

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, November 14, 2012, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Henry Dean at 9:00 a.m.

Pledge of Allegiance:

Chairman Henry Dean led the pledge of allegiance.

Members Present:

Cdr. Henry Dean, Chairman

Cpl. Mark Huggins, Vice Chairman

Mayor Barney Arceneaux

Chief Stephen Caraway

Chief Christopher Elg

Capt. Kelly Gibson

Capt. (Ret.) Willie Joe Greene

Mayor Tim Matte

Sgt. (Ret.) Larry Reech

Representative Kevin Pearson

Ms. Andrea Hubbard, designee for DOA Commissioner

Ms. Lori Pierce, designee for Treasurer

Members Absent:

Chief K. P. Gibson

Chief Dwayne Munch

Senator Elbert Guillory

Others Present:

Ms. Kathy Bourque, Director

Ms. Daphne Rusk, Administrative Assistant

Mr. Randy Roche, General Counsel

Mr. Jeff Boucek, Segal Rogerscasey

Mr. Gary Curran, GS Curran & Company, Ltd

Mr. Richard Hartzell, JPMorgan

Ms. Margaret Corley, Attorney Senate Retirement

Ms. Stephanie Little, Attorney House Retirement

Mr. Terry McHugh, Prudential Real Estate Investors

Mr. James Murphy, Prudential Real Estate Investors

Mr. John McLaughlin, William Blair

Ms. L.A. Tucker, Monroe Police Department

Ms. Jennifer Germany, Shreveport Police Department

Mr. Ronnie Janice, Arnaudville Police Department

Ms. Letonia Reed, Alexandria Police Department

Mr. Robert Rivet, Shreveport Police Department

Mr. Chris Robertson, Touchstone

Public Comment:

Chairman Dean called for public comment. There was no comment from the public in attendance.

Approval of minutes:

Motion by Mr. Huggins seconded by Mr. Reech to approve the minutes of the meeting held October 18, 2012 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Huggins seconded by Mr. Kelly Gibson 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>
Robert Pagels	Natchitoches	11/19/12	15.65	2a

Motion by Mr. Caraway seconded by Mr. Arceneaux 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>
Barbara Blunt	Monroe	09/17/12	25.00	Max
Travis Hayes, Jr.	Shreveport	10/01/12	31.28	2a
David Leonard	Berwick	10/01/12	25.62	2a
Anita Raines	Alexandria	09/02/12	29.00	Max
James Richard	Berwick	10/01/12	25.18	3a
Robert Schexnayder, Jr.	Lake Charles	09/08/12	30.00	02
Reginald Washington	Shreveport	10/01/12	27.64	Max
Cassandra Wooten	Monroe	09/17/12	25.14	02

Motion by Mr. Greene 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>
Morman Alexander	Jeanerette	10/23/12	17.94	2a
John Lewis	Bossier City	10/24/12	18.46	2a
Brenda Miceli	Baton Rouge	11/10/12	29.13	Max
Arthur Mitchell, Jr.	Baton Rouge	11/17/12	20.08	02
Ethel Queen	Alexandria	10/23/12	28.77	2a
Bridget Shaw	Shreveport	11/01/12	31.45	Max
James Tramble, Jr.	Monroe	10/02/12	26.00	Max
Charles Zimmerman	Shreveport	11/16/12	20.26	2a

Disability Retirement:

Ms. Jennifer Germany (Shreveport) attended the board meeting to provide information relative to her application for disability retirement. Chairman Dean advised Ms. Germany that she had the option of having her application discussed in open session or executive session. Ms. Germany opted for executive session.

Motion by Mr. Reech seconded by Mr. Huggins to go into executive session at 9:05 a.m. to discuss Ms. Jennifer Germany's disability application. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Huggins to return to regular session at 9:11 a.m. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Arceneaux to approve Ms. Jennifer Germany's non-duty related disability as presented. The motion carried, Mr. Pearson abstained from voting.

Mr. Ronnie Janice (Arnaudville) attended the board meeting to provide information relative to his application for disability retirement. Chairman Dean advised Mr. Janice that he had the option of having his application discussed in open session or executive session. Mr. Janice opted for executive session.

