

**Louisiana School Employees' Retirement System**  
**Special Board Meeting**

*Monday, June 23, 2014*

9:02 a.m.

The Louisiana School Employees' Retirement System's Special Board Meeting convened in the boardroom (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Faulk, Chairman of the Board, called the meeting to order at 9:02 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Stark.

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**Members Present:** Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Mr. Henry Yearby, Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Philip B. Walther, Mr. Joe Salter - designee for Mr. Tom Schedler - Secretary of State, \*Mr. Ron Henson - designee for Mr. John Kennedy - State Treasurer, Mr. Benjamin Huxen - designee for Ms. Kristy Nichols - Commissioner of Administration

**Members Absent:** Senator Elbert L. Guillory - Chairman, Senate Committee on Retirement, Representative J. Kevin Pearson - Chairman, House Committee on Retirement

**Staff Present:** Mr. Charles Bujol – Executive Director, Ms. Carolyn Forbes - Assistant Director, Ms. Lauren Bailey - Executive Counsel, Mr. Christopher Saik – Interim Chief Investment Officer, Ms. Alison Kessler – Executive Staff Officer, Ms. Laurie Stark - Administrative Assistant

**Others Present:** Mr. Jeffrey Boucek and Mr. Rob Hungerbuhler - Segal Rogerscasey

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\*Mr. Henson arrived at 9:09 a.m.

**DIRECTOR'S ANNOUNCEMENTS**

Mr. Bujol presented to the Board Act 103, which has been signed by Governor Bobby Jindal and the presiding officers of the House and the Senate. This is the first permanent cost-of-living increase for most LSERS retirees in twelve years.

**APPROVAL OF AGENDA**

The agenda was presented to the Board for approval.

**ON MOTION BY MS. McKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT** the Board approved the agenda.

\*Mr. Henson arrived at 9:09 a.m.

**PUBLIC COMMENTS ON ANY ITEM ON AGENDA**

Mr. Faulk called for public comments on any item on the agenda. There were no comments.

**APPROVAL OF MINUTES****February 3, 2014 - Quarterly Board Meeting**

**ON MOTION BY MS. McKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the February 3, 2014 Quarterly Board meeting.

**February 4, 2014 – Quarterly Board Meeting**

**ON MOTION BY MR. RESTER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the February 4, 2014 Quarterly Board meeting.

**2014 RETIREE REPRESENTATIVE DIVISION 1 SEAT ELECTION RESULTS**

Mr. Bujol read the official results of the LSERS Retiree Representative Division 1 seat election which certified that Mr. Eugene Rester, Jr. received 872 votes and Mr. Boyd "Zeke" Zitzmann received 667 votes.

**ON MOTION BY MS. McKEE, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted and ratified the results of the 2014 Retiree Representative Division 1 Seat election results certifying Mr. Eugene Rester, Jr. as the winner.

**ON MOTION BY MS. LANDRY, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board agreed to recess at 9:14 a.m.

**Meeting Reconvened at 12:22 p.m. (All members present during the 9:02 a.m. roll call were in attendance.)**

**RECOMMENDATIONS FROM THE INVESTMENT COMMITTEE MEETING**

Mr. Rester recommended that LSV Asset Management be hired as the new International Small Cap Manager to be funded in accordance with the approved asset allocation.

**ON MOTION BY MS. McKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the recommendation to hire LSV Asset Management as the new International Small Cap Manager to be funded in accordance with the approved asset allocation.

**LEGISLATIVE RECAP**

Ms. Bailey presented a review of the 2014 Regular Legislative Session and then addressed questions from the Board.

**PRESENTATION REGARDING DIRECT DEPOSIT MONTHLY NOTIFICATIONS TO RETIREES**

Mr. Bujol presented an overview of the current direct deposit monthly notification process and recommended to the Board that check stubs would only be mailed out in December of each year and if any change had been made (i.e. insurance, tax changes, etc). After discussion of the item it was recommended that the board consider this change and decide whether it should be implemented at the July meeting.

**CONSIDERATION OF PERMANENT STATUS OF CHIEF INVESTMENT OFFICER**

Mr. Bujol provided an overview of Mr. Saik's performance as Interim Chief Investment Officer and recommended that Mr. Saik be made permanent Chief Investment Officer. After much discussion, it was decided that a formal search process should be conducted.

**ON MOTION BY MS. LANDRY, SECONDED BY MR. YEARBY AND CARRIED BY MAJORITY CONSENT**, the Board agreed to start the process of a formal search for applicants for the LSERS Chief Investment Officer position. (It was noted that Mr. Salter voted in opposition to this motion.)

**ON MOTION BY MR. YEARBY, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT**, the Board agreed to reconsider the vote by which the previous motion passed.

**ON MOTION BY MR. RESTER, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board requested the director prepare a proposal including cost and time frame relative to advertising the Chief Investment Officer position and report such at the July meeting.

**OTHER BUSINESS**

There was no other business to discuss.

**PUBLIC COMMENT**

There were no public comments.

**ADJOURNMENT**

**ON MOTION OF MS. McKEE, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:50 p.m.**

  
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Charles P. Bujol, Director

  
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Jeffrey Faulk, Sr., Chairman