

Proposed: June 24, 2015
Approved: June 24, 2015

ASSET TRANSFER COMMITTEE
Created by the Cooperative Endeavor Agreement
For the Merger of the Harbor Police Retirement System (HPRS) into LASERS
April 23, 2015

The Asset Transfer Committee met on Thursday, April 23, 2015, in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. The meeting began at 11:00 a.m. Roll call was conducted by Caye Weaver, recording secretary

ROLL CALL

Members present: Mr. Robert Beale, Chief Investment Officer - LASERS; Ms. Connie Carlton, Chair, Investment Committee - LASERS; Mr. Jim Ruckert, Chief Financial Officer - Port of New Orleans; Chief Robert Hecker, Chair – Harbor Police Retirement System

Also present: Ms. Maris LeBlanc, Deputy Director - LASERS; Mr. Darren Fournier, Assistant Chief Investment Officer - LASERS; Ms. Laney Sanders, Assistant Chief Investment Officer - LASERS; Mr. Randy Roche, Attorney - Harbor Police Retirement System; Mr. Frank Jobert, Trustee - Harbor Police Retirement System; Mr. J. Michael Orlesh, Attorney – Port of New Orleans; Mr. Artie Fillastre, Chief Financial Officer – LASERS; Ms. Jeri Seils, Accountant Manager – LASERS; Ms. Shelley Johnson, LASERS Actuary – Foster & Foster

A quorum was declared present and the meeting opened for business. The Chair called for public comment. Hearing none, the Chair moved to the next item on the agenda.

NEW BUSINESS

1. Approval of the Minutes of the December 12, 2014 meeting

The committee considered the minutes of the December 12, 2014, Asset Transfer Committee meeting. **Mr. Beale moved, seconded by Mr. Ruckert, to approve the minutes. With no further discussion, and no objections, the motion carried.**

2. Report on status of assets liquidated by the HPRS and Fund balance held at FNBC

Chief Hecker reported that as of April 15, 2015, the Fund balance held at FNBC was \$9,061,906.77. He stated that most of the investments have been liquidated.

3. Report on status of assets reported as more difficult to liquidate by the HPRS

Chief Hecker stated that he had notified the managers that if the funds became available before June 30, 2015, they should be deposited in the HPRS account; and, if after June 30, deposited in the LASERS account.

On the specific assets, the following was reported:

- **CA Core Fixed Income (Commonwealth Fund)**
Mr. Roche reported that documents to transfer ownership to LASERS were being prepared. Currently, no asset exists to transfer. The initial investment was valued at \$750,000. Current value is approximately \$188,000. Mr. Roche stated that HPRS is not a plaintiff in a lawsuit involving the fund, but may receive a residual value as a result. Mr. Roche agreed to provide appropriate documentation of the asset to Mr. Beale.
- **Americus**
Ms. Sanders reported that there are two properties remaining in the fund, an office building in Phoenix, AZ and a building in Canton, OH. As of December 2014, the asset value was about \$57,000.
- **Ironwood**
\$770,000 was paid out in April 2015. A 5% audit holdback is scheduled for release in July 2016.
- **Equitas**
The investment is not likely to have remaining value other than the approximately \$12,000 in a side pocket.
- **Thornburg**
Liquidated.
- **GoldenTree**
Liquidated. The small audit holdback should be released by June.

The Committee agreed that the above assets would be valued at its June meeting. Any documentation on the assets will be distributed to committee members prior to the meeting.

4. Report on HPRS Contracts – Terminated and Pending

Chief Hecker stated that the system actuary, Mike Conefry, has been notified of the June 30, 2015, termination date of his contract.

The status of the custodian account with Argent was discussed. It was noted that all benefit payments are made electronically. Ms. Sanders agreed to contact Argent to discuss the logistics of the transition.

The legal services contract with Randy Roche remains pending.

Chief Hecker stated he would notify fraud litigation firms that their services would not be needed after June 30. He will provide the firms with the holding account information in the event any funds are due to the HPRS. LASERS and its monitoring firms will take over that responsibility.

Gavion's consulting contract ended February 28, 2015.

The Port of New Orleans will contract with Becky Hammond for the final audit report.

FNBC's contract will end when the HPRS funds are forwarded to LASERS on July 1, 2015.

Chief Hecker reported that any funds held at LAMP would be transferred to Argent, which will then be transferred to LASERS.

Mr. Beale asked if HPRS expects any investment manager fees. Chief Hecker replied that HPRS requested all invoices to be submitted by June.

5. Report on Holding Account at Bank of New York Mellon to be used after July 1

Mr. Beale stated a holding account has been set up at Bank of New York Mellon, which will allow LASERS to report all funds received on behalf of HPRS to the Port of New Orleans.

6. Set next meeting date

Mr. Beale moved, seconded by Mr. Ruckert, to have the next Asset Transfer Committee meeting on Wednesday, June 24, 2015, beginning at 10:30 a.m. With no further discussion, and no objections, the motion carried.

OTHER BUSINESS

Chief Hecker reported the hiring of a new Harbor Police officer who will be enrolled in the Hazardous Duty Services Plan.

Discussion was held as to the situations of various individual members.

Ms. LeBlanc stated that LASERS picked up the boxes of member records from Zenith American. LASERS staff is in the process of imaging the files. LASERS is still waiting on the transfer of electronic data.

It was agreed that HPRS members in DROP should receive interest based on the rules currently in place for that system. LASERS will report on the particulars of that transition at the June meeting.

Ms. LeBlanc stated that it is a good time to send another communication to the members to allow them to plan ahead for their transition to LASERS. She passed out draft letters to the committee for input.

Ms. Johnson stated that she would need to know by mid-August the market value of the assets. Ms. LeBlanc stated the Committee would make that determination in June. Ms. Johnson requested audited financial statements of HPRS by mid-August.

Mr. Orlesh asked how to handle public records requests after July 1. Ms. LeBlanc stated LASERS would have that responsibility. Chief Hecker agreed to transfer all HPRS records to LASERS, including the latest report from the Legislative Auditor.

With no further business to discuss, the meeting adjourned at 12:00 p.m.