

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, June 19, 2019, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman G. Scott Ford at 9:05 a.m.

Pledge of Allegiance

Chief Glaser led the pledge of allegiance.

Members Present

Chief G. Scott Ford, Chairman
Rep. Tony Bacala
Sgt. Michael Calloway
Chief Michael Glaser
Mayor Gerard Landry
Ms. Amy Mathews, State Treasurer Designee
Mr. Rick McGimsey, Div. of Administration Designee
Mayor Donald Villere

Members Absent

Maj. Raymond Burkart, Jr.
Capt. (Retired) Willie Joe Greene
Lt. Chad King, Vice-Chairman
Chief Dwayne Munch
Senator Barrow Peacock
Sgt. (Retired) Larry Reech

Others Present

Ms. Melissa Rayburn, MPERS, Benefits Administrator
Ms. Daphne Rusk, MPERS Office Administration
Ms. Taylor Camp, MPERS, CFO
Mr. David Barnes, NEPC, Investment Consultant
Mr. Greg Curran, G. S. Curran & Co., Actuary
Ms. Sheri Morris, Daigle Fisse & Kessenich, Attorney
Mr. Pdraig Sheehy, KBI Global Investors
Ms. Jordan Mangan, Acadian Asset Management
Mr. Scott Bryner, Acadian Asset Management
Ms. Wendy Sanchez, Provaliant
Ms. Jean Beckemeyer, NOPD (Retired)
Mr. Wallace Lore, NOPD (Retired)

Public Comment

Chairman G. Scott Ford called for public comment. There was no comment from the public at this time.

REGULAR BUSINESS

Approval of Minutes

Motion by Sgt. Calloway, seconded by Ms. Mathews to approve the minutes of the meeting held May 15, 2019. Without objection, the motion carried.

NEW BUSINESS

Adoption of election schedule for Chiefs District I

Ms. Camp announced the election schedule for Chiefs District I seat:

June 20, 2019	Post cards will be mailed to eligible members
July 15, 2019	Petitions due in PO Box of Election Services Corporation by 4:30pm
July 17, 2019	Nominations accepted by Board of Trustees
July 22, 2019	Election post cards mailed and online voting opens
August 14, 2019	Online voting closes and ballots due in PO Box of ESC by 4pm
August 15, 2019	Ballots counted and verified by Election Services Corp.
August 21, 2019	Board accepts certified ballot counts and results published
Upon Taking Oath	Nominated or elected trustee takes office

Motion by Sgt. Calloway seconded by Rep. Bacala to adopt the schedule. 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 May 31, 2019 was \$2,074,066,891 and performance was down by 2.7% for the month and down 0.2% for the fiscal year to date. However, there had been some positive news so far in the month of June and the fiscal year to date should even out.

Mr. Barnes outlined the candidate search for the Intermediate Term Fixed Income manager. Out of the 40 respondents to the RFP, NEPC is recommending 3 candidates for a total investment of \$50,000,000. The candidates recommended are Garcia Hamilton & Associates, Loomis Sayles & Co., and Orleans Capital Management Corp. These three managers will present to the Board at the July meeting.

Acadian Asset Management

Ms. Jordan Mangan and Mr. Scott Bryner represented Acadian Asset Management and presented its annual report to the board. The market value as of May 31, 2019 was \$94,951,007.

KBI Global Investors

Mr. Sheehy represented KBI Global Investors and presented its annual report to the board. The market value as of May 31, 2019 was \$88,003,286.

Actuarial Comments

Mr. Curran reported that the rate of return for 2014 was 18.6%, 2015 was 1.4%, 2016 was 2.2%, 2017 was 13.1%, and the year 2018 was 7.0%. He also noted that the rate of return for the next year is not as high as hoped. Only 1 year out of the last 5 will be above assumed rate of return. He commented that this is cyclical and that 2 good years is needed to stay above the assumed rate of return. They should have more solid numbers by August but so far, the outcome does not look good. There was some discussion on what impact this has on the system balance sheet. Mr. Curran noted that it is so volatile that he doesn't have much concern at this point. Some members also noted that we need to spread the cost around more.

MPERS vs Pauline Snell, 11th JDC, Number 67767. Subject matter: proposed settlement offer. To be conducted in executive session under the provisions of R.S. 42:17(A) (2).

Motion by Mayor Landry seconded by Chief Glaser to enter into executive session at 10:39 am. Motion to return from executive session at 11:09 am by Mr. Calloway, seconded by Mayor Villere. A motion was made by Mayor Villere to accept counsel's recommendation, seconded by Chief Glaser. Without objection, the motion passes.

Executive Director and General Counsel Comments

Ms. Camp thanked Rep. Bacala for carrying the Baton Rouge bill, now Act 92.

Ms. Camp noted that the implementation of the pension administration system is at 46% and the plan is to go live in August of 2020.

Ms. Camp also reminded members of the finding of 10 rehired retirees through state supplemental pay records. Staff sent certified letters to the cities and all but two members have agreed to go to part time status or moving to the Sheriffs office. Two members with Arcadia did not respond and had their benefits cut in May. Their legal counsel has reached out, and legal action will likely be necessary due to the members not being enrolled as full-time employees in MPERS. There should be more information in the coming months.

Review and approval of the FY 2020 operating and capital budgets

Mayor Villere made a motion to discuss amending the budget to include a 3% raise instead of a 4% raise. Ms. Camp noted that this was done to keep in line with other systems, in addition to no increases being given during the last fiscal year. The motion for discussion was seconded by Mayor Landry. Mayor Villere felt that 4% is too high given the HR reorganization several years ago and that it is misleading to simply state that a raise has not been given.

Rep. Bacala made a substitute motion that the minimum appropriation be left in and approve a 3% increase, knowing that the money is there for an additional 1% if decided at a later meeting date. The motion was seconded by Mr. McGimsey.

Mayor Villere also voiced concerns over a staff member moving from full-time to part-time. He made a motion to remove that part-time position from the budget. There was no second, and the motion failed.

Motion by Mayor Landry seconded by Sgt. Calloway to approve the capital budget as amended. Without objection, the motion carried.

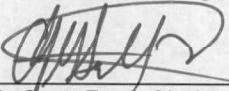
Other Business

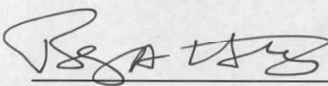
Mr. Barnes made some clarifications to the hiring process that will occur at the next meeting, noting that it is an additional manager in a different category and not a replacement.

Chairman Ford presented Ms. Rusk with a plaque and thanked her for her service to the system.

Motion by Ms. Mathews seconded by Mr. McGimsey to adjourn the meeting at 11:30 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 June 19, 2019.


G. Scott Ford, Chairman


Ben Huxen,
Executive Director & General Counsel

