

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

MARCH 21, 2019

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, March 21, 2019 at 9:00 A.M. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Mayor Donald Villere, Chairman
Ms. Andrea Mahfouz, Vice Chairman
Mr. Mike Sands, Trustee
Ms. Phyllis McGraw, Trustee
Ms. Susan Percle, Trustee
Mr. James Mack, State Treasurer's Office
Ms. Marsha Guedry, Commissioner of Administration Office

UNABLE TO ATTEND:

Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Senator Barrow Peacock, Chairman,
Senate Retirement Committee
Mayor Greg Jones, Trustee
Mayor Raymond Harris, Trustee

IN ATTENDANCE:

Warren Ponder, Executive Director
Susita Suire, Retirement Benefits Administrator
Christopher Saik, Chief Investment Officer
Nancy LaGarde, Chief Financial Officer
Aaron Lally, Investment Consultant
Henry Jaung, Investment Consultant
Gary Curran, G.S. Curran, Actuary
Margaret Corley, Senate Retirement Committee
Tyler Bosworth, House Retirement Committee

The Chairman called the meeting to order.

The Chairman asked Ms. Guedry 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 February 21, 2019.

Ms. Mahfouz moved that the minutes of the meeting held on February 21, 2019 be approved; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition. A copy is 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. Mahfouz moved that the Plan A and Plan B retirements be approved; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition.

Ms. Percle moved to enter executive session to discuss MERS v Rainey – DKT 666,276, Div. I, Sec. 24/19th JDC/East Baton Rouge Parish – OFN 2876-176578; the motion was seconded by Mr. Sands. The motion carried without objection or opposition.

Ms. Mahfouz moved to return to regular session; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition.

Mr. Sands moved to accept the recommendations by the MERS' attorney and options that were put forth related to the executive session; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition.

There was a brief discussion for related to requesting an Attorney General's opinion. No action was taken.

Mr. Jaung gave the Board an update on the 2019 Capital Market Assumptions.

Mr. Lally introduced First Eagle Investment Management, LLC.

Amanda Baron gave an educational update on the First Eagle Investment Management fund to the Board.

John Reidy and J.D. Davis with Pension Technology Group (PTG) gave a presentation on their company and an update on the implementation status of their pension administration software (Pension Pro) with MERS.

Mr. Saik presented the investment cash flow report as of February 28, 2019.

Mr. Saik presented the ACT 1004 Comparison as of December 31, 2018.

Mr. Saik gave an update on Gainesville Vision, LLC.

Mr. Lally and Mr. Jaung presented the Board with the annual asset allocation review.

Ms. Percle moved to accept the proposed asset allocations by Meketa; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition.

Mr. Lally presented the Board with the Preliminary Performance Report for the month of February 28, 2019. A copy of this report is attached and made part of these minutes.

Ms. LaGarde presented the budget report and summary of legal fees for investments through February 28, 2019 detailing the budgeted amount.

Ms. LaGarde reviewed the 2018 Communication of those charged with Governance – Employer Pension Report letter with the Board.

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Ms. LaGarde presented the Board with the fiscal year end 2020 budget process.

Ms. Mahfouz moved to mandate direct deposit for all members receiving monthly benefit payments from the retirement system to be effective July 1, 2019 with exceptions left to the discretion of the Executive Director; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition.

Ms. Suire updated the Board on the Towns of Lecompte, Vivian, and Independence and the City of Sulphur.

Ms. Suire updated the Board that MERS had a booth at the LMA Clerks' Spring Conference in Bossier City where she met a few of the new clerks in office.

Ms. Suire updated the Board that the updated MERS Plan Description and Handbook has been uploaded to the website for all current members and new members.

Ms. Mahfouz moved to approve the election memo to be mailed on May 10, 2019 announcing that an election will be held to fill Ms. Mahfouz's seat on the Board which is expiring on August 15, 2019; the motion was seconded by Ms. Guedry. The motion carried without objection or opposition.

Ms. Guedry moved to adopt 27.75% employer rate for Plan A and 14% employer rate for Plan B without using any funds from the "Funding Deposit Account" to become effective July 1, 2019 through June 30, 2020; the motion was seconded by Ms. Percle. The motion carried with objection or opposition.

Mr. Ponder reminded the Board that their financial disclosures are due by May 15th.

Ms. Mahfouz moved to support Part A of HB 27 by Representative Jones which would exclude the monthly earnings of certain part-time elected officials from calculation used to determine any reduction in benefits for part-time work, but remain neutral on Part B which provides that an elected official who no longer holds the elective office which qualified him for the trustee seat may not continue to serve his term as a trustee; the motion was seconded by Ms. Guedry. The motion carried without objection or opposition.

Ms. Mahfouz moved to remain neutral on SB 14 by Senator Peacock which provides for limitation on time of consecutive service on the board of trustees of a state or statewide retirement system; the motion was seconded by Ms. Percle. The motion carried without objection or opposition.

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

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APPROVED


ATTEST