

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

MARCH 30, 2017

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, March 30, 2017 at 9:00 A.M. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Mr. Mike Sands, Chairman
Ms. Andrea Mahfouz, Vice Chairman
Mayor Donald Villere, Trustee
Ms. Mary O. Vice, Trustee
Mayor Greg Jones, Trustee
Ms. Amy Mathews, State Treasurer's Office
Ms. Marsha Guedry, Commissioner of Administration

UNABLE TO ATTEND:

Mayor Clarence Fields, Trustee
Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Senator Barrow Peacock, Chairman,
Senate Retirement Committee

IN ATTENDANCE:

Warren Ponder, Executive Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Christopher Saik, Chief Investment Officer
Aaron Lally, Investment Consultant
Gustavo Bikkesbakker, Investment Consultant
Greg Curran, G.S. Curran Actuary

The Chairman called the meeting to order.

The Chairman asked Ms. Vice to open the meeting with a prayer and the Chairman led everyone in the pledge of allegiance.

The Chairman asked Ms. Suire to call roll. A quorum was present.

The Chairman asked for approval of the minutes of the meeting held on February 23, 2017.

Ms. Mahfouz moved that the minutes of the meeting held on February 23, 2017 be approved; the motion was seconded by Ms. Vice. The motion carried without objection or opposition. A copy of these minutes are attached and made a part of these minutes.

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The Chairman asked for approval of the Plan A and Plan B retirements (a list was provided to the Board Members).

Ms. Vice moved that the Plan A and Plan B retirements be approved; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Mr. Ponder expressed his appreciation to Mayor Villere for the invitation to address the Mid-Size City Conference attendees. Mayor Villere thanked Mr. Ponder for his presentation which was very informative.

Gustavo Bikkesbakker and Aaron Lally presented the Board with a copy of the Preliminary Performance Report for the month of February 2017. The performance of the portfolio as of February 28, 2017 was up 1.6%. Domestic equities were up 3.0%, developed equities were up 0.8%, emerging market equities were up 3.8%. U.S. core bonds were up 0.6%, treasury inflation protected securities were up 0.5%, foreign bonds were up 1.4%, and high yield bonds were up 1.5%. Core real estate and natural resources remained flat, private debt was up 0.2%, private equity and non-core real estate remained flat. Hedge funds were down -0.6%. A copy of this report is attached and made part of these minutes.

Aaron Lally and Gustavo Bikkesbakker gave the Board an update on the hedge fund liquidation schedule.

After a presentation from Aaron Lally and Gustavo Bikkesbakker and upon Meketa, Mr. Ponder, and Mr. Saik's recommendations, Ms. Vice moved to accept Landmark's offer to purchase Timbervest for approximately \$4.1MM; the motion was seconded by Mayor Jones. The motion carried without objection or opposition. A copy of Meketa's presentation is attached and made part of these minutes.

Aaron Lally updated the Board that an offer to purchase Greenspring, Compass Island and LA Fund I as a package deal has been received. Meketa will review the offer and bring their recommendation to the Board at the April meeting.

Ms. Mahfouz moved to accept the investment report; the motion was seconded by Mayor Villere. The motion carried without objection or opposition.

Ms. LaGarde presented the budget report for February 28, 2017 detailing the budgeted amount.

Ms. Vice moved to approve the \$400.00 overage on the landscape invoice; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Ms. LaGarde presented the cash flow report through February 28, 2017 to the Board.

Mayor Villere moved to approve the invoice from Faulk & Winkler that went over the contract rate; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Ms. Vice moved to accept the CFO report; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

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Ms. Suire updated the Board that only one candidate was nominated for Mayor Fields' seat that will be expiring in May. Mayor Raymond Harris from the City of Franklin will be filling the vacancy.

Mayor Jones moved to amend the policy to allow the system to reimburse newly elected Trustees for travel expenses to receive the required education needed to vote and receive a per diem at the first official Board meeting; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Ms. Suire updated the Board that she was contacted by Bastrop City Court and Lake Arthur City Court informing her that they will begin reporting on their employee supplemental earnings effective March 1, 2017.

Ms. Suire updated the Board that there is a situation concerning a disability retiree from the City of Lafayette that has returned to work full-time with Lafayette, but was enrolled in PERS. Ms. Suire and Greg Curran are still researching the member's file and retirement benefits. She will update the Board on the status of the situation at next month's meeting.

Ms. Suire updated the Board that the 4 active members with the Town of Independence have signed agreements with the town to have \$200.00 withheld from each paycheck for contributions owed to MERS until their balances are paid in full. The town's attorney has also sent hold harmless affidavits to all terminated employees for signatures.

Ms. Suire updated the Board that the data on all members due contribution refunds has been sent to the Treasurer's office for publication.

