MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES — APRIL 19 & 20, 2017

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Wednesday, April 19, 2017 at 1:00 P.M. and Thursday, April 20, 2017 at 9:00 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
Mayor Greg Jones, Trustee
Ms. Amy Mathews, State Treasurer's Office
Ms. Marsha Guedry, Commissioner of Administration's Office

UNABLE TO ATTEND:

Mayor Clarence Fields, Trustee
Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Senator Barrow Peacock, Chairman,
Senate Retirement Committee

IN ATTENDANCE:

Warren Ponder, Executive Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Christopher Saik, Chief Investment Officer
Henry Jaung, Investment Consultant
Aaron Lally, Investment Consultant
Mayor Raymond Harris, City of Franklin

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.

Henry Jaung and Aaron Lally gave the Board a brief review of WCM Investment Management.

Bill Orke and Jon Tringale gave an update on the WCM Investment Management with education to the Board.

Henry Jaung and Aaron Lally gave the Board a brief review of Barrow, Hanley, Mewhinney & Strauss.

Jim McClure gave an update on the Barrow, Hanley, Mewhinney & Strauss fund with education to the Board.

Henry Jaung and Aaron Lally gave the Board a brief review of First Eagle Investment Management.

Claire Miller Hare gave an update on the First Eagle Investment Management fund with education to the Board.

Henry Jaung and Aaron Lally had a wrap-up session with the Board and answered all questions concerning the presentations given.

The Chairmen recessed until 9:00 a.m. tomorrow.

PRESENT:

Mr. Mike Sands, Chairman
Ms. Andrea Mahfouz, Vice Chairman
Mayor Clarence Fields, Trustee
Mayor Donald Villere, Trustee
Ms. Mary O. Vice, Trustee
Mayor Greg Jones, Trustee
Ms. Amy Mathews, State Treasurer's Office
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IN ATTENDANCE:

Warren Ponder, Executive Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Christopher Saik, Chief Investment Officer
Greg Curran, G.S. Curran Actuary
Henry Jaung, Investment Consultant
Aaron Lally, Investment Consultant

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 March 30, 2017.

Ms. Vice moved that the minutes of the meeting held on March 30, 2017 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).

Mayor Fields 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.

Henry Jaung gave the Board a presentation on the capital markets outlook.

After a presentation by Aaron Lally and upon the recommendation of Meketa Investment Group and staff, Ms. Vice moved to accept the offer from Kline Hill Partners to purchase Greenspring Crossover Partners Fund I, Compass Island Fund A, and LA Fund I for approximately $6.7MM; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Aaron Lally and Henry Jaung presented the Board with a copy of the Preliminary Performance Report for the month of March 2017. The performance of the portfolio as of March 30, 2017 was up 0.6%. Domestic equities were up 0.1%, developed equities were up 1.7%, emerging market equity was up 2.6%, and U.S. core bonds remained flat. Treasury inflation protected securities were down -0.1%, foreign bonds were up 1.5%, and high yield bonds were up 0.5%. Core real estate was up 1.5%, natural resources, private debt, private equity, and non-core real estate remained flat and hedge funds were down -2.2%. A copy of this report is attached and made part of these minutes.

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

Ms. LaGarde presented a budget report through March 31, 2017 detailing the budgeted amount.

The Board asked for a breakdown on the year to date litigation legal expenses for next month's meeting.

Mayor Fields moved to increase the building & grounds maintenance by $15,000 and increase professional services by $21,000 to be moved from the salary budget; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Ms. LaGarde presented the monthly cash flow report.

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

Ms. Suire updated the Board that she will be making member presentations at the Cajundome on April 27th, Hammond on June 7th, and attend the benefits fair in Kenner on May 3rd.

Ms. Vice 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 Mayor Villere. The motion carried without objection or opposition.

Mayor Jones moved to enter regular session; the motion was seconded by Mayor Villere. The motion carried without objection or opposition.

Mr. Ponder updated the Board that neither retirement committee has met for legislation yet.

Mr. Ponder reminded the Board to file their financial disclosures by May 15th.

Mr. Ponder updated the Board that he and Susita Suire met with the New Orleans Firefighter's Retirement System to discuss allowing their staff to enter MERS. The Board would like staff to research the situation further and to contact PERS to discuss their eligibility requirements.

Ms. Mahfouz moved to add an agenda item to discuss the tablets in the boardroom; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Mayor Villere moved to authorize the Director to replace the boardroom tablets with IPads and purchase an additional laptop without increasing the overall budget and not to exceed $10,000. The staff will list the old tablets and charging cabinet for sale on govdeals.com; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Greg Curran gave an actuarial educational session to the Board – GASB Review.

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

Michael Jones
APPROVED

Susita Suire
ATTEST