MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES — NOVEMBER 19, 2015

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, November 19, 2015 at 9:00 A.M. at the Municipal Police Employees' Retirement System, 7722 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. Claire Sarradet, Trustee
Mayor Carroll Breaux, Trustee
Ms. Kerri Traxler, Division of Administration
Mr. John Kennedy, State Treasurer
Mr. John Broussard, State Treasurer's Office

UNABLE TO ATTEND:

Ms. Andrea Mahfouz, Trustee
Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Senator Elbert Guillory, Chairman,
Senate Retirement Committee

IN ATTENDANCE:

Warren Ponder, Acting Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Greg Curran, G.S. Curran Actuary
Aaron Lally, Investment Consultant
Brian Dana, Investment Consultant

The Chairman called the meeting to order.

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

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

Mr. Kennedy made a public comment concerning alternative investments but had to leave the meeting due to a prior commitment.

The Chairman asked for approval of the minutes of the meeting held on October 15, 2015.

Mayor Breaux moved that the minutes of the meeting held on October 15, 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 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.

Ms. Sarradet moved to enter into executive session to discuss *Broyles v. Cantor Fitzgerald & Co., et al,* Suit No. 594,747, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana, and all related matters; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

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

Mr. Daniel Cavell represented Mayor Tommy Eschete asking the Board to make a decision on Mayor Eschete's request to either begin contributing to the system and have his retirement benefit recalculated when he leaves office or begin receiving his full benefit while serving as the Mayor of the City of Thibodaux. After a lengthy discussion, Mr. Harris moved to take no action to Mayor Eschete's request; the motion was seconded by Ms. Sarradet. The motion carried without objection or opposition.

The Chairman introduced Richard Fitzgerald who gave the Board an update on the CSFC funds and presented the Board with a proposed partners group restructure. A copy of this update and presentation is attached and made part of these minutes.

Brian Dana addressed the concerns Treasurer Kennedy detailed in his letter dated October 23rd to the Board of Trustees. Meketa will review the system's asset allocation and recommend refined asset allocation targets and reduce the target for alternatives. A copy of these items and recommendations are in section 5 of the Meketa quarterly report.

Ms. Sarradet moved to have Mr. Ponder acknowledge to Mr. Kennedy that the Board did discuss his recommendations with Meketa at the meeting; the motion was seconded by Mr. Harris. The motion carried without objection or opposition.

Upon Meketa's recommendation, Ms. Sarradet moved to reallocate $10MM from Thornburg and $21MM anticipated from the sale of Republic Business Credit and any additional contributions from alternative investments in the Northern Trust Aggregate Bond Index Fund; the motion was seconded by Mr. Sands. The motion carried without objection or opposition.

Aaron Lally and Brian Dana presented the Board with a September 30, 2015 quarterly review of the system's investments. 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 October 2015. The performance of the portfolio as of October 31, 2015 was up 3.0%. Domestic equities were up 6.6% and the international equities were up 5.8%. Fixed income was up 0.8% and hedge funds were down -0.3%. A copy of this report is attached and made part of these minutes.

Upon Meketa's recommendation, Ms. Vice moved to grant Greenspring Crossover Ventures a two (2) year extension with no fees and more flexibility; the motion was seconded by Ms. Sarradet. The motion carried without objection or opposition.

Nancy LaGarde gave an update on the December 31, 2014 notes to LEM's financial statement. A copy of these notes are attached and made part of these minutes.

Ms. Sarradet moved to reimburse Firefighters Retirement System and Austin Police Retirement System for MERS' expenses incurred with the Gainesville property; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

Ms. LaGarde presented the Board with a comparison of the Act 1004 reports between all the retirement systems. A copy of this comparison is attached and made part of these minutes.

Ms. Suire presented the Board with a comparison on the health insurance premium percentages paid by other retirement systems and staff. The Board took no action, but requested a three (3) year history of health insurance premiums.

Ms. LaGarde presented a budget report through October 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.

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

Mayor Breaux moved to adopt a policy defining "temporary employment" as a full-time position lasting ninety (90) days or less; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

After further research, Ms. LaGarde withdrew agenda item 18.

Ms. Sarradet moved to adopt the 2016 Board meeting dates; the motion was seconded by Mr. Harris. The motion carried without objection or opposition. A copy of these dates are attached and made part of these minutes.

Mr. Ponder updated the Board that he will begin having legislation drafted for the items previously discussed.

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

Mr. Ponder gave the Board an update on the City of Independence. The system is still waiting on some information.

Mr. Ponder updated the Board that since everyone was not available for a tour of Bedico Creek in November or December, we will try to tour the property in the spring.

Mr. Ponder updated the Board that he may have to attend the Citco mediation in New York has been postponed and the deposition for Commonwealth has also been postponed to January 5th.

Ms. Vice moved to approve the purchasing of uniform shirts for the retirement system staff; the motion was seconded by Mayor Breaux. The motion carried with Mr. Sands abstaining.

Ms. Sarradet moved to approve the hiring of a temporary part-time employee to assist in the scanning and re-organization of investment files and researching wrong addresses for returned statements and memos; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

Mr. Harris moved to approve using the same election service as last year for the upcoming Trustee election; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

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

Michael Sands
APPROVED

Susan Seiler
ATTEST