Mayor Jones moved to accept the retirement report; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Ms. Vice moved to enter executive session to discuss *Broyles v. Cantor Fitzgerald & Co., et al., Suit No. 594,747, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana,* and all related matters; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mayor Jones moved to return to regular session; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mayor Jones moved to authorize the Director to attend the mediation in the *Broyles v. Cantor Fitzgerald & Co., et al, Suit No. 594,747, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana* on April 1 and 2, 2017, and continuing to future dates; further authorized to settle, or refuse to settle, the MERS interest in the two pending cases after due consideration of all information available to him at that time; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mr. Ponder updated the Board on HB 32, HB 36, and SB 8 that has been filed in the upcoming session. These bills will affect the system if passed.

Ms. Mahfouz moved to support HB 32 as drafted which will allow MERS to elect one retired member to the Board of Trustees; the motion was seconded by Mayor Villere. The motion carried without objection or opposition.

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Ms. Mahfouz moved to oppose HB 36 which would allow a retired member of MERS that becomes employed with a MERS employer in an elected position to receive both their retirement benefit and their salary; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Ms. Mahfouz moved to support SB 8 which includes state and statewide systems; this bill is to correct membership errors; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Mr. Ponder updated the Board that the office renovations are complete.

Ms. Mahfouz moved to adjourn; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Michael Sands 04/20/17

APPROVED

Susita Suri

ATTEST

MERS CASH SUMMARY

ACCOUNT BALANCE SUMMARY

DATE	DESCRIPTION	AMOUNT
SYSTEM CASH		
3/21/2017	Northern Trust Cash Balance	\$3,077,925.48
3/20/2017	Capital One Operating Account Cash Balance	\$472,735.28
3/20/2017	Capital One Retirement Payroll Cash Balance - Plan A	\$9,649,251.16 ¹
3/20/2017	Capital One Retirement Payroll Cash Balance - Plan B	\$5,076,157.03 ¹
3/20/2017	Capital One Education Account Cash Balance	\$5,928.79
SUBTOTAL SYSTEM CASH		\$18,281,997.74
DROP ACCOUNTS		
3/20/2017	Capital One Drop Balance -Plan A	\$21,036,283.47
3/20/2017	Capital One Drop Balance -Plan B	4,700,908.49
SUBTOTAL DROP ACCOUNTS		\$25,737,191.96

¹ Higher balance due to receipt of Ad Valorem and Revenue Sharing for Months of January through May.

As of 2/28/2017

Ad Valorem	\$9,339,596.35
Revenue Sharing	\$56,651.91

MERS INVESTMENT CASH FLOWS

February 1, 2017 to February 28, 2017

CASH ACTIVITY

DATE	DESCRIPTION	AMOUNT	SUBTOTAL
12/1/2017	Northern Trust Beginning Balance	\$590,058.44	
INVESTMENT TRANSFERS IN			
2/1/2017	KBI - Redemption	\$325,302.92	
2/7/2017	Blue Bay Direct Lending Fund - Distribution	\$816,149.94	
2/14/2017	Franchise Equity Capital Partners II - Distribution	\$78,401.00	
2/16/2017	FI, RE, Int' Equity, PE - Interest Income	\$5,906.55	
2/22/2017	Americus Fund II - Distribution	\$297,000.00	
2/22/2017	Republic Business Credit - 30% Income Distribution	\$69,662.00	
SUBTOTAL TRANSFERS IN		\$1,592,422.41	
INVESTMENT TRANSFERS OUT			
2/14/2017	Compass Island - Management Fees	(\$41,749.06)	
SUBTOTAL TRANSFERS OUT		(\$41,749.06)	
OTHER INCOME/TRANSFERS IN			
2/6/2017	Miscellaneous Investment Income	\$4,594.55	
SUBTOTAL OTHER INCOME		\$4,594.55	
OTHER EXPENSES/TRANSFERS OUT			
2/3/2017	Northern Trust Short Term Investments Sweep Fee	(\$876.85)	
SUBTOTAL OTHER EXPENSES		(\$876.85)	
2/28/2017	Northern Trust Ending Balance	\$2,144,449.49	

MARCH CASH ACTIVITY

CASH ACTIVITY

DATE	DESCRIPTION	AMOUNT	SUBTOTAL
	Bedico Creek Preserve - Preferred Return Distribution	\$400,000	
	Bay Resource Partners - Redemption	\$1,010,555.00	
	Fl, RE, Int' Equity, PE - Interest Income	\$1,542	
	Income Received	\$769.40	
	Meketa - Consulting Fee	(\$33,333.34)	
	Transfer to Operating Account	(\$500,000.00)	
	Sweep Fee	(\$141.37)	
		<u>\$879,392.01</u>	
3/21/2017	Northern Trust Ending Balance (Cash Account)	<u>\$3,023,841.50</u>	
<i>Items Not Transferred to Cash Account as of 3/21/2017</i>			
	NT Agg Bond Fund	50,232.38	
	NTAM TIPS	1,042.01	
	NTAM MSCI EAFE	2,339.14	
	Fixed Income	470.45	
	TOTAL CASH (SUMMARY tab)	<u>\$3,077,925.48</u>	

