

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

MAY 25, 2017

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, May 25, 2017 at 9:00 A.M. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Mr. Mike Sands, 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
Ms. Marsha Guedry, Commissioner of Administration's Office

UNABLE TO ATTEND:

Ms. Andrea Mahfouz, Vice Chairman
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
Christopher Saik, Chief Investment Officer
Gustavo Bikkesbakker, Investment Consultant
Aaron Lally, Investment Consultant
Gary Curran, G.S. Curran Actuary
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.

The Chairman asked for approval of the minutes of the meeting held on April 19 & 20, 2017.

Mayor Fields moved that the minutes of the meeting held on April 19 & 20, 2017 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.

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The Chairman asked for approval of the Plan A and Plan B retirements (a list was provided to the Board Members).

Ms. Vice moved that the Plan A and Plan B retirements be approved; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Aaron Lally gave the Board a presentation on the quarterly review of the portfolio.

Gustavo Bikkesbakker presented the Board with a copy of the Preliminary Performance Report for the month of April 2017. The performance of the portfolio as of April 30, 2017 was up 0.9%. Domestic equities were up 0.7%, developed equities were up 2.5%, emerging market equity was up 1.5%, and U.S. core bonds were up 0.7%. Treasury inflation protected securities were up 0.6%, foreign bonds were up 1.1%, and high yield bonds were up 0.8%. Core real estate was up 1.0%, natural resources, private equity, and non-core real estate remained flat, private debt was up 1.1%, and hedge funds were down -1.1%. A copy of this report is attached and made part of these minutes.

Ms. Vice moved to sell MERS' share in Entropy for \$171,000 to the other co-investors in the fund; the motion was seconded by Ms. Mathews. The motion carried without objection or opposition.

Christopher Saik presented the ACT 1004 summary for quarter ending March 31, 2017 to the Board. The Board asked Mr. Saik to make notes next quarter on what is being done by the managers above MERS. The Board would also like to see the average between MERS and all the statewide systems.

Mr. Sands updated the Board that the Personnel Committee met and are putting together goals for the Executive Director to be presented to the Board for approval. Also discussed was the need to clean up staff job descriptions and salary ranges. Mr. Sands will meet with Mr. Ponder and staff to put together these job descriptions and to set salary ranges according to the current labor market. There will be no salary increases until these job descriptions and salary ranges are completed and approved by the Board.

Mayor Fields moved to approve the G.S. Curran Actuarial contract for fiscal year ending 6-30-2018; the motion was seconded by Mayor Villere. The motion carried without objection or opposition. A copy of this contract is attached and made part of these minutes.

Mayor Jones moved to approve the purchase of 17 each 12.9" iPads, and 1 each 9.7" iPad, to replace the tablets in the Boardroom plus 1 each laptop for the office at a price of \$14,491.00; the motion was seconded by Mayor Villere.

Mr. Ponder presented the proposed July 1, 2017 – June 30, 2018 operating budget, budget narrative, and the budget process. After a brief discussion, staff will present an updated proposed budget to the Board next month with requested changes. Staff education, registrations, licenses, etc. will be put in Professional Development and all capital outlay items will be presented as a separate budget.

Ms. Suire presented a budget report through April 30, 2017 detailing the budgeted amount and a detailed report on securities litigation legal fees.

The Board asked to see a total analysis on what has been spent and received from the Fletcher litigation to date.

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Ms. Vice moved to increase the securities litigation legal expense by \$200,000 to be moved from the salary budget; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Ms. Vice moved to increase the capital expense budget by \$5,954.75 to be moved from the employer retirement budget to make the final payment to the contractor for the building renovations; the motion was seconded by Mayor Fields. The motion carried without objection or opposition.

Mr. Saik presented the monthly cash flow report.

Mayor Jones moved to accept the CFO report; the motion was seconded by Ms. Vice. 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 mailed a memo to the municipalities last month with retirement issues and updates. She also updated the Board that she gave a presentation to at least one-half of the members from the Cajundome on April 27th, and attended the benefits fair in Kenner on May 3rd. She will be making member presentations in June at the City of Hammond and the City of Opelousas.

Upon recommendation by G.S. Curran, Ms. Vice moved to reduce the assumed rate of return to 7.40% effective July 1, 2017. The reduction schedule to be reviewed each fiscal year will be as follows: 7.275% effective July 1, 2018, 7.175% effective July 1, 2019, and 7.0% effective July 1, 2020; the motion was seconded by Mayor Jones. The motion carried without objection or opposition.

Mr. Ponder updated the Board that that HB 32 to add a retired member to the MERS Board has passed and is awaiting the Governor's signature.

