

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, August 19, 2015, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:07 a.m.

Pledge of Allegiance:

Chairman Mark 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
Sgt. Chad King
Ms. Ashlee McNeely
Mayor Joey Normand
Sgt. (Ret.) Larry Reece
Chief Michael Suchanek
Mayor Donald Villere

Members Absent:

Senator Elbert Guillory
Chief Dwayne Munch
Representative Kevin Pearson

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Roche, General Counsel
Mr. David Barnes, NEPC
Mr. Siddique Haq, NEPC
Mr. Gary Curran, Actuary
Ms. L. A. Huggins, Monroe Police Dept.
Mr. David Livingston, Entrust Capital
Mr. Gregg Hymowitz, Entrust Capital
Mr. Amar Patel, Entrust Capital
Ms. Margaret Corley, Senate Retirement Committee Attorney
Mr. John Grybauskas, Standard Life Investments
Mr. Stuart Peskin, Standard Life Investments

Public Comment:

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

Approval of minutes:

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

Approval of retirement applications:

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 Booth	Monroe	07/01/15	20.17	2a
Mary Chretien	Lafayette	06/19/15	15.63	2a
Ronald Czajkowski	Lafayette	06/13/15	30.03	2a
Rodney Farrington	Haughton	07/01/15	25.08	03
Levy Firmin	Lafayette	06/06/15	29.39	02
David Hardy	Abbeville	06/11/15	25.50	2a
Jarvis Jackson	Gretna	07/01/15	30.42	2a
Kim Preston	New Orleans	06/14/15	23.72	Max

Motion by Mr. Reech seconded by Mr. King 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>
Joseph Boneski II	Abbeville	08/01/15	25.00	Max
Frank Caruso, Jr.	Baton Rouge	07/17/15	29.00	Max
Jim Cates	Ruston	07/26/15	25.07	Max
Keith Corkern	Baton Rouge	08/14/15	26.62	Max
Patricia Dupart	New Orleans	07/28/15	17.53	Max
James Germain	Shreveport	09/01/15	21.32	2a
Paul Harper	Monroe	07/17/15	27.00	Max
Edward Joseph	Bossier City	08/22/15	29.04	3a
Robert Lipscomb	Hammond	08/13/15	21.26	2a
Robert Norton III	New Orleans	08/31/15	25.00	2a
Anita Raines	Alexandria	08/31/15	29.00	Max
Michael Sarver	New Orleans	08/16/15	25.20	3a
Donald Shillow	Lake Charles	09/01/15	30.24	Max
Joel Tallant	New Orleans	08/09/15	24.01	Max
Williams Webb	Monroe	08/15/15	27.08	Max

Motion by Mr. Greene seconded by Mr. Burkart 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>
Thomas Bell	Lake Charles	06/26/15	27.85	2a
Gerard Brotmeyer, Jr.	New Orleans	08/28/15	17.33	Max
Eric Frank	Port Allen	07/29/15	28.17	2a
Johnny Lassiter	Jennings	08/17/15	16.40	Max
Bradley Wax	New Orleans	07/30/15	16.92	2a

Disability Retirement:

Motion by Mr. Reech seconded by Mr. Suchanek to approve the non-duty related disability application submitted by Mr. Stephon Tyson (Bogalusa). Without objection the motion carried.

Investment Consultant's Report:

Mr. Barnes with NEPC presented the Investment Market Update for the system. The total market value as of July 31, 2015 was \$1,824,991,828 and performance was -0.5% for the month and fiscal year to date.

Mr. Barnes presented the 2nd quarter 2015 performance review and highlighted the system's assets increased \$4.5 million during the quarter. The system posted a 0.2% return (net of fees) during the quarter, ranking in the 34th percentile of public funds. He also noted the 3 year annualized returns through June 30, 2015 were 11.5%, ranking in the 10th percentile while 5 year annualized returns through June 30, 2015 were 11.1%, ranking in the 22nd percentile.

Mr. Barnes pointed out the 2015 fiscal year to date performance was updated to include the private market returns and is now at 1.4%. He advised there are more returns to include before the final performance number is determined for the 2015 fiscal year.

Mr. Barnes explained when NEPC was hired two years ago, the system's risk adjusted returns ranking was in the bottom 15% compared to other pension plans. Currently, MPERS is ranked in the top half of risk adjusted returns and NEPC is focusing on this number. He explained different plans have different return objections which makes comparisons of plans based solely on flat returns unfair, however it is fair to compare plans on a risk adjusted returns basis and they will continue to advance in the appropriate direction.

Mr. Barnes reminded the Board of the continuation to fund the second half of the commitment made to the private equity portfolio. The remaining \$15 million commitment will be allocated to build growth equity and buyout strategy of the portfolio.

Mr. Barnes introduced Mr. Siddique Haq, Research Consultant, to explain the growth and buyout equities fund. Mr. Haq explained the decision for the board to make is whether to hire a single diversified fund or a funds of funds manager. After reviewing the characteristics of the two funds, NEPC recommended the board interview HarbourVest Partners and Warburg Pincus.

Motion by Mr. Greene seconded by Mr. Burkart to invite HarbourVest Partners and Warburg Pincus to the October 21, 2015 board meeting for interviews as recommendation by NEPC. Without objection the motion carried.

Entrust Capital:

Mr. Gregg Hymowitz represented Entrust Capital to present their annual report. The market value was \$33,735,688 as of July 31, 2015.

Standard Life Investments:

Mr. John Grybauskas and Mr. Stuart Peskin represented Standard Life to present their annual report. The market value was \$92,666,337 as of July 31, 2015.

Director's Report:

Ms. Bourque announced that the system's website has been updated with MPERS' statutes and is in the process of being redesigned.

Ms. Bourque gave an update on the status of reviewing disability benefit recipients that are receiving benefits at 100%. These members are scheduled to be reevaluated by our physicians and submit results to our office which will be provided to the Board.

Ms. Bourque provided the Board with a list of invoices paid by the retirement system for the prior month for their review. The Board had no questions regarding any payments made.

Ms. Bourque announced that she received a public records request from a reporter in the New Orleans area asking for a list of New Orleans Police Department officers that retired and started collecting benefits since the year 2000, including years of service, retirement date, monthly benefit amount and average final compensation used to calculate benefit. This information was provided to the reporter and a memo was sent to each of the members whose information was included.

Ms. Bourque stated that she has received resumes from a headhunter provider and has interviewed candidates for the open accounting position but no one has been hired.

Mr. Huggins asked that information relative to the job description and cost associated with the position be sent to the board and be placed on the agenda for next month's meeting.

Other Business:

Mr. King asked Ms. Bourque about the status of the system's IRS Determination Letter and Ms. Bourque stated that MPERS received a favorable IRS Determination Letter dated May 20, 2015. Mr. King provided a copy of an announcement that CPERS received from the IRS regarding revisions to Employee Plans Determination Letter Program. A copy of the announcement will be made available to the board.

Motion by Mr. Reech seconded by Mr. Greene to adjourn the meeting at 11:29 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 August 19, 2015.

Mark Huggins, Chairman

Daphne Rusk, Administrative Assistant