

## MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, May 21, 2014, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:14 a.m.

### Pledge of Allegiance:

Chairman Mark Huggins led the pledge of allegiance.

### Members Present:

Cpl. Mark Huggins, Chairman  
Ms. Monique Appeaning  
Mr. John Broussard  
Cdr. Henry Dean  
Chief Scott Ford  
Capt. (Ret.) Willie Joe Greene  
Mayor Joey Normand  
Sgt. (Ret.) Larry Reech  
Mayor Donald Villere

### Members Absent:

Chief Carl Dabadie  
Maj. Kelly Gibson, Vice Chairman  
Senator Elbert Guillory  
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. Greg Curran, Actuary  
Ms. L.A. Huggins, Monroe Police Department  
Mr. Charles Marsala, LPL Financial Advisor  
Ms. Melissa Anezinis, JP Morgan Asset Management  
Mr. Russ Nolan, JP Morgan  
Ms. Mikki Mathews, JP Morgan  
Mr. Robert "Bob" McManama, Loomis Sayles  
Mr. Chuck Koeniger, Loomis Sayles  
Ms. Michelle Cunningham, DHHM

### 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. Ford to approve the minutes of the meeting held April 16, 2014 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Reech seconded by Mr. Greene 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>
Louis Dabdoub, III	Abita Springs	05/03/14	21.66	2a
Donald Duncan	Monroe	04/16/14	12.87	2a
Ronald White	New Orleans	04/20/14	22.59	Max

Motion by Mr. Ford 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>
James Attuso	Baton Rouge	03/24/14	29.00	2a
Byron Corley	New Orleans	03/04/14	25.64	2a
Wallace Cowart	Baton Rouge	03/24/14	29.00	02
James Haacker	Shreveport	04/01/14	30.17	Max
Juan Henry	New Orleans	02/08/14	25.14	02
Darrell Hyde	Baton Rouge	03/24/14	29.00	2a
Danny Joffrion	Alexandria	02/16/14	25.43	Max
Christopher Johnson	Baton Rouge	03/24/14	25.74	Max
Archie Lee	Baton Rouge	03/24/14	29.00	02
Sherman Mushatt	New Orleans	02/12/14	25.00	2a
Larry Stockton, Jr.	Bossier City	03/05/14	30.02	2a
Randy Weaver	Natchitoches	02/03/14	18.06	3a

Motion by Mr. Reech seconded by Mr. Ford 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>
Jennifer Chevalier	Lafayette	05/28/14	12.59	Max
John Favaloro	New Orleans	04/06/14	35.60	2a
Melvin Gilbert, Jr.	New Orleans	05/13/14	27.17	2a
Sandra Hunt	Baton Rouge	05/23/14	27.04	Max
Bernardine Kelly	New Orleans	03/08/14	36.33	2a
Lawrence Junda III	Baton Rouge	05/17/14	26.98	3a
Joseph Lainez	New Orleans	05/28/14	20.87	Max
Lonnie Lockett	Baton Rouge	05/23/14	27.85	3a
Robert Schexnayder, Jr.	Lake Charles	05/13/14	30.00	02
David Shultz, Jr.	Baton Rouge	05/17/14	28.21	Max
Ronald Smith	Baton Rouge	05/17/14	28.38	03
Alfred Williams	Natchitoches	05/01/14	27.13	2a

Investment Consultant's Report:

NEPC:

Mr. David Barnes represented NEPC. Mr. Barnes presented the Investment Market Update. The total market value as of April 30, 2014 was \$1,760,476,847 and performance was 0.2% for the month of April 2014 and 14.4% for the FYTD.

Mr. Barnes advised that the funds managed by Post Advisory Group, terminated prior month, will be available, May 22, 2014. State Street offered an ETF that mimics the preferred index fund for temporary housing until a replacement manager is hired. Mr. Barnes recommends this transition.

Motion by Mr. Dean seconded by Mr. Normand to approve the recommendation to transition the funds previously managed by Post Advisory Group into a State Street ETF for the target allocation of High Yield. Without objection the motion carried.