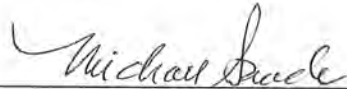
SB 8 that corrects members enrolled in the wrong retirement system has passed the Senate and House Retirement Committees and now goes to the House floor.

HB 683 suspends MERS retirees' benefits that are rehired full-time and allows the retiree to re-enter the system has passed the House Retirement committee and floor, and is pending in the Senate Retirement committee. Mayor Jones moved to remain neutral; the motion was seconded by Mayor Villere. A copy of this bill is attached and made part of these minutes.

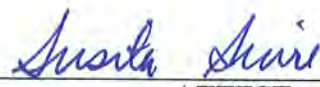
Mr. Ponder swore in the newly elected Trustee, Mayor Raymond Harris. Mr. Sands and Mr. Ponder thanked Mayor Fields for his years of service on the Board.

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

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APPROVED



ATTEST

LOUISIANA RETIREMENT SYSTEMS
ACT 1004 QUARTERLY REPORT SUMMARY
FOR THE PERIOD ENDING 3/31/2017

RETIREMENT SYSTEM	AUM	CURRENT QTLY RET	CURRENT ASSET ALLOCATION			TOTAL FUND RETURNS				EQUITY RETURNS				FIXED INCOME RETURNS				ALTERNATIVE RETURNS			
			EQUITY	FIXED	ALTERN.	1 YEAR	3 YEAR	5 YEAR	10 YEAR	1 YEAR	3 YEAR	5 YEAR	10 YEAR	1 YEAR	3 YEAR	5 YEAR	10 YEAR	1 YEAR	3 YEAR	5 YEAR	10 YEAR
TEACHERS	\$ 17,928,398,433	5.8%	51%	19%	29%	13.4%	6.3%	8.8%	5.5%	16.4%	6.1%	9.9%	4.9%	3.9%	1.8%	2.5%	4.2%	13.8%	9.7%	11.7%	8.8%
STATE POLICE	\$ 748,413,902	5.4%	63%	18%	14%	12.2%	5.0%	7.9%	5.3%	17.7%	6.1%	10.1%	5.9%	4.2%	2.4%	3.4%	5.3%	5.9%	5.7%	7.0%	2.5%
PAROCHIAL	\$ 3,713,379,510	5.4%	55%	36%	9%	11.6%	5.2%	8.1%	6.0%	15.6%	5.7%	9.8%	5.7%	7.1%	3.5%	3.9%	5.3%	6.8%	8.1%	9.0%	3.0%
ASSESSORS	\$ 347,351,824	5.1%	63%	32%	5%	11.4%	5.3%	7.5%	5.9%	15.9%	6.7%	10.1%	6.0%	4.4%	2.9%	3.7%	5.7%	5.7%	3.9%	0.8%	1.4%
LASERS	\$ 10,764,468,098	5.1%	58%	14%	28%	13.4%	4.9%	7.6%	5.5%	16.7%	5.3%	8.9%	4.8%	9.5%	3.0%	4.6%	6.9%	9.1%	4.7%	6.4%	5.4%
ROVERS	\$ 88,303,504	5.0%	55%	28%	17%	11.8%	3.8%	5.3%	3.0%	17.1%	4.4%	8.3%	4.3%	4.6%	3.0%	2.9%	4.6%	8.7%	2.9%	2.7%	-0.32%
CLERKS	\$ 546,423,789	5.0%	57%	18%	25%	13.0%	6.0%	8.5%	5.3%	16.6%	6.5%	9.8%	4.8%	5.0%	3.9%	3.5%	5.4%	12.0%	6.8%	9.0%	4.8%
MUNI POLICE	\$ 1,903,641,362	4.8%	57%	20%	23%	11.8%	4.4%	7.7%	4.1%	16.1%	5.0%	9.5%	4.2%	6.9%	2.8%	4.1%	6.1%	6.8%	4.3%	11.8%	-
SHERIFFS	\$ 3,186,949,069	4.7%	60%	26%	14%	12.6%	5.7%	8.2%	5.5%	17.6%	7.2%	11.2%	-	3.9%	3.1%	3.2%	-	9.3%	4.3%	5.5%	-
SCHOOL EMPLOYEES	\$ 1,813,665,938	4.6%	53%	30%	17%	12.2%	5.4%	8.2%	6.0%	18.0%	6.0%	10.1%	6.3%	5.9%	3.2%	3.2%	4.8%	7.2%	8.8%	10.1%	4.9%
FIREFIGHTERS	\$ 1,484,662,088	4.5%	58%	21%	21%	11.3%	3.4%	4.4%	2.5%	16.8%	5.4%	9.2%	5.2%	2.6%	1.1%	-	-	6.6%	0.7%	-1.20%	1.7%
MERS	\$ 826,642,886	3.9%	49%	32%	19%	8.4%	2.0%	3.9%	2.9%	16.6%	5.8%	8.1%	4.9%	3.5%	1.1%	-7.10%	-1.10%	2.3%	-1.30%	3.8%	2.5%
DISTRICT ATTORNEY	\$ 376,059,568	3.5%	58%	35%	7%	13.4%	4.9%	7.6%	5.5%	17.0%	3.8%	10.6%	6.2%	1.8%	3.1%	2.8%	5.0%	-	-	-	-

PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN

Municipal Employees' Retirement System

AND

G. S. CURRAN & COMPANY, LTD.

RELATING TO ACTUARIAL SERVICES FOR

Municipal Employees' Retirement System

WHEREAS THIS AGREEMENT, entered into this _____, by and between G. S. CURRAN & COMPANY, LTD. (hereinafter designated as "Actuary") and the Municipal Employees' Retirement System (hereinafter designated as the "System") evidences a contract requiring Actuary to render certain technical and professional services, hereinafter described.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I.

Employment of Actuary. The System hereby agrees to engage the Actuary, and the Actuary hereby agrees to perform the services hereinafter set forth. The agreement for services is exclusively between G. S. Curran & Company, Ltd. and the "System", and all services performed under the contract shall be considered as provided by the corporation and not the employees of the corporation. The actuaries employed by G. S. Curran & Company, Ltd. are members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions in communications and reports to the System.

II.

Basic Services. The Actuary agrees to provide the following services and reports for the System.

- (1) Perform an annual valuation of the plan assets and liabilities at the end of the fiscal year setting forth therein:
 - (a) Summary statistics such as number of active, disabled, terminated and retired members with liabilities for each group,
 - (b) Valuation methods including all assumptions used and a detailed example of all mortality, disability, termination, retirement and salary scale rates used.

For the purposes of determining:

- (c) the normal cost,
 - (d) the unfunded accrued liability,
 - (e) the annual contributions, expressed both in a dollar amount and as a percentage of salaries, needed to liquidate the unfunded liability of the retirement system over the amortization period as set forth in the statutes.
- (2) Explain the results of the annual valuation to the Board of Trustees.
 - (3) Discuss and explain the results of the annual valuation to any actuary employed by the Legislature, or to any actuary, as requested by the Board of Trustees.
 - (4) Provide a continuous review of plan experience for the purpose of selecting appropriate actuarial assumptions for:
 - (a) investment yields,
 - (b) salary growth,
 - (c) retirement rates,
 - (d) death rates,
 - (e) disability rates,
 - (f) withdrawal rates.
 - (5) Provide consultative and technical assistance for the Administrator in all matters of an actuarial nature relative to the administration of the System.
 - (6) Prepare and/or revise tables for use in determining the appropriate reduction factors for optional benefits.
 - (7) Make standard calculations of actuarial cost and equivalence as required for special options. (Unusually complex calculations or additional option table construction will be billed at the hourly rates stipulated in paragraph IX.)

- (8) Attend up to 12 regularly scheduled meetings of the Board of Trustees.
- (9) Provide standard calculations related to transfers or purchases of service credit for members of the System as specified in R.S. 11:143, R.S. 11:153, and R.S. 11:158.
- (10) Provide analysis of cost and effects of plan benefit changes sponsored by the Board of Trustees.
- (11) Provide consulting advice regarding effects of changes in plan structure and design.
- (12) Provide technical and consulting advice in the drafting of plan amendments.
- (13) Provide expert testimony before the appropriate legislative committees on legislation proposed by the Board of Trustees.
- (14) Provide a review of retirement benefit calculation sheets as needed, as well as provide calculations related to offsets of disability benefits due to outside earnings.
- (15) Preparation of an annual accounting valuation report to contain sufficient information as required under the Governmental Accounting Standards Board Statements 67 and 68 for the System's auditor to complete the System's annual audit report, including the following:
 - (a) Perform an annual review of System cash flows (including projected assets and benefit payments) in accordance with Governmental Accounting Standards Board Statement 67 (hereinafter referred to as GASB 67) in order to assess whether the System will reach a "crossover point".
 - (b) Calculation, if necessary, of a blended rate equivalent to a combination of the long-term expected rate of return on pension plan investments and a yield or index rate for 20 year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
 - (c) Performance of annual accounting valuations in accordance with GASB 67 at the appropriate discount (or blended) rate and at a discount rate 1% above and 1% below the appropriate discount rate.

