MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES — JANUARY 28, 2016

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, January 28, 2016 at 9:00 A.M. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Mr. Mike Sands, Vice-Chairman
Mr. Ronnie Harris, Trustee
Ms. Mary O. Vice, Trustee
Ms. Claire Sarradet, Trustee
Ms. Andrea Mahfouz, Trustee
Ms. Desiree' Honore' Thomas, Division of Administration
Mr. John Broussard, State Treasurer's Office

UNABLE TO ATTEND:

Mayor Clarence Fields, Chairman
Mayor Carroll Breaux, Trustee
Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Senator Barrow Peacock, 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
Gustavo Bikkesbakker, Investment Consultant
Henry Jaung, Investment Consultant

The Vice-Chairman called the meeting to order.

The Vice-Chairman asked Ms. Vice to open the meeting with a prayer and the Vice-Chairman led everyone in the pledge of allegiance.

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

The Chairman asked for approval of the minutes of the meeting held on December 17, 2015.

Ms. Vice moved that the minutes of the meeting held on December 17, 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. Sarradet moved that the Plan A and Plan B retirements be approved; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

After a brief discussion, Ms. Vice moved to authorize the Acting Director to sign the agreement with Republic Business Credit to allow up to three (3) sixty (60) day extensions of the note as long as the interest payments are being made; the motion was seconded by Ms. Sarradet. The motion carried without objection or opposition.

Henry Jaung and Gustavo Bikkesbakker gave the Board an update on the present market conditions.

Henry Jaung and Gustavo Bikkesbakker presented the Board with a copy of the Preliminary Performance Report for the month of December 2015. The performance of the portfolio as of December 31, 2015 was down -1.6%. Domestic equities were down -3.0% and the international equities were down -2.2%. Fixed income was down -1.5% and hedge funds were down -2.0%.

Ms. Mahfouz moved to accept the Preliminary Performance Report for the month of December 2015; the motion was seconded by Ms. Sarradet. The motion carried without objection or opposition. A copy of this report is attached and made part of these minutes.

Upon Meketa's recommendation, Ms. Vice moved to put KBI and Horizon on the watch list; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Meketa will search for other managers that the Board could possibly hire to replace Horizon. Meketa will also invite KBI to the February meeting to give an update on their portfolio.

Mr. Harris moved to rearrange the agenda in order to make decisions needing a quorum; the motion was seconded by Ms. Sarradet. The motion carried without objection or opposition.

Ms. Sarradet moved to enter into executive session to discuss reimbursement lawsuit; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

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

John Broussard moved to hire Carlton "Trey" Jones to represent the system in employment matters and authorize the Acting Director to take any actions required by our legal representatives in those matters; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Ms. LaGarde will get an outside evaluation on the internal controls of dual check signing for the system from an accounting firm and bring a recommendation to the Board.

The staff will check into a Board Portal so that the Board can have access to documents that need reviewing.

Greg Curran updated the Board that PRSAC did approve the Actuarial Valuation for fiscal year ending June 30, 2015. Mr. Curran updated the Board on several options to set the employer rates. He will send all options in writing to the Board so that they can make a decision on setting rates at the February 23rd meeting for the fiscal year beginning July 1, 2016.

Ms. Sarradet moved to invest $5MM of cash into the Northern Trust Barclays Aggregate Index Fund; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Gustavo Bikkesbakker gave a brief update on the CSFC Fund.

Ms. Sarradet moved to adopt Option A as asset allocation targets with sub-asset class targets as presented by Meketa; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Ms. LaGarde presented a budget report through December 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. A copy of this budget is attached and made part of these minutes.

Ms. Sarradet asked that the discussion for a RFP for a new financial auditor be added to the February 23rd agenda.

Ms. LaGarde updated the Board on the general ledger related to the entry made from the prior year and the closing fix made by the programmer.

Ms. LaGarde updated the Board that the GASB 68 draft report is ready and she has been interviewing for the accountant position.

Mr. Ponder updated the Board on the following bills:

HB 12 will make the Treasurer and the Commissioner of Administration voting members of the Board.

HB 14 would replace the chairmen of the House and Senate retirement committees on the Board of Trustees with the speaker of the House and the president of the Senate.

HB 17 would authorize LDCA to participate in MERS.

HB 20 would authorize employees of the 19th Judicial District Court (JDC) in the parish of East Baton Rouge to participate in MERS.

HB 23 would require the MERS' Board to establish rules and regulations with respect to trustee election procedures.

HB 34 provides that any municipal mayor, whether appointed or elected and regardless of work schedule must participate in MERS.

Mr. Ponder updated the Board on the progress of the new building.

Ms. Vice asked that the discussion of a permanent Director and Chief Investment Officer be added to the February 23rd agenda.

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

APPROVED

ATTEST