Motion by Mr. Reech seconded by Mr. Huggins to go into executive session at 9:13 a.m. to discuss Mr. Ronnie Janice's disability application. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Huggins to return to regular session at 9:18 a.m. With no objection the motion carried.

Motion by Mr. Huggins seconded by Mr. Greene to approve Mr. Ronnie Janice's non-duty related disability as presented. The motion carried, Mr. Pearson abstained from voting.

Ms. Letonia Reed (Alexandria) attended the board meeting to provide information relative to her application for disability retirement. Chairman Dean advised Ms. Reed that she had the option of having her application discussed in open session or executive session. Ms. Reed opted for executive session.

Motion by Mr. Reech seconded by Mr. Huggins to go into executive session at 9:19 a.m. to discuss Ms. Letonia Reed's disability application. Without objection the motion carried.

Motion by Mr. Huggins seconded by Mr. Kelly Gibson to return to regular session at 9:33 a.m. Without objection the motion carried.

Motion by Mr. Huggins seconded by Mr. Reech to approve Ms. Letonia Reed's non-duty related disability as presented. With Mr. Caraway and Mr. Greene opposing, the motion carried, Mr. Pearson abstained from voting.

Mr. Robert Rivet (Shreveport) attended the board meeting to provide information relative to his application for disability retirement. Chairman Dean advised Mr. Rivet that he had the option of having his application discussed in open session or executive session. Mr. Rivet opted for executive session.

Motion by Mr. Huggins seconded by Mr. Reech to go into executive session at 9:34 a.m. to discuss Mr. Robert Rivet's disability application. Without objection the motion carried.

Motion by Mr. Elg seconded by Mr. Greene to return to regular session at 9:38 a.m. With no objection the motion carried.

Motion by Mr. Elg seconded by Mr. Caraway to approve Mr. Robert Rivet's non-duty related disability as presented. The motion carried, Mr. Pearson abstained from voting.

Custodian Report by JPMorgan:

Mr. Richard Hartzell represented JPMorgan at the meeting. Total market value as of October 31, 2012 was \$1,412,626,670.96.

Investment Managers Presentation:

Prudential Real Estate:

Mr. James Murphy and Mr. Terry McHugh represented Prudential Real Estate Investors to present the annual report. Prudential PRISA II has received a total of \$32,612,000 since inception (6/29/07). The market value as of September 30, 2012 was \$27,944,037.

William Blair & Company:

Mr. John McLaughlin represented William Blair & Company to present the annual report. Market value as of October 31, 2012 was \$191,719,025

Investment Consultant's Report:

Segal Rogerscasey:

Mr. Jeff Boucek represented Segal Rogerscasey. Mr. Boucek presented the Analysis of Investment Performance for the 3rd quarter 2012. . Asset Allocation as of September 30, 2012 was \$1,434,069,775 and performance was up 5.2%.

Mr. Boucek advised that Loomis Sayles' second person in charge, Ms. Kathleen Gaffney, left the firm and recommended that Loomis Sayles be put on watch immediately due to the departure of Ms. Gaffney.

Chairman Dean instructed Mr. Boucek to send a letter to Loomis Sayles advising that the board is aware of the departure of Ms. Gaffney. Chairman Dean stated that the board does not want to put Loomis Sayles on watch due to the departure of Ms. Gaffney.

Mr. Boucek presented the analysis of performance ending October 31, 2012. Market value as of October 31, 2012 was \$1,430,434,444. The total fund returned -0.21% (preliminary).

Mr. Caraway left the meeting at 10:30 a.m.

Real Estate Update:

Motion by Mr. Elg seconded by Mr. Greene to go into executive session at 10:54 a.m. to discuss the recent real estate auction. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Huggins to return to regular session at 11:31 a.m. Without objection the motion carried.

Mr. Roche advised that no acceptable bids were received during the real estate auction conducted by Hilda Allen Real Estate in October 2012. Mr. Roche advised that Mr. Tony Cason submitted a bid for the purchase of Stonebridge Golf Club which was also unacceptable.

