

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES

JUNE 5, 2015

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in a special session on Friday, June 5, 2015 at 11:00 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
Treasurer John Kennedy
Marsha Guedry, Division of Administration
Jim Napper, State Treasurer's Office

UNABLE TO ATTEND:

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

IN ATTENDANCE:

Warren Ponder, Staff Counsel
Susita Suire, Administrative Assistant
Nancy LaGarde, Investment Manager
Mayor Carroll Breaux, LMA, 1st Vice President
Stephanie Little, House Retirement Committee

The meeting was called to order by the Chairman.

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

Mayor Fields gave a progress report to the Board on the Professional Development Committee meetings.

Ms. Mahfouz moved to adopt the Professional Development Committee's recommendation to engage Gray Sexton at a cap of \$12,000 to examine MERS' current practices regarding obtaining education and other matters, and to recommend policy changes to the Board so that MERS does not have any ethical questions in the future; the motion was seconded by Ms. Vice.

MINUTES
JUNE 5, 2015
PAGE TWO

After a lengthy discussion, Mayor Breland moved to call the question on Ms. Mahfouz's motion; the motion was seconded by Ms. Mahfouz. The Chairman called for a roll call vote. Ms. Sarradet, Mayor Fields, Mr. Harris, Ms. Vice, Mr. Sands, Ms. Mahfouz, and Mayor Breland voted yes. The motion carried unanimously.

The Chairman called for a roll call vote on the motion by Ms. Mahfouz to engage Gray Sexton. Ms. Sarradet, Mayor Fields, Mr. Harris, Ms. Vice, Mr. Sands, Ms. Mahfouz, and Mayor Breland voted yes. The motion carried unanimously.

Mr. Kennedy requested to see a monthly ledger of all the checks written by the system from the operating fund.

Mr. Harris moved to place the Administrative Director, Mr. Robert Rust, on administrative leave with pay for a duration of sixty (60) days during which time his ability to act on behalf of MERS will be revoked, his access to the office will be restricted to regular business hours, and he will be required to cooperate with the various agencies conducting inquiries and investigations. His presence at meetings is required so that he will be available to answer questions. He will be precluded from calling people and having them lobbied. This motion will be sent in writing to Mr. Rust. The motion was seconded by Mayor Fields. The Chairman called for a roll call vote. Ms. Sarradet, Mayor Fields, Mr. Harris, Ms. Vice, Mr. Sands, Ms. Mahfouz and Mayor Breland voted yes. The motion carried unanimously.

Mr. Harris moved to appoint Warren Ponder as the Acting Director to sign as Administrative Director and perform all duties as per LARS 11:1824, at no additional pay and to direct Nancy LaGarde to review all financial controls and methods of the MERS offices, including funds deemed to be non-public, if any, and report directly to the Board, at least quarterly, in compliance with all applicable accounting standards, statutes and laws, or questions that may arise from them, at no additional pay. The assignment to Ms. LaGarde is to remain indefinitely; the motion was seconded by Mayor Breland. The Chairman called for a roll call vote. Ms. Sarradet, Mayor Fields, Mr. Harris, Ms. Vice, Mr. Sands, Ms. Mahfouz and Mayor Breland voted yes. The motion carried unanimously.

Mr. Harris moved to enable the Chairperson to make the decision based on the recommendation of the staff as to who, either Warren Ponder or Nancy LaGarde, can provide the best expertise and represent the system on any board or seat that upon which Mr. Rust currently serves on; the motion was seconded by Mr. Sands. The Chairman called for a roll call vote. Ms. Sarradet, Mayor Fields, Mr. Harris, Ms. Vice, Mr. Sands, Ms. Mahfouz and Mayor Breland voted yes. The motion carried unanimously.

MINUTES
JUNE 5, 2015
PAGE THREE

Ms. Mahfouz moved to require the Acting Director and Mr. Ronnie Harris to sign checks for the system's operating fund checking account after the CPA has approved any expense. Any expense by the Acting Director or the CPA must come before the Board for approval before payment is made. The CPA is to report to the Board and not the Director. The CPA is to be removed from general ledger transactional access and is only able to review the transactions. The motion was seconded by Ms. Vice. The Chairman called for a roll call vote. Ms. Sarradet, Mayor Fields, Mr. Harris, Ms. Vice, Mr. Sands, Ms. Mahfouz, and Mayor Breland voted yes. The motion carried unanimously. A copy of this resolution is attached and made part of these minutes.

Mr. Kennedy requested copies for each year for all entertainment receipts from 2004 to date.

Mr. Harris moved to have the staff to review and/or develop all policies and procedures with regard to a system of internal control and oversight, an organizational chart, and to report to the Board in thirty (30) days; the motion was seconded by Ms. Vice. The Chairman called for a roll call vote. Ms. Sarradet, Mayor Fields, Mr. Harris, Ms. Vice, Mr. Sands, Ms. Mahfouz, and Mayor Breland voted yes. The motion carried unanimously.

Mr. Kennedy requested that a certified letter be sent to Mr. Rust asking him to return all system documents and items belonging to MERS. He also needs to be asked if he in fact did alter any documents and if so, why and how they were altered. He needs to be asked why he took documents home, if he made copies, and if so, did he give them to anyone.

Ms. Mahfouz requested that all documents being sent to Mr. Kennedy be sent to all Board members also.

Mayor Breland moved to invite the system auditor's, Duplantier, Hrapmann, Hogan, & Maher, to the July Board meeting; the motion was seconded by Mr. Harris. The Chairman called for a roll call vote. Ms. Sarradet, Mayor Fields, Mr. Harris, Ms. Vice, Mr. Sands, Ms. Mahfouz, and Mayor Breland voted yes. The motion carried unanimously.

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

MINUTES
JUNE 5, 2015
PAGE FOUR


APPROVED


ATTEST