

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, July 17, 2019, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman G. Scott Ford at 9:08 a.m.

Pledge of Allegiance

Mayor Landry led the pledge of allegiance.

Members Present

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

Members Absent

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

Others Present

Mr. Benjamin Huxen, MPERS Executive Director and General Counsel
Ms. Ashlee McNeely, MPERS, Executive Management Officer
Ms. Melissa Rayburn, MPERS, Benefits Administrator
Ms. Taylor Camp, MPERS, CFO
Mr. David Barnes, NEPC, Investment Consultant
Mr. Greg Curran, G. S. Curran & Co., Actuary
Mr. David Livingston, EnTrust Global
Mr. Amal Patel, EnTrust Global
Mr. Alex Pillersdorf, EnTrust Global
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 Mr. Landry, seconded by Sgt. Calloway, to approve the minutes of the meeting held June 19, 2019. Without objection, the motion carried.

NEW BUSINESS

Accept nominations for Chiefs District I

One petition was received from Chris Wilrye, who met all qualifications and received sufficient number of nominations from the members. With only one nomination, there is no election.

Motion by Mr. Reech, seconded by Chief Glaser, to accept the nomination. 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 June 30, 2019 was \$2,155,496,274 and performance was up by 3.9% for the month and 3.7% for the fiscal year to date.

EnTrust Global

Mr. David Livingston, Mr. Amar Patel, and Mr. Alex Pillersdorf represented EnTrust Global and presented its annual report to the board. The market value as of June 30, 2019 was \$86,846,187 and was up 7.6% for the calendar year. Mr. Barnes noted that at the one-year review of EnTrust Global, we saw that all of our goals are coming to fruition. Therefore, he is not recommending any changes at this time.

Intermediate-Term Fixed Income Manager Search

Interviews were held as follows:

Garcia Hamilton & Associates, L.P.
Jana Hamilton & Jeffrey Detwiler

Loomis, Sayles & Company, L.P.
E.J. Tateosian & Chad Gross

Orleans Capital Management Corporation
Emily Becker & Gary Welchel

Discussion and review of all managers were held, and votes were tallied for an intermediate-term fixed income manager.

Motion by Sgt. Calloway, seconded by Mr. Reech, to hire Orleans Capital Management Corporation as manager of MPERS's intermediate-term fixed income portfolio and to allocate a total of \$50,000,000. Without objection, the motion carried.

Actuarial Comments

Mr. Curran reported that we are looking at an actuarial rate of return for FY 2019 of approximately 4.59%, which is below the assumed rate of return of 7.20%. This is expected to cause an increase in employer contribution rate of just over 2%. There have been both gains and losses over the last four years. Payroll growth can lower losses, as does having additional pay periods. He also noted that he is working with Mr. Huxen on implementing the Baton Rouge bill (HB 22) that was passed during the most recent legislative session. They are currently drafting a memorandum of understanding, which should come before the Board in the near future.

Executive Director and General Counsel Comments

Mr. Huxen discussed the additional 1% pay raise that was discussed at the June Board meeting. He noted that MPERS's compensation is behind the other systems and discussed the importance of adequately compensating MPERS employees in order to

not lose the institutional knowledge of our very experienced workers. There was some discussion by Mr. Greene regarding on how retirees are frustrated that they haven't received a COLA and become concerned when staff receives salary increases. Mr. Huxen pointed out that the proper comparison was to active employees, specifically those employed by other retirement systems. Mr. Huxen added that he, along with the help of Mr. Curran, is looking into the possibility of different methods of retiree COLAs in the future. There was additional discussion on the importance of COLAs for retirees and what other systems are doing on this front.

Mr. Villere then made a motion to approve the additional 1% salary increase for the MPERS staff, for a total of 4% increase. The motion was seconded by Sgt. Calloway. Without objection, motion carried.

Mr. Huxen then gave an update on the issue with the Town of Stonewall. The Town failed to pay contributions for over 10 years and then dissolved its police department in 2018. Mr. Huxen discussed the available methods that MPERS may utilize in order to collect what the Town owes.

Mr. Huxen briefed the Board on the ongoing rehired retiree issue with the Town of Arcadia. The Town refuses to pay contributions on behalf of its chief of police and another full-time officer. He outlined the steps that have been taken and next steps in the process.

The final note in Mr. Huxen's report was an update on the PATROLE/Tegrit project. It is 48% completed, and we are on track to meet the deadline and are \$125,000 underbudget.

Executive Session

The Board chose not to go into executive session to discuss the disability retirement applications. Both applicants' total disabilities were certified by the board-designated physician in accordance with R.S. 11:218. There was a motion by Mr. Reech, which was seconded by Mr. Burkart, to approve the disability retirements of Angelle M. Clivens (New Orleans) and William W. Sheridan, Jr. (Ruston). Without objection, the motion carried.

Other Business


There was no other business to come before the Board.

Motion by Mr. Reech, seconded by Mr. Villere, to adjourn the meeting at 12:02 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 July 17, 2019.



G. Scott Ford, Chairman



Ben Huxen,
Executive Director and General Counsel