gave an update on 2013 Legislation that would affect MPERS:

HB 58 by Representative Foil – allows Baton Rouge legal investigators who were merged into MPERS on February 26, 2000 to remain members of MPERS. Passed House Retirement and House Floor, waiting to be scheduled to Senate Retirement.

HB 60 by Representative Talbot – suspends retirement benefits for a member who retires on or after July 1, 2013 and subsequently returns to employment which would make him eligible to participate in any state or statewide retirement system. Also prohibits the individual from participating in the retirement plan during the period of employment. Substitute bill filed to remove all nonpublic employees from Teacher's and State Employees' Retirement System. No longer affects retirees of MPERS.

HB 61 by Representative Badon – provides for a divided benefit calculation when a member's actual earnings in a calendar month are 30% more than the average monthly

earnings for the immediately preceding 12 months. This bill affects all state and statewide retirement systems. Bill was withdrawn.

HB 156 by Representative Schexnayder – repeals the Funding Review Panel. Waiting to be finalized.

SB 7 by Senator Peacock – implements a sixty month final average compensation for all members of LASERS, Teachers, School Employees, State Police, Assessors, Parochial, Sheriffs, Municipal Police and Firefighters. Substitute Bill SB 259 which applies to Firefighters Retirement System only.

SB 10 by Senator Guillory – provides alternative method for statewide retirement systems to grant COLA's to retirees. The Board will make an irrevocable decision on or before 12/31/13 whether they will utilize the COLA provisions contained within this bill. The frequency that a Board can grant a COLA is determined by the funded status of the plan. Plans that are 90% or more funded could grant a COLA every other year. The funding deposit account must contain sufficient funds to grant the COLA. Passed House Retirement Committee, waiting on House Floor.

SB 14 by Senator Martiny - This bill affects all state and statewide plans. It amends the transfer provisions to permit a member to elect to upgrade the accrual rate on transferred service to the accrual rate of the receiving system. The cost of the upgrade is at actuarial cost. Passed House Retirement Committee, waiting on House Floor.

SB 159 by Senator Morrell – Required income from any detail or secondary employment administered or managed by the City of New Orleans or by the New Orleans Police Department to be included in the employee's benefits. Bill was totally rewritten and has nothing to do with public retirement benefits.

#### Actuary Comments:

Mr. Greg Curran discussed the possibility of performing a Forecast Valuation which would provide scenario analysis of return possibilities and cash flows. Discussion was held regarding the forecast valuation and the pros and cons on the restricting of the UAL payment schedule.

#### Election Schedule for Chief District I and Chief District II:

Ms. Bourque advised that Chief District I did not receive any nomination petitions to fill the expired term of Chief K.P. Gibson. Nominations will be sent out at a later date to fill the expired term.

Ms. Bourque advised that Chief District II received two nominations petitions, incumbent Chief Steve Caraway, Kenner and Chief Carl Dabadie, Baton Rouge Police Department.

Motion by Mr. Dean seconded by Mr. Kelly Gibson to accept the nominations for Chief District II as received from Chief Steve Caraway (Kenner) and Chief Carl Dabadie (Baton Rouge). Without objection the motion carried.

#### Other Business:

Ms. Rusk reported the results of the survey conducted upon the request of Chairman Huggins of several retirement systems to determine the process to prepare an estimate of benefits and if a fee is charged to members for the requested estimate. Based on the results from the survey, most systems require the estimate request in writing and the first estimate is free within a twelve month period and any additional estimates within the twelve month period would result in a fee between \$25 and \$50 per estimate.

Motion by Mr. Villere seconded by Mr. Caraway to adopt a policy that would allow members to obtain an estimate of benefits if they are within two years of eligibility. Members must submit estimate request in writing, one free estimate per year and \$25 per estimate if within twelve months of last estimate request. Without objection the motion carried.

Motion by Mr. Munch seconded by Mr. Reech to adjourn the meeting at 12:33 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 May 15, 2013.

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Mark Huggins, Chairman

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Kathy Bourque, Director