

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, October 15, 2014, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Vice Chairman Gibson at 9:05 a.m.

Pledge of Allegiance:

Vice Chairman Gibson led the pledge of allegiance.

Members Present:

Maj. Kelly Gibson, Vice Chairman
Maj. Raymond Burkart, Jr.
Chief Carl Dabadie
Chief Scott Ford
Capt. (Ret.) Willie Joe Greene
Ms. Ashlee McNeely
Ms. Lori Pierce
Sgt. (Ret.) Larry Reech
Chief Michael Suchanek

Members Absent:

Cpl. Mark Huggins, Chairman
Chief Dwayne Munch
Mayor Joey Normand
Mayor Donald Villere
Senator Elbert Guillory
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. Gary Curran, Actuary, G. S. Curran & Co.
Ms. Stephanie Little, Attorney, House Retirement Committee
Ms. Judy Bergeron-Tregre
Mr. Michael Garic, Bogalusa Police Dept.

Interviews for High Yield Fixed Income Manager:

Interviews proceeded as follows:

Columbia Management Investment Advisors
Wendy Price
Brian Reed

First Eagle Investment Management
Sean Slein
Greg Cassano

Guggenheim Investments

Christopher Cook
C. Shawn Bookin

Nomura Asset Management
Charles Youngblood
Stephen Kotsen

Mr. David Barnes represented NEPC. After a recap of all presentations, Mr. Barnes advised that NEPC's recommendation would be to hire either Columbia Management Investment Advisors or Guggenheim Investments.

Motion by Mr. Reech seconded by Mr. Dabadie to hire Guggenheim Investments as the result of a tally of individual votes. Without objection the motion carried.

Public Comment:

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

Approval of minutes:

Motion by Mr. Reech seconded by Mr. Greene to approve the minutes of the meeting held September 10, 2014 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Reech seconded by Mr. Suchanek 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>
Robert Longo	Kenner	09/17/14	13.96	Max
June Scott	Gonzales	10/31/14	12.03	02

Motion by Mr. Greene seconded by Mr. Dabadie 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>
Joseph Daniels III	Baton Rouge	08/11/14	25.50	03
Marilyn Jones	Bastrop	08/08/14	21.78	Max
Patrick Matthews	Slidell	09/01/14	20.43	3a
John McCoy	Gonzales	08/03/14	20.00	3a
Joseph Salmon, Jr.	Pineville	09/01/14	30.01	02
Joseph Sammartino, Jr.	Kenner	08/15/14	28.42	3a
Leland Sykes	Gonzales	08/01/14	32.87	2a
James Vaughn	Tallulah	08/15/14	24.87	02
Timothy Wilkinson	Baton Rouge	08/11/14	27.29	03

Motion by Mr. Greene seconded by Mr. Burkart 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>
Blaine Austin	New Orleans	08/16/14	26.05	Max
Phillip Brewton	Lake Charles	10/01/14	30.01	02
Roy Brown	Monroe	10/01/14	26.21	02
Larry Buford	Monroe	10/01/14	28.34	2a
Raymond Goeckel	Shreveport	11/01/14	29.15	02
Chris Lea	New Orleans	09/21/14	29.08	2a
Barry Marquez	New Orleans	10/31/14	27.75	03
Lawrence Moore	West Monroe	09/05/14	27.44	2a
Alfred Moore III	Lake Charles	11/01/14	33.29	2a
Kevin O'Neill	Slidell	08/09/14	27.99	02
David Searcy	Greenwood	10/08/14	15.00	Max
David Tregre	New Orleans	10/21/14	22.54	Max

Motion by Mr. Greene seconded by Mr. Reech to approve the applications for Early 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>
James Beach	Covington	08/27/14	20.55	Max
Brian Boney	Alexandria	10/01/14	22.08	Max
Robert McArthur	Bossier City	10/02/14	22.39	Max

Motion by Mr. Reech seconded by Mr. Burkart to move to item number eight on the agenda. Without objection the motion carried.

Appeal:

Mrs. Judy Bergeron-Tregre attended the board meeting relative to the notice she received from Ms. Bourque stating that MPERS overpaid her in the amount of \$10,504.38. This overpayment was the result of Mrs. Bergeron-Tregre receiving COLA's for the years 1999 through 2002 that were not due to her. Upon realizing this overpayment, Ms. Bourque issued a schedule of deductions from Mrs. Bergeron-Tregre's benefit check to recoup these funds over a time period of thirty-six months.

