

# MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

## MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

JANUARY 14 & 15, 2015

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Wednesday, January 14, 2015 at 2:00 P.M. and Thursday, January 15, 2015 at 9:00 A.M. at 7937 Office Park Boulevard, Baton Rouge, Louisiana.

### PRESENT:

Ms. Claire Sarradet, Chairman  
Mayor Clarence Fields, Vice-Chairman  
Mayor Ronnie Harris, Trustee  
Ms. Mary O. Vice, Trustee  
Ms. Andrea Mahfouz, Trustee  
Mr. Mike Sands, Trustee  
Mayor Vern Breland, Trustee  
Marsha Guedry, Division of Administration

### UNABLE TO ATTEND:

Representative J. Kevin Pearson, Chairman,  
House Retirement Committee  
Senator Elbert Guillory, Chairman,  
Senate Retirement Committee  
Mr. John Kennedy, State Treasurer

### IN ATTENDANCE:

Robert L. Rust, Director  
Susita Suire, Administrative Assistant  
Warren Ponder, General Counsel  
Nancy LaGarde, Accounting Manager  
Mayor Carroll Breaux, LMA, 1<sup>st</sup> Vice President  
Paul Richmond, Legislative Auditor's Actuary

The meeting was called to order by the Chairman.

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

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

MINUTES  
JANUARY 14 & 15, 2015  
PAGE TWO

The Chairman asked for approval of the minutes of the meeting held on December 11, 2014.

Mayor Fields moved that the minutes of the meeting held on December 11, 2014 be approved; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. A copy of these minutes are attached and made a part of these minutes.

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 Ms. Mahfouz. The motion carried without objection or opposition.

The Chairman asked for approval of reduction in benefits (a list was provided to the Board Members).

Ms. Mahfouz moved that the reduction in benefits be approved; the motion was seconded by Mayor Fields. The motion carried without objection or opposition.

Ms. Vice moved to enter into executive session to discuss the investment in SNTech; In Re: Bankruptcy of SNTech, Inc., the motion was seconded by Mayor Breland. The motion carried without objection or opposition.

Mr. Sands moved to return to regular session; the motion was seconded by Mayor Fields. The motion carried without objection or opposition.

Let the record reflect Mayor Harris arrived at 3:00.

The Chairman introduced Camm Morton who gave a presentation concerning Kimble Real Estate. Mr. Sands moved to retain Camm Morton to evaluate the Kimble Real Estate proposal and present a report to the Board at the February Board meeting for a fee of \$5,000.00; the motion was seconded by Mayor Fields. The Chairman asked for a roll call vote. The motion carried unanimously without objection or opposition. A copy of this presentation is attached and made part of these minutes.

The Chairman introduced Lionel Bailey who presented the plans for the building addition and the cost associated with the project. Mayor Harris moved to accept the lowest bid by Acadiana Constructors and authorize the Director to sign a contract with the addendum to add two (2) windows to the front of the building; the motion was seconded by Ms. Vice. The Chairman asked for a roll call vote. The motion carried unanimously without objection or opposition. A copy of this presentation is attached and made part of these minutes.

MINUTES  
JANUARY 14 & 15, 2015  
PAGE THREE

Mayor Harris moved to approve the budget of \$1,245,064.63 for the entire building addition project; the motion was seconded by Ms. Mahfouz. The Chairman asked for a roll call vote. The motion carried unanimously without objection or opposition.

Mr. Rust presented a budget report through December 31, 2014 detailing the amount budgeted and the balance year to date.

Mayor Harris moved to amend the agenda to consider amending the budget; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mayor Harris moved to amend the budget to reflect a \$5,000.00 expenditure to employ the services of Camm Morton and show it in the appropriate line item; the motion was seconded by Mayor Fields. The motion carried without objection or opposition.

Ms. Mahfouz moved to approve the budget report through December 31, 2014; the motion was seconded by Mayor Fields. The motion carried without objection or opposition. A copy of this budget report is attached and made part of these minutes.

Mr. Rust updated the Board that the 1099's are balanced and ready to be mailed. He also announced that a new newsletter would be posted on the website by the end of January.

Mr. Rust and Susita Suire updated the Board that the benefits calculator is on the website and ready for use.

