

Louisiana School Employees' Retirement System
Special Board Meeting

Monday, October 1, 2018

11:05 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 11:05 a.m.

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Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Andrea Matte, Ms. Colleen Barber, Ms. Penny Brown, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Lori Pierce - designee for Mr. John Schroder – State Treasurer, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration

Members Absent: Representative Barbara W. Carpenter – House Committee on Retirement, Senator Barrow Peacock – Chairman, Senate Committee on Retirement, Mr. Kyle Ardoin – Secretary of State

Staff Present: Mr. Charles Bujol – Executive Director, Mr. Robert Collins - Executive Counsel, Mr. Matthew Freedman - Chief Investment Officer, Ms. Laurie Stark – Administrative Program Specialist A, Ms. Chenfei Zhou – Assistant Director, Ms. Carolyn Forbes – Assistant Director, *Ms. Melinda Carson – Chief Financial Officer, *Ms. Michelle Bridges – Executive Management Officer

Others Present: *Mr. Jeff Boucek and *Mr. Rob Hungerbuhler - Segal Marco Advisors, Ms. Dawn Moeller and Ms. Elizabeth Thornton – Louisiana Legislative Auditor, Mr. Greg Curran – G. S. Curran & Company, *Ms. Laura Gail Sullivan – Senate Committee on Retirement, *Mr. Tyler Bosworth – House Committee on Retirement

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*Mr. Boucek and Mr. Hungerbuhler left at 12:03 p.m.
Ms. Bridges and Ms. Carson left at 12:43 p.m.
Mr. Bosworth and Ms. Sullivan left at 12:48 p.m.

APPROVAL OF AGENDA

The agenda was presented the Board for approval.

ON MOTION BY MS. BROWN, 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 REPORT - FY ENDING JUNE 30, 2018**FINANCIAL – LOUISIANA LEGISLATIVE AUDITOR'S OFFICE**

*Dawn Moeller, CPA
Elizabeth Thornton, 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, 2018 Audit. She commended LSERS on receipt of an audit with no findings and unmodified opinion. Ms. Moeller then addressed questions from the Board.

ON MOTION BY MR. YEARBY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the 2018 Financial Audit report.

ANNUAL REPORT – FISCAL YEAR ENDING JUNE 30, 2018**ACTUARIAL VALUATION – G.S. CURRAN & COMPANY, LTD.**

Greg 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, 2018. Mr. Curran then addressed questions from the Board.

ON MOTION BY MR. YEARBY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT the Board approved the 2018 Actuarial Valuation report.

RECOMMENDATIONS FROM THE INVESTMENT COMMITTEE MEETING

Mr. Rester recommended that the Board approve a commitment of \$50 million to ArrowMark Global Opportunity Fund II, subject to legal review. He further recommended that the Board approve a commitment of up to \$30 million to Maverick Real Estate Partners, subject to capacity availability and legal review.

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved a commitment of \$50 million to ArrowMark Global Opportunity Fund II, subject to legal review.

ON MOTION BY MR. YEARBY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board approved a commitment of up to \$30 million to Maverick Real Estate Partners, subject to capacity availability and legal review.

LSERS PROPOSED OPERATING BUDGET FY 2019-20

Mr. Bujol and Ms. Zhou provided a review of LSERS' proposed operating budget for Fiscal Year 2019-20 which included a 0.16% decrease from the existing Fiscal Year 2018-19 budget. They then addressed questions from the Board.

ON MOTION BY MR. RESTER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT the Board approved the 2019-20 LSERS Operating Budget.

NEW DROP/IBRP LA INVESTMENT OPTION WITH EMPOWER UPDATE

Mr. Bujol and Ms. Zhou reported after much research into a DROP/IBRP LA Self-Directed Plan with Empower, they have no further updates at this point. They will continue working with Empower in the negotiations, may expand the research to other organizations, and will report back in the future.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MS. BARBER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:57 p.m.



Charles P. Bujol, Executive Director



Jeffrey Faulk, Sr., Chairman