Motion by Mr. Reech seconded by Mr. Suchanek to allow Mrs. Judy Bergeron-Tregre sixty months to repay the overpaid COLAs to MPERS. Without objection the motion carried.

Investment Consultant's Report:

NEPC:

Mr. Barnes presented the Investment Market Update for the system. The total market value as of September 30, 2014 was \$1,794,762,106 and performance was -2.8% for the month and -2.0% for the fiscal year to date.

Mr. Barnes discussed the recent decision by CALPERS to remove hedge funds from its portfolio. It is NEPC's belief that this decision by CALPERS is largely portfolio-specific, as opposed to a growing trend among plan sponsors away from the use of alternatives. Other factors that likely influenced CALPERS decision related to the lack of staff bandwidth and sponsorship of this part of the portfolio due to staff turnover and the marginal size of the exposure relative to the overall plan. Due to these factors, this may be a reasonable decision for CALPERS' portfolio going forward but may not be as relevant for other investment plans. NEPC believes that taking a longer and more detailed historical account of including alternatives in the investment portfolios often outweighs the time, complexity and cost associated with these programs.

Motion by Mr. Ford seconded by Mr. Reech to accept NEPC's report. Without objection motion carried.

Disability Retirement:

Mr. Michael Garic (Bogalusa) attended the board meeting to provide information relative to his non-duty related disability application. Vice Chairman Gibson advised Mr. Garic that he had the option of having his application discussed in open session or executive session. Mr. Garic opted for executive session.

Motion by Mr. Reech seconded by Mr. Ford to go into executive session at 12:50 p.m. to discuss Mr. Michael Garic's disability application. Without objection the motion carried.

Back in regular session at 12:54 p.m.

Motion by Mr. Reech seconded by Mr. Ford to approve the non-duty related disability application submitted by Mr. Michael Garic. Without objection the motion carried.

Investment Manager's Presentation:

LaSalle Investment Management:

Mr. Harlan Stanley represented LaSalle Investment Management to present their annual report. The market value as of September 30, 2014 was \$3,140,750.

Transition Manager Update:

Ms. Kelli Rogers advised that MPERS currently has a contract with transition manager GTS Advisors. However, GTS Advisors sold that part of the company to Vertas. Ms. Rogers met with other similar companies and stated that it would be beneficial to establish a contract with more than one transition managers to have more options.

Mr. Kelly Gibson asked that the board be provided more information at the November 2014 meeting relative to other companies with these same services.

Adopt Required Minimum Distribution Policy:

Ms. Rogers presented a policy for the board to adopt relative to DROP/IBO withdrawals to remain in compliance with IRS rules. The policy is as follows:

Policy for Required Minimum Distributions

The Municipal Police Employees' Retirement System adopts the following policy regarding the required minimum distributions ("RMD") as provided for by Internal Revenue Code Section 401(a)(9).

- *MPERS will provide members with notification once they reach age 70 ½ (or upon retirement if it is after age 70 ½) of the required minimum distribution rules and the amount he or she is required to take.*
- *Each year on or before December 31, MPERS will provide notification to members of the RMD for the next calendar year (i.e. on December 31, 2014, MPERS will notify members of their required RMD for 2015).*

- *If a member has not taken the total amount of the required annual RMD before December 1, MPERS will make an automatic distribution to the member of any shortfall.*

Motion by Mr. Reech seconded by Mr. Ford to adopt the policy for Required Minimum Distributions as submitted. Without objection the motion carried.

Actuarial Comments:

Mr. Gibson asked that the board be provided with more education on GASB. Mr. Gary Curran expressed that his office would be open and available to provide education at the board's pleasure. Ms. Bourque will coordinate with Mr. Curran and Ms. Cummingham of DHHM to schedule education on GASB.

Other Business:

Ms. Rogers advised that at the November 2014 meeting, she and NEPC will profile managers for a Bank Loan manager search.

Ms. Bourque advised that COLAs will be applied to November 2014 benefit checks.

Motion by Mr. Reech seconded by Mr. Ford to adjourn the meeting at 1:25 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 October 15, 2014.

Kelly Gibson, Vice Chairman

Daphne Rusk, Administrative Assistant