

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, October 20, 2010, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Kelly Gibson at 9:00 a.m.

Pledge of Allegiance:

Chairman Kelly Gibson led the pledge of allegiance.

Members Present:

Lt. Kelly Gibson, Chairman (Lafayette)
Sgt. (Ret.) Larry Reech, Vice Chairman (New Orleans)
Chief Stephen Caraway (Kenner)
Capt. Henry Dean (New Orleans)
Chief K.P. Gibson (Crowley)
Capt. (Ret.) Willie Joe Greene (Shreveport)
Cpl. Mark Huggins (Monroe)
Chief Dwayne Munch (Westwego)

Members Absent:

Representative Kevin Pearson, 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. Charles Hall, Actuary
Mr. Eddie Guerra, Mercer
Mr. Ben Chavarria, Olde Oaks Golf Club and Stonebridge Golf Club
Ms. Lauren Bailey, Attorney, Senate Retirement Committee
Mr. Mike Gallagher, JPMorgan
Mr. Bob Clark, Sterling Capital Management
Mr. Brian Walton, Sterling Capital Management
Mr. Charles Roark, Monroe Police Department
Mr. Chad King, Baton Rouge Police Department
Mr. Donald Brown, Welsh Police Department

Approval of minutes:

Motion by Mr. Huggins seconded by Mr. Greene to approve the minutes of the meeting held September 21, 2010 as presented. Without objection the motion carried.

Approval of retirement applications:

Motion by Mr. Reech seconded by Mr. Munch 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>
Francis Adams, III	Lake Charles	09/23/10	28.31	2a
Ronald Bourque, Sr.	Jeanerette	09/13/10	22.39	Max
Cynthia Wilmore	Alexandria	10/01/10	27.16	03

Motion by Mr. Caraway 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>
Shaun Baxley	Baton Rouge	08/30/10	29.00	Max
Emelda Blanco	New Orleans	08/15/10	28.96	Max
Dwayne Bovia	Baton Rouge	08/30/10	29.00	Max
Rodney Feazell	Alexandria	08/09/10	30.01	2a
Claude Flot, Jr.	New Orleans	08/05/10	30.04	Max
Carl Fontenot	Lafayette	08/22/10	30.15	2a
Stacy LeBlanc	Baton Rouge	08/16/10	27.08	Max
Walter Powers, Jr.	New Orleans	08/17/10	30.93	2a
Ethel Queen	Alexandria	08/21/10	28.77	2a
Randy Scrantz	Baton Rouge	08/30/10	29.00	3a
Donna Wallace	Baton Rouge	08/16/10	27.08	Max

Motion by Mr. Reech seconded by Mr. Munch 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>
Charles Adams	Coushatta	10/01/10	21.09	3a
Carol Andrews	Monroe	09/07/10	29.50	Max
John Bryson	New Orleans	09/04/10	27.08	2a
Yvette Combel	Mandeville	09/17/10	17.93	Max
Glen Dartez	Lafayette	09/12/10	31.30	Max
Donald Harris	New Orleans	09/27/10	26.27	Max
Leontine Mullins	New Orleans	09/24/10	26.79	Max
Daniel Murchison	New Orleans	09/04/10	22.59	Max
Peggy Peavy	DeRidder	10/14/10	16.32	2a
Stephen Reed	Baton Rouge	10/13/10	20.03	02
Margie Stewart	Shreveport	10/01/10	25.71	Max

Motion by Mr. Greene seconded by Mr. Caraway 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>
Bobby Campbell	Slidell	09/27/10	21.52	2a

Disability Retirement:

Motion by Mr. Reech seconded by Mr. Huggins to approve the non-duty related disability application as submitted by Mr. Jayson Alexander (Ruston). Without objection the motion carried.

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

Motion by Mr. Reech seconded by Mr. K.P. Gibson to go into executive session at 9:05 a.m. to discuss Mr. Donald Brown's disability application. Without objection the motion carried.

Back to regular session at 9:09 a.m.

Motion by Mr. Reech seconded by Mr. K.P. Gibson to approve the non-duty related disability application as submitted by Mr. Donald Brown (Welsh). Without objection the motion carried.

Real Estate Update:

Mr. James Percy requested executive session to discuss litigation matters including Boot Ranch, pending litigation by Mr. Martin Stuart for alleged unpaid compensation, threatened litigation by Mr. James Harris for alleged unpaid compensation, threatened litigation by Mr. Ed Powell for recovery of sums from lot transactions in Olde Oaks Development, threatened litigation for recovery of Advolurum Taxes for Stonebridge Golf Club and Olde Oaks Golf Club, threatened litigation by MPERS regarding sewer treatment plant at Olde Oaks Development.