- (d) Calculation of the service cost and average service life of members.
- (e) Allocation of net pension liability and net pension expense to each employer.
- (f) Determination of funded ratios based on GASB liability calculations.
- (g) Setup of amortization schedules for gains and losses, changes in assumptions, and changes in allocation fractions for each employer.

III.

Litigation. Consulting and technical advice related to litigation and expert witness testimony will be billed in accordance with the hourly fees stipulated in paragraph IX plus travel expenses in accordance with the System's policy on travel and actual additional expenses incurred.

IV.

Extended Valuation Services and Extraordinary Plan Analysis. Re-runs of valuation programs and/or data auditing programs which are required as a result of extensive data errors submitted to our office by the System will be billed at the hourly rates detailed in paragraph IX. In addition, studies of extraordinary changes to the System's benefit structure will be billed at the hourly rates detailed in paragraph IX.

and

Actuarial Notes. Development of actuarial notes to be submitted to the Legislature and/or Legislative Actuary's Office will be separately billed at the rate given in paragraph IX.

V.

Special Purchases or Transfers. The computation of any "air time" purchases or the computation of any hypothetical transfers or purchases of service credit for persons who are not active contributing members of the System shall be

assessed fees at the hourly rates detailed in paragraph IX, subject to a minimum charge of \$150 per calculation. The computation of group purchases where three or more individuals apply for purchases of credit or transfers arising from similar circumstances from the same employer will be assessed at the hourly rates detailed in paragraph IX, subject to a minimum charge of \$150 per calculation.

VI.

Board Education on Actuarial Topics. The Actuary shall provide up to two hours of actuarial education within Board meetings on topics requested by the System. In addition, the Actuary will provide up to two additional hours of actuarial education within its webinar training series (through either a live or pre-recorded webinar) on topics selected by the Actuary. Education on topics other than actuarial science will be charged based on the advertised charge for the webinar or in accordance with the hourly rates detailed in paragraph IX.

VII.

Additional Services. As may be directed by the System or its Administrator, and in addition to such other duties as may be within the basic services to be performed by the Actuary under paragraph II hereof, the Actuary shall provide additional services including but not limited to attendance at extraordinary meetings, calculations for special mergers and plan restructuring or extraordinary plan amendments, analysis of cash flow, liability projections, forecast valuations, and portfolio immunization analysis to be charged on a project basis as mutually agreed to or at the hourly fees stipulated in paragraph IX.

VIII.

Estimates and Special Calculations. Benefit Estimates, special Option 4 calculations, or new forms of benefits due to statutory revisions, requiring the

development of additional annuity factors, formulas, or tables will be billed at the hourly rates detailed in paragraph IX, subject to a minimum charge of \$150 per calculation. The determination of benefits in excess of IRS Section 415 limits will be billed at a rate of \$400 per calculation.

IX.

Compensation. In consideration for the services required of the Actuary whereunder, the Actuary shall be entitled to receive a fee of \$91,620.00 each installment being \$7,635.00 payable monthly, in arrears on the last day of each calendar month as part payment of such fee. The System also agrees to pay Actuary approved travel expenses in accordance with the Board of Trustees' Policy and Procedure for travel outside of East Baton Rouge Parish or the System's annual conference. Hourly services rendered under the provisions of paragraphs III, IV, V, VI, or VII shall be billed as follows:

Senior Consulting Actuary:	\$260/hr
Consulting Actuary:	\$235/hr
Senior Actuarial Analyst:	\$180/hr
Actuarial Analyst/Technical Assistant:	\$125/hr
Benefits Analyst:	\$95/hr
Administrative Support Staff:	\$65/hr

X.

Limitation of Liability. With the exception of willful misconduct, gross negligence, and fraud, the liability of the firm for the services provided shall be limited to the fees charged for such services. The Actuary agrees to maintain an errors and omissions policy with a face amount of at least \$1,000,000 (one million dollars).

XI.

Changes. The System may, from time to time, require changes in the scope or duration of the services of the Actuary to be performed herein. Such changes, including any increase or decrease in the amount of the Actuary's compensation, beyond that described in this contract shall be incorporated in written amendments to this Contract.

XII.

Termination of Contract. Either party hereto may terminate this Contract at any time giving written notice to the other party of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination.

XIII.

Payment of Taxes. The Actuary hereby agrees that the responsibility for payment of taxes from the funds received under this agreement shall be said Actuary's obligation and identified under tax identification number 72-1084093.

XIV.

Term. The Contract term shall be for the period of one year beginning July 1, 2017.

IN WITNESS WHEREOF, the System and the Actuary have executed this agreement as of the date given below.

