

## MINUTES

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

The meeting was called to order by Chairman Halphen at 9:10 a.m.

### Members Present:

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

### Members Absent:

Chief K.P. Gibson (Crowley)  
Chief Jeff Wesley (Denham Springs)  
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  
Ms. Karen Stephens, Secretary, House Retirement Committee  
Mr. Mark Caplinger, Summit Strategies  
Mr. Gregory Balewicz, State Street Global Advisors  
Mr. James Hopkins, State Street Global Advisors  
Mr. Bill Fields, Retiree  
Mr. Wayne Luquette, Abbeville Police Department  
Mr. Clay Boddie, Bossier City Police Department

### Approval of minutes:

Motion by Mr. Reech seconded by Mr. Greene to approve the minutes of the meeting held February 17, 2009. Without objection the motion carried.

### Approval of retirement applications:

Motion by Mr. Wyatt seconded by Mr. Greene 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>
Elgin Bilbo	Baton Rouge	03/01/09	23.12	2a
William Cochran	Bossier City	02/17/09	25.00	2a
Leroy Matthews	New Orleans	02/27/09	20.46	Max
Daryl Ramsey	Baton Rouge	02/07/09	25.00	Max
Sherril Smith	Springhill	08/03/08	6.50*	2a
	*Reciprocal between Sheriff's and Shreveport			
G.D. Telano	Monroe	03/01/09	28.02	03

Motion by Mr. Wyatt seconded by Mr. Dean 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>
Joe Bourgeois	Baton Rouge	04/01/09	29.01	03
Lillie Middleton	Natchitoches	02/27/09	23.49	Max
Robert Vicknair, Jr.	Baton Rouge	03/20/09	26.41	2a

Motion by Mr. Reech seconded by Mr. Greene 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>
Benita Bates	Baton Rouge	01/20/09	27.35	3a
Ralph Caesar	New Orleans	01/16/09	26.33	2a
Neal Charles	New Orleans	02/01/09	27.32	03
Daniel Pringle	Monroe	01/30/09	23.54	Max
David Slichon	New Orleans	02/05/09	25.00	02
Kenneth Viola	Bossier City	02/01/09	30.00	Max

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

Motion by Mr. Dean seconded by Mr. Wyatt to go into executive session at 9:15 a.m. to discuss Wayne Luquette's disability application. Without objection the motion carried.

Motion by Mr. Dean seconded by Mr. Wyatt to return to regular session at 9:20 a.m. Without objection the motion carried.

Motion by Mr. Dean seconded by Mr. Wyatt to approve the non duty related disability application submitted by Mr. Wayne Luquette (Abbeville). Without objection the motion carried.

Investment consultant's report:

Mr. Mark Caplinger represented Summit Strategies at the meeting.

Chairman Halphen acknowledged and accepted Summit Strategies letter of resignation.

Mr. Caplinger advised that Summit Strategies will be happy to continue to provide its services to MPERS until a replacement is found and put in place in order to provide for a smooth transition.

Economic and Capital Market Highlights:

Mr. Caplinger reported that the U.S. unemployment rate rose to 8.1% in February, the highest level in 25 years. Fourth quarter GDP growth contracted at a 6.2% pace, revised down from the earlier estimate of a 3.8% decline. In February the U.S. and developed equity markets were down between 6.5% and 14.0%. The S&P 500 Index dropped 10.7% for the month, surpassing January's loss of 8.4%. The DJIA lost 11.2% while the Nasdaq Composite held up the best, but still dropped 6.5%. Year-to-date returns fell in a range of -12.0% to -26.5%. Treasury yields rose in February and the dollar appreciated, leaving fixed income benchmarks in the red.

Hedge Fund of Funds Managers:

Mr. Caplinger advised that a list of transparency details for Cadogan and Permal were in the handout for review.

Motion by Mr. Dean seconded by Mr. Wyatt to suspend funding the Hedge Fund of Funds Managers, Cadogan and Permal, until after the new Consultant is hired. Without objection the motion carried.

Custodian bank report:

Mr. Mike Gallagher represented JPMorgan Chase at the meeting.

