

# MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

## MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

AUGUST 20, 2015

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, August 20, 2015 at 9:00 A.M. at 7937 Office Park Boulevard, Baton Rouge, Louisiana.

### PRESENT:

Mayor Clarence Fields, Chairman  
Mr. Mike Sands, Vice-Chairman  
Mr. Ronnie Harris, Trustee  
Ms. Mary O. Vice, Trustee  
Ms. Andrea Mahfouz, Trustee  
Ms. Claire Sarradet, Trustee  
Mayor Carroll Breaux, Trustee  
Representative J. Kevin Pearson, Chairman,  
House Retirement Committee  
Marsha Guedry, Division of Administration  
Amy Mathews, State Treasurer's Office

### UNABLE TO ATTEND:

Senator Elbert Guillory, Chairman,  
Senate Retirement Committee

### IN ATTENDANCE:

Warren Ponder, Acting Director  
Susita Suire, Administrative Assistant  
Nancy LaGarde, Accounting Manager  
Gary Curran, G.S. Curran Actuary  
Aaron Lally, Investment Consultant  
Gustavo Bikkesbakker, Investment Consultant  
Laura Gail Sullivan, Senate Counsel  
Mayor Barney Arceneaux, LMA 1<sup>st</sup> Vice President

The Chairman called the meeting to order.

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.

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The Chairman asked for approval of the minutes of the meeting held on July 16, 2015.

Ms. Mahfouz moved that the minutes of the meeting held on July 16, 2015 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.

The Chairman asked for approval of the minutes of the special meeting held on July 16, 2015.

Ms. Vice moved that the minutes of the special meeting held on July 16, 2015 be approved; the motion was seconded by Mayor Breaux. 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. Sarradet moved that the Plan A and Plan B retirements be approved; the motion was seconded by Mayor Breaux. 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. Sarradet moved that the reduction in benefits be approved; the motion was seconded by Mr. Harris. The motion carried without objection or opposition.

Mr. Harris asked that Mr. Ponder research the statutes on earning limitations for retirees that return to work with a participating employer and report back to the Board.

The Chairman introduced Michelle Cunningham with Duplantier, Hrapmann, Hogan & Maher, who gave an update on the responsibilities of the audit firm during the current audit of the retirement system.

Aaron Lally and Gustavo Bikkesbakker updated the Board with a quarterly review of the system's managers and performance. A copy of this report 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 July 2015. The performance of the portfolio as of July 31, 2015 was down -0.1%. Domestic equities remained flat and the international equities were down -0.2%. Fixed income was down -0.6% and hedge funds were up 0.1%. A copy of this report is attached and made part of these minutes.

Ms. Mahfouz moved to accept Meketa's report; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

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Upon Meketa's recommendation Mayor Breaux moved to exit the Republic Business Credit investment; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Ms. LaGarde presented a budget report through July 31, 2015 detailing the amount budgeted and the balance year to date. She also presented a report on the amount spent to date on the new building addition.

Mr. Harris moved to approve the budget report through July 31, 2015 as presented; the motion was seconded by Ms. Sarradet. The motion carried without objection or opposition. A copy of this budget report is attached and made part of these minutes.

Ms. Mahfouz moved to approve to have Ms. Sarradet added as an alternate signatory on the MERS operating checking account to pay expenses; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

Ms. LaGarde presented recommended investment write-offs to the Board for fiscal year ending June 30, 2015. Mr. Sands moved to approve the recommended investment write-offs for the fiscal year ending June 30, 2015; the motion was seconded by Ms. Sarradet. The motion carried without objection or opposition. A copy of these write-offs is attached and made part of these minutes.

The Chairman advised the Board that the following Resolution be adopted as part of the 2014-2015 fiscal year audit.

RESOLUTION

WHEREAS, as a part of the audit of the financial statements of the Municipal Employees' Retirement System of Louisiana as of June 30, 2015, and for the one year period from July 1, 2014 through June 30, 2015, the Office of the Legislative Auditor requires that a system survey and compliance questionnaire be completed and presented to and adopted by the Board of Trustees of the Retirement System by means of a formal resolution at an open meeting, and

WHEREAS, the required system survey and compliance questionnaire has been completed,

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Municipal Employees' Retirement System of Louisiana that the said Board does hereby receive and adopt the aforementioned system survey and compliance questionnaire during an open meeting of the Board being held on the 20<sup>th</sup> day of August, 2015.

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Ms. Sarradet moved to approve the adoption of the above Resolution as corrected; the motion was seconded by Mr. Sands. The motion carried without objection or opposition.

Ms. Vice moved to adopt the proposed Travel Policy; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. A copy of this policy is attached and made part of these minutes.

Mr. Harris moved to adopt the proposed Personnel Policy; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. A copy of this policy is attached and made part of these minutes.

Mayor Breaux moved to adopt the proposed organizational chart as presented; the motion was seconded by Ms. Vice. The motion carried without objection or opposition. A copy of this chart is attached and made part of these minutes.

Ms. Mahfouz moved to defer the discussion on individual members upgrading service credit until further facts are reviewed; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

Ms. Sarradet moved to transfer the DROP funds from LA Asset Management Pool (LAMP) to Capital One Bank for an increase in interest rates; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mr. Ponder gave the Board an update on the building progress.

Mr. Ponder updated the Board that the system will begin paying certain monthly vendors through ACH payments in place of writing checks.

Mr. Ponder updated the Board that there will be a charge on the credit card next month to renew the systems website domain for another five (5) years.

Mr. Harris moved to approve the purchase of a flag pole, U.S. Flag, and a Louisiana State Flag subject to the review of the subdivision rules; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mr. Sands moved to authorize Mr. Ponder to coordinate having the regular September Board meeting at the LAPERS conference; the motion was seconded by Mr. Harris. The motion carried without objection or opposition.

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Mr. Harris moved to amend the agenda to a salary increase for the Acting Director; the motion was seconded by Ms. Sarradet. The motion carried without objection or opposition.

Ms. Mahfouz moved to increase the Acting Director's salary to \$140,000/year effective immediately; the motion was seconded by Mr. Harris. The motion carried without objection or opposition.

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

  
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APPROVED

  
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ATTEST