Municipal Employees' Retirement System

Michael Sands, Chairman of the Board

Date

G. S. Curran & Company, Ltd.

Gregory M. Curran, President

Date

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE BUDGET
AS OF APRIL 30, 2017

EXPENSES	ANNUAL BUDGET	YTD ACTUAL	YTD DIFFERENCE \$	YTD %	MTH OF APRIL ACTUAL	
Personnel Expenses						
Salaries	\$933,090.00	\$592,929.44	\$340,160.56	63.54%	\$61,760.86	1
Employer Retirement	\$218,193.00	\$134,064.46	\$84,128.54	61.44%	\$14,011.94	
Health Insurance	\$69,500.00	\$59,924.37	\$9,575.63	86.22%	\$6,439.02	
Subtotal Personnel Expenses	\$1,220,783.00	\$786,918.27	\$433,864.73	64.46%	\$82,211.82	
Operating Expenses						
Building & Ground Maintenance	\$35,600.00	\$23,712.30	\$11,887.70	66.61%	\$973.70	1
Office Equipment & Maintenance	\$73,500.00	\$70,614.37	\$2,885.63	96.07%	\$6,810.64	
Office Supplies Expense	\$107,682.00	\$60,521.97	\$47,160.03	56.20%	\$1,385.98	
Telecommunications/Utilities	\$31,320.00	\$25,575.86	\$5,744.14	81.66%	\$2,101.69	
Insurance	\$76,026.00	\$63,925.95	\$12,100.05	84.08%	-	
Subtotal Operating Expenses	\$324,128.00	\$244,350.45	\$79,777.55	75.39%	\$11,272.01	
Professional Services						
Audit	\$100,000.00	\$92,590.00	\$7,410.00	92.59%	\$0.00	
Professional Services	\$52,650.00	\$42,152.05	\$10,497.95	80.06%	\$3,957.00	1
Actuarial	\$91,620.00	\$76,500.00	\$15,120.00	83.50%	\$7,635.00	
Legal-Administrative	\$10,000.00	\$6,087.56	\$3,912.44	60.88%	\$122.50	2
Legal-Securities Litigation	\$206,000.00	\$283,357.06	(\$77,357.06)	137.55%	\$50,905.92	3
Subtotal Professional Services	\$460,270.00	\$500,686.67	(\$40,416.67)	108.78%	\$62,620.42	
Travel Expenses						
Travel - Board Meetings & Conventions	\$35,000.00	\$29,389.54	\$5,610.46	83.97%	\$1,862.61	
Subtotal Travel Expenses	\$35,000.00	\$29,389.54	\$5,610.46	83.97%	\$1,862.61	
TOTAL OPERATING EXPENSES	\$2,040,181.00	\$1,561,344.93	\$478,836.07	76.53%		
Capital Equipment & Services	\$83,416.00	\$89,370.75	(\$5,954.75)	107.14%	\$20,250.00	4
TOTAL ADMINISTRATIVE EXPENSES	\$2,123,597.00	\$1,650,715.68	\$472,881.32	77.73%	\$157,966.86	

1 Annual budget for salaries was decreased by \$36,000 as approved at the April Board meeting. \$15,000 was added to the annual budget for Building and Ground Maintenance. \$21,000 was added to Professional Services.

2 Trey Jones (\$122.50) - Legal Consulting

3 Preis Gordon - Fletcher (\$43,119.39) & Kean Miller - SNTech (\$7,786.53)
Discussion to increase budget for legal expenses - see account detail provided.

Board Discussion

4 Final payment for building renovation. Due to change orders(reworking air flow, pathway to new door for boardroom, could not match kitchen floor in breakroom - put in new floor) amount is over by \$5,954.75.
Request for line item amendment of \$5,954.75.

Board Approval

MERS CASH SUMMARY

ACCOUNT BALANCE SUMMARY

DATE	DESCRIPTION	AMOUNT
SYSTEM CASH		
4/30/2017	Northern Trust Cash Balance	\$598,829.23
5/15/2017	Capital One Operating Account Cash Balance	\$121,676.01
5/15/2017	Capital One Retirement Payroll Cash Balance - Plan A	\$8,714,188.18 ¹
5/15/2017	Capital One Retirement Payroll Cash Balance - Plan B	\$5,250,659.86 ¹
5/15/2017	Capital One Education Account Cash Balance	\$5,931.76
SUBTOTAL SYSTEM CASH		\$14,691,285.04
DROP ACCOUNTS		
5/15/2017	Capital One Drop Balance -Plan A	\$20,422,808.38
5/15/2017	Capital One Drop Balance -Plan B	4,628,028.19
SUBTOTAL DROP ACCOUNTS		\$25,050,836.57

¹ Higher balance due to receipt of Ad Valorem and Revenue Sharing for Months of January through May.

