

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Tuesday, February 17, 2009, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Halphen at 9:05 a.m.

Members Present:

Chief Mike Halphen, Chairman (Bossier City)
Sgt. Samuel Wyatt, Vice Chairman (Bossier City)
Lt. Kelly Gibson (Lafayette)
Capt. (Ret.) Willie Joe Greene (Shreveport)
Sgt. (Ret.) Larry Reech (New Orleans)
Chief Jeff Wesley (Denham Springs)

Members Absent:

Lt. Henry Dean (New Orleans)
Chief K.P. Gibson (Crowley)
Representative Joel Robideaux, Ex-officio
Senator D.A. "Butch" Gautreaux, Ex-officio

Others Present:

Ms. Kathy Bourque, Director
Ms. Daphne Rusk, Administrative Assistant
Mr. Randy Zinna, Attorney
Mr. Randy Roche, General Counsel
Mr. Charles Hall, Actuary
Mr. Mark Caplinger, Summit Strategies
Ms. Lauren Bailey, Attorney, Senate Retirement Committee
Mr. Matt Tessier, Attorney, House Retirement Committee
Mr. Will Averill, Loomis Sayles & Company, L.P.
Mr. Steven Doherty, Loomis Sayles & Company, L.P.
Mr. Bill Fields, Retiree

Approval of minutes:

Motion by Mr. Reech seconded by Mr. Wesley to approve the minutes of the meeting held January 20, 2009. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Wyatt seconded by Mr. Reech 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>
James Anderson	New Orleans	01-17-09	25.01	2a
Charles Brumfield	Amite	01-29-09	25.05	2a
Bobby Gordon	Oakdale	01-01-09	19.76	2a
Richard Kingsmill	New Orleans	01-29-09	25.00	Max
Colleen Schaerer	Hammond	01-05-09	24.42	Max

Motion by Mr. Kelly Gibson seconded by Mr. Greene 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>
Danny Beck	Baker	01-30-09	30.27	2a
Michael Becnel	Kenner	01-29-09	20.86	2a
Stanley Bihm	Baton Rouge	01-31-09	33.96	Max
Clarence Brock	Gonzales	02-01-09	30.25	3a
Mark Cranford	Slidell	01-01-09	25.80	Max
James Crespo, III	New Orleans	01-13-09	28.63	Max
Walter Gifford	New Orleans	01-25-09	29.84	2a
Larry Lewis	Shreveport	01-03-09	26.18	3a
Ronald Lewis	Lake Charles	01-05-09	28.81	Max
Floyd McDaniel	Ville Platte	02-03-09	26.42	2a
Terrell Teutsch	Bossier City	01-28-09	30.05	Max
Lester Thorne	New Orleans	12-21-08	30.17	02

Motion by Mr. Greene seconded by Mr. Kelly Gibson 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>
Scott Blancher	New Orleans	01-08-09	25.00	2a
Terry Bowen	Bastrop	12-20-08	20.02	2a
David Fruge	Eunice	01-01-09	20.04	2a
Kathy Rocha	Bossier City	12-24-08	20.15	2a
Bart Thompson	Baton Rouge	01-06-09	28.29	3a

Motion by Mr. Reech seconded by Mr. Wesley to approve the application for Early 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>
Kevin Anderson	New Orleans	02-01-09	21.29	Max

Motion by Mr. Reech seconded by Mr. Greene to move to Mr. Walter Gifford's disability application. Without objection the motion carried.

Mr. Walter Gifford (New Orleans) attended the board meeting to provide information relative to his application for disability retirement. Chairman Halphen advised Mr. Gifford that he had the option of having his application discussed in open session or executive session. Mr. Gifford opted for executive session.

Motion by Mr. Reech seconded by Mr. Wyatt to go into executive session at 9:07 a.m. to discuss Walter Gifford's disability application. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Wyatt to return to regular session at 9:37 a.m. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Wesley to acknowledge that Walter Gifford (New Orleans) became disabled from an injury which occurred while in the course and scope of the performance of his duties as a full time police officer employed by the New Orleans Police Department. Without objection the motion carried.

Motion by Mr. Wyatt seconded by Mr. Reech to approve the duty related disability application submitted by Mr. Claude S. Gaines, Jr. (Franklinton). With Mr. Greene opposing, the motion carried.

Custodian bank report:

Mr. Mike Gallagher represented JPMorgan Chase at the meeting.