MERS CONTRIBUTION SUMMARY

FYE 2017

CONTRIBUTION ACTIVITY

MONTH	EMPLOYER CONTRIBUTIONS	MEMBER CONTRIBUTIONS	NEI TRANSFERS IN/OUT	REFUNDS	TOTAL ACTIVITY
PLAN A					
Jul-16	2,956,973	1,340,868	50,604	(257,712)	4,090,732
Aug-16	3,752,645	1,477,831	21,101	(458,909)	4,792,669
Sep-16	3,092,485	1,215,759	(115,793)	(272,234)	3,920,216
Oct-16	3,816,152	1,504,427	94,362	(399,224)	5,015,716
Nov-16	3,146,983	1,238,925	(28,483)	(353,337)	4,004,089
Dec-16	3,126,039	1,231,075	25,777	(257,223)	4,125,668
Jan-17	3,846,679	1,507,884	(580,285)	(275,976)	4,498,302
Feb-17	3,347,861	1,323,977	50,288	(273,086)	4,449,040
Mar-17					
Apr-17					
May-17					
Jun-17					
SUBTOTAL PLAN A	\$27,085,816	\$10,840,745	(\$482,428)	(\$2,547,700)	\$34,896,433
PLAN B					
Jul-16	596,246.94	294,882.32	(5,692.27)	(116,938.25)	768,498.74
Aug-16	696,631.34	300,529.64	-	(161,104.22)	836,056.76
Sep-16	622,348.23	267,841.00	(1,550.00)	(57,687.94)	830,951.29
Oct-16	758,887.36	326,718.42	-	(123,616.22)	961,989.56
Nov-16	579,871.34	247,612.19	-	(75,555.82)	751,927.71
Dec-16	719,359.39	311,039.44	-	(95,351.66)	935,047.17
Jan-17	741,424.40	319,862.80	-	(95,000.50)	966,286.70
Feb-17	594,487.95	255,039.37	(17,510.47)	(92,203.00)	739,813.85

Mar-17

Apr-17

May-17

Jun-17

SUBTOTAL PLAN B	\$5,309,257	\$2,323,525	(\$24,753)	(\$817,458)	\$6,790,572
TOTAL SYSTEM	\$32,395,073	\$13,164,270	(\$507,180)	(\$3,365,158)	\$41,687,005

MERS RETIREMENT BENEFITS SUMMARY

FYE 2017

RETIREMENT BENEFITS ACTIVITY

MONTH	RETIREMENT PAYROLL	DROP PAYROLL	TRANSFERS TO DROP	TOTAL ACTIVITY
PLAN A				
Jul-16	4,825,103	552,428	898,455	6,275,987
Aug-16	4,875,198	473,542	375,963	5,724,703
Sep-16	4,868,199	236,531	222,767	5,327,496
Oct-16	4,866,927	673,541	214,439	5,754,907
Nov-16	4,892,672	449,713	417,901	5,760,285
Dec-16	4,900,866	357,519	204,686	5,463,071
Jan-17	4,947,702	447,604	660,989	6,056,295
Feb-17	4,981,535	997,000	224,117	6,202,652
Mar-17	4,991,378	381,100	542,416	5,914,894
Apr-17				
May-17				
Jun-17				
SUBTOTAL PLAN	\$44,149,580	\$4,568,978	\$3,761,733	\$52,480,291

PLAN B				
Jul-16	855,035	66,322	45,737	967,094
Aug-16	873,788	79,281	130,984	1,084,052
Sep-16	884,279	27,688	102,834	1,014,801
Oct-16	886,182	104,926	56,626	1,047,734
Nov-16	882,348	115,652	67,379	1,065,380
Dec-16	884,114	78,962	72,142	1,035,217

Jan-17	887,352	72,443	134,831	1,094,626
Feb-17	905,166	138,662	255,567	1,299,395
Mar-17	897,396	66,548	216,739	1,180,683
Apr-17				
May-17				
Jun-17				
SUBTOTAL PLAN	\$7,955,660	\$750,483	\$1,082,839	\$9,788,982
TOTAL SYSTEM	\$52,105,240	\$5,319,461	\$4,844,572	\$62,269,272

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE BUDGET
AS OF FEBRUARY 28, 2017**

