MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES — MAY 25 & 26, 2016

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Wednesday, May 25, 2016 at 1:00 P.M. and Thursday, May 26, 2016 at 9:00 A.M. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Mayor Clarence Fields, Chairman
Mr. Mike Sands, Vice-Chairman
Mr. Ronnie Harris, Trustee
Mayor Donald Villere, Trustee
Ms. Mary O. Vice, Trustee
Ms. Andrea Mahfouz, Trustee
Mayor Carroll Breaux, Trustee
Mr. John Broussard, State Treasurer's Office
Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Senator Barrow Peacock, Chairman,
Senate Retirement Committee

UNABLE TO ATTEND:

Mr. Jay Dardenne, Commissioner of Administration

IN ATTENDANCE:

Warren Ponder, Acting Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Amy Mathews, State Treasurer's Office

The Vice-Chairman called the meeting to order.

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

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

Mr. Ponder swore in the new Trustee of the Board, Mayor Donald Villere prior to the start of the meeting.

Ms. Mahfouz moved to enter into executive session to conduct interviews for the Director's position; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

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

Mayor Breaux moved to recess until 9:00 a.m. tomorrow; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

PRESENT:

Mayor Clarence Fields, Chairman
Mr. Mike Sands, Vice-Chairman
Mr. Ronnie Harris, Trustee
Mayor Donald Villere, Trustee
Ms. Mary O. Vice, Trustee
Ms. Andrea Mahfouz, Trustee
Mayor Carroll Breaux, Trustee
Ms. Marsha Guedry, Division of Administration
Mr. John Broussard, State Treasurer's Office
Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Senator Barrow Peacock, Chairman,
Senate Retirement Committee

UNABLE TO ATTEND:

IN ATTENDANCE:

Warren Ponder, Acting Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Gary Curran, G.S. Curran Actuary
Aaron Lally, Investment Consultant
Gustavo Bikkesbakker, Investment Consultant
Amy Mathews, State Treasurer's Office

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

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

Ms. Mahfouz moved to enter into executive session to conduct interviews for the Director's position; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

Mayor Breaux moved to return to regular session; the motion was seconded by Mr. Sands. The motion carried without objection or opposition.

Following interviews of applicants for the Director's position, and upon careful consideration by the Board, Mr. Harris moved upon the Board's recommendation that three applicants be scheduled to present to the Board their short and long term plans for the system; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mr. Harris moved to hold a special meeting to conduct the second round of interviews on Thursday, June 16th at 9:00 a.m. and to cancel the regularly scheduled meeting for June 30th; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Ms. Mahfouz moved to take agenda items 17, 19, 21, and 22 b before item 14 due to a possible loss of a quorum; the motion was seconded by Mr. Harris. The motion carried without objection or opposition.

After a brief discussion and upon the recommendation of Mr. Ponder, Ms. Vice moved to approve Meketa Investment Group's contract for fiscal year ending 2017 at $200,000, 2018 at $205,000, and 2019 at $210,000; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Ms. Vice moved to approve the G.S. Curran actuarial contract for the fiscal year ending June 30, 2017; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition. A copy of this contract is attached and made part of these minutes.

Mr. Harris moved to amend the budget for the salaries of Nancy LaGarde and Susita Suire to a 1% cost of living increase until further information on salary comparisons are presented; the motion was seconded by Senator Peacock. The Chairman called for a roll call vote. Mayor Fields, Mr. Sands, Mr. Harris, Ms. Mahfouz, Mayor Villere, Mayor Breaux, Ms. Guedry, and Senator Peacock voted yes. Ms. Vice and Mr. Broussard voted no. The motion carried.

Mayor Villere moved to approve the July 1, 2016 – June 30, 2017 operating budget inclusive of the amendment; the motion was seconded by Mayor Breaux. The Chairman called for a roll call vote. Mayor Fields, Mr. Sands, Mr. Harris, Ms. Mahfouz, Mayor Villere, Mayor Breaux, Ms. Guedry, Ms. Vice, and Senator Peacock voted yes. Mr. Broussard voted no. The motion carried.

Upon staff and Ms. Guedry's recommendation, Mr. Harris moved to hire Hawthorn, Waymouth & Carroll as the audit firm to perform the system's July 1, 2015 – June 30, 2016 fiscal year end financial audit; the motion was seconded by Mr. Broussard. The motion carried without objection or opposition.

The Chairman asked for approval of the minutes of the meeting held on April 27 & 28, 2016.

Ms. Mahfouz moved that the minutes of the meeting held on April 27 & 28, 2016 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. Mahfouz 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.

Gustavo Bikkesbakker and Aaron Lally gave the Board an overview of the second quarter performance.

Gustavo Bikkesbakker and Aaron Lally presented the Board with a copy of the Preliminary Performance Report for the month of April 2016. The performance of the portfolio as of April 30, 2016 was up 1.0%. Domestic equities were up 0.6%, developed equities were up 2.3%, emerging market equity was up 1.8%, and the global equities were up 0.8%. U.S. core bonds were up 0.3%, foreign bonds were up 2.0%, and high yield bonds were up 2.9%. Hedge funds were up 1.2%. A copy of this report is attached and made part of these minutes.

Ms. Vice moved to grant the Acting Director the authority to sign the agreement to sell AEW Partners V, AEW Partners VI, AEW Partners VII, Crow IV, JPMorgan India Property Fund, and LEM II to Landmark Realty Advisors LLC for 90% of the September 30, 2015 value; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. Senator Peacock abstained.

After a brief overview by Ms. Suire, Ms. Vice moved to purchase BoardPaq meeting software at a monthly fee of $144.00 to be charged on the system's credit card; the motion was seconded by Mr. Sands. The motion carried without objection or opposition.

Ms. Mahfouz moved to accept the revised Personnel Policy as presented; the motion was seconded by Ms. Vice. The motion carried without objection or opposition. A copy of this policy is attached and made part of these minutes.

Ms. LaGarde presented a budget report through April 30, 2016 detailing the amount budgeted and the balance year to date.

Ms. Vice moved to accept the budget report through April 30, 2016 as presented; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. A copy of this budget is attached and made part of these minutes.

Mayor Breaux moved to approve the final invoice from DHHM for $4,200.00 for audit services performed outside of their original contract; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Mayor Breaux moved to accept the non-budgeted expenses for the month of April, 2016; the motion was seconded by Ms. Vice. The motion carried without objection or opposition. A copy of this budget is attached and made part of these minutes.

Ms. LaGarde presented the Board with the quarterly ACT 1004 comparison report.

Mr. Ponder updated the Board on the following legislation:

ACT 99 – Adding LCDA to the retirement system passed
ACT 17 – Adding the Treasurer and Commissioner to the Board as voting members passed
HB 40 – Addressing return to work retirees is in the Conference Committee
HB 37 – Representative Jones' bill has been amended

Mr. Ponder updated the Board that there will be one (1) hour of actuarial education during the investment educational session in July and one (1) hour during the August Board meeting.

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

APPROVED

ATTEST