

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, October 19, 2016, 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 Huggins led the pledge of allegiance.

Members Present:

Sgt. Mark Huggins, Chairman
Capt. (Ret.) Willie Joe Greene, Vice Chairman
Maj. Raymond Burkart, Jr.
Chief Carl Dabadie
Chief Scott Ford
Sgt. Chad King
Ms. Amy Mathews, State Treasurer Designee
Mr. Rick McGimsey, Div. of Administration Designee
Chief Dwayne Munch
Mayor Joey Normand
Sgt. (Ret.) Larry Reech
Chief Michael Suchanek
Mayor Donald Villere

Members Absent:

Senator Barrow Peacock
Representative Kevin Pearson

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Roche, General Counsel
Mr. David Barnes, NEPC
Mr. Aarish Patel, NEPC
Mr. Greg Curran, Actuary
Mr. Carlton "Trey" Jones, MPERS' Legal Counsel
Ms. Margaret Corley, Attorney, Senate Retirement Committee
Ms. L. A. Huggins, Monroe Police Dept.
Ms. Bobete Williams, Monroe Police Dept.
Mr. Ronald Still, Westwego Police Dept.
Mr. Kevin Smith, Prudential Real Estate
Mr. Justin Gleason, Prudential Real Estate
Ms. Jessica Newth, Prudential Real Estate

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. Greene to approve the minutes of the meeting held September 20, 2016 with amendments. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Ford 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>
Richard Cooper	Minden	08/25/16	21.07	2a
Regina Cutrere	Franklin	08/05/16	14.44	02
Patrick Garner	New Orleans	08/08/16	21.96	03
Reginald Landry	New Orleans	08/18/16	25.32	2a
Clyde Lemmons	Pineville	08/01/16	25.27	Max
Michael Murphy	Shreveport	09/01/16	25.30	02
Nicholas Patterson III	Kenner	09/01/16	22.06	02
Linda Sherrer	Mandeville	09/01/16	15.07	Max
Leroy-Joseph Smith	New Orleans	08/07/16	25.25	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>
Mitchell Arnold	Hammond	08/06/16	30.60	03
Don Bradley	Lake Charles	10/18/16	25.07	2a
Michael Cody	Baton Rouge	10/08/16	28.31	2a
Errol Foy	New Orleans	10/16/16	25.00	2a
Gerald Gomez	Bogalusa	09/28/16	26.95	2a
James Hay	Alexandria	09/12/16	43.01	3a
Michael Kellum	Shreveport	11/01/16	27.14	2a
Lane Litton	Pineville	10/21/16	27.10	2a

Motion by Mr. Greene seconded by Mr. Reech 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>
Cory Clause	Lafayette	09/10/16	25.01	2a
Gregory Cormier	Lafayette	10/05/16	22.69	2a
Daniel Houghton	Shreveport	08/31/16	27.98	Max
James Joseph	Denham Springs	10/01/16	29.98	2a
Brian Rhodes	Thibodaux	09/06/16	25.00	Max

Potential Litigations by G2 Golf, LLC

Motion by Mr. Normand seconded by Mr. Suchanek to enter into executive session at 9:12 a.m. to discuss potential litigation by G2 Golf, LLC. After a roll call vote, the motion carried unanimously.

Back in regular session at 9:20 a.m.

Discussion of Paul Brown vs. MPERS:

Motion by Mr. Reech seconded by Mr. King to enter into executive session at 9:21 a.m. to discuss Paul Brown vs. MPERS, 19th JDC, No. 643,743, Sec 25. After a roll call vote, the motion carried unanimously.

Back in regular session at 9:39 a.m.

Disability Retirement:

Ms. Bobete Williams (Monroe) attended the board meeting to provide information relative to her non-duty related disability application.

Motion by Mr. Reech seconded by Mr. Ford to approve the non-duty related disability application as presented by Ms. Bobete Williams (Monroe). Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Ford to approve the disability classification in regards to Mr. Charles Miller (New Orleans) based upon Mr. Roche's explanation of R.S.11:2221(M). Without objection the motion carried.

R.S.11:2221(M) "For purposes of R.S. 17:1681 and 1681.1, any member who is killed or who acquires a permanent disability solely as the result of injuries sustained in the course and scope of the performance of his official duties, while participating in the Deferred Retirement Option Plan or during continued employment after participation in the Deferred Retirement Option Plan has ended, shall be considered as having died in service or retired for disability purposes, provided satisfactory proof of such fatal or disabling injury is furnished to the retirement system by the member's employing municipality."

Thus the Board of Trustees does have the authority to certify disability status for benefits from outside sources for purposes of scholarships for children of those permanently disabled in the line of duty.

Interviews - Private Equity Managers:

Mr. David Barnes with NEPC gave the board a brief recap of the reasons to have exposure in the Growth Equity and Buyout strategies of the Private Equity portfolio. He explained this will further diversify the 3% of our portfolio allocated to Private Equities with a reminder that this is a \$25 million commitment subject to capital calls as needed.

Mr. Aarish Patel with NEPC provided a profile of each manager to be interviewed and a brief summary and comparison of their strategies, fees and commitment. He also reviewed the due diligence research in which NEPC has obtained on both firms.

