

Louisiana School Employees' Retirement System
Special Board Meeting

Monday, January 9, 2017

9:00 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 9:00 a.m. The Committee recited the Lord's Prayer and the Pledge of Allegiance. 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, Ms. Colleen Barber, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Penny S. Brown, Ms. Lori Pierce – designee for Mr. Ron Henson – State Treasurer, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, Mr. Joe Salter – designee for Secretary Tom Schedler, *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, Mr. Matthew J. Freedman - Chief Investment Officer, Ms. Larisa Ellard - Internal Auditor, Ms. Laurie Stark – Administrative Assistant V, Mrs. Ashley Simmons – Executive Staff Officer

Others Present: *Mr. Jeffrey Boucek, *Mr. Rob Hungerbuhler, *Mr. Keith Reynolds - Segal Marco Advisors, Mr. Steve Bowes – Sisung Securities, Ms. Judith McKee, Ms. Betty Hillstead, Miss Kayleigh Buckley

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* Segal Marco Advisors left the meeting at 9:48 a.m.
Ms. Smith arrived at 9:48 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- He introduced Matthew J. Freedman as LSERS' new Chief Investment Officer.

- Representative Barbara Carpenter has been appointed by the Speaker of the House to represent the House Committee on Retirement.
- Board members were instructed to turn in their completed investment consultant evaluations.
- Implementation of the new DROP withdrawal provisions allowed by Act 321 of the 2016 session and approved by the Board in August 2016 was successful effective 1/1/2017.

APPROVAL OF AGENDA

The agenda was presented to the Board for approval.

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.

SWEARING IN OF PENNY S. BROWN

Ms. Penny S. Brown was sworn in by Ms. Carolyn Forbes as a member of the Board.

ELECTION OF BOARD OFFICERS

Chairman Faulk relinquished the gavel at which time Mr. Bujol conducted the election for the new Board Chairman. Mr. Bujol announced that Mr. Jeffrey Faulk, Sr. submitted a letter of intent seeking the nomination for Chairman of the Board. A request for additional nominations was called. Hearing none, Mr. Faulk was elected Chairman of the Board.

Mr. Bujol relinquished the gavel and returned it to the newly elected Chairman, Jeffrey Faulk, Sr. Mr. Faulk announced that Mr. Philip Walther had submitted a letter of intent seeking the nomination for the position of Board Vice Chair. Ms. Kathy Landry had also submitted a letter of intent seeking the nomination for the position of Board Vice Chair Pro Tem. After asking for additional nominations for these seats and hearing none, Mr. Walther was elected Board Vice Chair and Ms. Landry was elected Board Vice Chair Pro Tem.

ON MOTION BY MR. RESTER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board elected Mr. Jeffrey Faulk, Sr. as Chairman.

ON MOTION BY MR. RESTER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board elected Mr. Philip Walther as Vice Chairman.

ON MOTION BY MR. YEARBY, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board elected Ms. Kathy Landry as Chairman Pro Tem.

RECESS

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to Recess.

RECONVENE

ON MOTION BY MS. BARBER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to Reconvene.

DISCUSS AND CONSIDER MARKET RATE ADJUSTMENTS FOR ASSISTANT DIRECTOR AND EXECUTIVE COUNSEL

Mr. Bujol provided an overview of the comparisons of the current market rates for the positions of the Assistant Director and Executive Counsel around the United States and with those of some of the Louisiana state and statewide retirement systems.

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY MAJORITY CONSENT, the Board agreed to increase the salary of the Assistant Director by \$25,000 for an approximate annual salary of \$131,862, retroactive to October 1, 2016. **It was noted that there were two votes in opposition by Mr. Davis and Ms. Pierce.**

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY MAJORITY CONSENT, the Board agreed to increase the salary of the Executive Counsel position to \$105,000 per year. **It was noted that there were two votes in opposition by Mr. Davis and Ms. Pierce.**

DISCUSS EXECUTIVE COUNSEL VACANCY AND TIMELINE

Mr. Bujol presented the timeline to fill the Executive Counsel vacancy.

DISCUSS AND CONSIDER MOVING EXPENSES FOR NEW CHIEF INVESTMENT OFFICER

Mr. Bujol presented the moving cost incurred by Mr. Freedman, the new Chief Investment Officer to move from New York to Louisiana.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to reimburse Mr. Freedman \$2,500 with the

understanding that if he leaves LSERS before 18 months, he must reimburse LSERS the proportionate amount remaining on his 18-month commitment.

UPDATE ON CHILLER REPLACEMENT

Mr. Bujol reported to the Board that Airtrol had been selected as the successful bidder on the replacement of the chiller at a cost of \$144,000 with an expected completion by summer.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to accept the report on the Chiller.

RECOMMENDATIONS FROM THE INVESTMENT COMMITTEE MEETING

Mr. Rester recommended that the reports be ratified.

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved ratification of the reports.

OTHER BUSINESS

Mr. Faulk recommended that action be taken on the resignation of Lauren Bailey as Executive Counsel.

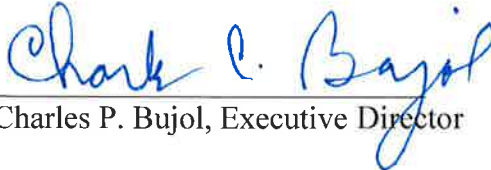
ON MOTION OF MS. LANDRY, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the resignation of Lauren Bailey as Executive Counsel.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 10:13 a.m.


Charles P. Bujol, Executive Director


Jeffrey Faulk, Sr., Chairman

