

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, February 20, 2019, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman G. Scott Ford at 9:04 a.m.

Pledge of Allegiance

Chief Suchanek led the pledge of allegiance.

Members Present

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

Members Absent

Rep. Tony Bacala
Mr. Rick McGimsey, Commissioner of Administration's Designee
Chief Dwayne Munch
Senator Barrow Peacock
Sgt. (Retired) Larry Reech

Others Present

Ms. Daphne Rusk, Office Administrator
Ms. Melissa Rayburn, MPERS, Benefits Administrator
Ms. Taylor Camp, MPERS, CFO
Mr. David Barnes, NEPC
Mr. Adam Carll, NEPC
Mr. Greg Curran, Actuary
Ms. Sheri Morris, Daigle Fisse & Kessenich

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 January 16, 2019. Without objection, the motion carried.

Approval of Retirement Applications

Motion by Mr. Villere 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>
Anny Herbert	Baton Rouge	12/10/18	28.27	3a
Terry Baham, Sr.	New Orleans	12/02/18	12.17	3a
Richard Daigle	Eunice	01/01/19	28.00	2a
Gregory Hamilton	New Orleans	12/29/18	24.45	2a
Odey Melvin, Jr.	New Orleans	01/01/19	22.32	2a
Lisa Williams	New Orleans	01/01/19	25.05	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>
Alfred Bordelon, Jr.	Alexandria	01/28/19	32.36	2a
Mary Chretien	Lafayette	01/12/19	16.20	2a
Lloyd Coleman, Jr.	New Orleans	02/01/19	25.13	Max
Charles Fontenot	Lake Charles	01/16/19	40.52	02
Dennis Gibliant	New Orleans	02/05/19	25.03	Max
John Gott	DeRidder	01/01/19	26.06	02
Eldon Henrikson	Bossier City	02/11/19	31.12	3a
Veronice Johnson	Baton Rouge	02/09/19	30.07	3a
Christi Snell	Shreveport	02/28/19	25.13	Max

Applications for Regular Retirement

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Scott Blake	Baton Rouge	02/01/19	21.41	Max
Leah Broadwater	Natchitoches	02/10/19	16.55	3a
Philip Chapman	Baton Rouge	01/19/19	20.02	2a
Jason Derise	Lake Charles	01/12/19	27.56	Max
Ronnie Gonzales	Slidell	01/09/19	12.50	2a
Kenneth Hancock	Monroe	02/01/19	30.30	02
Ann Harrison	Covington	01/03/19	26.42	Max
Michael Harrison	New Orleans	01/19/19	27.19	02
Nan Wood	Franklinton	02/01/19	12.13	Max

NEW BUSINESS

MPERS vs. City of Baton Rouge, 19th JDC #644,979 Sec. 22

Motion by Mr. Greene seconded by Mr. Villere to enter into executive session at 9:06 a.m. to discuss post-merger overtime issues under the provisions of R.S. 42:17(A)(2). Without objection, the motion carried.

Motion by Mr. Calloway seconded by Mr. Greene to enter back into regular session at 9:46 a.m. Without objection, the motion carried.

Actuarial Comments

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

Mr. Curran explained to the board that the motion made at the previous board meeting that allows the affected municipalities to begin paying their portion of UAL on July 1, 2019 needs to be rescinded in light of R.S. 11:2225.4(C)(2), which prohibits the board of trustees from collecting any payments due from an employer for any partial dissolution that occurred prior to July 1, 2018.

Motion by Mr. Burkart seconded by Mr. King to rescind the motion made at the January 16, 2019 board meeting that would allow the affected municipalities to begin paying their portion of UAL on July 1, 2019, with interest adjusted rather than July 1, 2018. 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 January 31, 2019 was \$2,033,758,070 and performance was up 5.4% for the month and down 1.9% for the fiscal year to date.

Mr. Barnes reminded the board that NEPC prepares an Asset Allocation update annually and distributed a report with the 2019 analysis and recommendations.

Mr. Adam Carll reviewed key market themes as late cycle dynamics, tightening global liquidity, China transitions, and globalization backlash. He also explained current opportunities such as rebalancing developed market equities, raising safe-haven fixed income exposure, reducing lower quality credit exposure, maintain overweight to emerging market equities, adding long volatility exposure, funding public midstream energy exposure, and funding emerging local debt.

Mr. Barnes submitted two proposed asset allocation models entitled *Mix A* and *Mix B* and explained the different aspects of each mix. NEPC recommends *Mix B* as MPERS's 2019 Policy Target Asset Allocation for the following reasons:

- Eliminates the overweight to non-US developed equities within the equity portfolio, while maintain overweight to emerging markets equities
- Reduces volatile equity exposure and adds to "safe haven" assets
- Reduces exposure to return seeking credit
- Provides additional funding to emerging markets debt, without increasing relative target weight within the fixed income portfolio
- Replaces the most volatile segment of the portfolio (liquid real assets) with "safe haven" assets

Motion by Ms. Mathews seconded by Mr. Villere to adopt *Mix B* as its 2019 Policy Target Asset Allocation, as recommended by NEPC. With Mr. Greene opposing, the motion carried.

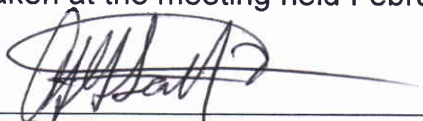
Staff Comments

Ms. Camp provided an update to the implementation of the new pension administration system. She stated that MPERS is at 32% of completion which is on schedule of planned completion date of August 2020.

Ms. Camp stated there was an advertisement for a bill or bills relative to term limits for board of trustees of the state and statewide retirement systems. Mr. Huxen will notify the board once a draft of the bill is available.

Mr. Curran announced the Public Retirement Systems' Actuarial Committee (PRSAC) meeting will be held at 9:00 a.m. on February 25, 2019 at which G. S. Curran & Company will present MPERS's valuation for approval.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held February 20, 2019.


G. Scott Ford, Chairman


Daphne Rusk, Office Administrator