

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

APRIL 16, 2015

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, April 16, 2015 at 9:00 A.M. at 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Ms. Claire Sarradet, Chairman
Mayor Clarence Fields, Vice-Chairman
Mr. 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
Greg Curran, G.S. Curran Actuary
Aaron Lally, Investment Consultant
Gustavo Bikkesbakker, Investment Consultant

The meeting was called to order by the Chairman.

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

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

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The Chairman asked for approval of the minutes of the meeting held on March 19, 2015.

Ms. Vice moved that the minutes of the meeting held on March 19, 2015 be approved; the motion was seconded by Mayor Fields. 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 Ms. Vice. The motion carried without objection or opposition.

Mayor Fields moved to enter into executive session with Eric Lockridge and Steven Stockstill to discuss Firefighters' Retirement System & City of Austin Police Retirement System, et al. vs. SAIL Capital Partners, LLC, et al for Civil District Court, Parish of Orleans, Case No. 15-2277, Division G-11; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

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

Ms. Vice moved to authorize the Director to coordinate an examination of the facts surrounding the lawsuit entitled Firefighters' Retirement System & City of Austin Police Retirement System, et al. vs. SAIL Capital Partners, LLC, et al and join the lawsuit should it become advisable; the motion was seconded by Mr. Harris. The Chairman asked for a roll call vote. Ms. Sarradet, Mayor Fields, Ms. Vice, Mr. Harris, Mr. Sands, Ms. Mahfouz, and Mayor Breland voted yes. The motion carried unanimously.

The Chairman introduced Camm Morton who gave a report on the potential investment in Kimble Real Estate. After a lengthy discussion, Mr. Sands moved to authorize the Director to sign the operating and master agreement between MERS and Kimble Real Estate subject to the terms reviewed and approved by the Board, and to enter into the lending agreement with Kimble Real Estate not to exceed \$5MM to implement individual developments after review and approval by Camm Morton; the motion was seconded by Mayor Fields. The Chairman asked for a roll call. Ms. Sarradet, Mayor Fields, Ms. Vice, Mr. Harris, Mr. Sands, and Ms. Mahfouz voted yes. Mayor Breland abstained. The motion carried.

Gustavo Bikkesbakker presented the 1st quarter performance of the world markets and Aaron Lally presented the Board with a copy of the Preliminary Performance Report for the month of March 2015. The performance of the portfolio as of March 31, 2015 was down -0.2%. Domestic equities were down -0.3% and the international equities were down -1.3%. Fixed income was down -1.1% and hedge funds were up 0.9%. A copy of these reports are attached and made part of these minutes.

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Gustavo Bikkesbakker gave the Board an update on the system's cash balance.

Mr. Harris moved to vote for the Meketa recommendations on the Dimensional Fund Advisors (DFA) proxy ballot; the motion was seconded by Mayor Breland. The motion carried without objection or opposition. A copy of these recommendations is attached and made part of these minutes.

Aaron Lally gave a brief introduction of BlueBay Asset Management and an overview of their Direct Lending Fund. Aaron Lally introduced Ben Harrild, Danielle Hootnick, and Lincoln Singleton with BlueBay Asset Management who gave a presentation to the Board on their Direct Lending Fund II SLP. A copy of this presentation is attached and made part of these minutes.

Mayor Breland moved to commit \$40MM to the BlueBay Direct Lending Fund II SLP in their hedging strategy; the motion was seconded by Mr. Sands. The Chairman called for a roll vote. Ms. Sarradet, Mayor Fields, Ms. Vice, Mr. Sands, Ms. Mahfouz, and Mayor Breland voted yes. Mr. Harris left the meeting early. The motion carried.

Mr. Rust presented a budget report through March 31, 2015 detailing the amount budgeted and the balance year to date. He also presented a report on the amount spent to date on the new building addition.

Ms. Vice moved to approve the budget report through March 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 updated the Board that he spoke with Mayor Jackson at the Town of Richwood and that he would know after their Council meeting tonight if the town will join the retirement system.

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. This bill will also be amended to add the Port of Alexandria to the bill.

HB48, which will allow the system to use the funding deposit account to grant a COLA if desired will be amended to add MERS to the bill.

Mr. Rust updated the Board that the election ballots were mailed on April 10th and the deadline to vote will be at 5:00 p.m. on May 8th.

Mr. Rust updated the Board that there will be a trip to Bedico Creek on the morning of May 20th and an actuarial education session.

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



APPROVED



ATTEST