As of 4/30/2017

Ad Valorem (6400)	\$9,509,097.52
Revenue Sharing (6500)	<u>\$116,758.55</u>
	<u>\$9,625,856.07</u>

MERS INVESTMENT CASH FLOWS

April 1, 2017 to April 30, 2017

CASH ACTIVITY

DATE	DESCRIPTION	AMOUNT
4/1/2017	Northern Trust Balance	(\$3,961,683.73)
4/3/2017	NT Correction of Reversal - Greenspring Distribution (Dec/Mar)	\$4,447,640.00
	Beginning Cash Balance	\$485,956.27

INVESTMENT TRANSFERS IN

4/6/2017	Scoggin - Final Redemption	\$6,925,515.51
4/6/2017	FI, RE, Int' Equity, PE - Interest Income	\$4,582.26
4/11/2017	KBI - Final Redemption	\$461,503.29
4/11/2017	Republic Business Credit - Interest Income	\$334,715.61
4/12/2017	Republic Business Credit - 30% Profit Distribution	\$81,943.00
4/13/2017	Argonaut - Final Redemption	\$2,162,690.90
4/19/2017	Golden Tree Credit Opportunities - Redemption	\$440,399.50
4/21/2017	Sentinel - Distribution	\$151,170.77
4/24/2017	Timbervest - Distribution	\$151,170.77
4/27/2017	Golden Tree Offshore - Redemption	\$523,246.37
4/28/2017	Timbervest - Distribution	\$98,829.23
	SUBTOTAL TRANSFERS IN	\$11,335,767.21

INVESTMENT TRANSFERS OUT

4/28/2017	Blue Bay Direct Lending Fund - Capital Call	(\$1,593,441.96)
4/28/2017	NTAM Agg Bond Fund - Purchase Shares	(\$9,578,211.08)
	SUBTOTAL TRANSFERS OUT	(\$11,171,653.04)

OTHER INCOME/TRANSFERS IN

4/3/2017	Miscellaneous Investment Income	\$1,749.96
4/13/2017	Securities Litigation Settlement	\$3,024.30
4/21/2017	Tremont Litigation Settlement	\$79,655.13
	SUBTOTAL OTHER INCOME	\$84,429.39

OTHER EXPENSES/TRANSFERS OUT

CASH ACTIVITY

DATE	DESCRIPTION	AMOUNT
4/5/2017	NT Sweep Fee	(\$275.13)
4/17/2017	Meketa - Consulting Fee	(\$16,666.67)
4/28/2017	Barrow Hanley - Management Fee	(\$73,583.00)
4/28/2017	Kean Miller - SNTech	(\$2,540.00)
4/28/2017	Compass Island - Management Fee	(\$42,605.80)
SUBTOTAL OTHER EXPENSES		(\$135,670.60)
4/30/2017	Northern Trust Ending Balance	\$598,829.23

MERS CONTRIBUTION SUMMARY

FYE 2017

CONTRIBUTION ACTIVITY

MONTH	EMPLOYER CONTRIBUTIONS	MEMBER CONTRIBUTIONS	NET TRANSFERS IN/OUT	REFUNDS	TOTAL ACTIVITY
PLAN A					
Jul-16	2,956,973	1,340,868	50,604	(257,712)	4,090,732
Aug-16	3,752,645	1,477,831	21,101	(458,909)	4,792,669
Sep-16	3,092,485	1,215,759	(115,793)	(272,234)	3,920,216
Oct-16	3,816,152	1,504,427	94,362	(399,224)	5,015,716
Nov-16	3,146,983	1,238,925	(28,483)	(353,337)	4,004,089
Dec-16	3,126,039	1,231,075	25,777	(257,223)	4,125,668
Jan-17	3,846,679	1,507,884	(580,285)	(275,976)	4,498,302
Feb-17	3,347,861	1,323,977	50,288	(273,086)	4,449,040
Mar-17	3,075,905	1,210,606	(2,029)	(190,344)	4,094,138
Apr-17	3,852,934	1,522,586	(82,686)	(207,176)	5,085,658
May-17					
Jun-17					
SUBTOTAL PLAN A	\$34,014,654	\$13,573,937	(\$567,143)	(\$2,945,220)	\$44,076,229

PLAN B

Jul-16	596,247	294,882	(5,692)	(116,938)	768,499
Aug-16	696,631	300,530	0.00	(161,104)	836,057
Sep-16	622,348	267,841	(1,550)	(57,688)	830,951
Oct-16	758,887	326,718	0.00	(123,616)	961,990
Nov-16	579,871	247,612	0.00	(75,556)	751,928
Dec-16	719,359	311,039	0.00	(95,352)	935,047
Jan-17	741,424	319,863	0.00	(95,001)	966,287
Feb-17	594,488	255,039	(17,510)	(92,203)	739,814