EXPENSES	ANNUAL BUDGET	YTD ACTUAL	YTD DIFFERENCE \$	YTD %	MTH OF FEBRUARY ACTUAL
Personnel Expenses					
Salaries	\$969,090.00	\$476,560.13	\$492,529.87	49.18%	\$62,815.28
Employer Retirement	\$218,193.00	\$106,040.58	\$112,152.42	48.60%	\$14,011.94
Health Insurance	\$69,500.00	\$43,790.53	\$25,709.47	63.01%	\$5,691.76
Subtotal Personnel Expenses	\$1,256,783.00	\$626,391.24	\$630,391.76	49.84%	\$82,518.98
Operating Expenses					
Building & Ground Maintenance	\$20,600.00	\$18,148.80	\$2,451.20	88.10%	\$4,264.30
Office Equipment & Maintenance	\$66,000.00	\$56,708.58	\$9,291.42	85.92%	\$3,952.25
Office Supplies Expense	\$106,382.00	\$39,319.34	\$67,062.66	36.96%	\$6,486.34 1
Telecommunications/Utilities	\$31,320.00	\$21,441.99	\$9,878.01	68.46%	\$2,287.64
Insurance	\$76,026.00	\$63,925.95	\$12,100.05	84.08%	-
Subtotal Operating Expenses	\$300,328.00	\$199,544.66	\$100,783.34	66.44%	\$16,990.53
Professional Services					
Audit	\$100,000.00	\$70,950.00	\$29,050.00	70.95%	\$30,950.00 2
Professional Services	\$31,650.00	\$29,531.05	\$2,118.95	93.31%	\$0.00 3
Actuarial	\$91,620.00	\$61,230.00	\$30,390.00	66.83%	\$7,635.00
Legal-Administrative	\$10,000.00	\$5,101.16	\$4,898.84	51.01%	\$1,204.16 4
Legal-Securities Litigation	\$206,000.00	\$176,396.47	\$29,603.53	85.63%	\$36,285.65 5
Subtotal Professional Services	\$439,270.00	\$343,208.68	\$96,061.32	78.13%	\$76,074.81
Travel Expenses					
Travel - Board Meetings & Conventions	\$35,000.00	\$24,500.98	\$10,499.02	70.00%	\$2,202.15 1
Subtotal Travel Expenses	\$35,000.00	\$24,500.98	\$10,499.02	70.00%	\$2,202.15

TOTAL OPERATING EXPENSES	\$1,800,952.00	\$1,193,645.56	\$607,306.44	66.28%		
Capital Equipment & Services	\$83,416.00	\$18,430.75	\$64,985.25	22.09%	-	1, 6
TOTAL ADMINISTRATIVE EXPENSES	\$1,884,368.00	\$1,212,076.31	\$672,291.69	64.32%	\$177,786.47	

1 Amount in Budget Column was amended last Board meeting for 24,429 because of new capitalization policy - expense items \$2,500 and below. Therefore, \$24,429 was moved from Capital Equipment & Services line item to Office Supplies/Expense line item.

Also, YTD column is amended by (\$121.39) to equal general ledger YTD - difference between line items: Office Equipment Expense & Travel

Discussion

2 Second billing for Financial Statement and GASB 68 Audit.

3 Amount for month in January was 1,626.50 (G.S. Curran calculation for Town of Independence only) however, it should have been \$4,860.00 in the monthly amount presented in January. The amount was corrected in January so that the YTD total is correct.

Discussion

4 Tarcza (\$870) & Trey Jones (\$334.16) - Legal Consulting

5 Preis Gordon - Fletcher/RBS (\$28,810.32 & \$7,475.33)

Discussion to increase budget for legal expenses related to Fletcher.

Discussion

6 Landscape approved for \$9,916; actual amount \$10,316.00 - \$400 over approved budget amount.

Board Approval



Timbervest Secondary Offer
Municipal Employees' Retirement System of Louisiana

Landmark's Offer

- Landmark Partners has offered to purchase MERS interest in Timbervest Crossover Partners II (the "Fund") for 65% of the September 30, 2016 net asset value.
- The net asset value as of September 30, 2016 for MERS interest in the Fund is \$6.3 million.
- The offer price¹ is approximately \$4.1 million.
- The total discount is \$2.2 million or approximately -0.27% to the Retirement System's total performance.

¹ The purchase price will be increased by any cash contributions made by MERS subsequent to 9/30/16 and decreased by any distributions paid from Timbervest to MERS subsequent to 9/30/16.

Cash Flows

- The following chart summarizes the Timbervest cash flows if the Board accepts the offer.

Invested	Cash Flows
Invested (2008-2011)	-\$10 million
Returned (2011-2016)	+\$3.7 million
Offer price from Landmark	\$4.1 mm
Total Gain/Loss	-\$2.2 million

Opportunity Cost – Past Performance

- The Retirement System committed \$10 million in early 2008 to the Timbervest Crossover Partners II Fund.
- The Retirement System has received back \$3.7 million in distributions from Timbervest.
- The following table compares the performance of the Fund to various other investments that could have been made at that time.

