

# MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

## MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

FEBRUARY 19, 2015

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, February 19, 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  
Laura Lapeze, State Treasurer's Office

### UNABLE TO ATTEND:

Representative J. Kevin Pearson, Chairman,  
House Retirement Committee  
Senator Elbert Guillory, Chairman,  
Senate Retirement Committee

### 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  
Greg Curran, G.S. Curran Actuary  
Aaron Lally, Investment Consultant  
Gustavo Bikkesbakker, Investment Consultant  
Frank Benham, Investment Consultant

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  
FEBRUARY 19, 2015  
PAGE TWO

The Chairman asked for approval of the minutes of the meeting held on January 14 & 15, 2015.

Ms. Vice moved that the minutes of the meeting held on January 14 & 15, 2015 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. Mahfouz moved that the Plan A and Plan B retirements be approved; the motion was seconded by Mayor Fields. 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 Ms. Vice. The motion carried without objection or opposition.

Mayor Fields moved to enter into executive session to discuss Fletcher Investment, United States District Court Middle District of Louisiana Civil Action NO. 3:13-CV-00373 Firefighter's Retirement System, *ET AL* Versus Citco Group Limited, *ET AL*; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

The Chairman designated the Director of the Firefighters Retirement System to remain in the executive session.

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

Upon recommendation by Phil Preis, Mayor Fields moved to authorize the retirement system to enter into a settlement agreement with Soundview/BVI in consideration of Soundview/BVI's release of all claims against the Fletcher entities and, further, to authorize Robert Rust to negotiate the final terms thereof and to execute the settlement on behalf of MERS; the motion was seconded by Ms. Vice. 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.

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

MINUTES  
FEBRUARY 19, 2015  
PAGE THREE

Mr. Sands moved to authorize the Director to use our debt as a bid on assets if SNTech should it be in the best interest of the system; the motion was seconded by Mayor Fields. The motion carried without objection or opposition.

The Chairman introduced Bob Whelan with PMAT Real Estate Investments who along with Kevin Cush gave a presentation and update on CocoWalk.

Mr. Sands moved to authorize Mr. Rust along with Camm Morton to structure the best deal to sell CocoWalk at a price that is advantageous for the system; the motion was seconded by Mayor Breland. 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 Camm Morton who gave a report on Kimble Real Estate. Mayor Harris moved to have Camm Morton to continue to persue the Kimble Real Estate proposal and to report to the Board at next month's meeting the amended agreement; the motion was seconded by Mayor Breland. The motion carried without objection or opposition. Mayor Fields abstained from voting. A copy of this report is attached and made part of these minutes.

Frank Benham, Aaron Lally, and Gustavo Bikkesbakker presented the Board with their preliminary agenda for Board meetings through February 2016 and the list of the members of MERS' new consulting team. A copy of this agenda and list is attached and made part of these minutes.

Aaron Lally presented the Board with a copy of the Preliminary Performance Report for the month of January 2015. The performance of the portfolio as of January 31, 2015 was down -0.5%. Domestic equities were down -2.4% and the international equities were down -1.1%. Fixed income was up 1.4% and hedge funds were up 0.4%. A copy of this report is attached and made part of these minutes.

Upon Meketa's recommendation, Mr. Sands moved to invest \$15MM this month from the cash account into the Northern Trust S&P 500 Index Fund and a one-time investment of \$10MM into the GoldenTree Credit Opportunities Fund; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Ms. Vice moved to approve the memorandum which set forth the election announcement to fill Mayor Harris' seat for a six-year term with the addition of requiring all candidates to receive five (5) hours of education at the retirement system's office before their name will be added to the election ballot; the motion was seconded by Ms. Mahfouz. A copy of the amended memorandum is attached and made part of these minutes.

Mr. Harris announced that he will seek re-election for his seat on the Board.

MINUTES  
FEBRUARY 19, 2015  
PAGE FOUR

Mr. Rust presented a budget report through January 31, 2015 detailing the amount budgeted and the balance year to date.

Mayor Breland moved to approve the budget report through January 31, 2015; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. A copy of this budget report is attached and made part of these minutes.

Mayor Breland moved to amend the building addition budget to \$1,400,000 with a \$50,000 contingency; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Mr. Ponder updated the Board that HB 9 by Ms. Hill allows the "Local Tax 18 Division of the Board of Tax Appeals" to join MERS and allows any employee of that employer to transfer their time into MERS from LASERS.

Mr. Curran updated the Board that Assessor's was introducing a bill that would allow them to use the funding deposit account to grant a COLA. Any statewide system could be included in this bill if interested.

Susita Suire and Warren Ponder requested authorization to upgrade the existing phone system and internet speed in the current building that would also extend to the new building addition at an addition \$300.00 per month. Mr. Sands authorized the staff to take the best action to upgrade the phone system that would advantageous to the office; the motion was seconded by Mayor Harris. The motion carried without objection or opposition.

Mr. Rust suggested that the Board take a field trip to Bedico Creek in either March or April to see the improvements and development made along with some actuarial education.

Mr. Sands moved to adopt the following employer rates for the fiscal year July 1, 2015 through June 30, 2016 – Plan A – 19.75% and Plan B – 9.50%; the motion was seconded by Mayor Harris. The motion carried without objection or opposition.

Mr. Rust updated the Board that the actuarial and audit reports were now on the website.

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

MINUTES  
FEBRUARY 19, 2015  
PAGE FIVE

  
APPROVED

  
ATTEST