

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

*Monday, April 11, 2016
12:23 p.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 12:23 p.m.

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, Mr. John Broussard – designee for Mr. John Kennedy – State Treasurer, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration

Members Absent: Representative J. Kevin Pearson – Chairman, House Committee on Retirement, Senator Barrow Peacock – Chairman, Senate Committee on Retirement, Mr. Tom Schedler – Secretary of State

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

Others Present: Mr. Jeffrey Boucek and Mr. Keith Reynolds - Segal Rogerscasey, Ms. Penny Brown

APPROVAL OF AGENDA

An amended agenda including an additional item (VI) To Discuss and Consider the Civil Service General Circular Number 2016-004 was presented to the Board for approval.

ON MOTION BY MR. YEARBY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board approved the agenda with the additional item.

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

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

RECOMMENDATIONS FROM THE INVESTMENT COMMITTEE MEETING

Mr. Rester recommended that the Board select Royal Bank of Canada (RBC) as the broker for the liquidation relative to the sale of Easterly funds and allow for further due diligence by Segal. He also recommended that the Board eliminate the system's real estate positions with both Principal and Prudential real estate funds and consolidate the funds into the Morgan Stanley Prime Property portfolio with the remainder of the funds to be temporarily invested in fixed income.

ON MOTION BY MR. RESTER, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved the recommendation to select Royal Bank of Canada (RBC) as the broker for the liquidation relative to the sale of Easterly funds and allow for further due diligence by Segal.

ON MOTION BY MR. RESTER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the recommendation to eliminate the system's real estate positions with both Principal and Prudential real estate funds and consolidate the funds into the Morgan Stanley Prime Property portfolio with the remainder of the funds to be temporarily invested in fixed income.

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY MAJORITY CONSENT, the Board approved the recommendation to hire Schroder Investment Management as the new emerging market debt manager and allow staff to negotiate the fees.

RECOMMENDATIONS FROM THE PERSONNEL COMMITTEE MEETING

Mr. Walther recommended that the Board approve the 2015 evaluations of the unclassified personnel.

ON MOTION BY MR. WALTHER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the 2015 evaluations of the unclassified personnel.

2016 REGULAR LEGISLATIVE SESSION: DISCUSS & CONSIDER BOARD POSITIONS

Ms. Bailey provided an overview of 2016 legislation that would impact LSERS. The Board took positions on the following bills:

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board voted to oppose **HB 917**.

ON MOTION BY MS. LANDRY, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the Board voted to support **SB 372**.

ON MOTION BY MR. RESTER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board voted to oppose **HB 1092**.

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board voted to take no position on **HB 1093**.

ON MOTION BY MR. RESTER, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the Board voted to oppose **HB 14**, and instructed staff work with the legislative staff on amendments.

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the 2016 Legislative update.

DISCUSS AND CONSIDER THE CIVIL SERVICE GENERAL CIRCULAR NUMBER 2016-004

Mr. Bujol provided an overview of the Civil Service General Circular Number 2016-004 that was received by the system on Friday, April 8, 2016 regarding the proposal to suspend performance adjustment authority for fiscal year 2016-17. The State Civil Service Commission will hold a public hearing on May 4, 2016 to consider adopting this proposal due to the state's current financial crisis. If this proposal is approved by the commission, Mr. Bujol requested that he be allowed to remove the merit raises from LSERS Fiscal Year 2016-17 budget.

ON MOTION BY MR. RESTER, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved the recommendation to allow staff to remove merit raises from the LSERS 2016-17 fiscal year budget if the proposal is approved by the Civil Service Commission.

OTHER BUSINESS

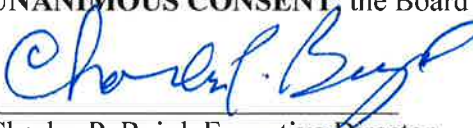
There was no other business to discuss.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MR. RESTER, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:45 p.m.


Charles P. Bujol, Executive Director


Jeffrey Faulk, Sr., Chairman