Investment	Trailing Annualized Performance ¹	Estimated Value Today for \$10 mm Investment in March 2008	Multiple
S&P 500 Index	8.8%	\$21.4 mm	2.1x
50% S&P 500 Index/50% Barclays Aggregate Index	6.6%	\$17.8 mm	1.8x
Barclays Aggregate Index	3.9%	\$14.1 mm	1.4x
Timbervest Crossover Partners II	0.0%	\$10.0 mm ²	1.0x

¹ Trailing annualized performance from March 1, 2008 to March 26, 2017

² Estimated value with no distributions. Timbervest Crossover Partners II has distributed \$3.7 million. Most recent market value is \$6.3 million.



Opportunity Cost – Past Fees

- The Retirement System has paid Timbervest close to \$1 million in total fees over the past nine years¹.
- The Timbervest fee schedule is:
 - 1.25% per year multiplied by the commitment value (\$10 million) for the Investment Period (three years)
 - 1.25% per year multiplied by the net asset value after the expiration of the Investment Period (years four – thirteen²)

¹ \$970,670 according to Timbervest.

² The Fund is currently in year ten.



Disclosures

- Offer is non-binding and contingent on successful final due diligence review by Landmark.
- The current Letter of Intent by Landmark is an expression of the parties' interest. Neither party, MERS nor Landmark, shall be under any legally binding obligation to fulfill the terms of the Letter of Intent until the Definitive Agreement is signed.
- The closing will be subject to the conditions specific in the Definitive Agreement.

LANDMARK PARTNERS

March 28, 2017

Tony Anastasiadis
Setter Capital
77 Bloor Street West
Suite 1220
Toronto, Ontario, Canada

Dear Tony:

Landmark Equity Advisors, LLC (“Landmark”), or an affiliate thereof, is prepared to acquire a commingled fund (the “Assets”) owned by one of Setter Capital’s clients (the “Seller”), or an affiliate thereof. The following is a summary of the terms upon which Landmark is prepared to complete the purchase:

- Assets:** Landmark will acquire Seller’s interest in the commingled infrastructure fund listed in the attached Exhibit A.
- Purchaser:** An investment vehicle controlled by Landmark Partners.
- Form of Purchase:** Seller will convey the Assets to Landmark by execution and delivery of assignments and bills of sale or other appropriate instruments.
- Purchase Price:** The purchase price for the Assets will be 65% of Net Asset Value as of September 30, 2016 (the “Effective Date”). The purchase price will be reduced by any cash distributions received by Seller and increased by any cash contributions made by the Seller subsequent to the Effective Date (the “Adjusted Purchase Price”). The Transaction will close on June 30, 2017.
- Due Diligence:** Within twenty (20) business days after receipt of requested due diligence materials, Landmark will complete its due diligence.
- Purchase Agreement** Within twenty-five (25) business days after the date of the execution of this Letter of Intent, the parties shall negotiate and execute a Definitive Purchase Agreement ("Definitive Agreement") containing such representations, warranties, covenants, agreements and provisions as are agreed to by the parties.
- Non-Solicitation:** After the execution of this letter, and until the earlier of execution of the Definitive Agreement or Termination of this letter, Seller shall not solicit bids for, nor negotiate with any other party, the sale of the Assets, or any one underlying limited partnership interest that is included in the Assets. Further, this offer to acquire the Assets is proprietary and confidential and shall not be disclosed by either party to any other party except as may be required by law or fiduciary duty or in order to give required notices under the Limited Partnership Agreements related to the Assets.

- Closing Conditions:** The closing will be subject to the conditions specified in the Definitive Agreement, which may include (among others): (i) obtaining all consents necessary to transfer title of the Assets to Landmark (except to the extent waived by Landmark) (ii) legal opinions in the forms required by the Definitive Agreement (iii) receipt of final investment committee approval.
- Fees and Expenses:** Each party will bear its own expenses in connection with the transactions contemplated hereby. Transfer costs from the GPs will be split 50/50 by Landmark & Seller.
- Legal Effect:** This Letter of Intent is an expression of the parties' intent. Neither party shall be under any legally binding obligation unless and until the Definitive Agreement is signed, except that the obligations under the clauses entitled *Legal Effect*, *Non-Solicitation* and *Fees & Expenses* shall be legally binding. No representation, warranty or inducement shall be made by Seller except to the extent expressly set forth in the Definitive Agreement.
- Termination:** This Letter of Intent shall terminate if a Definitive Agreement has not been executed within thirty (30) business days of the date of acceptance of this letter.

If the foregoing is acceptable to you, please sign two copies of this letter, where indicated below, on or before April 7th, and return one copy to my attention.

Sincerely,

LANDMARK EQUITY ADVISORS LLC

By: 
Ian H. Charles
Authorized Signatory

Accepted by: _____

Title: _____

Dated: _____

Attachment

EXHIBIT A

Timbervest Crossover Partners II, L.P.

\$10,000,000

2017 Regular Session

HOUSE BILL NO. 32

BY REPRESENTATIVE PEARSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/MUNICIPAL EMP: Provides relative to the board of trustees of the Municipal Employees' Retirement System of La.

