

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, November 18, 2015, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Huggins at 9:03 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
Chief Carl Dabadie
Chief Scott Ford
Mr. Ron Henson, State Treasurer, Designee
Sgt. Chad King
Mayor Joey Normand
Chief Michael Suchanek
Ms. Ashlee McNeely, Div. Of Administration, Designee
Mayor Donald Villere

Members Absent:

Maj. Raymond Burkart, Jr.
Senator Elbert Guillory
Chief Dwayne Munch
Representative Kevin Pearson
Sgt. (Ret.) Larry Reech

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Roche, General Counsel
Mr. David Barnes, NEPC
Mr. Greg Curran, Actuary
Ms. L. A. Huggins, Monroe Police Dept.
Mr. Timothy Schuler, PERMAL
Mr. Michael Plichta, PERMAL
Mr. Doug Doucette, Investec Asset Management
Mr. Werner Gey van Pittius, Investec Asset Management

Public Comment:

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

Approval of minutes:

Motion by Mr. Villere seconded by Mr. Greene to approve the minutes of the meeting held October 21, 2015 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Greene 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>
Donald Anders, Jr.	Alexandria	09/24/15	20.42	2a
Alfred Bordelon, Jr.	Alexandria	09/18/15	32.00	2a
Reginald Cook	New Orleans	10/01/15	25.72	03
John Stalnaker	Shreveport	10/01/15	25.10	2a
Mark Wheeler	Shreveport	10/01/15	25.10	2a
James Willis	Monroe	09/17/15	25.00	2a

Motion by Mr. Dabadie 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>
Earl Armstrong	Shreveport	11/01/15	27.22	3a
Paul Bourgeois	New Orleans	10/29/15	25.08	02
Stephen Browning	Baton Rouge	11/20/15	28.80	Max
Jerome Dupre	New Orleans	10/31/15	21.40	03
Darren Flot	New Orleans	11/15/15	25.01	02
Isaac Gayden	Monroe	12/01/15	22.42	Max
Gwinartic Graham	Shreveport	10/02/15	26.26	Max
Mark Griffin	Morgan City	10/27/15	21.66	Max
Glen Markham	New Orleans	11/01/15	25.00	02
Hugh McDuffie, Jr.	Bastrop	11/01/15	29.29	2a
Cynthia McKnight	Bastrop	11/25/15	20.08	Max
Debbie Weaver	New Orleans	10/15/15	29.05	2a

Motion by Mr. Ford 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>
Gregory Hill	Leesville	10/11/15	20.00	2a
Sandy Freeman	Ruston	11/01/15	15.46	2a
Charles Viccellio	Morgan City	11/19/15	15.16	2a
Melody Young	New Orleans	11/21/15	18.15	02

Motion by Mr. King seconded by Mr. Suchanek to approve the application 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>
Chad Comeaux	Alexandria	10/31/15	20.02	Max

Investment Consultant's Report:

Mr. David Barnes gave an organizational update on NEPC and announced that the founder of NEPC is retiring after 30 years of service and the transition from distributing ownership from a single employee to equity throughout the company base has been taking place over the past 8 years.

Mr. Barnes presented the Investment Market Update for the system. The total market value as of October 31, 2015 was \$1,778,246,856 and performance was 4.4% for the month and -2.4% for the fiscal year to date.

Mr. Barnes presented the Third Quarter 2015 Investment Performance Review and highlighted MPERS' Risk Adjusted Returns and emphasized peer rankings have improved from 90th to 48th since NEPC was hired.

Mr. Barnes explained that William Blair International, equity manager, has moved to a global platform by adding broader coverage to include US stocks and that NEPC will monitor the changes over the next twelve to eighteen months.

Mr. Barnes gave an education and review on Emerging Markets and recommended that the board make no changes to that asset class but reevaluate in February or March 2016.

Investec Asset Management:

Mr. Doug Doucette and Mr. Werner Gey van Pittius represented Investec to present their annual report. The market value was \$43,702,246 as of October 31, 2015.

Permal:

Mr. Michael Plichta and Mr. Timothy Schuler represented Permal to present their annual report. The market value was \$51,334,371 as of October 31, 2015.

Actuary Comments:

Mr. Greg Curran stated that he will present the 2015 Actuarial Valuation report at the December 16, 2015 board meeting.

Mr. Curran explained Act No. 43 that was enacted and made effective on June 5, 2015, with the intent to protect the system from municipalities that fully or partially terminate participation in MPERS, by requiring the municipality to pay the system any Unfunded Accrued Liability (UAL) attributable to their withdrawal, needs to be amended to clarify issues that have arisen.

Motion by Mr. Normand seconded by Mr. Ford to delay the implementation of Act No. 43 until the board can develop the new language for the law. Without objection the motion carried.

Mr. Curran certified the rate of return on the system's investments for fiscal year 2015 at 10.6% which allows the DROP interest rate to be applied at 10.1%.

Motion by Mr. Greene seconded by Mr. Suchanek to approve the rate of 10.1% to pay on DROP interest. Without objection the motion carried.

2016 Board Meeting Schedule:

Motion by Mr. Norman seconded by Mr. Villere to adopt the 2016 board meeting schedule as presented. Without objection the motion carried.

January 20, 2016	July 20, 2016
February 17, 2016	August 17, 2016
March 16, 2016	September 21, 2016 *New Orleans
April 20, 2016	October 19, 2016
May 18, 2016	November 16, 2016
June 15, 2016	December 14, 2016

Director's Report:

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

Ms. Bourque provided an update on the hiring of an accountant for the system and proposed salary adjustment for current staff.

Other Business:

Mr. Roche advised that the system received a letter from the attorney representing Mr. Paul Brown (Monroe) and Mr. Jeff Bailes (Monroe) stating they intend to file suit against the board's decision to reduce their disability benefits.

Mr. Roche stated that voting records in the minutes should be noted as a roll call vote stating each member's vote when necessary or noted if any board member abstains from voting.

Mr. Roche stated that relative to new information received on the previous day, some decisions need to be made on the overtime issue with the Baton Rouge City/Parish. Dipaola vs. MPERS, 19th JDC, No. 591,844, Sec "26", which need to be discussed in executive session.

Motion by Mr. Greene seconded by Mr. Ford to enter into executive session to discuss Dipaola vs. MPERS, 19th JDC, No. 591,844, Sec "26." After a roll call vote to enter into executive session at 11:09 a.m. the motion carried with the following results:

Yeas: Ford, Henson, McNeely, Normand, Suchanek, Villere, Greene

Nays: None

Recused: Dabadie, King

Abstained: Huggins

Back in regular session at 11:25 a.m.

Mr. Roche presented a RFP for securities litigation services for the board's review and was instructed to gather a list of firms to which to submit the RFP.

Motion by Mr. Suchanek seconded by Mr. King to adjourn the meeting at 11:28 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 November 18, 2015.

Mark Huggins, Chairman

Daphne Rusk, Administrative Assistant