

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, November 18, 2009, at the Shreveport Convention Center, Red River Boardroom, 400 Caddo Street, Shreveport, LA 71101

The meeting was called to order by Chairman Reech at 9:12 a.m.

Members Present:

Sgt. (Ret.) Larry Reech, Chairman (New Orleans)
Chief Stephen Caraway (Kenner)
Capt. Henry Dean (New Orleans)
Lt. Kelly Gibson (Lafayette)
Capt. (Ret.) Willie Joe Greene (Shreveport)
Chief Dwayne Munch (Westwego)
Chief Ronald Schleuter (Monroe)

Members Absent:

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 Roche, General Counsel
Mr. Jim Percy, Attorney, Jones Walker
Mr. Eddie Guerra, Mercer
Mr. Jeff Gabrione, Mercer
Ms. L.A. Tucker, Monroe Police Department
Mr. Mark Huggins, Monroe Police Department
Mr. Glen Beard, Retiree
Mr. Charles Ezenick, Retiree
Mr. Stanley Brooks, Plaquemine Police Department
Mr. James Harris, Twin Peaks, LLC
Mr. Bill Wilson, Retiree
Mr. Jim Murphy, Prudential Real Estate Advisors
Mr. Terry McHugh, Prudential Real Estate Advisors
Mr. Blake Pontius, William Blair
Ms. Stephanie Bramer, William Blair
Mr. Sam Militello, Merrill Lynch

Approval of minutes:

Motion by Mr. Schleuter seconded by Mr. Munch to approve the minutes of the meeting held October 21, 2009 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Munch 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> |
|----------------------|------------------|------------------|-------------------------|-------------|
| Barbara Bartlett | DeRidder | 10/24/09 | 17.00 | 02 |
| Joel Bolton | Many | 10/10/09 | 28.02 | 2a |
| Aaron Carpenter, Jr. | Lafayette | 11/10/09 | 14.77 | 02 |
| Lisa Cole | Lake Charles | 11/10/09 | 20.01 | 2a |
| Ernest Rome | New Orleans | 11/10/09 | 20.00 | Max |

Motion by Mr. Caraway 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> |
|-----------------|------------------|------------------|-------------------------|-------------|
| Madeline Brooks | Baton Rouge | 12/01/09 | 25.36 | Max |
| Sherman Defillo | New Orleans | 10/29/09 | 25.61 | 2a |

Motion by Mr. Dean 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> |
|--------------------|------------------|------------------|-------------------------|-------------|
| Keith Baker | Hammond | 09/28/09 | 25.17 | Max |
| Docia Bates | New Orleans | 09/22/09 | 27.04 | Max |
| Linda Giordano | Baton Rouge | 09/29/09 | 28.99 | Max |
| Walter McCurry | Shreveport | 09/16/09 | 25.05 | 2a |
| Lawrence Moore | West Monroe | 08/31/09 | 25.43 | 2a |
| Virgil Parker, Jr. | Monroe | 09/05/09 | 25.15 | 2a |
| Eddie Polite, III | New Orleans | 09/15/09 | 25.95 | 2a |
| Robert Richard | Shreveport | 09/02/09 | 25.01 | Max |
| Charles Tabor | Slidell | 09/02/09 | 12.00 | 02 |
| Lawrence Willie | Covington | 09/15/09 | 20.46 | 2a |

Motion by Mr. Kelly Gibson seconded by Mr. Schleuter 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> |
|---------------|------------------|------------------|-------------------------|-------------|
| Todd Bergeron | Lafayette | 10/16/09 | 20.02 | Max |

Disability Retirement:

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

Motion by Mr. Kelly Gibson seconded by Mr. Greene to go into executive session at 9:14 a.m. to discuss Stanley Brooks' non-duty related disability application. Without objection the motion carried.

Motion by Mr. Munch seconded by Mr. Greene to return to regular session at 9:32 a.m. Without objection the motion carried.

Motion by Mr. Greene seconded by Mr. Schleuter to deny the non-duty related disability application submitted by Mr. Stanley Brooks (Plaquemine). With Kelly Gibson opposing, the motion carried.

Motion by Mr. Dean seconded by Mr. Greene to approve the non-duty related disability application submitted by Mr. Bennie Collura (Westwego). Without objection the motion carried, Mr. Munch abstained from voting.

Motion by Mr. Dean seconded by Mr. Schleuter to approve the duty related disability application submitted by Mr. Kevin Thomas (New Orleans) under provisions of R.S.11:2223(E)(2). Without objection the motion carried.

Boot Ranch Update:

Motion by Mr. Kelly Gibson seconded by Mr. Schleuter to go into executive session at 9:41 a.m. to discuss Boot Ranch Development with attorney Mr. Jim Percy. Without objection the motion carried.

Motion by Mr. Greene seconded by Mr. Kelly Gibson to return to regular business at 11:08 a.m. With no objections the motion carried.