Mar-17	695,678	298,511	-	(49,042)	945,147
Apr-17	687,056	295,379	276,313	(52,773)	1,205,975
May-17					
Jun-17					
SUBTOTAL PLAN B	\$6,691,991	\$2,917,415	\$251,560	(\$919,273)	\$8,941,693
TOTAL SYSTEM	\$40,706,645	\$16,491,352	(\$315,583)	(\$3,864,493)	\$53,017,922

MERS RETIREMENT BENEFITS SUMMARY

FYE 2017

RETIREMENT BENEFITS ACTIVITY

MONTH	RETIREMENT PAYROLL	DROP PAYROLL	TRANSFERS TO DROP	TOTAL ACTIVITY
PLAN A				
Jul-16	4,825,103	552,428	898,455	6,275,987
Aug-16	4,875,198	473,542	375,963	5,724,703
Sep-16	4,868,199	236,531	222,767	5,327,496
Oct-16	4,866,927	673,541	214,439	5,754,907
Nov-16	4,892,672	449,713	417,901	5,760,285
Dec-16	4,900,866	357,519	204,686	5,463,071
Jan-17	4,947,702	447,604	660,989	6,056,295
Feb-17	4,981,535	997,000	224,117	6,202,652
Mar-17	4,991,378	381,100	542,416	5,914,894
Apr-17	4,986,041	379,139	105,911	5,471,091
May-17	4,996,090	760,280	229,577	5,985,947
Jun-17				
SUBTOTAL PLAN	\$54,131,710	\$5,708,397	\$4,097,221	\$63,937,328
PLAN B				
Jul-16	855,035	66,322	45,737	967,094
Aug-16	873,788	79,281	130,984	1,084,052
Sep-16	884,279	27,688	102,834	1,014,801
Oct-16	886,182	104,926	56,626	1,047,734
Nov-16	882,348	115,652	67,379	1,065,380
Dec-16	884,114	78,962	72,142	1,035,217

Jan-17	887,352	72,443	134,831	1,094,626
Feb-17	905,166	138,662	255,567	1,299,395
Mar-17	897,396	66,548	216,739	1,180,683
Apr-17	898,405	143,251	62,392	1,104,048
May-17	901,469	121,393	35,822	1,058,684
Jun-17				
SUBTOTAL PLAN	\$9,755,534	\$1,015,127	\$1,181,053	\$11,951,714
TOTAL SYSTEM	\$63,887,244	\$6,723,523	\$5,278,274	\$75,889,042



MEMORANDUM

TO: ALL MUNICIPALITIES

FROM: SUSITA SUIRE, RETIREMENT BENEFITS ADMINISTRATOR

RE: QUARTERLY UPDATE

DATE: MAY 1, 2017

MAKE SURE A COPY OF THIS MEMO IS GIVEN TO THE CORRECT PERSONNEL THAT HANDLES THESE ISSUES.

If the correct personnel that handles these issues did not receive an email with this memo attached, please send Susita Suire (susita@mersla.com) your name, title, and email address to add your name to the group list.

MERS is now working with the LA Treasurer's Office to locate members with contributions on deposit with the retirement system that are due refunds. The Treasurer's Office has uploaded our file on their "Unclaimed Property" website. If your office receives any calls from these members, please direct them to our website at www.mersla.com to download and complete the "Unclaimed Contributions Application". This form and all required documents must be received by our office and researched before a refund will be issued. This process may take 2-3 months for processing.

RETIREMENT ISSUES

- I. All retirees returning to work after July 1, 2016 for the first time must begin contributing to the retirement system regardless of their full-time or part-time status. The eligibility requirements for retirees are not the same as the active members. If the retiree works 40 hours per week, or 1 hour per week, both the member and the municipality must contribute to the retirement system.
- II. All municipalities must submit "Status Change Forms" with their monthly contribution reports if any employees were on leave without pay, terminated, or on disability leave. Submitting this form will eliminate numerous phone calls throughout the month from our Retirement Benefits Analysts asking for status updates on employees receiving partial, or no salaries for the month.

III. MERS has 2 plans; Plan A and Plan B. Both of these plans have 2 Tiers. There are different retirement eligibility requirements for each plan and each tier.

- a. All members hired before January 1, 2013 will be in Tier I or “original plan”. These members will follow the original retirement eligibility requirements for Plan A and Plan B.
- b. All members hired on or after January 1, 2013 will be in Tier II. Both Plan A and Plan B have the same retirement eligibility requirements except for disability retirement. Plan A requires 5 years of service credit and Plan B requires 10 years of service credit.
- c. Refer to our website (www.mersla.com) under the “Plans” tab when an employee asks about retirement eligibility. There are plan overviews for Plan A and Plan B by tiers.