Mr. Barnes received notice from Standard Life Investments that Mr. Ian Pizer from the Multi-Asset team is leaving the firm. With Mr. Pizer's departure, along with the departure of team head Euan Munro in June 2013, NEPC recommends a Watch status for the Standard Life GARS strategy.

Mr. Barnes explained that William Blair Asset Management requested a change in MPERS' Investment Policy in regards to its benchmark classification. The request is to change the benchmark from MSCI EAFE Index to MSCI ACWI ex-US and the use of emerging market equities to be permissible, but shall be limited to 150% of the MSCI ACWI ex-US Index emerging markets allocation based on market value. NEPC recommends this change.

Motion by Mr. Normand seconded by Mr. Reech to accept recommendation by NEPC to change MPERS' Investment Policy to reflect the request by William Blair Asset Management. Without objection the motion carried.

Mr. Barnes presented the first quarter performance review. As of March 31, 2014, the total market value was \$1.76 billion, an increase of \$18.3 million during the quarter, including net investment gains of \$26.3 million. The system posted a 1.7% return (net of fees) during the quarter, ranking in the 31<sup>st</sup> percentile of public funds.

#### Investment Managers' Presentations:

##### Loomis Sayles:

Mr. Chuck Koeniger and Mr. Robert "Bob" McManama represented Loomis Sayles to present their annual report. The portfolio market value as of April 30, 2014 was \$161,123,801.

#### 2014 Legislative Update:

Mr. Roche advised that HB 24 came from Senate with technical amendments and is scheduled for concurrence in the House and is not expected to have any problems. HB 24 would change the amortization schedules for MPERS' gains and losses. HB 80, regarding restrictions on investment of assets in all state and statewide retirement systems, has been deferred and not expected to have any further action before the close of the 2014 Legislative Session on June 2, 2014.

#### Presentation of GASB 67:

Ms. Michelle Cunningham, with Duplantier, Hrapmann, Hogan & Maher presented a report explaining the new Governmental Accounting Standards 67 (GASB 67) which establishes standards of financial reporting for Pension Plans. Key components are as follows:

- Effective date for MPERS is FYE June 30, 2014
- Specifies the required approach to measuring the pension liability of employers and non-employer contributing entities for benefits
- Establishes required footnote disclosures on
  - Investments, Receivables, Reserves, DROP, Pension Liability, Assumptions
- Establishes required supplementary information
  - Ten year schedules building from current
  - Census data testing of representative groups and guidelines

Motion by Mr. Broussard seconded by Mr. Dean to approve the fee proposal from DHHM to perform the census data testing in relation to GASB 67. Without objection the motion carried.

Motion by Mr. Broussard seconded by Mr. Dean to approve the fee proposal from DHHM to perform the audit of the financial statements for fiscal year ending 2014. Without objection the motion carried.

Actuary Comments:

Mr. Curran presented a fee proposal for actuarial services for fiscal year 2014 – 2015 including their scope of services and rate of charges.

Motion by Mr. Reech seconded by Mr. Greene approve the fee proposal from G. S. Curran & Company, Ltd. for actuarial services for fiscal year 2014 – 2015. Without objection the motion carried.

Nominations for Chiefs District I and Non Chiefs District III :

Ms. Bourque advised that no nominations were received for the position of Chiefs District I representative on the Board of Trustees. Mr. Dean advised Ms. Bourque to send correspondence to the Chief of Police in DeQuincy inviting him to attend next month's meeting in order to determine his interest in serving on the board.

Ms. Bourque announced that two valid nomination petitions were received for the position of Non-Chiefs District III. The two candidates are Raymond Burkhart, Jr. and Frank Young, Jr.

Motion by Mr. Dean seconded by Mr. Reech to accept both candidates for Non-Chiefs District III. With no objections the motion carried.

Other Business:

Motion by Mr. Dean seconded by Mr. Reech to go into executive session at 11:10 a.m. to discuss securities litigation issues. With no objections, the motion carried.

Back in regular session at 12:06 p.m.

Motion by Mr. Greene seconded by Mr. Normand to adjourn the meeting at 12:06 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 21, 2014.