	<u>01/31/09</u>	<u>12/31/08</u>
Alliance Capital	\$102,411,027.19	\$ 70,669,648.19
SKBA Capital Management	\$.14	\$.14
INTECH	\$ 59,189,251.57	\$ 67,164,743.11
Sterling Capital	\$ 30,842,455.71	\$ 52,053,919.29
LSV Asset Management	\$ 16,805,684.71	\$ 36,724,999.18
Pinnacle Associates Ltd	\$ 37,743,267.10	\$ 40,140,199.43
Harris Investment Management	\$ 62,118,909.25	\$ 67,646,814.49
Dimensional	\$ 16,015,895.24	\$ 17,490,626.19
Energy Opportunities Cap.	<u>\$ 5,000,246.92</u>	<u>\$.00</u>
Total Equity	\$330,126,737.83	\$351,890,950.02
William Blair	\$92,407,175.93	\$ 98,575,310.54
Pyrford	\$ 194,340.50	\$ 200,461.21
KBC	\$26,472,924.11	\$ 29,028,491.19
Alliance Bernstein	\$69,233,186.11	\$ 77,042,981.95
Batterymarch Financial Mgt.	<u>\$12,605,463.24</u>	<u>\$ 13,555,734.15</u>
Total International	\$200,913,089.89	\$ 218,402,979.04
State Street Bond	\$ 90,243,006.71	\$ 91,107,254.56
Post	\$ 58,552,888.83	\$ 60,911,123.12
Loomis Sayles	<u>\$ 80,850,870.02</u>	<u>\$116,278,945.10</u>
Total Fixed Income	\$229,646,765.56	\$268,297,322.78
Real Estate	\$ 52,933,906.06	\$ 52,933,906.06
LaSalle Real Estate Mgmt	\$ 37,051,906.39	\$ 37,051,906.39
LaSalle Growth Fund V	\$ 6,210,208.56	\$.00
Principal Global	\$ 92,311,544.01	\$ 92,302,336.95
Prudential Global	<u>\$ 20,956,064.33</u>	<u>\$ 21,182,449.11</u>
Total Real Estate	\$209,463,629.35	\$203,470,598.51
Hedge Fund	<u>\$ 19,695,104.22</u>	<u>\$ 21,201,849.35</u>
Total Hedge Fund	\$ 19,695,104.22	\$ 21,201,849.35
Cash	<u>\$ 25,173,560.75</u>	<u>\$ 12,827,254.85</u>
Total Cash	\$ 25,173,560.75	\$ 12,827,254.85
TOTAL ASSETS	\$1,015,018,887.60	\$1,076,090,954.55

Securities Lending Report:

	<u>Fixed Income</u>	<u>Equities</u>
Current Month	\$ 12,893.70	\$ 62,156.61
Calendar Year	\$ 12,893.70	\$ 62,156.61

Investment consultant's report:

Mr. Mark Caplinger represented Summit Strategies at the meeting. Performance as of December 31, 2008 was -15.6%. As part of the rebalancing, Batterymarch was set to receive an additional \$15 million but did not receive the funding because of personnel turnover at Batterymarch. Mr. Caplinger reported that Summit has been keeping in touch with Batterymarch and will advise soon as to whether or not the additional funds should be sent.

Hedge Fund of Fund Search:

Motion by Mr. Greene seconded by Mr. Wyatt to hire two Fund of Funds Managers Permal and Cadogan Management, LLC allocating \$20 million each.

Amended motion by Mr. Reech seconded by Mr. Kelly Gibson to table hiring Fund of Funds Managers. With Mr. Greene, Mr. Wesley and Mr. Wyatt opposing, Chairman Halphen opposed to break the tie. Motion failed.

Amended motion by Mr. Wesley seconded by Mr. Wyatt that the Fund of Funds Manager or Managers hired must be transparent. Without objection the motion carried.

With Mr. Reech and Mr. Kelly Gibson opposing the original motion, the motion carried.

Investment Managers Presentation:

Mr. Will Averill and Mr. Steven Doherty represented Loomis Sayles & Company, L.P. to present the annual report. The market value for the Index Portfolio was \$80,850,870 as of January 31, 2009.

Performance summary as of 1/31/09:

	<u>YTD 2009</u>	<u>2008</u>	<u>Since Inception*</u>
MPERS	1.32%	-11.71%	-6.59%
Barclays Aggregate	-.88%	5.24%	5.52%

Real Estate Update:

Chairman Halphen reported that MPERS still has not received the bonus payment for the Oil and Gas Lease at Stonebridge Golf Club.

Attorney Jimmy Hall advised Chairman Halphen that within the next 2 or 3 months, MPERS should receive the bonus payment.

Mr. Wesley asked that Mr. Zinna review the Oil and Gas Lease Contract for Stonebridge Golf Club in order to advise the board of all of its rights in reference to the contract.

Motion by Mr. Reech seconded by Mr. Wesley to request a copy of the operating budgets and pro shop sales for Olde Oaks Golf Club and Stonebridge Golf Club. Without objection the motion carried.

Mr. Halphen advised that he received a proposal from the advertising agency for Olde Oaks Development for later action by the board.

Motion by Mr. Wesley seconded by Mr. Reech that MPERS will not pay for real estate signs for lots at Olde Oaks Development. Without objection the motion carried.

Motion by Mr. Wesley seconded by Mr. Reech to obtain a list of what is included in the maintenance and management cost to Twin Peaks/James Harris and for Mr. Zinna to conduct a search for maintenance and management options for Olde Oaks Development. Without objection the motion carried.

Election Schedule for Chiefs District II:

Motion by Mr. Wyatt seconded by Mr. Greene to accept nominations from Chief Steven Caraway (Kenner) and Chief Jerry Trabona (Amite) for Chiefs District II. Without objection the motion carried.

Invitation to bid:

Mr. Roche advised that he sent out a request for information to six consultant firms who are currently or previously providing services in the State of Louisiana. He asked questions which were contained in the motion made at the previous meeting. Six responses were received and given to the board members. The next step in the process is to send out the invitation to bid with a deadline for responses prior to the next meeting.

Other Business:

Motion by Mr. Wesley seconded by Mr. Greene to change the March 2009 board meeting to Tuesday, March 17, 2009 because of a conflict with the Chief's Association conference. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Wesley to adjourn the meeting at 11:45 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 February 17, 2009.

K.M. Halphen, Chairman

Kathy Bourque, Director