1 AN ACT

2 To amend and reenact R.S. 11:1821(B), (C), and (G), relative to the board of trustees of the
3 Municipal Employees' Retirement System of Louisiana; to provide for a trustee who
4 is a retired member; to provide for a term; to provide for elections; to provide for
5 implementation; and to provide for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article X, Section 29(C) of the Constitution
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:1821(B), (C), and (G) are hereby amended and reenacted to read
11 as follows:

12 §1821. Board of trustees; membership; term of office; oath of office; compensation;
13 voting power; vacancies

14 * * *

15 B. The board shall be composed of eleven trustees as follows:

16 (1) Three active and contributing members of the system each of whom is
17 an elected official elected to office in accordance with the Louisiana Election Code
18 and has at least six years of creditable service.

1 (2) ~~Three~~ Two active and contributing members of the system who are not
2 elected officials elected to office in accordance with the Louisiana Election Code,
3 each of whom has at least six years of creditable service.

4 (3) One retired member of the system.

5 (4) The president of the Louisiana Municipal Association, who shall serve
6 as an ex officio member during his tenure, or his designee.

7 ~~(4)~~ (5) The chairman of the Senate Committee on Retirement, who shall
8 serve as an ex officio member, or his designee.

9 ~~(5)~~ (6) A member of the House Committee on Retirement appointed by the
10 speaker of the House, who shall serve as a voting member, or the member's designee.

11 ~~(6)~~ (7) The commissioner of administration, who shall serve as an ex officio
12 member, or his designee.

13 ~~(7)~~ (8) The state treasurer, who shall serve as an ex officio member, or his
14 designee.

15 C. ~~Except as otherwise provided in this Subsection, the~~ The term of office
16 for each of the ~~six trustees who are active contributing members of the system~~
17 trustees provided for in Paragraphs (B)(1) through (3) of this Section shall be ~~for a~~
18 period of six years. No person who has been elected to serve as ~~an active and~~
19 ~~contributing member~~ a trustee for more than one and one-half terms shall be elected
20 to the board for another term.

21 * * *

22 G.(1) ~~No participating employer shall have more than two elected trustees~~
23 ~~servng~~ No more than two elected trustees employed by the same participating
24 employer may serve on the board at the same time.

25 (2)(a) The members of the system shall elect ~~each trustee~~ the trustees
26 provided for in Paragraphs (B)(1) and (2) of this Section in accordance with the
27 election rules prescribed by the board.

Present law provides that the MERS board of trustees is composed of 11 trustees:

- (1) Three active and contributing members of the system who are elected officials.
- (2) Three active and contributing members of the system who are not elected officials.
- (3) The president of the La. Municipal Assoc.
- (4) The chairman of the Senate Committee on Retirement.
- (5) A member of the House Committee on Retirement appointed by the speaker of the House.
- (6) The commissioner of administration.
- (7) The state treasurer.

Proposed law reduces the number of trustees who are not elected officials from three to two and adds a retired member of the system. Proposed law provides that the retired membership of the system shall elect the trustee who is a retired member of the system.

Present law sets six year, staggered terms for trustees who are members of the system. Proposed law retains present law and makes it applicable to the retiree trustee.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 11:1821(B), (C), and (G))

2017 Regular Session

HOUSE BILL NO. 36

BY REPRESENTATIVE JONES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/MUNICIPAL EMP: Provides relative to the reemployment of retirees of the Municipal Employees' Retirement System of La.

1 AN ACT

2 To amend and reenact R.S. 11:1762(A)(2), relative to the reemployment of retirees of the
3 Municipal Employees' Retirement System of Louisiana in elected positions; to
4 provide for retirees who are elected to office to return to work without benefit
5 reduction; to provide for membership in the system; and to provide for related
6 matters.

7 Notice of intention to introduce this Act has been published
8 as provided by Article X, Section 29(C) of the Constitution
9 of Louisiana.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:1762(A)(2) is hereby amended and reenacted to read as follows:

12 §1762. Reemployment of retirees

13 A.

14 * * *

15 (2)(a) Whenever a retiree receiving normal retirement benefits becomes
16 reemployed by an employer such that his monthly earnings exceed the difference
17 between his monthly average final compensation and his monthly retirement benefit,
18 his retirement benefits shall be reduced by the amount his monthly earnings exceed
19 the difference between his monthly average final compensation and his monthly

1 retirement benefit for every month of such employment and he shall not be a member
2 of the system.

3 (b) Notwithstanding Subparagraph (a) of this Paragraph, if a retiree receiving
4 normal retirement benefits is elected to office and, as a condition of filling the
5 elected position, becomes reemployed by an employer, his retirement benefits shall
6 continue, and he shall not be a member of the system.

7 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 36 Original 2017 Regular Session Jones

Abstract: Allows retired members of the Municipal Employees' Retirement System (MERS) to return to work in elected positions without limitation on retirement earnings.

