

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, October 16, 2013, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:01 a.m.

Pledge of Allegiance:

Chairman Mark Huggins led the pledge of allegiance.

Members Present:

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

Members Absent:

Chief Carl Dabadie
Cdr. Henry Dean
Chief Dwayne Munch
Senator Elbert Guillory
Representative Kevin Pearson

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Roche, General Counsel
Mr. Gary Curran, GS Curran & Company, Ltd
Mr. David Barnes, NEPC
Ms. Stephanie Little, Attorney House Retirement
Mr. Jim Hutchinson, LaSalle Investment Management
Mr. Stephen Villere, NOPD Retiree

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 September 18, 2013 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Gibson 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> |
|----------------------------|------------------|------------------|-------------------------|-------------|
| Reed Benner | Shreveport | 08/16/13 | 23.32 | Max |
| Glynn Cacioppo | Ponchatoula | 09/26/13 | 10.34* | Max |
| *Reciprocal with Sheriff's | | | | |
| Darren Hawn | Alexandria | 09/16/13 | 30.02 | 02 |
| Edward McLean | Lafayette | 10/31/13 | 17.17 | 2a |
| Barrie Sommers | Baton Rouge | 09/07/13 | 21.35 | Max |

Motion by Mr. Greene seconded by Mr. Reech 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> |
|---------------------|------------------|------------------|-------------------------|-------------|
| Freddie Clinton | Shreveport | 07/06/13 | 12.39 | Max |
| Richard Crawford | Baton Rouge | 08/01/13 | 20.04 | 2a |
| Bryan Fleetwood | New Orleans | 07/22/13 | 25.03 | 2a |
| Priscilla Goodwin | Jennings | 07/18/13 | 25.00 | 03 |
| Morgan Green | Lafayette | 07/07/13 | 30.02 | 2a |
| Michael Marino, Jr. | Morgan City | 07/08/13 | 25.06 | Max |
| Kenneth Pointer | Baton Rouge | 07/30/13 | 26.01 | 2a |
| Willie Shaw | Shreveport | 08/01/13 | 23.39 | Max |

Motion by Mr. Ford seconded by Mr. Reech 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> |
|--------------------|------------------|------------------|-------------------------|-------------|
| Herbert Bovia, Jr. | New Orleans | 10/25/13 | 30.09 | Max |
| Wyezeta Green | Alexandria | 09/11/13 | 24.60 | Max |
| Donald Greene | Baton Rouge | 10/11/13 | 28.75 | 3a |
| Gregory Patin | Baton Rouge | 11/01/13 | 31.06 | 3a |
| Leonard Pfleider | Mandeville | 10/01/13 | 29.02 | 2a |
| B R Powell | Monroe | 11/01/13 | 26.79 | 2a |
| John Ray | New Orleans | 08/11/13 | 34.63 | 2a |
| Evelyn Robinson | Monroe | 10/01/13 | 29.39 | Max |
| Wayne Rumore | New Orleans | 08/23/13 | 29.45 | 2a |

NEPC:

Mr. David Barnes represented NEPC. Mr. Barnes presented the Investment Market Update and Market Environment Overview. The total market value was \$1,647,762,457 and performance was 3.7% as of September 30, 2013.

BNY Mellon Cash Account:

Mr. Barnes advised that the JPMorgan cash sweep account is currently investing in the JPMorgan US Treasury Money Market Fund which invest in obligations of the US Treasury. BNY Mellon has 3 options for the cash sweep account, Collective Government Short Term Investment Fund, Temporary Investment Fund and Dreyfus Cash Management Fund. Mr. Barnes recommended using BNY Mellon's Collective Government Short Term Investment Fund which is the most equivalent to what MPERS is currently investing in with JPMorgan.

Motion by Mr. Broussard seconded by Mr. Ford to invest in BNY Mellon's Collective Government Short Term Investment Fund as the cash sweep account with newly hired custodian BNY Mellon as recommended by NEPC. Without objection the motion carried.