Mr. Rust updated the Board that the system has received a check for a portion of the money invested in Fletcher for \$19,990.00. There is more money to be distributed hopefully in a few months.

Mr. Rust asked the Board to consider assessing a fee to administer the DROP funds after the completion of the program. It will be discussed further during the February meeting.

Mr. Rust informed the Board that Fran Peters is no longer employed by Meketa. Leo Festino will address this matter at the meeting tomorrow.

Mr. Rust updated the Board that a buyer is offering to pay \$92MM to purchase the CocoWalk investment.

Mr. Sands moved to amend the agenda to consider approving the sale of CocoWalk; the motion was seconded by Mayor Harris. The motion carried without objection or opposition.

Upon Mr. Rust's recommendation Mayor Harris moved to accept the \$92MM sale of CocoWalk subject to the terms and conditions after review by the Director and Attorney; the motion was seconded by Ms. Vice. The motion was carried without objection or opposition.

MINUTES  
JANUARY 14 & 15, 2015  
PAGE FOUR

Mr. Sands moved to recess until 9:00 a.m. tomorrow; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

The Chairman reconvened at 9:00 a.m., Thursday, January 15, 2015

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

PRESENT:

Ms. Claire Sarradet, Chairman  
Mayor Clarence Fields, Vice-Chairman  
Mayor Ronnie Harris, Trustee  
Ms. Mary O. Vice, Trustee  
Ms. Andrea Mahfouz, Trustee  
Mr. Mike Sands, Trustee  
Mayor Vern Breland, Trustee  
Marsha Guedry, Division of Administration  
Laura Lapeze, State Treasurer's Office

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Susita Suire, Administrative Assistant  
Warren Ponder, General Counsel  
Nancy LaGarde, Accounting Manager  
Mayor Carroll Breaux, LMA, 1<sup>st</sup> Vice President  
Paul Richmond, Legislative Auditor's Actuary  
Stephanie Little, House Retirement Committee  
Margaret Corley, Senate Retirement Committee  
Greg Curran, G.S. Curran Actuary  
Gary Curran, G.S. Curran Actuary  
Leo Festino, Investment Consultant  
Aaron Lally, Investment Consultant  
Michelle Cunningham, DHHM  
Kevin Jones, DHHM

MINUTES  
JANUARY 14 & 15, 2015  
PAGE FIVE

Mayor Harris moved to amend the order of the agenda to hear agenda item 14 before agenda item 12; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Leo Festino announced that Fran Peters left the firm at the beginning of the year. Leo handed out an updated organizational chart for Meketa Consultants noting that Gustavo Bikkesbakker has been added to the support team.

Aaron Lally presented the Board with a copy of the Preliminary Performance Report for the month of December 2014. The performance of the portfolio as of December 31, 2014 was down -0.8%. Domestic equities were down -0.6% and the international equities were down -2.2%. Fixed income was down -1.7% and hedge funds were up 0.3%. A copy of this report is attached and made part of these minutes.

The Chairman recognized Michelle Cunningham of Duplantier, Hrapmann, Hogan & Maher who presented the system's June 30, 2014 (2013–2014 Fiscal Year) audit report.

Ms. Vice moved to accept the June 30, 2014 (2013–2014 Fiscal Year) audit report; the motion was seconded by Mr. Mahfouz. The motion carried without objection or opposition. A copy of this audit is attached and made part of these minutes.

Ms. Vice moved to amend the agenda to consider engaging Duplantier, Hrapmann, Hogan & Maher to implement the GASB 68 incremental audit; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Ms. Vice moved to accept the engagement of Duplantier, Hrapmann, Hogan & Maher to audit employer amounts for fiscal year ending 2013 and 2014 in compliance with GASB 68; the motion was seconded by Mayor Fields. The motion carried without objection or opposition.

The Chairman recognized Gary Curran who presented the Board with the system's June 30, 2014 (2013-2014 Fiscal Year) Actuarial Valuation.

Mayor Fields moved to accept the June 30, 2014 (2013-2014 Fiscal Year) Actuarial Valuation; the motion was seconded by Ms. Mahfouz. The motion was carried without objection or opposition. A copy of this report is attached and made part of these minutes.

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

MINUTES  
JANUARY 14 & 15, 2015  
PAGE SIX

  
APPROVED

  
ATTEST