	<u>02/28/09</u>	<u>01/31/09</u>
Alliance Capital	\$ 91,578,570.88	\$102,411,027.19
SKBA Capital Management	\$ .14	\$ .14
INTECH	\$ 54,648,610.95	\$ 59,189,251.57
Sterling Capital	\$ 26,981,307.69	\$ 30,842,455.71
LSV Asset Management	\$ 13,879,364.67	\$ 16,805,684.71
Pinnacle Associates Ltd	\$ 34,134,698.67	\$ 37,743,267.10
Harris Investment Management	\$ 55,380,811.95	\$ 62,118,909.25
Dimensional	\$ 27,754,230.96	\$ 16,015,895.24
Energy Opportunities Cap.	<u>\$ 4,805,219.04</u>	<u>\$ 5,000,246.92</u>
Total Equity	\$ 309,162,814.95	\$330,126,737.83
William Blair	\$ 85,701,593.82	\$92,407,175.93
Pyrford	\$ 194,710.39	\$ 194,340.50
KBC	\$ 23,690,026.45	\$26,472,924.11
Alliance Bernstein	\$ 61,615,099.59	\$69,233,186.11
Batterymarch Financial Mgt.	<u>\$ 11,888,256.40</u>	<u>\$12,605,463.24</u>
Total International	\$ 183,089,686.65	\$200,913,089.89
State Street Bond	\$ 89,898,172.20	\$ 90,243,006.71
Post	\$ 59,459,428.97	\$58,552,888.83
Loomis Sayles	<u>\$ 79,218,742.79</u>	<u>\$ 80,850,870.02</u>
Total Fixed Income	\$ 228,576,343.96	\$229,646,765.56
Real Estate	\$ 52,933,906.06	\$ 52,933,906.06
LaSalle Real Estate Mgmt	\$ 37,051,906.36	\$ 37,051,906.39
LaSalle Growth Fund V	\$ 6,210,208.56	\$ 6,210,208.56
Principal Global	\$ 88,856,318.52	\$ 92,311,544.01
Prudential Global	<u>\$ 20,956,064.33</u>	<u>\$ 20,956,064.33</u>
Total Real Estate	\$ 206,008,403.83	\$209,463,629.35
Hedge Fund	<u>\$ 19,804,092.07</u>	<u>\$ 19,695,104.22</u>
Total Hedge Fund	\$ 19,804,092.07	\$ 19,695,104.22
Cash	<u>\$ 25,264,052.59</u>	<u>\$ 25,173,560.75</u>
Total Cash	\$ 25,264,052.59	\$ 25,173,560.75
TOTAL ASSETS	\$ 971,905,394.05	\$1,015,018,887.60

Securities Lending Report:

	<u>Fixed Income</u>	<u>Equities</u>
Current Month	\$ 7,399.98	\$ 34,621.73
Calendar Year	\$ 20,293.68	\$ 96,774.69

Investment Managers Presentation:

Mr. Gregory Balewicz and Mr. James Hopkins represented State Street Global Advisors to present the annual report. The market value of the portfolio was \$90,900,492 as of December 31, 2008.

*Performance summary as of 12/31/08:*

	<u>MPERS</u>	<u>Barclays Capital Aggregate Index</u>
One Month	3.71%	3.73%
One Year	5.33%	5.24%
Since Inception* *10/00	6.09%	6.06%

2009 Legislation:

Mr. Zinna reported that MPERS does not currently have any Board sponsored legislation. Non-system legislation is being discussed, although none has been pre-filed as of this meeting. The pre-filing deadline is April 17, 2009, and more information will be available at the April Board meeting.

Chairman Halphen reported that HB 16 of the 2009 Regular Session authored by Representative Pearson would exempt the first \$32,000 of income earned by a police officer, deputy sheriff, firefighter or paramedic from the individual state income tax beginning on or after January 1, 2009.

Real Estate Update:

Motion by Mr. Wyatt seconded by Mr. Greene to go into executive session to discuss legal and personnel matters at 11:10 a.m. Without objection the motion carried.

Motion by Mr. Wyatt seconded by Mr. Greene to return to regular business at 12:15 p.m.

Mr. Zinna distributed operating budgets from Olde Oaks Golf Club and Stonebridge Golf Club for review and discussion.

Mr. Zinna advised that Olde Oaks Golf Club has requested an allocation of \$25,000.00 for operating expenses.

Motion by Mr. Greene seconded by Mr. Dean to authorize funding of \$25,000.00 to Olde Oaks Golf Club for operating expenses. Without objection the motion carried.

Motion by Mr. Wyatt seconded by Mr. Kelly Gibson to authorize both Chairman Halphen and Larry Reech to act and sign on any real estate interest for mineral activity.

Amendment by Mr. Dean seconded by Mr. Reech that if the need arises, a special meeting must be called to inform the board of actions regarding real estate. Without objection the motion carried.

Election Results for Chiefs District II:

The Board reviewed a letter from Hawthorn, Waymouth & Carroll, LLP which indicated that the results of the Chiefs District II trustee election were as follows:

Stephen Caraway	99
Jerry Trabona	58

Motion by Mr. Reech seconded by Mr. Wyatt to accept the results as presented by Waymouth & Carroll, LLP and declare Chief Stephen Caraway (Kenner) the winner to take office April 1, 2009. Without objection the motion carried.

Mr. Dean requested a total count of ballots mailed to eligible voting members and total cost of the Chiefs District II election.

Invitation to bid for Consulting Services:

Mr. Roche advised that originally 9 invitations to bid were sent out and a total of 4 were answered by the deadline and he understands that a couple of firms did not receive the invitation and he will resend the invitation.

Other Business:

Motion by Mr. Dean seconded by Mr. Reech to ask Summit Strategies to continue until a new consultant is hired at the May meeting. With Mr. Greene opposing, the motion carried.

Motion by Mr. Dean seconded by Mr. Greene to hold a two day board meeting in Bossier City on May 19, 2009 for consultant interviews and May 20, 2009 for regular business. Without objection the motion carried.

Motion by Mr. Reech seconded by Mr. Dean to adjourn the meeting at 12:30 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 March 17, 2009.

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K.M. Halphen, Chairman

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Kathy Bourque, Director