

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, May 20, 2015, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:05 a.m.

Pledge of Allegiance:

Chairman Huggins led the pledge of allegiance.

Members Present:

Cpl. Mark Huggins, Chairman
Capt. (Ret.) Willie Joe Greene, Vice Chairman
Mr. John Broussard
Maj. Raymond Burkart, Jr.
Chief Carl Dabadie
Chief Scott Ford
Mayor Joey Normand
Sgt. (Ret.) Larry Reech
Chief Michael Suchanek
Mayor Donald Villere

Members Absent:

Senator Elbert Guillory
Ms. Ashlee McNeely
Chief Dwayne Munch
Representative Kevin Pearson

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. Siddique Haq, NEPC
Mr. Greg Curran, Actuary
Ms. L. A. Huggins, Monroe Police Dept.
Mr. Gary Welchel, Energy Opportunities
Mr. Farrell Crane, Energy Opportunities
Mr. Richard Cochran, Baton Rouge P. D. (Retired)
Mr. Eduardo Brea, Sterling Capital
Mr. Robert Clark, Sterling Capital
Mr. Robert McManama, Loomis Sayles

Public Comment:

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

Approval of minutes:

Motion by Mr. Reech seconded by Mr. Ford to approve the minutes of the meeting held April 15, 2015 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Reech seconded by Mr. Suchanek 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>
Kevin Adams	Bogalusa	04/01/15	23.61	2a
Randall Baudoin	Baton Rouge	03/09/15	29.01	3a
Nona Christophe	Shreveport	04/01/15	22.99	Max
Frederick Conerly	New Orleans	03/02/15	29.46	2a
Edward Davis	New Orleans	03/03/15	20.68	Max
Marcell Foxworth	New Orleans	04/01/15	23.42	Max
Rodney Gaspard	Alexandria	03/14/15	25.01	Max
Mary Grimes	New Orleans	03/11/15	23.03	Max
Willie Johnson	Tallulah	03/13/15	22.87	Max
Patricia Pitre	Mandeville	04/01/15	30.00	3a
Jeffrey S Varnado	Bogalusa	02/01/15	20.25	2a
Clarence Wray	Shreveport	04/11/15	19.99	2a

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>
Joy Bellotte	Shreveport	06/01/15	27.00	2a
Tami Brisset	New Orleans	04/05/15	30.02	Max
Raymond Genovese	New Orleans	06/01/15	27.07	2a
Wiley Lindsey, Jr.	Shreveport	05/01/15	21.01	Max
Lester Marshall	New Orleans	04/05/15	27.70	3a
Russell Murdock	Pineville	04/04/15	38.45	2a
Cory Reech	Baton Rouge	05/22/15	25.27	3a
Pauline Triolo	Slidell	04/26/15	26.29	2a

Motion by Mr. Normand seconded by Mr. Reech 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>
Arnold Bellow	Lake Charles	04/18/15	27.63	02
James Davis	Slidell	04/04/15	28.46	02
Jessie Jenkins	Monroe	04/01/15	24.58	Max
Mary Lathouwers	New Orleans	04/24/15	16.53	2a
Lee Lyons	Houma	05/01/15	25.01	2a

Personnel Matter

Motion by Mr. Suchanek seconded by Mr. Villere to go into executive session at 9:08 a.m. to discuss personnel matter, Kelli Rogers, CFO and Kathy Bourque, Director under the authority of R.S. 42:17(A)(1). Without objection the motion carried.

Out of executive session at 10:13 a.m.

Motion by Mr. Ford seconded by Mr. Reech to accept the resignation of Kelli Rogers, CFO and approve the severance agreement and release between Ms. Rogers and MPERS. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Greene to instruct Mr. Roche to draft and issue a human resources policy regarding the communication of information concerning former employees which is to be applicable to all system employees and independent contractors of the system. Without objection the motion carried.

Motion by Mr. Normand seconded by Mr. Reech to authorize the Executive Director to hire a CPA firm on a month to month basis to conduct the duties of the former CFO until a fulltime employee can be hired. Without objection the motion carried.

Motion by Mr. Normand seconded by Mr. Suchanek to instruct the Executive Director to create a RFP and collect bids from interested persons to hire as a CPA employee for the system. Without objection the motion carried.

Investment Consultant's Report:

Mr. Barnes presented the Investment Market Update for the system. The total market value as of April 30, 2015 was \$1,857,009,962 and performance was 1.5% for the month and 2.7% for the fiscal year to date.

Mr. Barnes presented and reviewed highlights of the first quarter 2015 performance report. As of March 31, 2015, the system's assets totaled \$1.83 billion, an increase of approximately \$32.5 million during the quarter. The system posted a 2.5% return (net of fees) during the quarter, ranking in the 24th percentile of public funds.

