

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

*Monday, May 8, 2017*  
9:00 a.m.

The Louisiana School Employees' Retirement System's Quarterly 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 9:00 a.m. Roll was then called by Mrs. Simmons.

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**Members Present:** Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Kathy B. Landry, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Penny Brown, Ms. Lori Pierce – designee for Mr. Ron Henson – State Treasurer

**Members Absent:** Senator Barrow Peacock – Chairman, Senate Committee on Retirement, Representative Barbara Carpenter – House Committee on Retirement, Ms. Colleen Barber, Mr. Jay Dardenne – Commissioner of Administration, Mr. Tom Schedler – Secretary of State

**Staff Present:** Mr. Charles Bujol – Executive Director, Ms. Carolyn Forbes - Assistant Director, Mr. Robert Collins - Executive Counsel, Mr. Matthew Freedman - Chief Investment Officer, Mrs. Ashley D. Simmons – Executive Staff Officer

**Others Present:** Mr. Jeffrey Boucek and Mr. Keith Reynolds- Segal Marco Advisors, Ms. Toni Walther, Ms. Shirley Guillot

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\* Mr. Greg Curran arrived at 10:43 a.m.

**DIRECTOR'S ANNOUNCEMENTS**

Mr. Bujol made the following announcements:

- The Board picture was framed and hung.
- The chiller has been installed and was under budget by installing in the spring instead of the summer. The contractor found bad pieces of pipe, a change order was issued to replace and re-coat those pieces.
- Election ballots were mailed out on April 28<sup>th</sup> to eligible voting members. Voting began on May 1<sup>st</sup>. Members who need assistance can contact Ashley D. Simmons.

- The Joint Legislative Committee on the Budget has still not announced a meeting date.
- The Senate Committee on Retirement Meeting begins at 1:30 p.m. The Senate convenes at 3:00 p.m.

### **APPROVAL OF AGENDA**

The agenda was presented to the Board for approval.

**ON MOTION OF MR. YEARBY, SECONDED BY MS. LANDRY 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.

### **PORTFOLIO PERFORMANCE REVIEW**

Mr. Freedman, Mr. Boucek, and Mr. Reynolds provided an overview of market conditions and performance during the first quarter of 2017. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance as of March 31, 2017*. They then addressed questions from the Board.

**ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the portfolio performance report.

### **INTERNATIONAL EQUITY MANAGER PRESENTATIONS**

The following International Equity Managers provided their presentations and then addressed questions from the Board, Investment Consultant, and LSERS administrative staff:

#### Walter Scott and Partners Limited

*George Dent – Investment Manager*

#### Todd Asset Management, LLC.

*Eddie Vandiver – Director, Public Pensions Marketing*

*Jack White – Partner, Senior Partner Manager*

*Curt Scott – President, Chief Investment Officer*

LSV Asset Management.

*Scott Kemper, Partner & Director, Client Portfolio Services*

**STAFF REPORTS**

Mr. Freedman provided the following Investment reports:

Securities Lending  
Securities Litigation  
Louisiana Broker

**ON MOTION BY MR. RESTER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the reports.

**APPROVAL OF MINUTES****February 13, 2017 - Quarterly Board Meeting**

**ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the February 13, 2017 Quarterly Board meeting.

**February 14, 2017 - Quarterly Board Meeting**

**ON MOTION BY MR. WALTHER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the February 14, 2017 Quarterly Board meeting.

**March 13, 2017 – Investment Committee Meeting**

**ON MOTION BY MR. YEARBY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the March 13, 2017 Investment Committee meeting.

**March 13, 2017 – Special Board Meeting**

**ON MOTION BY MR. YEARBY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the March 13, 2017 Special Board meeting.

**April 10, 2017 – Investment Committee Meeting**

**ON MOTION BY MR. YEARBY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the April 10, 2017 Investment Committee meeting.

**April 10, 2017 – Personnel Committee Meeting**

**ON MOTION BY MR. WALTHER, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the April 10, 2017 Personnel Committee meeting.

**April 10, 2017 – Special Board Meeting**

**ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the April 10, 2017 Special Board meeting.

**ACTUARIAL SCIENCE EDUCATIONAL PRESENTATION**

Mr. Curran presented an educational presentation focused on actuarial science called *Actuarial Value of Assets*.

**ADMINISTRATION**

Ms. Forbes provided a review of the following reports, then addressed questions from the Board.

Human Resources Action Report  
Travel Expense Reports (Year-to-Date and Staff)  
Overtime Reports

**ON MOTION BY MR. RESTER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the Administration reports.

Ms. Forbes presented the board with a handout from the Louisiana Legislative Auditor on the *Employer Allocations and Pension Liability Schedules*.

**ON MOTION BY MR. WALTHER, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the Legislative Auditor's report.

**2017 REGULAR LEGISLATIVE SESSION**

Mr. Collins provided an update the Senate Bills currently in Legislature. He reported that Senate Bill 11 has been amended to give a dedicated seat representing Active LSERS members on the TRSL board and create a three-member LSERS advisory board to oversee the transition to TRSL.

**ON MOTION BY MR. RESTER SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT**, the Board agreed to oppose Senate Bill 11 with the amendments.

Mr. Collins also conveyed that two new resolutions have been added: *Senate Concurrent Resolution 22* from Senator Beth Mizell to memorialize Congress to review and eliminate the federal Government Pension Offset and the Windfall Elimination Provision.

**ON MOTION BY MR. RESTER SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board agreed to support Senate Concurrent Resolution 22.

Mr. Collins then reported *Senate Resolution 39* from Senator John Milkovich which would require each state retirement system to provide the Senate Committee on Retirement with more detailed quarterly reports on investments.

**ON MOTION BY MR. RESTER SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board agreed to support Senate Resolution 39.

## **BOARD OF TRUSTEE ELECTIONS UPDATES**

Ms. Forbes presented a report of the number of votes received to-date for the Board of Trustees Elections for the District 4 Active Seat and the Division 2 Retiree seat.

**ON MOTION BY MR. RESTER SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the Election report.

## **LEGAL**

### **Litigation Report**

Mr. Collins provided a review of the litigation report, and then addressed questions from the Board.

**ON MOTION BY MR. RESTER SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the Litigation report.

### **Collections Report**

Mr. Collins provided a review of the collections report.

**ON MOTION BY MR. YEARBY SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the collections report

## **OTHER BUSINESS**

Mr. Faulk thanked Mr. Bujol and staff for the hard work they do on behalf of LSERS.

**PUBLIC COMMENTS**

There were no public comments.

**ADJOURNMENT**

**ON MOTION OF MR. RESTER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT**, the Board adjourned at 12:33 p.m.

  
Charles P. Bujol, Executive Director

  
Jeffrey Faulk, Sr., Chairman