

Louisiana School Employees' Retirement System
Quarterly Board Meeting

Monday, December 5, 2017

8:30 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 8:28 a.m. The Board recited the Lord's Prayer and the Pledge of Allegiance. Roll was then called by Ms. Ashley D. Simmons.

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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 Walther, Ms. Penny Brown, Ms. Lori Pierce** – designee for Mr. John Schroder – State Treasurer, Mr. Randy Davis* – designee for Mr. Jay Dardenne – Commissioner of Administration, Mr. Joe Salter – designee for Mr. Tom Schedler – Secretary of State

Members Absent: Rep. Barbara Carpenter - Committee on Retirement member appointed by the Speaker, Senator Barrow Peacock – Chairman, Senate Committee on Retirement

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

Others Present: ***Mr. Greg Curran - G.S. Curran & Co.

*Arrived at 8:37 a.m.

** Departed early at 9:30 a.m.

***Arrived at 8:31 a.m. and departed at 8:44 a.m.

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APPROVAL OF AGENDA

ON MOTION BY 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.

ANNUAL REPORT - FY ENDING JUNE 30, 2017**FINANCIAL – LOUISIANA LEGISLATIVE AUDITOR'S OFFICE**

Dawn Moeller, CPA

Barry Hunter, CPA

The financial report prepared by the Louisiana Legislative Auditor's office was made available at the meeting. Ms. Moeller provided a detailed review and educational presentation of the audit report on the financial statements of the Louisiana School Employees' Retirement System (LSERS) via an audio/visual presentation titled: *Presentation of the Results of the June 30, 2017 Audit*. She commended LSERS on receipt of an audit with no findings. Ms. Moeller then addressed questions from the Board.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the 2017 Financial Audit report.

INVESTMENT EDUCATION

Mr. Freedman gave a presentation to the Board on the topic of Investment Liquidity.

APPROVAL OF MINUTES**August 21, 2017 - Quarterly Board Meeting**

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the August 21, 2017 Quarterly Board meeting.

August 22, 2017 - Quarterly Board Meeting

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the August 22, 2017 Quarterly Board meeting.

October 2, 2017 – Investment Committee Meeting

ON MOTION BY MS. BARBER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the October 2, 2017 Investment Committee meeting.

October 2, 2017 – Special Board Meeting

ON MOTION BY MR. RESTER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the October 2, 2017 Special Board meeting.

MARKET VALUE ADJUSTMENT FOR CHIEF INVESTMENT OFFICER

Mr. Bujol reminded the Board of their board action on December 6, 2016 to renegotiate the salary of the Chief Investment Officer after one year.

ON MOTION BY MS. BARBER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board approved a 10% market adjustment retroactive to December 1, 2017.

LEGAL**Review and consideration of tax legislation resolution**

Mr. Collins explained to the Board the possible impacts on Investments from the proposed Federal Tax Legislation. He presented for the Board's consideration a proposed *Resolution Opposing Proposed Federal Tax Legislation that could subject Certain Investments of State and Local Governmental Pension Plan to the Unrelated Business Income Tax (UBIT)*.

ON MOTION BY MS. LANDRY, SECONDED BY MS. PIERCE AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to oppose the Federal Tax Legislation and to submit the signed resolution to the Louisiana Congressional Delegation.

2018 Legislative Session

Mr. Collins provided an overview of the 2018 Regular Legislative Session. The 2018 Regular Session of the Louisiana Legislature will begin on March 12, 2018 and must end by June 4, 2018.

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Legislative report.

Review and Consideration of Election Policy Revisions

Mr. Collins presented the Election Policy to the Board noting the only change of significance was removing reference to a retiree needing 10 years of service since the state law changed to five years for new members after July 1, 2010. Mr. Faulk requested that the policy include that Letters of Intent and Nominating Petitions are to be submitted directly to the Executive Director and the Executive Director would present copies to the Chairman.

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to accept the changes to the Election Policy.

RETIREMENT

The Retirement Department Manager, Mr. Mitchell Garlington presented an update on the Benefit Recipient Verification (BRV) Project, including the number of responses received and the number of outstanding BRV forms. The Board requested that language holding witnesses accountable for falsifying information be added to the BRV form.

ADJOURNMENT

ON MOTION OF MS. LANDRY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 10:12 a.m.



Charles P. Bujol, Executive Director



Jeffrey Faulk, Sr., Chairman