

## **MINUTES**

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, January 16, 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

Lt. Chad King led the pledge of allegiance.

### Members Present

Chief G. Scott Ford, Chairman  
Lt. Chad King, Vice-Chairman  
Rep. Tony Bacala  
Maj. Raymond Burkart, Jr.  
Sgt. Michael Calloway  
Chief Michael Glaser  
Capt. (Retired) Willie Joe Greene  
Mayor Gerard Landry  
Ms. Amy Mathews, State Treasurer Designee  
Sgt. (Retired) Larry Reech  
Chief Michael Suchanek  
Mayor Donald Villere

### Members Absent

Mr. Rick McGimsey, Div. of Administration Designee  
Chief Dwayne Munch  
Senator Barrow Peacock

### Others Present

Mr. Benjamin A. Huxen II, Executive Director & General Counsel  
Ms. Melissa Rayburn, MPERS, Benefits Administrator  
Ms. Taylor Camp, MPERS, CFO  
Mr. David Barnes, NEPC  
Mr. Greg Curran, Actuary  
Mr. Casey P. Spreen, Hammond Police Dept.  
Mr. Richard Bruder, Loomis, Sayles & Company  
Mr. Frank Morgan, Collier Capital  
Mr. Jim Katarincic, Collier Capital

### 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 Mr. Suchanek seconded by Mr. King to approve the minutes of the meeting held December 12, 2018. Without objection, the motion carried.

### Approval of Retirement Applications

Motion by Mr. Suchanek seconded by Mr. Calloway to approve the applications for Retirement. Without objection, the motion carried.

Applications for DROP

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Sandra Alexander	Bastrop	12/01/18	19.58	2a
Howard Beebe	Alexandria	11/04/18	25.20	2a
Jason Brook	Shreveport	12/01/18	25.10	Max
Russell Collins	Shreveport	11/21/18	21.59	3a
Keith Joseph	New Orleans	12/01/18	30.40	3a
Carleton Perkins	Lake Charles	12/01/18	30.18	Max
Francis Perry	Crowley	12/01/18	25.13	3a
Sheryl Smith	Baton Rouge	11/26/18	28.75	Max
Brian Vann	Ruston	12/01/18	28.80	Max

Applications for DROP to Regular Retirement

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Julius Armstrong, Jr.	Natchitoches	12/27/18	36.93	Max
Jason Brook	Shreveport	01/16/19	25.10	Max
Mark Kraus	Lake Charles	01/16/19	31.29	Max
James Richard	Berwick	01/01/19	28.43	3a
John Windham, Jr.	Baton Rouge	01/25/19	28.86	2a

Applications for Regular Retirement

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Kevin Humphrey	Bossier City	01/01/19	25.26	Max
Carlos Peralta	New Orleans	12/04/18	22.22	Max
Eugene Raffety	Baton Rouge	12/08/18	25.40	2a
Warren Rost	Maurice	01/01/19	25.00	2a
V. Richelle Sharp	Covington	01/01/19	26.67	Max
Donald Thompson	Opelousas	01/01/19	31.48	3a
Daniel Weaver	Minden	12/15/18	27.18	2a

Discussion of findings of disability for Casey P. Spreen (Hammond). May be heard in executive session under R.S. 42:17(A)(1)

Mr. Casey P. Spreen (Hammond) attended the board meeting to provide information relative to his duty-related disability application. Chairman Ford advised Mr. Spreen that he could have his application discussed in an open forum or in executive session. Mr. Spreen opted for executive session.

Motion by Mr. Suchanek seconded by Mr. King to enter into executive session at 9:07 a.m. to discuss findings of disability for Casey P. Spreen. Without objection, the motion carried.

Motion by Mr. Reech seconded by Mr. Greene to return to open session at 9:20 a.m. Without objection, the motion carried.

Motion by Mr. Reech seconded by Mr. Burkart to approve the duty-related disability application for Casey P. Spreen (Hammond), as submitted. Without objection, the motion carried.

**NEW BUSINESS**

Investment Consultant's Report

Mr. David Barnes represented NEPC and presented the Investment Market Update for the system. The total market value as of December 31, 2018 was \$1,937,369,804 and performance was down 3.6% for the month and down 6.9% for the fiscal year to date.

Motion by Mr. Reech seconded by Mr. Calloway to place Energy Opportunities Capital on *Watch* due to performance and volatility, as recommended by NEPC. Without objection, the motion carried.

Presentation by Collier Capital regarding Collier International Partners VIII, L.P.

Mr. Barnes reminded the board of MPERS's re-commitment of \$40 million to 2 private equity managers for its allocation to 2018 vintage year funds and then recommended that MPERS commit \$25 million to one secondary private equity manager for its allocation to 2019 vintage year funds.