Mr. Dabadie left the meeting.

Interviews proceeded as follows:

HarborVest Partners Co-Investment Fund IV
Nathan Bishop
Rob Wadsworth

J. F. Lehman Equity Investors IV
John Lehman
Louis N. Mintz

Private Advisors Small Company Co-Investment Fund
Chris Mackay
Tripp Taliaferro

Motion by Mr. Reech seconded by Mr. Ford to hire HarbourVest Partners Co-Investment Fund IV to manage \$12.5 million and J. F. Lehman Equity Investors IV to manage \$12.5 million in the Private Equity fund as recommended by NEPC. Without objection the motion carried.

Investment Consultant's Report:

Mr. David Barnes represented NEPC and presented the Investment Market Update for the system. The total market value as of September 30, 2016 was \$1,825,876,713 and performance was up 0.8% for the month and up 4.0% for fiscal year to date.

Prudential Real Estate Investors:

Mr. Kevin Smith, Mr. Justin Gleason and Ms. Jessica Newth represented Prudential PRISA II and presented their annual report to the board. The market value as of June 30, 2016 was \$41,994,566.

Potential litigation on Mr. Ronald Still's retirement eligibility:

Motion by Mr. Reech seconded by Mr. Munch to enter into executive session to discuss Mr. Ronald Still's retirement eligibility. With Mr. Normand objecting, the matter was discussed in open session.

Mr. Greg Curran provided a handout including several possible reasonable approaches to transfer Mr. Still's service from MERS to MPERS and possible settlement options.

Motion by Mr. Normand seconded by Mr. Villere to offer Mr. Still a reduced lifetime monthly benefit of \$3,843.28 with no DROP funds.

The options were discussed at length and Mr. Still was offered the opportunity to select one of the other options. With Mr. Still selecting an alternate option, Mr. Normand's motion was withdrawn.

Motion by Mr. Normand seconded by Mr. Reech to provide Mr. Still a reduced lifetime monthly benefit subject to Mr. Curran's calculations with DROP funds reduced to \$100,000. This settlement is contingent upon MERS, Mr. Still and MPERS signing an agreement drafted by both retirement systems. After a roll call vote, the motion carried with the following result:

Yays: Burkart, Ford, King, McGimsey, Normand, Reech, Suchanek, Greene

Nays: Villere

Abstained: Mathews, Munch

Mr. McGimsey left the meeting.

Actuarial Comments:

Mr. Greg Curran was questioned on the interest rate that will be paid out on DROP funds. Mr. Curran stated that rate has not been determined but will be obtained and announced at the December 14, 2016 board meeting upon board approval.

Attorney's Comments:

Mr. Randy Roche provided information regarding Securities Litigation status and recoveries. Mr. Roche was asked to provide this information to the board quarterly in written format.

At the September 20, 2016 board meeting, Mr. Normand asked Mr. Roche if the system had a policy on Securities Litigation and Ms. Mathews asked Mr. Roche to provide the board with a copy of the policy. Mr. Roche stated that MPERS developed a policy previously when the system hired four firms to handle such cases, but he has not located the policy at this time.

Mr. Normand inquired on the status of the Ms. Polly Snell (Many) lawsuit to be filed by MPERS. Mr. Roche advised that per Mr. Normand's request after the September 20, 2016 board meeting, said lawsuit should not be filed unless Mr. Roche is instructed to do so by another board member other than Mr. Normand.

Chairman Huggins advised that the lawsuit against Ms. Polly Snell (Many) should be filed as per motion at the May 18, 2016 board meeting.

Motion by Mr. Normand seconded by Mr. Burkart to terminate MPERS' services with Mr. Randy Roche. After a roll call vote, the motion failed with the following result:

Yays: Burkart, Ford, Mathews, Normand, Villere
Nays: King, Munch, Reech, Suchanek, Greene, Huggins

Motion by Mr. King seconded by Mr. Burkart to develop a RFP for a contract attorney for the system. After deliberation, the motion was withdrawn.

Motion by Mr. Munch seconded by Mr. King to develop a RFP for a full-time system attorney. The RFP will be available for the November 16, 2016 board meeting for finalization with advertisement after the November meeting. Resumes will be requested before the December 14, 2016 board meeting at which time applicants will be selected to be interviewed at the January 18, 2017 board meeting. With Mr. Burkart and Mr. Reech opposing the motion carried.

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.

Other Business:

Motion by Mr. Normand seconded by Mr. Villere for MPERS to advertise for an Executive Director and upon hiring such, there be established the position of Assistant Executive Director – Operations to be filled by Kathy Bourque with her reporting to the Executive Director with no change in her compensation. After a roll call vote, the motion carried with the following result:

Yays: Ford, King, Mathews, Munch, Normand, Reech, Suchanek, Villere
Nays: Burkart
Abstained: Greene

Motion by Mr. King seconded by Mr. Greene to adjourn the meeting at 1:32 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 19, 2016.

Mark Huggins, Chairman

Daphne Rusk, Administrative Assistant