MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES — OCTOBER 26, 2016

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Wednesday, October 16, 2016 at 10:30 A.M. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Mr. Mike Sands, Chairman
Ms. Andrea Mahfouz, Vice-Chairman
Mayor Donald Villere, Trustee
Ms. Mary O. Vice, Trustee
Ms. Amy Mathews, State Treasurer's Office
Ms. Marsha Guedry, Commissioner of Administration's Office

UNABLE TO ATTEND:

Senator Barrow Peacock, Chairman,
Senate Retirement Committee
Mayor Clarence Fields, Trustee
Mayor Greg Jones, 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
Greg Curran, G.S. Curran Actuary
Representative J. Kevin Pearson,House Retirement Committee
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 the 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 September 18, 2016.

Ms. Vice moved that the minutes of the meeting held on September 18, 2016 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. Mahfouz moved that the Plan A and Plan B retirements be approved; the motion was seconded by Mayor Villere. The motion carried without objection or opposition.

Ms. Mahfouz moved to take item 8 and continue forward until the Meketa Consultants arrive; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Ms. LaGarde presented a budget report through September 30, 2016 detailing the amount budgeted.

Ms. Vice moved to approve the amended budget as presented; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. A copy of this amended budget is attached and made part of these minutes.

Ms. Mahfouz moved to approve writing down the value of Land Baron and Entropy to $1.00 from $400K and $590K; the motion was seconded by Ms. Mathews. The motion carried without objection or opposition.

Ms. Vice moved to approve the non-budgeted report through September 30, 2016 as amended; the motion was seconded by Ms. Guedry. The motion carried without objection or opposition. A copy of this report is attached and made part of these minutes.

Ms. Vice moved to approve to maintain the minimum cash balance at $3.5MM; the motion was seconded by Ms. Guedry. The motion carried without objection or opposition. A copy of this cash report is attached and made part of these minutes.

After a brief discussion on the amended Personnel Policy, it was decided that the policy needs additional changes. The staff will make all changes and submit a final policy for Board approval at the December Board meeting.

Ms. Vice moved to approve the 2017 Board meeting dates as amended; the motion was seconded by Ms. Mathews. The motion carried without objection or opposition. A copy of these Board meeting dates with amendments is attached and made part of these minutes.

Ms. Mathews moved to enter into executive session to discuss potential litigation with a member from Westwego; the motion was seconded by Ms. Mahfouz. 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.

Upon Mr. Ponder's recommendation, Mayor Villere moved to enter into negotiations with Municipal Police Employees' Retirement System (MPERS), City of Westwego, City of Gretna, and Ronald Still with transferring 100% of the employee and employer contributions made by Ronald Still or on his behalf to MPERS in exchange for a release of any and all claims that Ronald Still may have against MERS, and for an agreement by Mr. Still to indemnify MERS for any and all costs incurred by MERS for any claim made against MERS by any entity or person for any matter arising out of his association with MERS during or after his employment with the City of Westwego; the motion was seconded by Ms. Mahfouz. 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 September 2016. The performance of the portfolio as of September 30, 2016 was up 0.4%. Domestic equities were up 0.2%, developed equities were up 0.8%, emerging market equity was up 1.4%, and the global equities were up 2.0%. U.S. core bonds were down -0.1%, TIPS were up 0.6%, and foreign bonds were up 0.8%, and high yield bonds were up 0.4%. Core real estate was up 1.7%, natural resources remained flat, and private debt was up 0.4%. Private Equity was down -0.5% and hedge funds were up 0.1%.

Ms. Vice moved to approve the recapitalization of Capital Spring Financial; the motion was seconded by Mayor Villere. The motion carried without objection or opposition.

Ms. Mathews moved to enter into executive session to conduct interviews for the Chief Investment Officer's position; the motion was seconded by Mayor Villere. 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.

Ms. Mahfouz moved to hire Chris Saik at the salary of $120,000 with the requirement to achieve his CFA certification.

Ms. Guedry made a substitute motion to authorize the Executive Director to offer Chris Saik the Chief Investment Officer's position at the salary of $115,000 subject to the passing of a background check and drug test; the motion was seconded by Mayor Villere. The motion carried without objection or opposition.

After a brief discussion concerning members not eligible to become members of MPERS or FRS entering MERS, it was decided to table the discussion until the December Board meeting.

Mayor Villere moved to accept the bid proposal from Ernst Construction to complete the office renovations at $67,000; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mr. Ponder updated the Board that the landscaping has been completed.

Mr. Ponder updated the Board that the Commonwealth trial has been continued.

Ms. Mahfouz moved to change the December Board meeting to December 14th and 15th; the motion was seconded by Ms. Vice. The motion carried without objection.

Mr. Ponder updated the Board that he will sign off on a new development with the Bedico Creek investment.

Mr. Ponder updated the Board that Ronnie Harris has resigned from his seat on the Board of Trustees effective October 25, 2016. He asked the Board to consider passing legislation to fill Mr. Harris' seat with a retired MERS member.

Mr. Ponder has been invited by the City of Natchitoches to make a presentation on the retirement system. He and Susita Suire will both be presenting on November 15th.

Ms. Mahfouz updated the Board that Susita Suire did a fantastic job at the Clerks' Institute last week with putting together her packet and her presentation.

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

Michael Sanders
APPROVED

Susita Suire
ATTEST