Legal Representation:

Motion by Mr. Caraway seconded by Mr. Kelly Gibson to move to item #9 on the agenda. Without objection the motion carried.

Chairman Reech recommended increasing Mr. Randy Roche's salary by \$1,000.00 per month due to his increase in duties.

Motion by Mr. Kelly Gibson seconded by Mr. Munch to increase Mr. Randy Roche's salary by \$1,000.00 per month. With Mr. Greene and Mr. Dean opposing, the motion carried.

Mr. Caraway left the meeting.

Investment consultant's report:

Mr. Eddie Guerra and Mr. Jeff Gabrione represented Mercer Investment Consulting at the meeting.

Economic Profile:

Mr. Guerra reported that the economy showed signs of recovery as activity in the manufacturing sector and the housing market picked up. However, the labor market and consumer confidence remained weak, dampening prospects for a full recovery. The initial government estimate of third-quarter GDP growth was 3.5%. The September payroll report was disappointing as the number of jobs lost increased, after trending downward in July and August. Initial jobless claims fell to their lowest level since January. The unemployment rate rose to 9.8%, a 26-year high. Retail sales jumped 2.7% in August, helped by the federal "cash for clunkers" program. Consumer confidence dipped in September amid concerns over the weak job market.

The Fed maintained the target range for the federal funds rate at 0% to 0.25% and extended the MBS and agency bond purchase program to March 2010. Short-term rates fell as the 3-month T-bill yield decreased 5 basis points, ending the quarter at 0.14%. The yield on 30-year Treasuries fell 20 basis points to 4.03%. Consumer prices increased slightly during the quarter, but have fallen 1.3% on a year-over-year basis. Core CPI was up 1.5% from a year ago.

The stock market rally that began in March continued through the third quarter amid signs of economic stabilization and better-than-expected corporate profits. The S&P 500 Index gained 15.6%, while the Russell 1000 Index gained 16.1%. The bond market posted solid returns as yields declined and spreads tightened. Barclays Capital Aggregate Bond Index was up 3.7% for the quarter. International equity markets outperformed US markets during the quarter as the MSCI EAFE Index gained 19.5% in US dollar terms. The Index was up 14.9% in local currency terms.

Mr. Guerra reported that the current market value was \$1,197,133,216 as of October 31, 2009.

Hedge Fund of Fund Search:

Mr. Guerra and Mr. Gabrione provided updated facts and figures, manager profiles and analysis of past performance on the Hedge Fund of Funds Managers that were previously considered by MPERS.

Motion by Mr. Greene seconded by Mr. Dean to interview Hedge Fund of Fund Managers, Aurora, EnTrust and Common Sense at the December 2009 meeting. Without objection the motion carried.

Mr. Dean requested that Mercer hold an educational meeting on Alternative Investing, Private Placements and Venture Capital at the February 2010 meeting.

Investment Managers Presentation:

Mr. Blake Pontius and Ms. Stephanie Braming represented William Blair & Company to present the annual report.

| | <u>MPERS</u> | <u>MSCI EAFE</u> |
|------------------|--------------|------------------|
| October 2009 | -0.52% | -1.24% |
| Year to Date | 37.38% | 27.97% |
| 3 Years | -4.40% | -4.74% |
| 5 Years | 7.19% | 5.59% |
| Since Inception* | 10.71% | 9.42% |
| *7/31/03 | | |

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 \$26,953,000 since inception (6/29/07). The market value as of September 30, 2009 was \$14,843,201.52.

Election Schedule for Non Chiefs District I:

Motion by Mr. Schleuter seconded by Mr. Dean to accept the nominations from Mark E. Huggins (Monroe) and Jimmy N. Ray (Shreveport) for Non-Chief District I Trustee. Without objection the motion carried.

Real Estate Update:

Mr. Roche brought up for discussion the contract for Twin Peaks Development, LLC under the belief that it was up for renewal on January 2010. After discussion it was determined that the Twin Peaks contract was an open ended contract without a termination date other than upon 30 days notice.

Motion by Mr. Kelly Gibson seconded by Mr. Schleuter to send out Invitations to Bid for an Olde Oaks Development attorney for closings, a real estate company to market and sell lots and a management company. With Mr. Greene opposing, the motion carried.

Mr. Roche handed out the financials from Mr. Ben Chavarria for Olde Oaks Golf Club and Stonebridge Golf Club for October 2009.

Other Business:

Mr. Kelly Gibson advised that he would like to have placed on the December 2009 agenda for discussion, the hiring of a forensic auditor for Olde Oaks Development, Olde Oaks Golf Club and Stonebridge Golf Club and the possibility of going out on RFP for auditors for the MPERS' annual audit.

Motion by Mr. Kelly Gibson seconded by Mr. Schleuter to adjourn the meeting at 1:52 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 November 18, 2009.

Larry Reech, Chairman

Kathy Bourque, Director