Mr. Frank Morgan and Mr. Jim Katarincic represented Collier Capital and provided information relative to Collier International Partners VIII, L.P.

Motion by Mr. Greene seconded by Mr. Reech to commit \$25 million to Collier Capital's private equity fund, Collier International Partners VIII, L.P. (series A), as recommended by NEPC. Without objection, the motion carried.

**Loomis, Sayles & Company**

Mr. Richard Bruder represented Loomis, Sayles & Company and presented its annual report to the board. The market value as of December 31, 2018 was \$156,830,264.

Actuarial Comments

Mr. Greg Curran provided information regarding implementation of R.S. 11:2225.4 relative to municipalities that either fully or partially dissolve its police department and the amount of the unfunded accrued liability to be remitted to the retirement system.

Mr. Curran explained that 7 employers were identified to have partially dissolved their police departments by 30% or more based upon the statute language. He calculated the liability payable for these 7 employers who partially dissolved their police department during fiscal year 2018. Based on the statute, payments shall "be payable beginning July first of the fiscal year following the withdrawal and in the same manner as regular payroll payments to the system." Since these withdrawals occurred during fiscal year 2018, the payments were due beginning July 1, 2018.

Given the data required for testing, there is a timing issue as to when the payments can begin. If the board agrees to begin payments on the first July 1<sup>st</sup> after MPERS completes its certification under Act 586, the original allocated portion of the UAL should be adjusted for interest prior to determining the required payment amount. The liability payments must be paid in monthly payments amortized over fifteen years using the system's valuation interest rate.

The 7 employers who partially dissolved their police departments by 30% or more during fiscal year 2018 are: Bunkie, Lake Arthur, Lecompte, New Llano, Patterson, Pollock, and Rayville. Mr. Curran reminded the board that while these employers must pay the first year of liability payments, they will not have to pay additional years if they add employees back to the payroll.

Motion by Mr. Burkart seconded by Mr. Villere to allow the affected municipalities to begin paying their portion of UAL on July 1, 2019, with interest adjusted rather than July 1, 2018 and also authorize Mr. Huxen to advertise to clarify language in statutes as to the beginning payment date. Without objection, the motion carried.

Mr. Curran announced the Public Retirement Systems' Actuarial Committee (PR SAC) meeting will be held on a date to be determined in February 2019 at which G. S. Curran & Company will present MPERS's valuation for approval.

Mr. Huxen requested a status update from Mr. Curran regarding the Baton Rouge study on overtime findings. Mr. Curran explained they are in the process of determining if overtime is level throughout the career of an officer or if there is a pattern of increased overtime as they approach retirement.

Executive Director and General Counsel Comments

Mr. Huxen 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.

Mr. Huxen provided an update to the implementation of the new pension administration system. He stated that MPERS is at 29% of completion of the work schedule which is 1% behind schedule due to holidays.

Mr. Huxen advised that the notice of intent for legislation regarding Baton Rouge overtime issues has been published twice as required by law and gave thanks to Tyler Bosworth, Attorney with the House Committee for Retirement for completing that task.

Mr. Huxen provided the Board with the mid-year budget stating that MPERS is on track. Mr. Huxen informed the board that he has purchased cyber liability insurance through the State of Louisiana's Office of Risk Management.

Mr. Huxen provided a listing of securities litigation recoveries for the fiscal-year-to-date which are at \$15,370.46.

Mr. Huxen reminded the board of the upcoming Louisiana Trustee Education Council (LATEC) Investment Education Symposium and inform staff if planning to attend.

Chad Landreneau v. Lafayette Consolidated Government and MPERS, Docket No. 2017-3105, Division A, Fifteenth Judicial District Court, Lafayette Parish

Motion by Mr. Reech seconded by Mr. Greene to enter into executive session at 10:54 a.m. to discuss a proposed settlement with Chad Landreneau regarding docket number 2017-3105, Division A, 15<sup>th</sup> JDC, Lafayette Parish. Without objection, the motion carried.

Motion by Mr. King seconded by Mr. Reech to return to open session at 11:05 a.m. Without objection, the motion carried.

Motion by Mr. Bacala seconded by Mr. Greene to continue litigating the case of Chad Landreneau v. Lafayette Consolidated Government and MPERS, Docket No. 2017-3105, Division A, Fifteenth Judicial District Court, Lafayette Parish. Without objection, the motion carried.

Motion by Mr. Reech seconded by Mr. Suchanek to adjourn the meeting at 11:07 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 January 16, 2019.

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G. Scott Ford, Chairman

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Ben Huxen,  
Executive Director & General Counsel