In order to help your staff with retirement issues, MERS has developed an “Administrative Handbook” accessible from our website. Go to www.mersla.com and click on the ‘Plans’ tab. This is a guide to help you with enrollment, contribution reporting, and all applications concerning the retirement system. If you cannot find what you are looking for in this handbook or if you have questions, please call our office at 225-925-4810 or 800-820-1137 to speak to a “Retirement Benefits Analyst”.

IV. Our office will no longer mail forms to municipalities. The most up-to-date forms are on our website under the ‘Forms’ tab. Please dispose of any forms that you now have in your office and download forms as needed as they are subject to change at any given time. For example, contribution reports and refund applications were last revised October 2016, but the office is still receiving outdated reports and refund applications. A memo and email is sent to notify all municipalities whenever a new or revised form is uploaded to our website. If you are not receiving these emails or memos, please contact our office to have your contact information put on our mailing list.

V. There is an ongoing problem with members not updating their mailing address. Whenever an employee updates their address with their employer, please have the employee complete the ‘Personal Information Changes’ form for MERS. Annual contribution statements and trustee election ballots are mailed annually. Quite a few of these are returned due to incorrect addresses. Many of these are for currently active members.

VI. An important reminder to all municipalities:

- All full-time municipal employees (minimum of 35 hours per week) are mandated to contribute to the system.
- Employees of your city court and/or marshal offices are required to contribute retirement contributions on both their municipality earnings

- and their city court or marshal's earnings.
- Do not withhold contributions on overtime.
- If an employee retires or terminates employment, do not withhold contributions on lump sum payments of unpaid leave.
- Do not withhold contributions on state supplemental pay unless approved by the retirement system.
- Do not withhold contributions on workmen's compensation.

I will be happy to travel to your municipality to give training sessions and/or a presentations explaining the retirement benefits to your staff and employees. Call me at the number below to schedule a time.

If anyone has any questions or concerns regarding this matter, please call our office at 225-925-4810 or 800-820-1137.

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
LEGAL EXPENSES
JULY 1, 2016 TO APRIL 30, 2017

BREAZEALE - TREMONT LITIGATION

Breazeale, Sachse & Wilson, L. - Legal Services Thru 12-31-2016	42.00
Breazeale, Sachse & Wilson, L. - Securities Matters	112.50
Breazeale, Sachse & Wilson, L. - Tremont - Legal Investments	252.47
	406.97

PREIS GORDON - FLETCHER LITIGATION

PREIS GORDON - Expense Incurred (March - April 2017)	1,796.06
PREIS GORDON - File No. 2390.001 - Professional Services Rendered (March and April 2017)	41,323.33
Preis Gordon - Fletcher	17,843.01
Preis Gordon - Fletcher	9,748.40
PREIS GORDON - Fletcher Legal Service through 3/25/2017	56,054.68
Preis Gordon - Fletcher legal services	24,100.60
Preis Gordon - Fletcher legal services through 11/22/16	6,230.43
Preis Gordon - Fletcher legal services thru 10/19/16	3,302.05
Preis Gordon - Fletcher legal services thru 12/22/16	6,347.01
PREIS GORDON - Fletcher Legal Services thru 2/23/17	28,810.32
Preis Gordon - Fletcher legal services thru 9/30/16	5,021.30
Preis Gordon - RBS	13,686.47
Preis Gordon - RBS Legal Services	8,714.34
Preis Gordon - RBS Legal services through 11/22/16	11,210.00
Preis Gordon - RBS Legal services thru 10/14/16	1,710.00
Preis Gordon - RBS Legal services thru 12/22/2016	3,565.37
PREIS GORDON - RBS Legal Services thru 2/23/17	7,475.33
Preis Gordon - RBS Legal services thru 9/30/16'	2,953.33
	249,892.03

KEAN MILLER - SNTech LITIGATION & LANDMARK SALE

Kean Miller - SNTech Bankruptcy	4,993.46
Kean Miller - SNTech Bankruptcy	1,766.38
Kean Miller - SNTech Bankruptcy	4,996.14
Kean Miller - Landmark Sale	10,073.56
Kean Miller - SNTech Bankruptcy	1,137.50
Kean Miller - SNTech Bankruptcy	520.00
Kean Miller - SNTech Bankruptcy	2,540.00
	26,027.04

STROOCK & STROOCK - LANDMARK SALE (JP MORGAN)

STROOCK & STROOCK - LANDMARK SALE (JP MORGAN)	7,031.02
	7,031.02

TOTAL LEGAL EXPENSES NOT BUDGETED FOR FYE 2017

283,357.06
