MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES — SEPTEMBER 18, 2016

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Sunday, September 18, 2016 at 3:30 P.M. at the Roosevelt Hotel, 130 Roosevelt Way, New Orleans, LA 70112 in the Bienville Room.

PRESENT:

Mr. Mike Sands, Chairman
Ms. Andrea Mahfouz, Vice-Chairman
Mayor Donald Villere, Trustee
Ms. Mary O. Vice, Trustee
Mayor Greg Jones, Trustee
Senator Barrow Peacock, Chairman,
Senate Retirement Committee
Ms. Amy Mathews, State Treasurer's Office
Ms. Marsha Guedry, Commissioner of Administration's Office

UNABLE TO ATTEND:

Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Mayor Clarence Fields, Trustee
Mr. Ronnie Harris, Trustee

IN ATTENDANCE:

Warren Ponder, Executive Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Aaron Lally, Investment Consultant
Gustavo Bikkesbakker, Investment Consultant
Gary Curran, G.S. Curran Actuary
Margaret Corley, Senate Retirement Committee
Annie Smith, House Retirement Committee

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.

The Chairman asked for approval of the minutes of the meeting held on August 25, 2016.

Ms. Vice moved that the minutes of the meeting held on August 25, 2016 be approved; the motion was seconded by Mayor Jones. 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 Ms. Vice. The motion carried without objection or opposition.

Gustavo Bikkesbakker and Aaron Lally presented the Board with a copy of the Preliminary Performance Report for the month of August 2016. The performance of the portfolio as of August 31, 2016 was up 0.7%. Domestic equities were up 0.6%, developed equities were down -0.8%, emerging market equity was up 2.0%, and the global equities were up 2.1%. U.S. core bonds were down -0.1%, TIPS were down -0.4%, and foreign bonds were down -0.5%, and high yield bonds were up 1.4%. Hedge funds were up 1.1%.

Upon Meketa's recommendation, Ms. Vice moved to allocate $10MM from cash and $15MM from Thornburg to the Northern Trust Barclays Aggregate Index Fund; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. Senator Peacock abstained.

Ms. Mahfouz moved to accept the Meketa Preliminary Performance Report for the month of August 2016; the motion was seconded by Mayor Jones. A copy of this report is attached and made part of these minutes.

After a brief discussion, Ms. Vice moved to hire Cam Morton with VR Business Sales, Mergers, and Acquisitions to review and make recommendations to the Board on the Bedico Creek Investment not to exceed $7,500; the motion was seconded by Mayor Jones. The motion carried without objection or opposition. Senator Peacock left the room before the vote.

Ms. LaGarde presented a budget report through August 31, 2016 detailing the amount budgeted. The Board requested that the CFO discontinue presenting the monthly general ledger and check register to the Board. These documents will be uploaded to the library on BoardPaq for any Trustee's review.

Mayor Villere moved to only require two (2) signatures on operating fund checks if the amount is $5,000 and over per vendor per month and the expense had not been preapproved by the Board of Trustees. The second signatory will be the Chairman of the Board; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Ms. LaGarde updated the Board on the fiscal year-end audit.

Ms. Vice moved to give authorization to the CFO and the Director to maintain $3.5MM in the Northern Trust cash account. Any overage will be transferred to the TIPS account; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Senator Peacock left the meeting.

Ms. Mahfouz moved to accept the CFO report; the motion was seconded by Ms. Guedry. The motion carried without objection or opposition. A copy of this budget is attached and made part of these minutes.

Ms. Mahfouz moved to authorize Lionel Bailey to proceed with the completion construction documents and begin receiving bids (minimum of 3 bids) from contractors; the motion was seconded by Ms. Vice. A copy of Mr. Bailey's proposal is attached and made part of these minutes.

Mr. Sands presented the Personnel Committee's proposal to interview applicant #1, 3, 4, and 5 on Wednesday, October 26th with applicant #5 being interviewed via telephone. Ms. Vice moved to accept the Personnel Committee's recommendation; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mr. Ponder updated the Board that MERS will be researching and obtaining quotes for a new general ledger system to present to the Board for approval.

Mr. Ponder updated the Board that the Attorney General's opinion has been received pertaining to the calculation of members with municipal and city court earnings. The opinion agreed with the method of calculations being performed by MERS. MERS will seek legislation to clear up the confusion in the statutes regarding this matter. A copy of this opinion is attached and made part of these minutes.

Mayor Jones moved to authorize the Director to contract with Faulk & Winkler to perform general accounting services for the retirement system not to exceed $5,000 per month through the end of the year. The need for these services will be re-evaluated at that time; the motion was seconded by Mayor Villere. The motion carried without objection or opposition.

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

Michael Sands
APPROVED

Sunita Sims
ATTEST