

Louisiana School Employees' Retirement System
Special Board Meeting

Monday, October 17, 2016

9:30 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. Jeffrey Faulk, Sr., Chairman of Board, called the meeting to order at 9:30 a.m.

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Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Kathy B. Landry, Ms. Colleen Barber, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Judith Ann McKee, Ms. Lori Pierce – designee for Mr. John Kennedy – State Treasurer, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, Ms. Annie Smith – representative for the House Committee on Retirement

Members Absent: Senator Barrow Peacock – Chairman, Senate Committee on Retirement

Staff Present: Mr. Charles Bujol – Executive Director, Ms. Carolyn Forbes - Assistant Director, Ms. Lauren Bailey - Executive Counsel, Mr. Christopher Saik - Chief Investment Officer, Ms. Larisa Ellard - Internal Auditor, Ms. Laurie Stark – Administrative Assistant V, Ms. Ashley Simmons – Executive Staff Officer

Others Present: Ms. Elizabeth Thornton, Ms. Dawn Guidry, and *Mr. Bradley Cryer – Legislative Actuary's Office, Mr. Gary Curran – G.S. Curran and Company, Ms. Penny Brown

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* Mr. Cryer left the meeting at 9:48 a.m.

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.

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

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

ANNUAL REPORTS - FY ENDING JUNE 30, 2016**FINANCIAL – LOUISIANA LEGISLATIVE AUDITOR'S OFFICE**

Bradley Cryer, CPA

The financial report prepared by the Louisiana Legislative Auditor's office was made available at the meeting. Mr. Cryer provided a detailed review and educational presentation of the audit report on the financial statements and census data of the Louisiana School Employees' Retirement System (LSERS) via an audio/visual presentation titled: *Presentation of the Results of the June 30, 2016 Audit*. He commended LSERS on the level of cooperation and receipt of an audit with no findings. Mr. Cryer then addressed questions from the Board.

ON MOTION BY MS. McKEE, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board approved the 2016 Financial Audit report.

ACTUARIAL VALUATION – G.S. CURRAN & COMPANY, LTD.

Gary Curran, FCA, MAAA, ASA

The actuarial valuation prepared by *G.S. Curran & Company, LTD.* was distributed at the meeting. Mr. Curran provided a detailed report and educational presentation on the actuarial valuation of assets and liabilities, as well as funding requirements, for the Louisiana School Employees' Retirement System as of June 30, 2016. Mr. Curran then addressed questions from the Board.

ON MOTION BY MR. YEARBY, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT the Board approved the 2016 Actuarial Valuation report.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board agreed that effective date of the 7.125% interest rate for purposes of privatization costs and interest on delinquent contributions shall be July 1, 2016.

LSERS PROPOSED OPERATING BUDGET FY 2017-18

Mr. Bujol and Ms. Forbes provided a review of LSERS proposed operating budget for Fiscal Year 2017-18 which included an increase of 3% over the existing Fiscal Year 2016-17 budget, as a result of professional services for the replacement of the chiller, building renovations and performance pay adjustments for eligible employees. They then addressed questions from the Board.

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved LSERS proposed operating budget for Fiscal Year 2017-18.

IRS DETERMINATION LETTER

Ms. Bailey reported to the Board that LSERS has finally received a favorable determination letter from the Internal Revenue Service (IRS). IRS issued the determination letter on the condition that LSERS adopt the proposed amendment regarding differential pay which has no bearing on LSERS.

ON MOTION OF MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board adopted the resolution regarding the proposed differential pay amendment.

CONCORDIA PARISH SCHOOL BOARD AUDIT

Ms. Ellard provided an overview of the results of the internal audit of Concordia Parish School Board. Ms. Ellard recommended acceptance of information provided.

ON MOTION OF MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the results of the audit of Concordia Parish School Board.

OTHER BUSINESS

Ms. Landry expressed her concern relative to employee retention as a result of withholding salary increases. She requested that market rate adjustments for eligible LSERS staff members be put on the December 5 – 6, 2016 Quarterly Board meeting agenda.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 11:05 a.m.


Charles P. Bujol, Executive Director


Jeffrey Faulk, Sr., Chairman