Securities Lending:

Mr. Barnes advised that BNY Mellon has three investment options for the investment of the cash collateral pool in MPERS' securities lending portfolio. Mr. Barnes recommends BNY Overnight Government Fund which is similar to the cash sweep investment fund.

Motion by Mr. Reech seconded by Mr. Ford to invest in the BNY Mellon's Overnight Government Fund for the cash collateral pool in the securities lending portfolio as recommended by NEPC. Without objection the motion carried.

Emerging Market Equity Search:

Mr. Barnes advised that the Request for Proposals (RFP) issuance for Emerging Market Equity (long only) Strategy was posted on October 2, 2013 and will run through October 18, 2013. The RFP was posted on NEPC's website and the deadline for submission of cover letter is November 1, 2013.

BNY Mellon International Index Fund:

Mr. Barnes advised that the contract with BNY Mellon International Index Fund is currently being reviewed by Mr. Roche. As soon as contract is reviewed and signed the transition between AllianceBernstein International and BNY Mellon International Index Fund will begin.

LaSalle Investment Management:

Mr. Jim Hutchinson represented LaSalle Investment Management to present their annual report. The Fund IV portfolio value as of June 30, 2013 was \$11.4 million and Fund V portfolio value as of June 30, 2013 was \$14.6 million.

Actuary Comments:

Mr. Gary Curran presented an analysis indicating how the system went from having a surplus of \$14,071,173 in 2001 to having an unfunded accrued liability of \$931,247,979 in 2012.

Accept nominations for Chief District I:

Ms. Bourque advised that no nominations were received for Chief District I to fill the expired term of Chief K.P. Gibson. This is the second time nominations were sent out to fill this term. Nominations will be sent out at a later date.

Structure and Staffing:

Motion by Mr. Broussard seconded by Mr. Reech to go into executive session at 10:43 a.m. to discuss structure and staffing of MPERS. Without objection the motion carried.

Motion by Mr. Broussard seconded by Mr. Ford to return to regular business at 11:24 a.m. Without objection the motion carried.

Chairman Huggins requested that discussion of structure and staffing be placed on the November agenda.

Other Business:

Disability:

Mr. Roche advised that Mr. Ronald Ruiz (New Orleans) applied for a disability benefit and a letter was sent to him from MPERS advising him of his appointment with the medical board doctor to be examined and to obtain the doctor's opinion. Mr. Ruiz did not show up for the appointment and MPERS had to pay for the appointment. Mr. Roche requested the board's direction of how to handle Mr. Ruiz's disability application.

Motion by Mr. Reech seconded by Mr. Ford to make another appointment at the expense of MPERS for Mr. Ronald Ruiz to be examined by the medical board doctor for his opinion of whether or not Mr. Ruiz is disabled from performing his duties. MPERS will send Mr. Ruiz the appointment letter via federal express or ups requiring a signature of delivery. Without objection the motion carried.

Attorney General's Opinion:

Mr. Roche advised that the Attorney General's opinion has been received regarding "attained age" in accordance with DROP withdrawals. The opinion states that it is possible for MPERS and CPERS to use different definitions of the term "attained age" for the same purpose.

Chairman Huggins requested that the Attorney General's opinion be placed on the November board meeting agenda and request Mr. John Weiler MPERS' tax attorney be present at the November meeting to discuss the issue of "attained age".

BLB&G Conference:

Mr. Roche advised that BLB&G securities litigation attorneys are holding a one day conference on Protecting Securities Portfolios against Fraud on Foreign Exchanges in New York on February 6, 2014.

Fortune Magazine Article:

Ms. Appeaning questioned whether or not Mr. Roche agreed with the article titled "The little Louisiana pension fund litigation monster" written by Ms. Erika Fry, reporter for Fortune Magazine. Ms. Appeaning would like Mr. Roche to explain where he has differences with any statements in the article.

Motion by Mr. Ford seconded by Mr. Gibson to adjourn the meeting at 11:49 a.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 16, 2013.

Mark Huggins, Chairman

Kathy Bourque, Director