Mr. Barnes explained that the Small-Mid Cap Domestic Equity fund contained more active risk allocation with the growth manager, Pinnacle Associates, Ltd. and recommended rebalancing the risk by moving \$25 million from Pinnacle Associates to a value manager, LSV Asset Management.

Motion by Mr. Reech seconded by Mr. Burkart to transfer \$25 million from Pinnacle Associates, Ltd. to LSV Asset Management in order to balance the risk allocation and move closer to the target asset allocation, as per NEPC's recommendation. Without objection the motion carried.

Mr. Barnes updated the board on the system's target allocation to the Private Equity portfolio is 3% and to achieve that target, the system needs to commit \$30 million to the class. NEPC is suggesting to start with a \$15 million commitment to Secondary funds and subsequently another \$15 million commitment to a Fund of Funds Private Equity strategy.

Mr. Siddique Haq with NEPC gave an educational overview of Private Markets Secondaries Investment Strategy and Market Survey.

NEPC's recommendation is to interview Collier Investment Management and Permal Capital Management at the June 17, 2015 board meeting.

Motion by Mr. Broussard seconded by Mr. Reech to invite and interview Collier Investment Management and Permal Capital Management at the June 17, 2015 board meeting. Without objection the motion carried.

Loomis Sayles:

Mr. Bob McManama represented Loomis Sayles to present their annual report. The market value was \$168,189,316 as of April 30, 2015.

Sterling Capital:

Mr. Bob Clark and Mr. Ed Brea represented Sterling Capital to present their annual report. The market value was \$36,218,114 as of April 30, 2015.

Energy Opportunities:

Mr. Farrell Crane represented Energy Opportunities to propose an alternate fee schedule and give an Industry Update. Mr. Crane explained that their fees are consistent for all clients. The board decided to retain the current fee schedule.

Motion by Mr. Normand seconded by Mr. Greene to amend the agenda and move to item number 16, Other Business, on the Agenda. Without objection the motion carried.

Other Business:

Personnel Matters:

Chairman Huggins authorized Mr. Roche to contact other retirement systems of similar size in order to ascertain information relative to organizational charts, policy manuals and job descriptions and prepare drafts of the same for MPERS purposes.

Mr. Normand asked that Mr. Roche create a comparative organizational chart for the board member's review.

Mr. Villere left the meeting at 1:00 p.m.

Legislative Update:

Mr. Roche updated the Board on HB 44, regarding payment to MPERS for the unfunded accrued liability from any municipality that dissolves its police department, has passed out of the Senate committee and is scheduled to go to the House floor next week.

Mr. Roche presented a letter to Mr. Reech in response to HB 418, HB 512 and SB 204 all of which affect authorized payroll withholdings from public employees. Mr. Roche reported that only HB 418 has begun moving through the process but has recently been returned to the calendar.

Mr. Roche stated that he has reached out to Senator J. P. Morrell, as requested by Mr. Burkart at the April 15, 2015 meeting, regarding SB 164 but has received no response. However, the bill in question has not been heard in committee thus far.

Real Estate Matters:

Mr. Roche presented a letter from Mr. Eugene Ji, the purchaser of the golf course real estate from MPERS, regarding issues he has inherited from the sale and requesting funds from MPERS. The board agreed to take no action.

Election schedule for Non Chief District II:

Ms. Bourque announced that Non Chief District II received two nomination petitions, Cpl. Toby Delahoussaye, Lafayette Police Dept. and Sgt. Chad King, Baton Rouge Police Dept.

Motion by Mr. Reech seconded by Mr. Greene to accept the two petitions for nomination for Non Chief District II. Without objection the motion carried.

Approval of proposed fee schedule for FYE 6/30/15 for G. S. Curran & Co.

Motion by Mr. Greene seconded by Mr. Dabadie to approve the fee schedule as presented for actuarial services provided by G. S. Curran & Company, Ltd. for fiscal year ending 06/30/15. Without objection the motion carried.

Approval of proposed fee schedules for FYE 6/30/15 for DHHM

Motion by Mr. Normand seconded by Mr. Suchanek to approve the fee schedule as presented for accounting and auditing services by Duplantier, Hrapmann, Hogan & Maher, L.L.P. for fiscal year ending 06/30/15. Without objection the motion carried.

Director's Report:

Ms. Bourque presented a draft of the operating and building budgets for fiscal year 2015 – 2016 for the board's review and to be discussed at the June 17, 2015 board meeting.

Motion by Mr. Reech seconded by Mr. Burkart to adjourn the meeting at 1:13 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 20, 2015.

Mark Huggins, Chairman

Daphne Rusk, Administrative Assistant