Motion by Mr. Reech seconded by Mr. Dean to go into executive session at 9:12 a.m. to discuss litigation matters as stated by Mr. James Percy. Without objection the motion carried.

Back to regular session at 9:55 a.m.

Mr. James Percy advised that his firm, Jones Walker was engaged to give advice regarding various real estate investments and in particular with seeking proposals on Olde Oaks Golf Club and Stonebridge Golf Club. Appraisals have been obtained on both courses and financials on the operations of both courses have been compiled for the last 14 months. Mr. Percy recommended that MPERS request for proposals from any party interested in purchasing, leasing or operating both courses. Upon authorization, Mr. Percy would contact interested parties that have already contacted him regarding the sale of both courses and advertise in national publications in December 2010. Advertisement cost should not exceed \$7,500.00. All proposals would be due and opened the day before the January 2011 meeting with evaluations and negotiations to begin immediately thereafter.

Motion by Mr. Reech seconded by Mr. K.P. Gibson to accept and approve Mr. James Percy's recommendation regarding request for proposals for the sale, lease or operations of Olde Oaks Golf Club and Stonebridge Golf Club with advertisement cost not to exceed \$7,500.00. Without objection the motion carried.

Mr. Percy verified that his firm, Jones Walker was engaged to file suit against CPERS claiming ineligible members were transferred to MPERS by contract.

Olde Oaks and Stonebridge Golf:

Mr. Ben Chavarria presented profit and loss statements for Stonebridge and Olde Oaks Golf Club for the month ending September, 2010.

Custodian Report by JPMorgan:

Mr. Mike Gallagher represented JPMorgan at the meeting. Total market value as of September 30, 2010 was \$1,264,582,206.56.

Investment Manager's Report:

Sterling Capital Management, LLC

Mr. Brian Walton and Mr. Robert Clark represented Sterling Capital Management, LLC to present the annual report. The market value of the portfolio was \$39,348,013 as of September 30, 2010.

<i>Performance results:</i>	<u>MPERS</u>	<u>Russell 2500 Value</u>
Qtr. ended 9/30/10	8.4%	11.4%
YTD ended 9/30/10	5.4%	9.6%
Three years	-2.8%	-4.0%
Since inception 8/31/01	8.0%	7.2%

Investment Consultant's Report:

Mr. Eddie Guerra represented Mercer Investment Consulting at the meeting. Mr. Guerra discussed the termination of Mercer's Engagement Letter Agreement which will be effective March 31, 2011.

Market Update:

In the month of September, all equity indices posted strong positive returns. Small cap equity outperformed large and mid-cap equity. International equity outpaced domestic for the month and emerging markets continued to outperform developed markets. High yield posted gains of 2.76% for the month and posted a 6.49% return for the recent three months. September's unemployment report was worse than anticipated showing the unemployment rate remained at 9.6%, but the U.S. lost more jobs than expected. The MSCI EAFE gained 2.8% while the MSCI EM rose 1.5%. U.S. Treasury yields continue to fall. The 10-year yield fell 13 basis points to 2.41% while the yield on the 2-year note fell 7 basis points to 0.35%. The 2-year and 5-year notes hit new all time lows.

Accept ballot count for Chiefs District I:

The results of the Chiefs District I Trustee election as certified by Hawthorn, Waymouth & Carroll, L.L.P., are as follows:

Chief Christopher L. Elg (West Monroe)	134
Chief Patrick McWilliams (Bossier City)	71

Motion by Mr. Dean seconded by Mr. Reech to accept the ballot count and declare Chief Christopher Elg (West Monroe) the winner. Without objection the motion carried.

Other Business:

Investment Consultant's Replacement:

Motion by Mr. Dean seconded by Mr. Reech to call for an ITB (Invitation To Bid) for Investment Consultants to replace Mercer and include candidates from 2009 ITB process along with list of potential candidates from Mercer. Without objection the motion carried.

ITB for auditors:

Motion by Mr. Dean seconded by Mr. Reech to defer any action on issuing an ITB for auditors for the MPERS annual audit until after a new Investment Consultant is hired. Without objection the motion carried.

Chairman Gibson recognized BRPD Cpl. Chad King in the audience.

Motion by Mr. Dean seconded by Mr. Reech to adjourn the meeting at 10:57 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 October 20, 2010.

Kelly Gibson, Chairman

Kathy Bourque, Director