Present law provides that when a retired member of MERS receiving normal retirement benefits becomes reemployed by a covered employer, his monthly retirement benefit and monthly earnings (collective monthly benefit) shall not exceed his monthly average compensation prior to retirement. If they do, present law requires that his retirement benefit be reduced as necessary to make his collective monthly benefit equal his monthly average final compensation. Present law further provides that reemployed retirees shall not become members of the system.

Proposed law provides that if a retired member receiving normal retirement benefits becomes reemployed in an elected position, his retirement benefit shall not be reduced, regardless of the amount of his monthly earnings during his time as an elected official. Proposed law further provides that such retirees shall not become members of the system. Proposed law otherwise retains present law.

(Amends R.S. 11:1762(A)(2))

2017 Regular Session

SENATE BILL NO. 8

BY SENATOR PEACOCK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT SYSTEMS. Provides for correction of membership and enrollment errors in the state and statewide retirement systems. (6/30/17)

1 AN ACT

2 To enact R.S. 11:143.1 and 888.1 and to repeal R.S. 11:896 and 1119, relative to enrollment

3 in certain state and statewide retirement systems; to provide for the correction of

4 enrollment errors, including the transfer of monies, service credit, and liabilities; to

5 provide for the payment of costs of the transfer; to provide for an effective date; and

6 to provide for related matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:143.1 and 888.1 are hereby enacted to read as follows:

10 **§143.1. Correction of membership errors**

11 **A. The provisions of this Section shall be applicable to all employees in**

12 **positions covered by state and statewide public retirement systems.**

13 **B.(1) If a person is employed in a position that on the date of employment**

14 **was covered by a system to which this Section applies, but was by error enrolled**

15 **in another public pension or retirement system, plan, or fund, and has not**

16 **retired from or participated in the deferred retirement option plan of the**

17 **incorrect system, he shall be enrolled in the correct system if he remains eligible**

1 for membership in that system, and all service credit and the funds required by
2 Subsection C of this Section shall be transferred to the correct system.

3 (2) Within thirty days of the date the error is discovered, the incorrect
4 system shall notify the employee and the employer of the error and shall initiate
5 the transfer with the correct system.

6 (3)(a) If the employee previously received a refund of employee
7 contributions from the incorrect system, the employee shall be given the
8 opportunity to restore the forfeited service credit before the transfer by
9 repaying to the incorrect system the refunded contributions plus interest at the
10 board-approved actuarial valuation interest rate of the incorrect system. Upon
11 receiving notification of the enrollment error, the employee shall have ninety
12 days to restore the forfeited service credit as provided in this Paragraph.

13 (b) If the refund is not repaid within ninety days, then the service credit
14 associated with the refund shall not be restored before the transfer. Once the
15 transfer is complete, the employee may still restore the forfeited service credit
16 by paying to the incorrect system the amount required by this Paragraph. Upon
17 repayment, the restored service credit shall be transferred immediately to the
18 correct system in accordance with R. S. 11:143; however, notwithstanding the
19 provisions of R.S. 11:143(D)(4) to the contrary, the retirement percentage factor
20 of the correct system shall be used to calculate the retirement benefit based on
21 the number of years transferred.

22 C.(1) The correct system shall determine the employee contributions that
23 system would have received if the employee had been properly enrolled on the
24 date of employment. That system shall notify the incorrect system and the
25 employee of the calculation.

26 (2)(a) The incorrect system shall determine the contributions made by
27 the employee, any employee contributions paid by the employer, the employer
28 contributions paid on the earnable compensation of the employee, and interest
29 on those contributions compounded annually at the board-approved actuarial

1 valuation interest rate of the incorrect system and the total of these amounts.

2 The incorrect system shall provide these calculations to the employee, the
3 employer, and the correct system.

4 (b) If the amount of employee contributions calculated pursuant to
5 Paragraph (1) of this Subsection is less than the amount of contributions made
6 by the employee as determined by the incorrect system in Subparagraph (a) of
7 this Paragraph, the incorrect system shall pay to the employee the amount of
8 the overpayment.

9 (c) The incorrect system shall transfer to the correct system the total
10 calculated pursuant to Subparagraph (a) of this Paragraph less any payment to
11 the employee pursuant to Subparagraph (b) of this Paragraph.

12 D.(1) The correct system shall calculate the amount necessary to fund
13 the receipt of the service credit as provided in this Subsection.

14 (2)(a) If the transfer occurs within three years of the enrollment error
15 the correct system shall receive an amount equal to all employee and employer
16 contributions that would have been received by the correct system had the
17 employee been properly enrolled on the date of employment, plus interest at the
18 correct system's board-approved actuarial valuation interest rate.

19 (b) If the transfer occurs more than three years after the enrollment
20 error, the correct system shall receive the greater of:

21 (i) An amount equal to all employee and employer contributions that
22 would have been received by the correct system had the employee been properly
23 enrolled at employment plus interest compounded annually at the correct
24 system's board-approved actuarial valuation interest rate.