Motion by Mr. Elg seconded by Mr. Reech to counter offer Mr. Tony Cason's offer for the purchase of Stonebridge Golf Club with the appraised value of the property. The motion carried, Mr. Pearson abstained from voting.

Mr. Roche advised that Hilda Allen Real Estate currently has some potential interested buyers and would like a firm offering price for Olde Oaks Golf Club and Olde Oaks Development.

Motion by Mr. Elg seconded by Mr. Reech to set the purchase price for Olde Oaks Golf Club and Olde Oaks Subdivision at the appraised value of the properties. The motion carried, Mr. Pearson abstained from voting.

Touchstone Golf:

Mr. Chris Robertson represented Touchstone Golf to present an update on the operations and cash flow for Stonebridge and Olde Oaks. Mr. Robinson recommended closing down 9 holes (Meadow 9) at Olde Oaks Golf Club due to no indication that there is enough market demand to support 27 holes of golf in the foreseeable future. Mr.

Robinson requested \$88,000.00 for Olde Oaks and \$12,000.00 for Stonebridge to cover operational costs through December 31, 2012.

Motion by Mr. Reech seconded by Mr. Huggins to authorize the funding of \$88,000.00 to cover operational costs for Olde Oaks Golf Club and \$12,000.00 for Stonebridge Golf Club. With Mr. Elg opposing, the motion carried, Mr. Pearson abstained from voting.

Investment Consultant's Search:

Mr. Roche advised that he contacted all five investment consultant finalists that were interviewed during the search in January 2011, Bogdahn, Callen, NEPC, Segal Rogerscasey and Watershed to invite them to participate in the search. Watershed does not wish to participate.

Motion by Mr. Huggins seconded by Mr. Kelly Gibson to extend the invitation to bid to all investment consulting firms who are currently doing business with a public retirement fund in the State of Louisiana. Without objection the motion carried, Mr. Pearson abstained from voting.

Motion by Mr. Kelly Gibson seconded by Mr. Huggins to interview the investment consultant finalist at the February 20, 2013 meeting. Without objection the motion carried, Mr. Pearson abstained from voting.

Compliance Questionnaire:

Motion by Mr. Matte seconded by Mr. Greene to adopt a resolution authorizing the Chairman of the Board and the System's Director to execute the Annual Systems Survey and compliance Questionnaire as of June 30, 2012 as required by statute. Without objection the motion carried, Mr. Pearson abstained from voting.

Legislative Auditors Request:

Motion by Mr. Huggins seconded by Mr. Kelly Gibson approve the engagement letter from Duplantier, Hrapmann, Hogan and Maher to comply with the Legislative Auditors Office for additional procedures. Without objection the motion carried, Mr. Pearson abstained from voting.

Adoption of board meeting schedule:

The proposed dates for board meetings in 2013 are as follows:

January 16	July 17
February 20	August 21
March 20	September 18
April 17	October 16
May 15	November 20
June 19	December 18

Motion by Mr. Reech seconded by Mr. Arceneaux to approve the board meeting schedule for 2013 as presented subject to changes as they may become necessary. Without objection the motion carried, Mr. Pearson abstained from voting.

Funding Review Panel Update:

Mr. Dean updated the board with the funding review panel meetings held over the past few months. The panel is in the process of becoming familiar with the operations of Firefighters Retirement System, Municipal Employees' Retirement System and Municipal Police Employees' Retirement System. Mr. Dean advised that at this time, no legislation has been discussed.

2013 Legislative Update:

Mr. Roche advised that the bills have to be filed earlier and have to be advertised longer. Mr. Roche stated that Act 522 of 2012 regarding the Hazardous Duty and Non Hazardous Duty sub plans needs amending during the 2013 session.

Other Business:

Mr. Kelly Gibson inquired on the status of Sgt. Michael Montgomery's request to change the mandatory DROP withdrawals upon retirement. Mr. Roche advised that we are waiting for the Attorney General's Opinion.

Mr. Dean deferred action on Sgt. Montgomery's request until the opinion is received from the Attorney General.

Motion by Mr. Huggins seconded by Mr. Kelly Gibson to adjourn the meeting at 12:13 p.m.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held November 14, 2012.

Henry Dean, Chairman

Kathy Bourque, Director