25 (ii) The actuarial cost to the correct system for the service credit
26 transferred, calculated in accordance with R.S. 11:158(C)(1)(a) and (2). The
27 employer shall pay any fee or cost for this calculation.

28 (3) If the amount transferred from the incorrect system pursuant to
29 Subparagraph (C)(2)(c) of this Section is not sufficient to pay the amount

1 required by the provisions of Paragraph (2) of this Subsection, the employer
2 shall pay any difference to the correct system.

3 (4) If the amount transferred from the incorrect system pursuant to
4 Subparagraph (C)(2)(c) of this Section exceeds the amount required by the
5 provisions of Paragraph (2) of this Subsection, the correct system shall credit
6 to the employer's account the amount of the overpayment.

7 E. Upon transfer of all monies required pursuant to Subparagraph
8 (C)(2)(c) of this Section, all of the employee's service credit shall be transferred
9 to the correct system and the employee's refundable contribution balance in the
10 correct system shall be equal to the employee contributions that would have
11 been paid to the correct system had the employee been properly enrolled in the
12 correct system at employment. The retirement percentage factor of the correct
13 system shall be used to calculate the employee's retirement benefit based on the
14 number of years transferred.

15 F. After the date on which the transfer of the funds required pursuant
16 to Subparagraph (C)(2)(c) is completed, the system from which the employee
17 transfers shall have no future liability with respect to the service credit, liability,
18 or contributions transferred to the correct system.

19 * * *

20 §888.1. Service for which credit has not been received

21 If a person is employed in a position in which he should have been
22 enrolled in this system on the date of employment, but was not enrolled in any
23 public retirement system, he shall become a member of this system. He may
24 establish service credit for the time he should have been a member of this
25 system only under the provisions of R.S. 11:888.

26 Section 2. R.S. 11:896 and 1119 are hereby repealed.

27 Section 3. This Act shall become effective on June 30, 2017; if vetoed by the
28 governor and subsequently approved by the legislature, this Act shall become effective on
29 June 30, 2017, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

SB 8 Original 2017 Regular Session Peacock

Proposed law provides for the correction of an enrollment error for a person incorrectly enrolled in any La. public pension or retirement system, plan, or fund who should have been enrolled in one of the state or statewide retirement systems.

The state systems are:

- (1) La. State Employees' Retirement System (LASERS).
- (2) Teachers' Retirement System of La. (Teachers' or TRSL).
- (3) La. School Employees' Retirement System (LSERS).
- (4) La. State Police Retirement System (TROOPERS).

The statewide systems are:

- (1) Assessors' Retirement Fund (Assessors).
- (2) Clerks' of Court Retirement and Relief Fund (Clerks).
- (3) District Attorneys' Retirement System (DARS).
- (4) Firefighters' Retirement System (FRS).
- (5) Municipal Employees' Retirement System of La. (MERS).
- (6) Municipal Police Employees' Retirement Systems (MPERS).
- (7) Parochial Employees' Retirement System of La. (PERS).
- (8) Registrar of Voters Employees' Retirement System (ROVERS).
- (9) Sheriffs' Pension and Relief Fund (Sheriffs).

Proposed law provides that any person who was enrolled in the wrong system by error but who should have been in one of the systems covered by proposed law shall be transferred to the system for which his employment makes him eligible.

Proposed law provides that the employee shall be notified of the error by the incorrect system. Requires the incorrect system to initiate the transfer within 30 days of the date the error is discovered.

Proposed law provides for restoration of forfeited service credit at the incorrect system if the employee repays any refund received from the incorrect system. Provides for the transfer of the restored service credit and associated funds to the correct system.

Proposed law provides for calculation and transfer of funds from the incorrect system to the correct system. Specifies that upon transfer of all the money required pursuant to proposed law from the incorrect system to the correct system, all of the employee's service credit shall be transferred to the correct system and the employee's refundable contribution balance shall be equal to the contributions he would have paid to the correct system if the employee had been properly enrolled.

Proposed law provides for calculation of the amount necessary to fund the actuarial liability created by receipt of the service credit by the correct system. Requires the employer to pay any deficit between the amount the incorrect system transferred to the correct system and the amount necessary to fund the liability created by receipt of the service credit.

Proposed law provides for any overpayment of employee contributions to be refunded to the employee. Provides for any overpayment by the employer to be refunded to the employer.

Present law (R.S. 11:896(C)), relative to the Teachers' system only, provides for enrollment

in that system of a person employed in a position covered by the system who was not enrolled in any public retirement system. Provides the person may establish service credit for the time he should have been a member of this system only under the provisions of present law (R.S. 11:888).

Proposed law retains present law and redesignates it as R.S. 11:888.1.

Effective June 30, 2017.

(Adds R.S. 11:143.1 and 888.1; repeals R.S. 11:896 and 1119)